

ENERGY — 1983

JANUARY — ~~MAY~~ 31.

West Cape 'vulnerable' to power cuts — Escom

AR&US

3/1/83

55

Staff Reporters

THE power failure which affected almost 60 per cent of the country at the weekend showed the vulnerability of the Western and Eastern Cape to any form of breakdown in the supply of electricity from the national grid, according to a senior Escom official.

Commenting on the 90-minute blackout which began shortly before 11 pm on New Year's Day, Mr Etienne du Plessis, Escom's chief public relations officer, said the Western Cape drew more than 80 per cent of its electricity from the northern parts of South Africa.

"This is the reason we are building both the Palmiet pump storage

scheme and Koeberg — it is better to spread the load throughout the country on a regional basis than to rely entirely on a central grid."

Earlier Mr du Plessis had ruled out sabotage as a cause of the power failure.

"A certain current transformer broke down affecting the whole of the Western and Eastern Cape supplied by Escom.

"I don't want to go into details about the total extent of the effects of the breakdown for security reasons," he said.

Mr du Plessis also declined to give the location of the faulty transformer or the number of sub-stations affected.

"The people on the spot rectified the main problem within an hour, using back-up systems designed for this type of situation."

The South West African Water and Electricity Corporation was able to draw enough power from SWA/Namibian sources to ride out the power failure.

A SWAWEC spokesman said the Ruacana

hydro-electric scheme and the Van Eck power station in Windhoek had between them supplied sufficient power for the territory's needs.

Senior traffic inspector Mr J Minnie, who was in charge of the Cape Town Traffic Department on Saturday night, said the emergency plant came on automatically when the current went off at 10.50 pm and there were no problems.

No direct calls for assistance at accidents were received during the blackout. All available

personnel were put on alert and the nightshift staff congregated at headquarters, he said.

A spokesman for the South African Transport Services said the failure was fortunately very late at night and therefore affected "only a handful of late-night trains".

He said most of the travellers had been homeward-bound revelers and cinemagoers.

Because power was returned in phases, railway services were not resumed for between five and five-and-a-half hours.

ANC 'planned blasts long ago'

Cape Times 3/1/83 ~~3/1/83~~ ~~5/1/83~~

PRETORIA. — The explosions at Koeberg and assassination of a former African National Congress (ANC) executive were planned by the ANC months before the South African Defence Force (SADF) raid into Lesotho, police said yesterday.

Lieutenant-General P J Coetzee, Chief Deputy Commissioner of the security police, said in Pretoria that the Koeberg blasts had "nothing whatsoever to do with the Maseru raid or subsequent burial of some of the victims".

Investigations into the blasts at the nuclear power station proved conclusively that the sabotage was planned months ahead of last year's raid on ANC targets in Maseru, he said.

There had also been press speculation that the assassination of a former ANC-South African Communist Party executive, Mr Bartholomew Hlapane, and his wife had been in retaliation for the Maseru raid.

"Mr Hlapane has been on the ANC's death list since the early 1960s and previous attempts to assassinate him were thwarted by security action," the general said.

Over the years, other people who had forsaken the ANC-SACP cause had also been assassinated.

General Coetzee said it had been reported that unarmed ANC refugees had been killed in the Maseru raid. It was "revealing to have a closer look at some of these so-

called refugees".

He named five ANC members killed in the SADF strike and listed their activities. Jackson Balisani Tayo, Zola Sgonyela Ngini, Ligwa Graham Mdlankomo, Adolph Joseph Mpongoshe, and Cambridge Morena Lucky Moloisane all received guerilla training in Lesotho, Angola or East Germany.

All had been detained or had served sentences on Robben Island for their activities before illegally leaving South Africa for Lesotho.

'Infiltrated Cape'

In Lesotho, they trained ANC guerillas in the use of communist-manufactured weapons and assisted in helping them infiltrate the Eastern Cape and Transkei.

"Several others have also received specialist training in Russia, East Germany and Angola," General Coetzee said.

Another ANC member killed in the Maseru raid had been a member of the organization's assassination squad and had been on several missions to the Eastern Cape and Transkei. He was also responsible for the attempted assassination of the former Commissioner of Police in Transkei, Major-General M Z Ngceba, General Coetzee said.

The Commissioner said another misconception "prevalent among a certain section of the press" was that the ANC would in future launch attacks on civilian targets in

South Africa in retaliation for the Maseru strike.

"Even a casual look at the kinds (of terrorism) perpetrated by the ANC-SACP since they declared war on the people of the RSA more than two decades ago reveals that hundreds of acts of terrorism, murders, bombings, assassinations, etc, were not solely directed at State targets," General Coetzee said.

"How can the dead and wounded hostages of the Silverton bank siege or the dead of the Gough Street murders be described as anything but civilian?"

"How can the indiscriminate placing of bombs in shopping centres frequented by people of all races, bus shelters, motor showrooms and other public places be regarded as being directed against the State?"

"How can the shooting and leaving for dead of black civilians by terrorists (the Soekmekaar and Wonderboompoort ANC attacks were carried out after the terrorists had robbed and shot black civilians) be regarded as being directed against the state?"

General Coetzee said South Africans were well aware that the ANC had "long ceased" to be a legitimate black nationalist organization. "It is directed by the SA Communist Party, which in turn is directed by the Soviet Union," he said. — Sapa

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

	Internal	External
(1)	(2)	(3)
64	64	
Examiners' Initials		

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
 2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
 3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
 4. Do not write in the left hand margin.
1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
 2. Candidates are not to communicate with other candidates or with any person except the invigilator.
 3. No part of an answer book is to be torn out.
 4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

302 (55)
RDM
7/1/83

Minister denies Zimbabwe fuel supply report

By DON MARSHALL
Pretoria Bureau Chief

THE Minister of Mineral and Energy Affairs, Mr P T C du Plessis, has denied a report emanating from London that South Africa has signed a three-year agreement to supply petrol and diesel fuel to Zimbabwe.

The denial comes as Zimbabwe's critical fuel supply position worsened yesterday with a fourth attack on the country's 288km fuel pipeline to the Mozambique port of Beira.

Official sources said Mozambique Resistance Movement (MRN) rebels blew a massive hole in the pipeline late on Wednesday at Maforga, the half-way point in the line.

The pipeline was scheduled to come back on stream on Saturday after an MRN

attack on a Beira fuel depot that feeds the facility

According to a report by the British newspaper The Guardian, a Zimbabwean minister, probably the Energy Minister, Mr Simba Mankoni, met his South African counterpart, Mr Du Plessis, in Botswana last week to sign the supply contract.

Yesterday, a spokesman for Mr Du Plessis denied there had been discussions between South Africa and Zimbabwe at Ministerial level.

Neither had an agreement been signed between the two countries, the spokesman said.

And a spokesman for the Prime Minister's office in Harare said yesterday Zimbabwe has held no meetings with South Africa at Ministerial level and has no intention of doing so.

Koeberg sirens spark new row

CALL-TIMES 12/1/83 (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)

By JANE ARBOUS
Municipal Reporter

THE Divisional Council is angry because Escom ordered a R300 000 siren alert system for the Koeberg danger zone and expects the council to foot the bill.

Another blow

The Works Committee yesterday refused to pay for the system, but the council might have no choice.

In a further blow, Escom has told the council

that it will not help to pay for any special civil defence equipment, in spite of an earlier promise to do so.

The council is responsible for civil defence in the area surrounding Koeberg. However, it believes it only fair that because Escom has introduced a special hazard (Koeberg) into the area, it should be liable for the additional costs of protective measures.

Details of the latest row over Koeberg and the

emergency plan were disclosed in strongly-worded papers at the Works Committee meeting yesterday and the issue will be debated at the full council meeting at the end of the month.

In a letter dated October 25, Mr G F Hellstrom, Escom regional manager, said Escom was prepared in principle "to provide financial assistance to establish the required capability to respond to a Koeberg emergency". He asked the council to send him details of the costs.

Shock

In consequence, the council went ahead with its planning and did not consider it necessary to make any provision for the expenditure involved in the 1983 capital estimates.

To the council's considerable shock, it was informed on December 10 that not only was Escom not going to provide any financial assistance but it was ordering an expensive siren system for which it expected the council to foot the bill.

The council secretary, Mr W Vivier, told the Works Committee that the reason for buying the system was to enable Escom to obtain its licence from the Atomic Energy Corporation to load the reactors.

The only money available for equipment was a R100 000 grant from the Provincial Administration, with no known prospect of more, he said.

"The latest Escom attitude leaves the council facing a dilemma."

The committee accepted his recommendation that Escom be given permission to erect the siren system on council land, but that it meet all costs.

'Displeasure'

If there is no financial assistance either from Escom or the Provincial Administration, the council might have to carry the costs by obtaining bridging finance.

Mr Vivier recommended that the council convey its "displeasure" at Escom's change in attitude.

Sparks to fly over illegal switch-ons

Wrab warns poachers

By SELLO RABOTHATA
RESIDENTS in Soweto who are connecting electricity to their homes illegally will be prosecuted, the West Rand Administration Board (Wrab) warned yesterday.

The warning follows information that a white man is installing electricity in some areas of the sprawling township. He

is said to be charging residents R60 and more for the service. So far nearly 30 homes have been using this illegal "power" according to a Wrab official.

SCHEME

An investigation by **SOWETAN.** The revealed that numerous Soweto residents, impatient with the progress of the electrification

scheme, have resorted to this illegal scheme. It also found that several householders who had had their lights cut off because of being in arrears with payment, were reconnecting electricity without the knowledge of the authorities.

Mr R E du Toit, assistant director of electricity for Wrab, yesterday said: "It has come to our

knowledge that there is a person who is installing electricity illegally in the townships. He also charges people for the power switch on. This whole thing is illegal and a criminal offence. The problem is that we have to catch them in the act.

POLICE

"Anybody who is found to have connected

electricity illegally will be reported to the police and will be prosecuted. These people will have their power disconnected and after the contractors are through and the scheme handed over to us, we will conduct a thorough check. All these people will receive accounts, and they will be big ones, for the energy consumed."

Mail Reporter

THE water situation on the Witwatersrand was back to normal yesterday — but the findings of Escom's inquiry into the power failure that sparked the three-day crisis remain secret.

A spokesman for Johannesburg's City Engineer's Department, Mr John Bates, said water had been restored to the 17 affected suburbs between 5pm and 6pm on Saturday. The worst-hit areas were Hursthill, Brixton, Auckland Park, Mayfair, Crosby and Westdene.

The suburbs were left without water after the electricity supply from Escom to the Rand Water Board's Zuikerbosch pumping station was cut off.

Mr Bates thanked the public for their patience. Although the department was still battling to fix "quite a few" water mains — mainly old pipes which burst with the sudden surge of water — the water tankers had been withdrawn and were now on

Water normal, but probe result secret

55 ROOM 17/1/83

standby, he said.

People are reminded that the normalisation of the water supply has not altered the water restrictions.

Meanwhile, although thousands of city dwellers were inconvenienced, Escom — having ruled out sabotage — has said that the findings of their inquiry will not be made public.

An Escom spokesman, Mr Etienne du Plessis, said yesterday an "imbalance in the voltage" at 10pm on Tuesday night had cut the water supply. The imbalance had not been detectable at the substation, and his men had had to walk under the lines to find the fault — one of three lines making up a three-phase sys-

tem had pulled out of its clamp.

He ruled out the possibility of sabotage as a cause for the fault and said that the lines carried 88 000 volts which "you can't get near to unless you switch off the power or have special equipment".

The electrical supply to the pump stations of the Rand Water Board was effectively cut for almost 19 hours. It was restored by 9.30am on Wednesday. But the same fault occurred again on Wednesday night at 11pm, and was not repaired until 6am on Thursday.

During the power interruptions, Escom supplied power on another back-up line "but they needed more to make

the pumps run at their maximum", Mr Du Plessis said.

It took nearly three days to restore the water supply to the "dry" suburbs because the reservoirs serving the areas were empty and the power was used to fill the reservoirs before the water could be passed on to residents.

Mr Du Plessis said if anyone wanted to know about the inquiry they could phone Escom. A Rand Water Board official would not comment, and refused to give information on how other senior officials could be contacted because he had been told they "did not want to be bothered".

face negative growth this year because of the severe drought.

He ruled out general salary increases for civil servants in April and predicted an increase in black unemployment

PRESSURE

Pressure for salary increases would be lessened this year throughout the economy and the only bright spot was that inflation had continued to fall in most Western countries

Dr de Loor was even more gloomy about the state of the world economy

While the United States monetary and economic policies over the past two years could "not be faulted", as the main engine of economic growth in the world, the US had "so far been found wanting".

CONSTRUCTION

Although "various straws in the wind" including a modest revival in the construction sector seemed to underpin the belief that the mammoth US economy was moving into a recovery phase, the coming revival would be modest.

In South Africa, the next upswing would have to be export-led, he said.

Village attacked

BANGKOK. — Vietnamese-led forces have retaken a strategic village in western Kampuchea after fierce fighting with guerrillas who overran it late last month, Thai military sources claim. — Sapa-AP.

'Delay Koeberg' petition launched

Political Staff
THE "Delay Koeberg" campaign is getting into its stride, the Western Cape chairman of the Progressive Federal Party, Mr Roger Hulley, said today.

He announced that petition tables would be set up at points throughout the Peninsula on Saturday and a public meeting was being arranged for next week

Thousands of leaflets were being distributed urging the public to support the petition to the Government

TEXT

The text of the petition reads:

"We, the undersigned citizens of the Western Cape, call upon the Government not to activate the Koeberg nuclear power station until all construction activities have been completed and until independent safety and security assurances have been provided to the public."

Mr Hulley said that since the launching of the campaign much support had been received from members of the public. Volunteers had come forward to help.

The leaflets, issued in conjunction with the campaign, stress that the petition "does not represent opposition to nuclear power as such, but is a strong appeal that there

must be no start-up until it is absolutely safe to do so".

The leaflets say:

"Bland assurances are not enough

"The reason for this step is that the public has a right to complete protection from the risk of an incident which could cause a release of radiation so close to Cape Town

"Now that it has been demonstrated that the security of Koeberg has been penetrated during the construction phase, and now that the Government has admitted that complete security control over thousands of building workers is not possible, it would clearly be irresponsible to activate the first of the two reactors on schedule early in 1983 while construction activities on the rest of the site are still in progress.

PRUDENCE

"Furthermore, it would be no more than commonsense prudence to insist that the plant as a whole should not be switched on until an independent clearance of fail-safe security and operation at the plant has been obtained."

The organisers of the petition say they realise that the proposed delay in activating Koeberg could mean that an expensive capital installation would lie idle for a period.

"I congratulate Mr Joe Pamensky and the SA Cricket Union very warmly on their tremendous success in making the West Indian cricket tour a reality. This is their third international breakthrough in less than a year," he said in a statement yesterday.

"This dramatic achievement is obviously a powerful incentive to the promotion of cricket and sport in South Africa and internationally but in particular also among our non-white population.

"I welcome very warmly this team of some of the world's leading cricketers. I am sure our visitors will enjoy our hospitality and have an exciting tour.

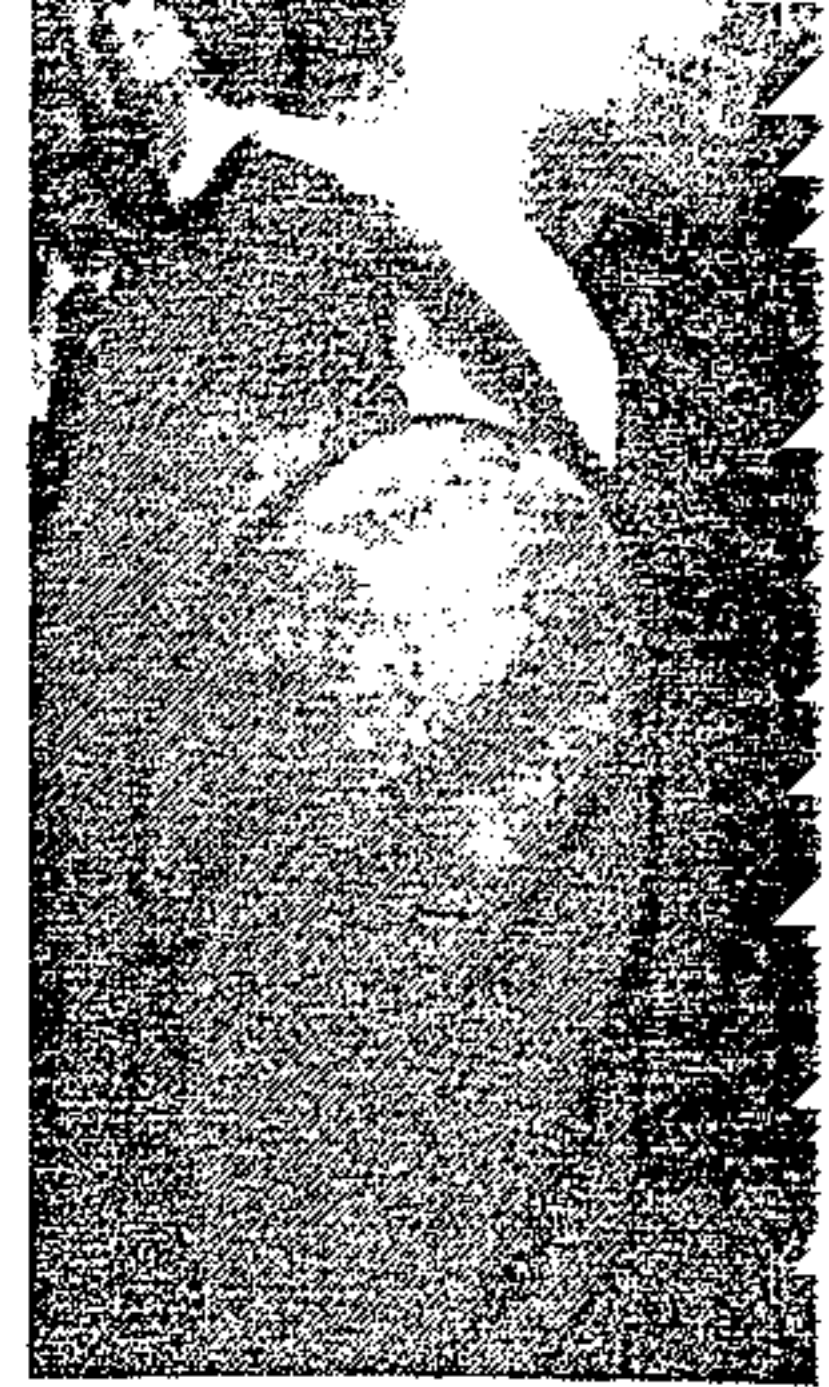
"The Windies are confronting South Africa's cricket stars with the toughest challenge in years.

"Their attacking style is proving an exciting attraction and capacity crowds can be expected.

"Following media speculation about possible Government financing of the West Indian tour, it appears to me from reliable information that the tremendous public enthusiasm and handsome gate income augur extremely well.

"It is obvious that the costs of the SA Cricket Union's international tours must put heavy pressure on their financial resources."

He said he was sure his offer to assist financially would be endorsed by all true sport lovers in this country. — Sapa



A MOMENT of relaxation on a tour — visitors from Northern Province's Robben Island Cricket Club.

Cosmos de

Argus Bureau

WASHINGTON.

American space experts said today radioactive debris from the Soviet spy satellite, Cosmos 1402, could plunge to earth this weekend — perhaps as early as Friday.

Though US tracking stations are watching the satellite's two-ton nuclear reactor with intense interest, scientists here are unable to say precisely where and when it will come down — or how much of it will survive the fierce temperatures generated by re-entry into the atmosphere.

One official said the scientists would have a clearer idea about seven hours before re-entry when they would be able to plot a course

YOU PAY LESS AT

CALCULATOR

BY



Accident setback at new Soekor borehole

By GORDON KLING
A MULTI-million-rand accident at Soekor's latest borehole off the Mossel Bay coast has set back development on what is hoped to be South Africa's first commercial oil-field.

The State-backed oil exploration undertaking yesterday confirmed that "technical problems" had occurred at the well, designated EG3. It declined to elaborate.

It is understood from sources working on the giant Sedco K oil rig, however, that a 215-ton piece of equipment was recently toppled off the well-head on to the ocean floor, from where it can-

not easily be removed.

The EG3 borehole is the first step-out well to be drilled on the structure of the EG2 well which last September produced significant amounts of crude oil for the first time in South Africa's 15-year search for oil.

Soekor would not confirm that the problem centered on a guide bloc assembly — a complicated piece of equipment estimated to cost well over R2-million and consisting of a series of hydraulic rams used to manoeuvre pipes into the well — or a blow-out preventer — intended to control pressure released by gas pockets — or both.

It is understood that the damaged apparatus cannot readily be lifted in one piece, but a mechanism which enabled it to be separated into two units was damaged in the accident.

Diving sources said yesterday that Soekor had a video camera at the site of the damage and a repair squad with six tons of equipment had been flown in by a Hercules from Scotland.

They maintained that repairs had been delayed by a Soekor decision to discontinue the contract last year for a South African deep-water emergency back-up system.

Cape Times 19/1/83 (55)

ARG 43
20/1/83
58

Safety first at Koeberg — MPC

Science Reporter

THERE should be no question of the Koeberg nuclear power station generating power until all construction work on the site was complete and until there was a comprehensive emergency plan for the station and surrounding areas.

This is the opinion of Dr John Sonnenberg, Progressive Federal Party spokesman for health in the Provincial Council.

Commenting on the launching of the PFP's "Delay Koeberg" campaign, which calls on the Government not to activate the nuclear plant until construction at the site is complete, and "safety and security assurances have been provided to the public", Dr Sonnenberg said the public had a right to demand such a delay.

While it was physically impossible for an "atomic bomb-type" explosion to occur, there was a chance, even if remote, of an accidental radioactivity.

FEAR

"The fear is that if there was such an accidental discharge, it could reach Cape Town and the Atlantic seaboard within a very short time," he said.

"My own constituency of Green Point is only 25 km from the station and a radioactive plume resulting from an accident at the plant could reach the Atlantic seaboard within a few hours.

"Normal emissions into the air or the sea, which would be carefully monitored and from which the public has nothing to fear, would not be released at these times, but if there was an accident such as occurred at Three Mile Island, small though this chance may be, the public would be at risk.

"For these reasons a complete emergency plan incorporating all 18 local authorities in the areas surrounding the plant must be in existence before the plant goes on stream."

Pretoria

power

project

By ALINAH DUBE

THE Mamelodi Administration Board is to spend R1,5m on its electricity project to increase power in the township.

There had been an outcry by businessmen who said they were losing thousands of rands due to regular power cuts. They said they had to throw away large amounts of food because their refrigerators were off most of the time.

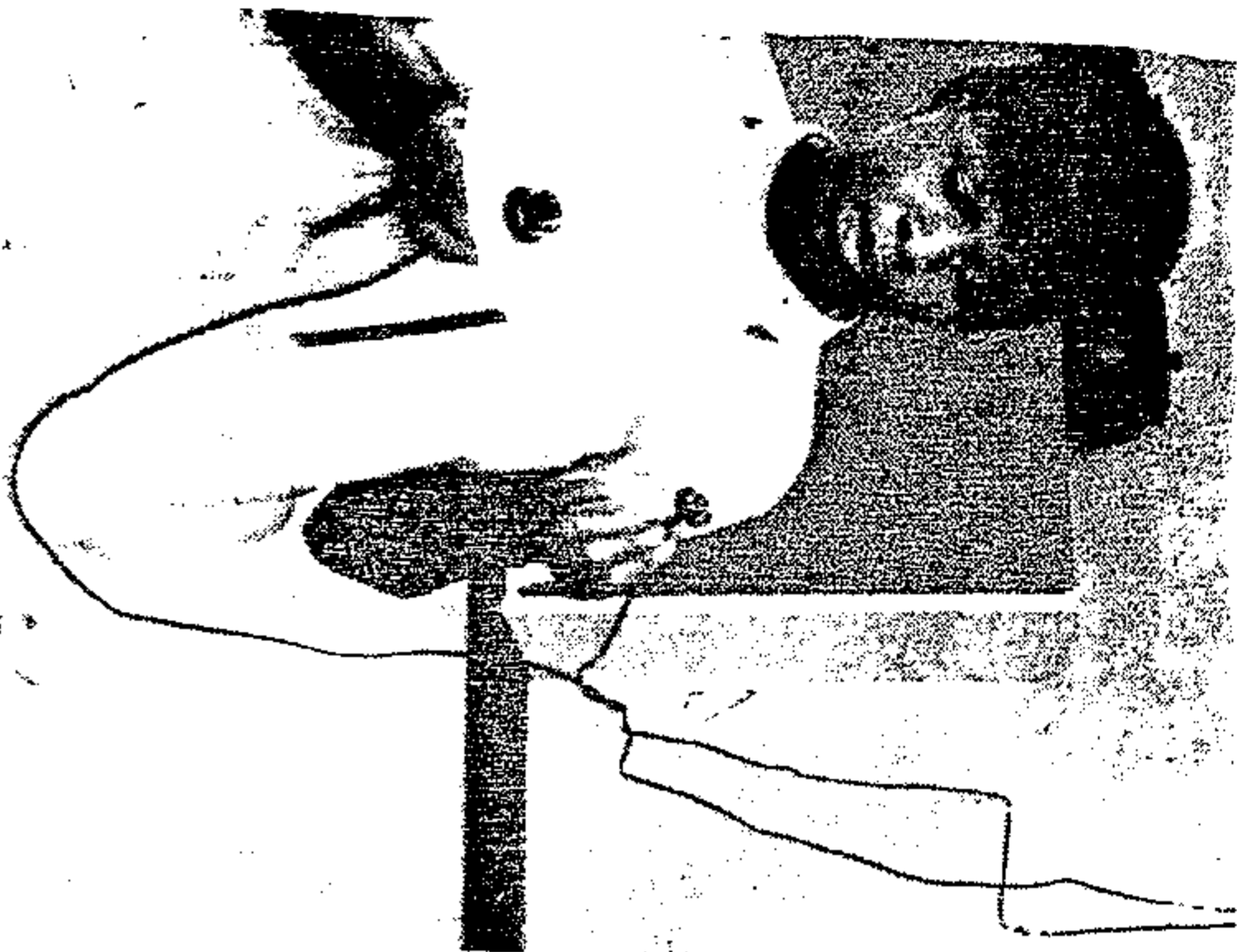
A spokesman for the Board, Mr L Graser said construction work had started and that six transformers would be installed. He hoped the project would alleviate the problem which had resulted in a number of businessmen losing hope in the leadership of their community council.

The chairman of the local Industrial Association, Mr A D C Makena, said he was thankful that the authorities had reacted positively to the plight of the community. He said the power failure had cost him a lot of money at his shop.

Mr Makena said it was high time community leaders communicated with the residents when there was a problem in the area.

"Things will always go wrong as long as the black people have the kind of leadership, which does not have their welfare at heart," he said.

Residents will be notified by councils



LIGHTS: R30 deposit to be paid

NO SWITCH-ON

55
2/11/83

Some fan 20/1/83

THERE WILL be no big switch-on

when the R212-million electrification scheme is completed at the end of the year, the Soweto Council's director of finance said yesterday.

Mr Irwin Florence said many residents, despite having received letters from the council notifying them that their houses were ready to be connected to electricity, had not paid deposits.

By LEN MASEKO

Householders were required to pay deposits of R30 before lights in their houses were switched on. However, the connection fee would be increased in the near future.

"We can not say at present how much the increase will be. The council will decide at its next monthly meeting," he added.

The electrification project is scheduled to be completed by the end of this year and all the 105 000 Soweto houses will have been connected to power.

Mr Florence said houses which were wired had to be tested before connected to electricity. This was to ensure that the electricity supply in that area was safe and would not result in frequent power cuts.

Most are under the impression that the whole of Soweto will light up in December.

So far, 67 376 houses had been wired in Soweto, Diepmeadow and Dobsonville. Of the total, 56 609 had been tested and passed by the Johannesburg Electricity Department and were in the process of receiving power.

He said contractors were wiring houses at the rate of 3 000 a month. Twenty-six mini-substations had been erected.

"Power is being connected from area to area and there is nothing like a big switch-on. When an area has been reticulated and houses wired, residents are then sent letters notifying them they should pay deposits to their local office immediately," Mr Florence told **The SOWETAN**.

S. Times
23/1/83

Opec giants take part in SADCC conference

MORE than 60 countries and international organisations are to seek ways to improve the energy requirements of independent Southern African states when they meet in Maseru this week.

And leading the discussions will be oil giants Kuwait, Egypt, Venezuela and Nigeria, says a spokesman for Lesotho. All three are members of the Organisation of Petroleum Exporting Countries (Opec).

It will be the most high-powered conference on energy, agriculture and industry problems held in Southern Africa, and is taking place at a time when Zimbabwe, in particular, is in the grip of an oil crisis.

The occasion is a conference of the Southern African Development Co-Ordination Committee (SADCC). Preliminary discussions are to start tomorrow, with the nine-member council of SADCC Ministers meeting on Wednesday.

The official opening, by King Moshoeshoe II of Lesotho, is on Thursday.

Agriculture, industry, transport and energy are the main items on the agenda, the first to be held by SADCC in Lesotho. Previous meetings have taken place in Zim-

By NORMAN CHANDLER

babwe, Swaziland, Botswana and Mozambique.

All nine member states — Angola, Botswana, Lesotho, Swaziland, Mozambique, Malawi, Zambia, Lesotho and Tanzania — are to be represented at ministerial level, but it is believed that a number of heads of state may make an appearance as well.

"As far as we are aware, Ministers are to represent their countries, although that does not rule out the possibility of prime ministers and presidents coming here," a government source said.

Countries and agencies, apart from the frontline states, to be represented in Maseru include Canada, Denmark, Egypt, West Germany, Kuwait, Sweden, the United Kingdom, Switzerland, the United States, Venezuela, Yugoslavia, the Netherlands, Nigeria, Norway.

Portugal, Eire, Finland, East Germany, India, Australia, Austria, Belgium, Brazil, the Organisation for African Unity, the African Development Bank, the Canadian International Development Agency, the Commonwealth Secretariat, and United Nations aid organisations.

Energy Minister tells of 'economic reality'

SA 'wants energy ties with its neighbours'

55 RWM 25/1/83

By J S MOJAPELO
Pretoria Bureau

SOUTH Africa wanted to help neighbouring countries with their energy needs but was meeting resistance from them, the Minister of Mineral and Energy Affairs, Mr Piet du Plessis, said yesterday.

He told a Pretoria energy conference organised by the South African National Committee of the World Energy Conference that energy trade in southern Africa could help boost the economy of the sub-continent.

"We are, in principle, prepared to share with our neighbours, to assist them with their energy requirements and to import energy," he said. "While there are many unfortunate forces currently acting against such energy collaboration, economic reality must eventually prevail, to the benefit of all."

Mr Du Plessis did not mention any country by name but was thought to be referring to Zimbabwe which, although it is suffering a crippling fuel crisis, has refused to discuss the matter with South Africa at ministerial level.

The Minister said South Africa was still vulnerable for its crude oil requirements. The country relied on coal for more than 80% of its energy needs and this was rising to 90%.

"No guarantees exist regarding long-term future security of supply of this commodity for any importing country," he said. South Africa must have sources of energy enabling her to be largely self-sufficient.

He said this did not imply total energy independence, because it was beneficial, for economic reasons, to import some energy.

"We should, however, avoid a situa-

tion where we are vulnerable to outside interference or where we could be held to ransom by our suppliers," he said.

Mr Du Plessis denied that the country's coal exports would exhaust supplies. He said export quantities approved by the Government would always be a tiny percentage of the country's supply.

The Government was encouraging private industry to participate in future synthetic fuel projects, Mr Du Plessis told the conference.

"My department has submissions from a number of undertakings for the erection of fuel plants ranging from methanol plants to advanced oil-from-coal schemes."

"These are being studied and while there is no clear-cut 'best scheme', I hope to make an announcement in this regard in the not-too-distant future," he said.

SA's oil search has cost 'more than R430m'

By J S MOJAPELO
Pretoria Bureau

AFTER spending more than R430-million seeking oil reserves, South Africa may now be on the verge of developing viable offshore oil and gas reserves, Soekor said in Pretoria yesterday.

The managing director of 18-year-old Soekor, Dr P J van Zijl, told an energy conference at the conference hall of the Council for Scientific and Industrial Research yesterday that Soekor had switched its oil and gas search from the land to the sea.

Soekor had drilled 73 offshore holes in its search for oil at a cost of R353-million.

Of that, Soekor had spent R303-million. The total onshore expenditure had been R77 400 000, of which Soekor's share was R37 400 000, he said.

The offshore exploration had achieved a "degree of success" and, according to his expectations and the results of further investigations, South Africa might soon have its own viable offshore oil and gas field.

"The odds are on our side," said Dr Van Zijl, who told the conference of "encouraging results" so far, ever-improving oil field techniques and the quality and dedication of Soe-

kor staff.

Soekor had discovered two gas fields — in Plettenberg Bay and at the mouth of the Orange River — but nothing had been done because the Plettenberg Bay field had been too small, and "political uncertainty" had hampered development of the Orange River mouth field.

Offshore oil exploration would cost between R600-million and R900-million. Offshore gas exploration costs had been estimated at between R500-million and R800-million, Dr Van Zijl said. But there would be no problem in selling any crude oil to local refineries because South Africa imported crude.

The marketing of gas was "much more complicated and risky". Soekor would rather concentrate on finding oil, but any oil find was likely to involve some gas, he said.

Financing the development of an offshore oil or gas industry also presented special risks — such as the escalation of the price of oil in real terms.

Local banks interested in financing offshore projects should link themselves with overseas banks, which had more experience, Dr Van Zijl said.

SA remains dependent on coal

Pretoria Bureau

SOUTH Africa would be heavily reliant on coal as its prime energy source for the remainder of the century, the chief research officer of the Energy Research Institute, Dr K F Bennett, said yesterday.

Dr Bennett told an energy conference organised by the South African National Committee of the World Energy Conference in Pretoria that none of the alternatives considered had the potential to alter this trend.

He said the country's primary energy requirements were based on coal and crude oil. Approximately 75% of the present demand was supplied from coal.

"Unless significant quantities of crude oil are discovered off the coast of South Africa, coal is likely to shoulder an increasing amount of the country's energy requirements with a resultant decrease in demand for imported crude oil," he said.

Dr Bennett warned that though the country had con-

siderable reserves of coal, the question arose whether other energy sources could be utilised to supplement and stretch coal reserves.

Dr C F Garbers, the president of the CSIR, said the country's Achilles heel lay in transportation fuel.

"Regardless of viewpoint, one certainty is that in the short to medium term there will be no problem with reserves of the energy feedstock as such." Dr Garbers said.

US blocks SWA on nuclear body

By RICHARD WALKER

NEW YORK. — The United States has moved to block an International Atomic Energy Agency decision to admit South West Africa as a member.

It has done so — and touched off a confrontation with the United Nations Council for Namibia — by rejecting SWA's instrument of acceptance of the IAEA statute. The US is the depository government for the statute.

Only the Western Contact Group nations and Japan expressed reservations when the IAEA general conference approved the admission of SWA, to be represented by the UN Council for Namibia.

The US move to thwart this is the most substantial challenge so far to a process that

has seen SWA — as represented by the UN's Namibia Council — become a full member of such international organisations as the Food and Agriculture Organisation (FAO), the International Labour Organisation (ILO), the International Telecommunications Union (ITU) and Unesco.

SWA is also an associate member of the World Health Organisation and last month it signed the final act of the Law Of The Sea Convention in Montego Bay, Jamaica.

In making its stand, the US protested that SWA was not a state as defined by international law and it noted a UN legal opinion that the Council for Namibia was not the government of a sovereign state, but a UN organ claiming responsibility for the administration of a territory.

26/11.83

53 Star 27/1/83

SA must depend on own resources

By Sheryl Raine,
Pretoria Bureau

Nuclear power and coal emerged as the main contenders in South Africa's energy race of the future when the South African National Committee of the World Energy Conference met at the CSIR this week.

The conference, which took place against the background of the present world oil glut, drove home the message that South Africa's politically sensitive position in the

world energy market made it imperative to use her ample natural resources in the best way in the decades to come.

Discussions on alternative energy sources ranged from resources with little potential such as tidal and geothermal energy, to resources where technological and economic barriers existed such as solar electricity, wind and waves and hydrogen energy. Also under examination were resources where lack of money prevented widespread implementation, such as hydro-electric power, solar heating and biomass energy.

RELIANT

Most of the experts concluded that South Africa would be heavily reliant on coal as a prime energy source in the immediate future, regardless of seemingly seductive alternatives and the increasingly viable nuclear energy option.

Some experts predicted that the country's demand for coal could triple by the year 2000.

Black gold — South Africa's second largest foreign exchange earner — already provides 95 percent of fuel requirements for electricity, and supplies the country's oil-from-coal plants.

It earned the country

almost R1 000 million in exports in 1981 and in less than five years South Africa has become the third largest exporter of coal in the world, after the United States and Australia.

And the future of coal was even rosier than previously estimated, said the Director-General of the Department of Mineral and Energy Affairs, Mr Sarel du Plessis.

"Latest indications are that our coal reserve is 113 000 million tons and not 110 000 million tons as estimated 10 years ago," he announced.

"Recoverable reserves are estimated at 57 000 million tons, 6 000 million tons more than in the previous estimate."

The increased reserve was due to improved extraction methods and economics.

While the availability of coal did not seem to be a problem, rapidly increasing demands for coal would strain the manpower and financial resources of the coal industry.

CRISIS

Mr S P Ellis, chief executive (coal) of Gencor, predicted the coal industry would face a skilled manpower crisis which could put constraints on the development of an industry vital to the South African economy.

Emphasising the need to train black personnel, particularly black managers, Mr Ellis said the coal industry employed about 101 000 people and would have to employ more than double that number in 20 years time. Ninety percent of the current employees, were black, 60 percent of whom were unskilled.

GROWTH

The coal industry, given the developing nature of the South African economy, would be hard-pressed to keep up with the relatively high growth rate of coal sales which were expected to grow at between six and seven percent a year during the next 15 years.

While there was some optimism expressed by the managing director of Soekor, Dr P J van Zyl, that South Africa was on the verge of having its own viable oil or gas field off Mossel Bay, the energy experts noted that the day was still to come when indigenous oil would gurggle into local refineries.

Imported crude oil would remain important to South Africa's transport and agricultural sectors for some years to come.

The only other major alternative energy option presented was nuclear power.

The executive chair-

man of the Atomic Energy corporation, Dr J W L de Villiers, left no doubt in the minds of delegates that South Africa had the technology and the uranium to become completely self-sufficient in the field of nuclear power.

He expressed concern that within 17 years there would be world shortages of coal, oil, gas and uranium.

Focusing on the possibility of nuclear power for South Africa, Dr de Villiers anticipated the construction of a few more Koebergs before the beginning of the 21st Century.

FACTORS

Although the cost advantages of nuclear power were not as great in South Africa as they were in Europe due to the supply of cheap coal to Escom, Dr de Villiers said there were several factors which could bring nuclear power into competition with coal.

The regions where nuclear power could be come feasible included coastal areas which were far from coal fields and areas where water supplies were becoming over-exploited and could no longer be relied on for power station cooling purposes.

South Africa had the uranium reserves to support a relatively large

nuclear power programme, he said.

"The technologies needed for uranium enrichment are locally available," he noted.

"We also possess the technology required for fuel manufacture and therefore will be able, as far as the fuel cycle is concerned, to become completely self-sufficient if required to do so.

"Even as far as local construction of nuclear power stations is concerned, I am confident that this can also be achieved — provided the incentive to do so is large enough and given sufficient time for development".

Nuclear power — ranked among the safest, cleanest and most environmentally favourable forms of energy — should not be viewed with the same suspicion as the steam locomotive was, Dr de Villiers said.

FEARSOME

"The French Royal Academy Of Arts And Sciences said in 1829 that George Stevenson's locomotive was a fearsome monster which was criminally crazy.

"The academy also proposed that it be immediately banned in France.

"Let us not make the same mistake with nuclear energy."

SA ENERGY (55) Sitting pretty

FM 28/1/83

SA enjoys an enviable energy position. That was the somewhat surprising message at a conference held in Pretoria this week by the SA Committee for the World Energy Conference (Sancwec).

Media reports have suggested that new liquid fuels developments are imminent. But collapsing world oil prices (predicted by the *FM* some 18 months ago) make this unlikely.

SA is heading towards a 40% self-sufficiency in liquid fuels and also has the backstop of a large oil stockpile. This will provide a "breathing space" to consider further alternate fuel projects, says Robert Scott, energy planning director of the Department of Mineral and Energy Affairs. But this time

should be spent on careful planning and there should be no complacency.

Scott recognises that SA will eventually need further large synfuel projects to maintain a level of self-sufficiency as demand grows. And government is carefully weighing the nature of capital financing or tariff protection as incentives to the private sector to participate.

But he adds that some degree of energy dependence does confer advantages at times like these when oil prices are depressed.

One government decision revealed by Scott concerns methanol. In the light of the diesel shortage, the Energy Policy Committee has rejected schemes for adding methanol to petrol (the so-called M-15 option).

To a notable extent, government's own past fiscal policies on liquid fuels, which favoured consumption of diesel fuel over petrol, are to blame for the petrol/diesel imbalance. Options to curb diesel demand are being considered. They include "the elimination of existing duty rebates on diesel, the rationalisation of duties and levies in proportion to the energy content of the fuel (diesel has a higher energy content than petrol) and, if deemed necessary, the introduction of a new scheme to encourage the use of fuel types other than diesel."

Sasol's Theo van der Pas claims that substantial modifications to Sasol Two and Three should enable these plants to achieve an ultimate petrol/diesel ratio close to unity, compared with the original planned ratio of about 4:1.

Fluidised bed

Other energy matters also covered at the conference:

□ Energy & Mineral Affairs Minister PT du Plessis says government is funding the construction of a fluidised bed boiler at the CSIR for demonstrating the combustion of coal discards. This technology, it is hoped, will help solve the problem of ever-accumulating dumps of coal discards (high in ash and sulphur) in coal mining areas. Some of these dumps are already smouldering, wasting energy and creating pollution. The plant should be commissioned during 1984;

□ According to Soekor MD Piet van Zijl, a "small" off-shore oil field with a reserve of only 100m barrels would be profitable, but the prospects for developing off-shore natural gas finds are not as good. Marketing would be a particular problem.

Prospects of finding a payable oilfield near the latest oil discovery off Stilbaai (designated "EG") remain encouraging;

□ The anticipated decline in gold-mining towards the turn of the century is likely to lower the growth in demand for coal. Gold mining accounts for 25% of all electric power used in SA, says Steve Ellis, General Mining's chief executive, coal. He also predicts that the proportion of coal mined by open-cast methods will peak at around 30% by 1990.

New 'Sasol' project: Why, when and where

By Don Robertson

THE revelation this week by the Minister of Mineral and Energy Affairs, Mr. P. T. C. du Plessis, that an announcement regarding the erection of a new fuel plant would be made in the "not too distant future" has caused a stir in industry circles.

But sources contacted by Business Times said it is unlikely that the go-ahead for a new plant, which would cost hundreds of millions of rands, is in the offing.

Rather, they believe that the Minister was referring to Government approval in principle to a new project and the possible extent to which it would participate.

Speaking at an energy conference in Pretoria, Mr du Plessis said that his Department had received a number of submissions from private industry for the erection of fuel plants ranging from methanol plants to advanced oil-from-coal schemes.

"These are being studied, and, while there is no clear-cut 'best scheme', I hope to make an announcement in this regard in the not-too-distant future."

Graham Thomson, deputy head of Gencon's coal division, which has put forward two project plans, does not believe that a decision on a new scheme is imminent. He points out that the Government would have to involve itself financially in any new

scheme, as the capital cost involved would be too much for private industry to bear.

In addition, he says that oil supplies are now readily available, making the need for a new plant unnecessary, even allowing for the long lead time between planning and commissioning.

He draws attention to the number of similar projects in America that have been shelved for this reason.

Gencon's submissions involve Sentrachem on the one hand and Sentrachem and Trans-Natal on the other, and would probably utilise the group's vast coal deposits on the Springsbok Flats.

Gencon is at present investigating a pro-

cess called the H coal process with American interests. To date it has proved to be commercially viable on a pilot-plant scale.

The other major contender is AECI, which, together with Shell and Amcoal, submitted its outlines for a methanol process in 1981.

A spokesman for the group was a little more optimistic, and said that it was seen as a step forward that the submissions would soon be put to the Cabinet for consideration.

He added that AECI had been expecting some reaction from the Government for the past six to eight months, and he expected that recommendations from the Department of Mineral and Energy Affairs would soon be made.

Oil and SA:

Best of both worlds

53
Twice 30/1/83

IMPORT BURDEN REDUCED — LOWER INFLATION

A POSSIBLE further oil-price drop is welcomed by the consumer and feared by the banker, but for the moment South Africa is getting the best of both worlds.

The \$2 fall in the price to \$29 reduces the country's import burden and helps lower inflation, while the uncertainty regarding the future of the international banking system has underpinned the gold price.

Such were the worries over a possible dramatic oil-price decline that international financial markets — be they foreign exchange, stock markets, gold and commodities — swayed back and forth. The markets calmed when thinking became clearer.

On the positive side, declining oil prices should eventually boost world economies because the industrialised countries will pay less cash to oil-producing countries.

The fall in the oil price will also lower inflation and help governments to refloat economies.

By Neil Behrmann: London

The negative aspects revolve round the international banking system. Countries such as Mexico, Venezuela and Nigeria are dependent on oil exports to reduce their balance-of-pay-

ments deficits and repay their huge debts. Falling oil quotes are expected to accentuate their economic crises.

Bankers also fear that the wealthy Middle East nations' balance of trade will slip from surplus to deficit.

There are already signs that this is happening. In terms of the international banking system, the Arab nations would have less money to invest in the Eurocurrency and Eurobond markets — the international money and capital markets.

With fewer deposits, international banks will be forced to lend less to stricken Third World nations and countries such as Mexico.

Such a credit contraction would reinforce and aggra-

vate the slump in the world economy.

The optimists, led by American Express International Banking Corporation, conclude that a fall in the oil price should stimulate production of major industrialised countries and reduce inflation.

"Just as the oil-price rises of the 1970s brought both recession and higher inflation, so a price fall should bring an improvement on both counts," says the firm.

Lower oil prices will help the balance of payments of importing nations and spur incomes.

Interest rates should fall in line with declines in inflation and generate increased consumer and business spending.

The bank concludes that such a train of events would be exactly opposite to the oil-price explosions of the early and late Seventies. Both led to slower growth and less inflation.

The most optimistic factor is that central banks and nations are taking measures to plug holes in the leaking international banking system.

In the Thirties they stood idly by and their inaction created the great depression. Higher cash resources of the IMF and funds from central banks should hopefully prevent a similar crisis.

EXPRESS CLOSE-UP LOOKS AT POWER PROBLEMS

It could be lights-out!

SOWETANS NOW FACE ELECTRICITY CUTS IF THEY DON'T PAY BILLS

THIS YEAR'S great switch-on in Soweto could be closely followed by the great switch-off — because many people are not paying their electricity accounts regularly.

And the director of finance for the Soweto Council, Mr Irwin Florence, has warned that "Soweto could again be plunged into darkness".

He disclosed that consumers owed R2,3-million for electricity — more than 40% of total electricity sales last year, which amounted to R5,5-million.

"We are not in the business of giving electricity away for nothing," said Mr Florence.

"And although we dislike switching off the power in people's houses, we shall have no choice."

But why aren't people in Soweto paying their electricity bills?

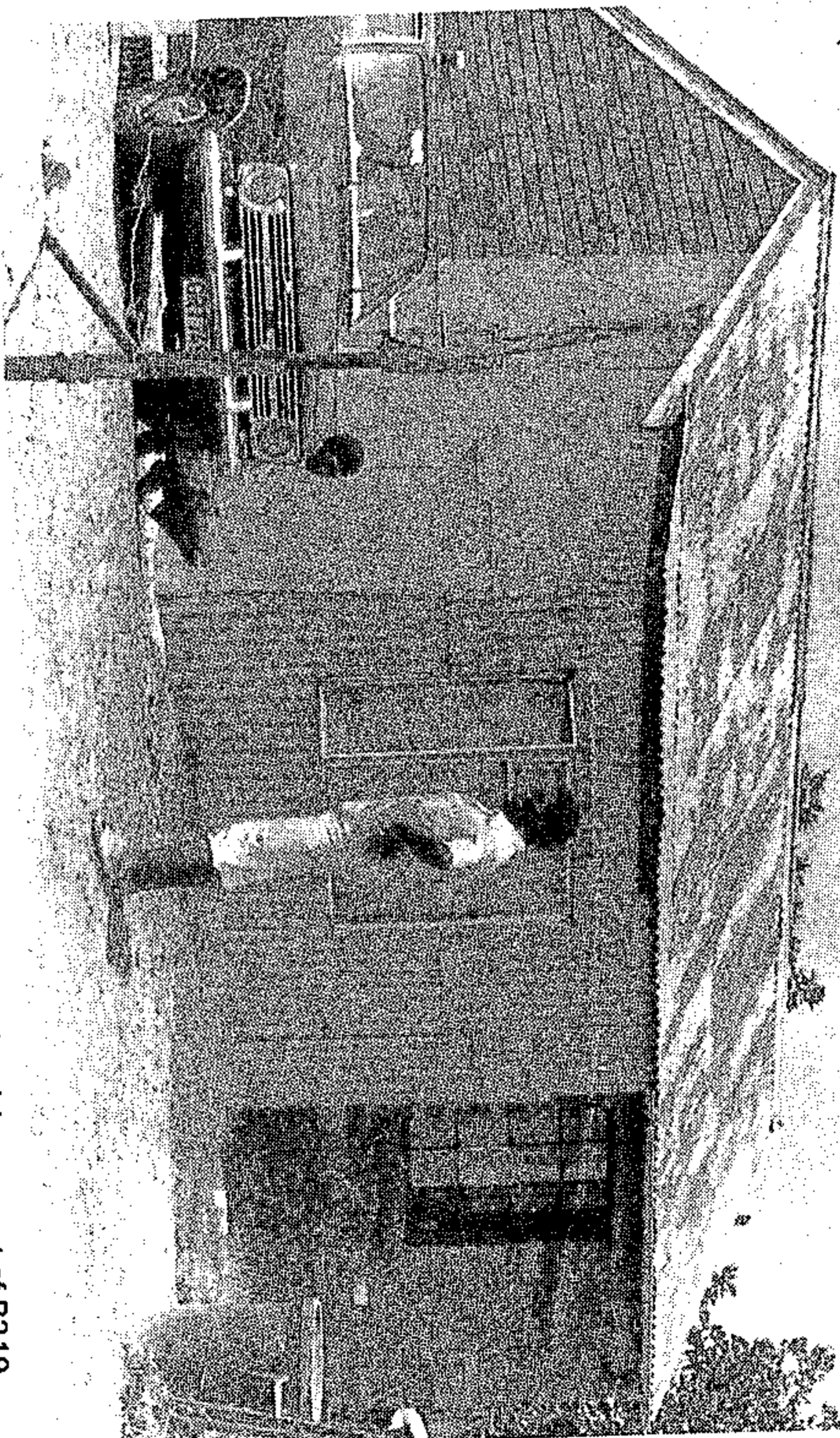
Many simply can't pay — and the hardest-hit are those families whose breadwinners have been retrained.

It makes them — and the smarting Soweto Council — victims of the recession.

Non-payment of electricity accounts thus becomes more than a book-keeping problem for the Soweto Council. It is an economic problem, too, and could become a sociological nightmare, with a ripple effect far beyond the borders of Soweto, if many more people lose their jobs and their so-recently-raised standard of living plunges.

Other people complain of the high cost of electricity, which must be seen relatively since in Soweto electricity at 4,7c per unit costs only fractionally more than in Johannesburg, where it is 4,2c.

The average account runs to R30 to R40 a month but some defaulters owe hundreds of rands, as accounts have been allowed to accumulate over several months. Some people with low in-



● Mr David Mokoena in front of his Orlando East house. He received an electricity account of R219 — almost two-thirds of his monthly pay.
Picture: HERBERT MABUZA

Reports by JEAN LE MAY and MOKONE MOLETE

comes treated electricity accounts like HP rands every month, said an official, until the computer caught up with them.

Some people don't pay because, they say, "the computer plays havoc" with their accounts.

It is very difficult to query accounts, because the only place where this can be done is the Soweto Council's finance department in down-

town Johannesburg, in Jubilee House, Eloff Street.

Queries will not be dealt with by telephone as the accounts must be produced, so "going to Jubilee" means a day off work for most people.

But electricity has improved the quality of life enormously for those Sowetans who can afford to pay without strain.

This week we spent a morning in Orlando East,

which, with the Motolo-Zondi area, tops the list for defaulters.

We found ample evidence of the HP syndrome.

Mr David Mokoena, for example, uses electricity only for four house-lights and a radio. But although he paid "a few rands" every month, by June last year the electricity account amounted to R219,92 and the supply was suspended.

He lives with his grandfa-

ther, his sister — who found employment as a domestic worker only this week after months of being jobless — her two school-going children, and two backyard lodgers.

The household has a combined income of R375 a month, out of which they must find money for rent, food, coal, school fees, school books, medicines, clothing and transport.

However he had learnt his

lesson, said Mr Mokoena: once the account had been paid off he would not allow it to mount up again.

Mrs Mavis Themede said her accounts varied so much from month to month, sometimes by as much as R50, that she had learnt to query every account before paying it.

This means a monthly trip to Jubilee House, where errors are often found.

Many women told us that they would never fall into arrears because of the difference it had made to their lives.

They could now use the kitchen appliances they used to see only in white peoples' houses and "it isn't really any more expensive because of the price of coal and wood and paraffin and candles".

Could we imagine the heat, they said, in a small kitchen with a coal-burning stove? And the dirt — coal-dust, candle-grease, lamp-smoke: and could we imagine housekeeping without a refrigerator?

"I had to shop every day, at expensive Soweto shops. Now I go once a week to the supermarket, like the Houghton ladies."

And could we imagine the cold in winter, unless everyone crowded around the kitchen stove?

"And the danger of the dark — can you imagine going out with a torch if you hear a noise in the night?"

Cape Times 2/2/83 (SS)

Public 'is insured' for Koeberg accident

Chief Reporter

THE regional manager of Escom, Mr G F Hellström, said yesterday that the public was already covered by insurance in the "very unlikely" event of a nuclear mishap at the Koeberg power station.

could not obtain insurance through normal insurance channels were incorrect, he said in a statement.

"Escom has extensive insurance coverage from commercial insurance companies for the Koeberg power station and the American, British and European nuclear power in-

dustries are also covered entirely by policies from such companies.

"In the past, anti-nuclear groups have claimed that nuclear power must be inherently unsafe as the insurance industry, which is the most experienced risk assessment group in the world, would not insure

nuclear power plants. This claim is not valid."

Mr Hellström said the Koeberg N-station was covered by these policies:

- Erection all-risks insurance, which covered Escom and the contractors during construction. This insurance was carried by South African companies

and provided, among other things, for damage caused by sabotage and terrorism.

- Nuclear property damage insurance, which covered Escom property at Koeberg.

- Insurance covering liability to third parties, which was also provided by the South African nuclear insurance pool.

Mr Hellström said the Nuclear Energy Act stipulated among other things that Escom as the licensee for all damage to third parties "resulting from nuclear incidents".

He added: "In the very unlikely event of an accident happening, and of this insurance cover not

being sufficient to pay all the claims, Parliament can vote further funds as required.

"Escom, however, still retains its liability and can be called upon to pay out whatever may be necessary over and above the insurance cover it currently has."

Recent claims that the nuclear power industry

55 *Harward Q 61. 16-17*
 Koeberg nuclear power installation

2/2/83

21. Mr. D. J. N. MALCOMESS asked
 the Minister of Mineral and Energy Affairs:

- (1) Whether any explosions occurred at the Koeberg nuclear power installation recently; if so, (a) how many and (b) what damage was caused;
- (2) whether any explosions occurred inside the reactor containment shell; if so, what is the estimated cost of repairing the damage;
- (3) whether the damage caused will delay the commissioning of the reactor; if so, for how long;
- (4) whether steps (a) have been or (b) will be taken to improve security at the site; if so, what steps in each case;
- (5) whether it is possible for either reactor to go critical before the contract personnel are off the site; if so, what estimated number of persons will be on the site at the time;
- (6) whether he will make a statement on the matter?

THE MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Yes.
 - (a) Four
 - (b) Cables and control equipment were damaged.
- (2) Yes. The latter two explosions occurred in each of the two containment buildings.

An extensive investigation regarding the nature and extent of the damage caused include very careful testing of equipment and are not yet completed. Only after this comprehensive investigation is completed repair costs can accurately be determined.

- (3) Only after the investigation is completed the delay in the commissioning of the units can be determined.
- (4) Yes.
 - (a) and (b) Security measures were intensified in December 1982 and were placed on a level which would have been applicable to the next stage of completion. Amongst others, it includes the further limitation of access to the nuclear buildings. It is considered to be inadvisable to disclose further information regarding security measures.
- (5) Yes. In terms of the turnkey contract the contractor is also responsible for the commissioning of both units. Hence, Escom and Atomic Energy Corporation personnel and a limited number of selected experts of the contractor will be present.
- (6) Yes. I will make a statement in due course.

Mr. D. J. N. MALCOMESS: Mr. Speaker, arising out of the reply of the hon. the Minister, could he please tell me, firstly, whether there were any unexploded devices discovered at that time and, secondly, how many contracted personnel had access to the containment shell in which these explosions apparently took place?

The MINISTER: Mr. Speaker, I am quite surprised that the hon. member did not include those questions in his original list of questions, and I therefore ask him to table them. [Interjections.]

→

SUIT SALE
 Mohair mix, Trevira wool, etc
 2 & 3 piece, normally sold up to R169,95
 Only the very best makes R89,95
 Sizes 87 - 122
 or 2 for R170,00
 No trade-in required - Excl GST



ANDY'S
 MAN'S SHOP
 282/4 Victoria Road, Woodstock. Phone 47-4313

Blasts at Koeberg hit cables

ARGUS
 3/2/83
 SS

Political Correspondent
CABLES and control equipment were damaged by four explosions at Koeberg nuclear power station in December, the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, told the Assembly yesterday.

This included the further limitation of access to the nuclear buildings.

It was considered inadvisable to disclose further information regarding security measures.

An explosion occurred in each of the two containment buildings.

LIMITED
 It was possible for either reactor to go critical before the contract personnel were off the site.

Mr du Plessis said an extensive investigation regarding the nature and extent of the damage caused included careful testing of equipment and was not yet completed.

In terms of the contract the contractor was responsible for the commissioning of both units.

DELAY

Repair costs and the delay in the commissioning of the units could only then be determined.

Escom and Atomic Energy Corporation personnel and a limited number of selected experts of the contractor would therefore be on the site at the time.

Security measures were intensified in December and were placed at a level which would have been applicable for the next stage of completion.

Mr du Plessis said he would make another statement in due course.

DISTURBING

Mr John Malcomess of the Progressive Federal Party, who tabled a number of questions on Koeberg, said it was disturbing to learn that two of the four explosions were in the reactor containment buildings.

Undetected damage to the expensive, delicate and critical equipment installed there could lead to radiation leaks when the reactor went critical.

HEAR AGAIN — UNDERSTAND AGAIN
 Latest miniature hearing aids now available in Claremont.

Call in for

- FREE HEARING TEST AND EVALUATION
- ALL-IN-THE-EAR HEARING AIDS FROM USA
- PROMPT & PROFESSIONAL SALES & SERVICE
- HOME VISITS FOR THE ELDERLY
- REPAIRS TO ALL MAKES

OUR HEARING AID ACOUSTICATION IS SOLELY DEDICATED TO THE CARE OF THE HARD OF HEARING



REPUBLIC HEARING AID CONSULTANTS (PTY) LTD
 55 MAIN ROAD, CLAREMONT
 (Ample parking behind premises)
 TEL 61-1836
 TUES — FRI. 8.30 — 5.00. SAT. By appointment only.
 NOW IN BELLVILLE
 Mondays only, at L.C. HILL/OPTICIAN, Olivetti House, 3B Blanckenberg St (opp Holiday Inn). Tel 97-4477.

Sell your Persian rug
 We pay cash for genuine Persian rugs in any condition. Come in and talk to us

Ludy Gonsenhausen
 16 Riobeek Street, Cape Town 8001
 Tel 25-2783



- ★ Study the "faces" of South Africa — front page
- ★ Ponder the author's "case for investment, trade and employment in Southern Africa"
- ★ His "vision" of the "New" South Africa towards 2000 AD.

These are only a few of the many vital issues dealt with by DR JAN S MARAIS in

THE "NEW" SOUTH AFRICA: A UNIQUE OPPORTUNITY

Contact: *Hinkpatrick, Marais & Associates*

4th Floor
 No 6 Church Square
 Cape Town 8001
 Tel (021) 46-5863

London House
 21 Loveday Street
 Johannesburg 2001
 Tel (011) 836-6525

Or complete the order form below:

I/We enclose R for copies of The "New" South Africa: A Unique Opportunity! (at R4,00 per copy; R3 per copy for 20 and more). Light/brief/comparative for overseas mailing/carrying.

NAME..... ADDRESS..... TELEPHONE.....

Scott
 COTTIS STORE
 V
 C
 HUGH
 E Labo
 eting i
 se of t
 uproar
 anck
 ricks
 600
 ash
 y Hugh
 Fig
 Con
 leade
 Hend
 the b
 dents
 ice t
 presi
 Allia
 Chur
 had
 their
 "I
 ing
 they
 star

il
 a
 F
 v
 o
 l
 a
 tl
 p
 ri
 to
 fi
 c
 th
 di
 p
 P

Several more Koeberg stations likely by 2000

55
RDM

4/2/83

Financial Reporter

A FEW more nuclear power stations of Koeberg's size will probably be built before the year 2000 to meet the needs of South Africa's coastal areas.

Dr J W L de Villiers, executive chairman of the Atomic Energy Corporation of SA, told an energy seminar in Pretoria that with an installed electricity generating capacity of 20 000-mW in 1981, and assuming a continued average annual growth rate of 8,8%, indications were that 35 000-MW would be needed by 1990 and about 70 000-mW by 2000.

"Where traditionally the Cape Western load accounts for nearly 10% of the total and the Eastern Cape and Natal loads for a further 15%, it is not unreasonable to expect that a part of these loads will in future be supplied by nuclear power stations."

Considering that another 50 000-mW of generating capacity would have to be constructed between now and 2000, of which about 12 000-mW would be needed in the coastal areas, more nuclear stations could be expected.

Factors that could contribute to nuclear power being competitive with coal-fired power stations include:

- Water availability. Escom uses less than 2% of the available water resources in SA, most coal-fired power stations are situated in areas where water resources are being overexploited.

- Two of Escom's new stations, Matimba and Khutala, will be dry-cooled, cutting water consumption by two-thirds, but increasing generating costs by about 15%.

- Although SA's coal reserves are adequate for years to come, a 3 600-MW power station needs 5 400 000 tons of coal a year. Assuming a 30-year station life, a coal reserve adding a 50% safety

factor, of about 240-million tons is needed to support a pithead station of that size over its lifetime.

- "It can be expected that fields of that size will become scarce long before our coal reserves run out, and that coal will have to be transported from several smaller fields to the power stations at added cost in future."

- The supply of large blocks of power to the coastal growth points would require high voltage transmission lines, adding appreciably to electricity costs in these areas.

Dr De Villiers said these factors argued in support of coastal, sea-water cooled power stations and depending on other economic factors could result in nuclear power becoming competitive with coal in the coastal regions in the decades ahead.

He stressed the importance of an authoritative study of the role nuclear energy could play in meeting electricity demand.

"Such a study will have to be completed in time for SA's nuclear industry to be able to meet the challenge of at least providing the nuclear power stations with indigenous fuel and thus remaining independent of foreign fuel supply for power generation."

World energy policies and programmes would have to be revised in good time to ensure that the world energy supply matched demand, said Dr De Villiers.

"Unless new oil and gas discoveries are made in time, or new technologies can be developed and applied economically to extract oil from tar sands or shale, and to transport gas economically, coal and nuclear will have to bear the brunt of the energy supply for some time to come, while the contribution from renewable resources, on world-wide basis, will remain marginal."

Even if fuel prices favourable to coal were adopted, the cost of electricity aver-

aged over all European countries was considerably cheaper if produced by nuclear energy.

The fuel cost for nuclear power stations in Europe contributed 33% of total unit electricity costs, the cost of uranium as yellowcake contributed only about 6% to electricity costs, indicating that nuclear power was far less sensitive to resource prices than electricity from coal.

In SA the contribution of fuel cost to the unit generating cost in coal-fired stations was only 30% compared with 71% in Europe, reflecting an advantage in European countries of nuclear power that was not evident in SA.

The main reason for this was the cost of coal in SA — about R9,71 a ton in 1981 compared with more than R40 a ton in Europe.

Dr De Villiers noted that Escom operated mostly pithead power stations, sited on coalfields big enough to sustain the power station for the duration of its operating life, thus dispensing with coal transport costs.

However, it was inconceivable that a coal-fired power station comparable in size to Koeberg would ever be built in the Western Cape, as the cost of transporting about 16 000 tons of coal a day over about 1 600 km would be prohibitive.

55

Hansard Q. Col. 31
Nuclear power stations

4/2/83

*21 Mr. D. J. N. MALCOMESS asked
the Minister of Mineral and Energy Affairs.

Whether any decision has been taken to
build additional nuclear power stations; if
not, why not, if so, where?

†The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

No. At present the load growth in the
coastal areas does not justify another nu-
clear power station. In the interior nuclear
power stations cannot presently compete
with coal fired power stations as a result of
the availability of relatively inexpensive
coal and the higher capital cost of nuclear
power stations. The position is however
reviewed from time to time. Load predic-
tions indicate that towards the end of the
century nuclear power will have to make
an important contribution to the gener-
ation of electricity.

55 ~~21~~ Howard Q. Col. 39-
S.F.F. Association 32
4/2/83

*20. Mr. D. J. N. MALCOMESS asked
the Minister of Mineral and Energy Affairs:

Who are the (a) directors and (b) audi-
tors of the S.F.F. Association?

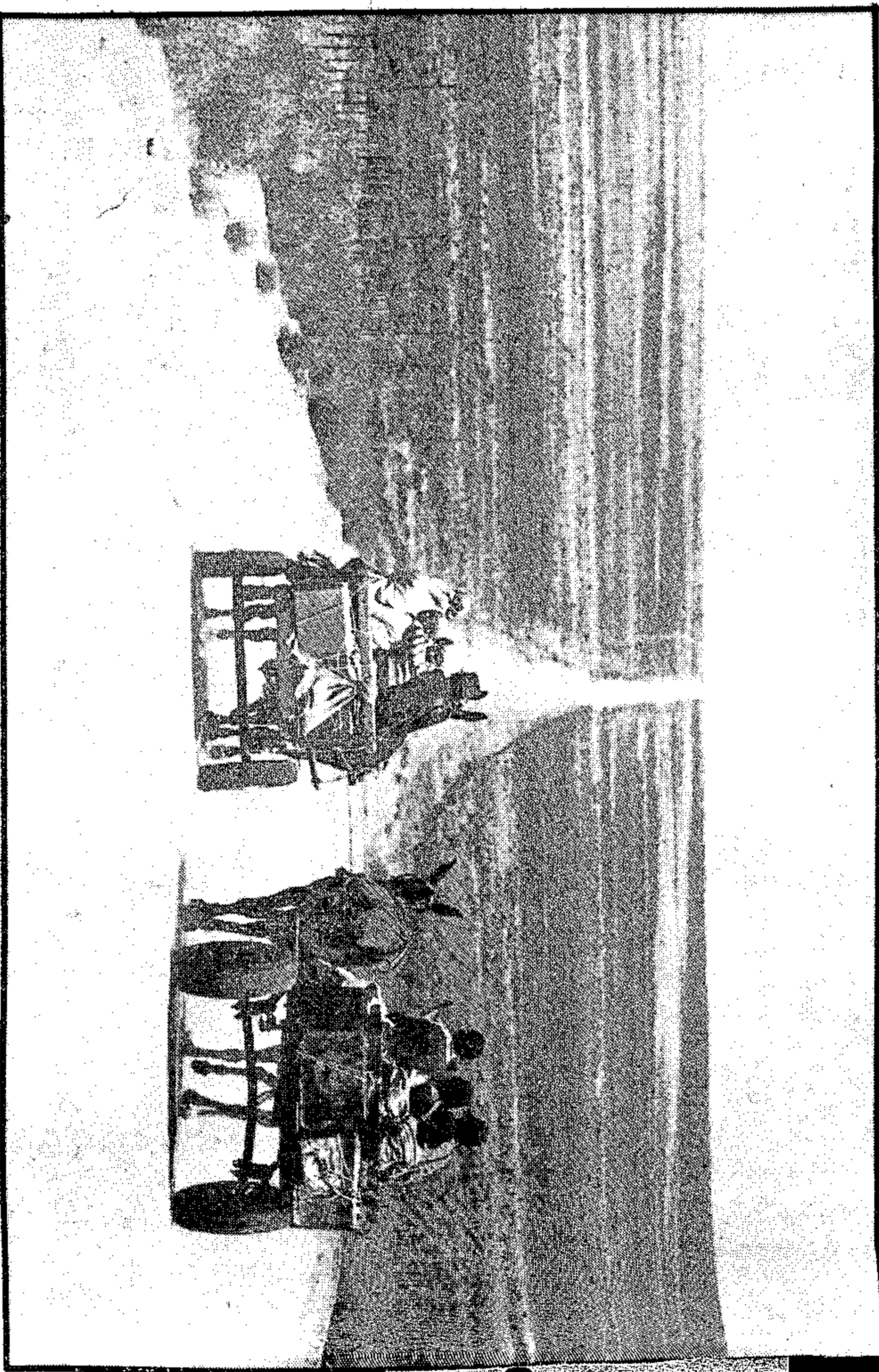
The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

- | | |
|---------------------------------|--|
| (a) Dr. D. C. Neethling | Chief Director: Energy: Department of Mineral
and Energy Affairs (Chairman) |
| Mr. S. J. P. du Plessis | Director-General: Department of Mineral and
Energy Affairs |
| Mr. C. F. Scheepers | Deputy Director-General: Department of Indus-
tries, Commerce and Tourism |
| Mr. J. A. Stegmann | Sasol Limited |
| Dr. D. F. Mostert | Sasol Limited |
| Mr. J. L. J. Bezuidenhout | Sasol Limited |

Into the nuclear age.

w/E ARGUS
5/2/83

55



● Bushmanland . . . suddenly dumped into the nuclear age.

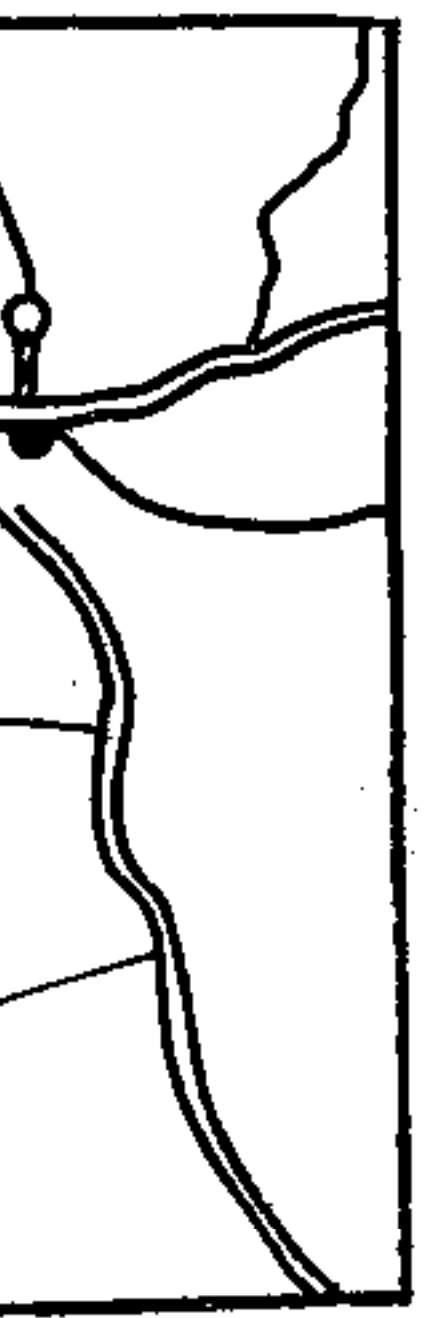
Text: KEVIN JACOBS
Pictures: JOHN YELD
Weekend Argus Staff

said over coffee in her farmhouse. That was little more than a week ago, the first and only official information.

"We are bitter," says Mrs Visser. "But if this is in the country's interest, then we are pre-

Ja, he said, ambling inside from the sun, "we were really caught unawares on this one (oor die ding is ons met 'n slap riem gevang)".

It's clear he doesn't want to move away from his farm. "It's a



THEY want rain. They'd like a railway line — and some tared roads. Instead, they're getting nuclear waste.

Bushmanland, a latecomer to the world of electricity, technology and television, is having the nuclear age dumped on it.

Across the Kamiesberg, on the wide and

that stretch eastwards under a sky that hasn't made rain for eight years, is the site of South Africa's first graveyard for contaminated waste from reactors at the Koeberg nuclear power station 400 km to the south.

Somewhere midway between Gamoep and Platbakkies, on the endless Kliprand road — an arbitrary line which defines the end of Namaqualand and the start of Bushmanland — field teams have left their markers where the controversial waste materials will be stored, sealed in concrete, glass and steel and buried 35 m below the surface.

Sustain

It's quite safe, say the scientists and technologists — the safest way to get rid of radioactive waste material. But it's going to change forever the face of that world whose grass and shrubs — dead to an alien eye — sustain the sheep flocks that keep the distant farmsteads alive.

The official announcement late this week that Bushmanland had been finally selected as a "national depository" for nuclear waste was as much a shock as a sudden downpour, but a great deal less welcome, to many people in the sparsely-populated region.

For months, field teams from the CSIR

● Farm-owner Mrs Gerda Visser and her sons, Willem, left, and Bobby.

had scarred their way across a number of farms east of Kamieskroon, across the Kalmesberge. But, as the farmers tell it, it wasn't unusual. They'd dealt with geologists from many mining companies before.

Except, perhaps, that the mining companies treated the farmers in a more pleasant, businesslike basis: a prospecting contract, possible options, and an option payment in the farmer's pocket.

Secretive

Then the secretive men from the Nuclear Development Corporation and they knew something was on the go.

Something more than just the uranium prospecting they'd first been told about. And no matter the officials' sworn commitment to secrecy, the rumour began: nuclear waste. But to some of the farmers there was another uncomfortable edge: land expropriation.

The site announced by Dr J W L de Villiers, chairman of the Atomic Energy Corporation, as "extremely suitable for the development of a national depository" straddles three farms.

If letters under the signature of a Government official are the accepted form of formal and courteous notice, none of the owners has so far been told of

the the sitting decision, of the reason for the prospecting activity that has damaged grazing land, of the likelihood of purchase or expropriation of their farms by the State, or of the level of compensation. They have been given no timetable of official plans.

■ Mrs Gerda Visser, a 50-year-old widow, runs Garing Farm with two of her sons, Willem, 26, and Bobby, 22. It seems the Nuclear Development Corporation wants the entire farm and farmhouse, to ensure a security area around the storage area. She's not sure.

She doesn't like the way she has been treated, and her sons feel the same. She believes that some sort of collective criticism is needed from the few farmers who populate the area.

worked with the mining companies," says one of her sons. "They work decently. They draw up a contract. But these people just come in and do what they want. The State is a big machine. You can't kill it with a stone. It just carries on."

Rumour started the story of nuclear waste. Mrs Visser confronted State officials with the suggestion — and they laughed, she says. She even contacted the police at Kamieskroon. A local lawyer said there was nothing she could do. So she locked the farm gates.

Expropriated

Three days later, she says, an official from the office of the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, came to see her.

"He said the land was to be expropriated, and told us about this nuclear waste business," she



"Oom Jasper" Dreyer . . . happy where he is.

here. This is our homeland, and we have a right to fight for it. But if, in the end, it is in the national interest, we will have to accept it.

"Of course, if we can get it moved away from here, we won't be unhappy. But the people here are so uninformed."

Says Willem: "Cape Town gets the use of Koeberg, and we sit with the waste. We won't get the benefit of it. We'll sit with a few holes in the ground."

Interest

The next step, says Mrs Visser, is to drum up a little community interest in the area. "Perhaps we can even get our MP moving."

■ "Oom Jasper" Dreyer turns 79 today. He has lived alone on the farm Stokloof for more than three years since his wife died. His house is just off the Kliprand road, which dusts away either side, to Gamoep one way and Platbakkies the other.

This veld might look bad, he says, but if you know about sheep and goats, it's the best.

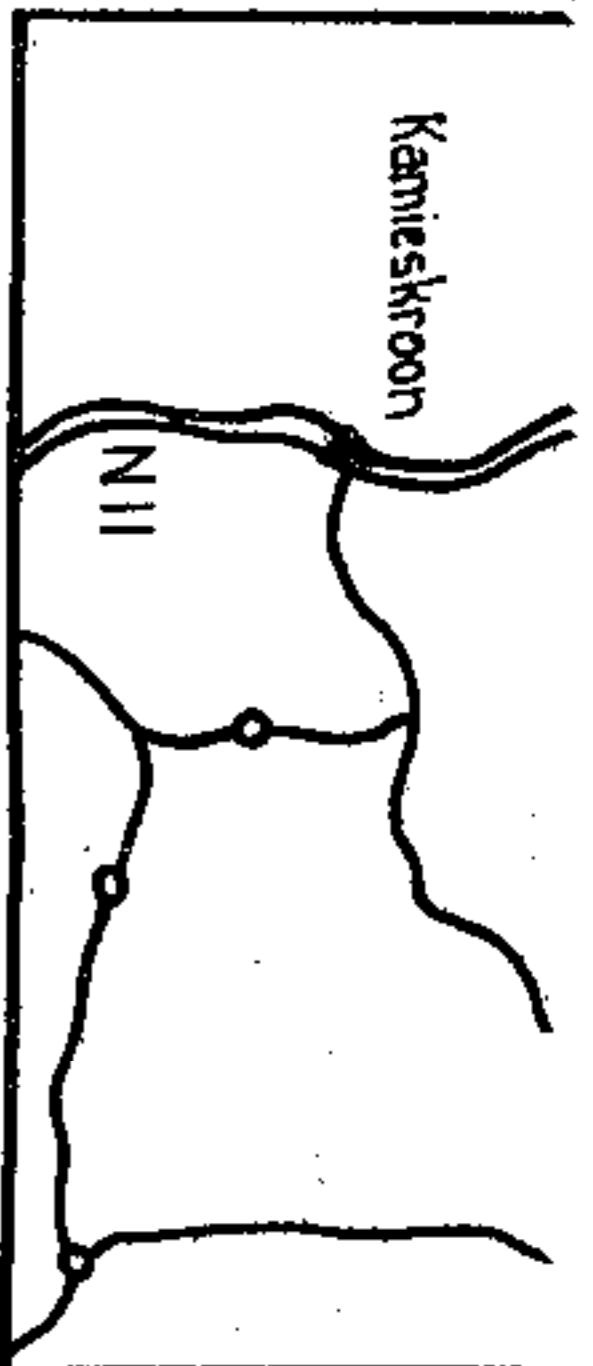
He is cautious and courteous, and doesn't really want to talk about the nuclear waste plan, or the uncertainty about expropriation of his farm. There was this plan to export nuclear wastes, but, with South Africa's internal policies, it did not work out. But the stuff must be stored, and if they find a good enough place, it's OK.

am comfortable here. It's right on the road, so many people stop by. I get many visitors, for such a sparsely-populated region.

He gave some thought to retirement a while ago, and paid four months' residence in advance to a retirement home in Springbok. Then he decided life on the farm was better, and gave the money to the home as a contribution.

"But for me it's a heavier decision to

move," he says. The others all have more than one farm. This is all I have. It's not as if anything is being forced on me, though, because I have places to go. I choose to stay here."



Mr Dreyer wants no part of an argument with the State, although others say he is unhappy about the way things have been done. "I can't do anything until I am told officially. Then we can start arguing, about price, about other things..."

■ Mr Willie Pool and his wife Chrissie admit to being newcomers to that part of Bushmanland, after only three years on Geelpan. They share the dissatisfaction over how they have been treated, and misinformed by the State. But even more than the Vissers or Oom Jasper, they wrap their criticism tightly in patriotism, believing that as individuals they are secondary to the "national interest".

Fragile veld

But they talk regretfully of the tracks driven into their fragile veld by the research teams' lorries, when they drilled all the holes to establish water levels, water flow, geological stability of the area. The Pools know those wheel tracks are there to stay. And there will always be so many shrubs fewer for their sheep.



● Mr Willie Pool . . . national interest comes first.

Oil company pitching for licence to mine sea diamonds



**UNIVERSITY OF
EXAMINATION 7**

LONDON: The dream that turned into a nightmare for colourful, gun-toting Texas millionaire Sammy Collins, could soon be causing more restless nights for one of the world's biggest oil giants.

British Petroleum, through its BP Minerals International Exploration Company, has made a pitch to tender for a diamond prospecting licence off the Skeleton Coast of SWA/Namibia.

It is in the same area where Sammy Collins, a one time

Now the project is seen as viable again. Modern equipment and techniques, plus past experience give it a chance and the South African Government is ready to consider tenders.

It is too good an opportunity for BP Minerals to turn down. The company became a major contender in the field with the acquisition of Selection Trust.

Their expertise, plus BP's oil rich funds, means that this is a powerful new force wanting an involvement in every area of exploration.

Heading BP Minerals is Johannesburg-born 46-year-old Bernard Smith.

Formerly consulting engineer with Johannesburg Consolidated Investment and managing director of Randfontein Estates, he later became chairman of Government Coal Mining Areas and chairman of Shaft Sinters.

Smith joined BP Coal in February 1981 taking over BP Minerals International a year ago.

The world is his oyster and his budget pure champagne.

This year he will have more than R58 million at his disposal to sink boreshafts from Australia through North and South America, Singapore, New Zealand and Europe and anywhere in North and South Africa that offers commercial operations.

During the next three years he expects to spend more than R160 million in his quest.

Already he has identified several areas as being of great interest but he is naturally reluctant to give clues.

However, Brazil is one

as a money earner for Britain," he says.

Not all of BP minerals exploration is taking place geologically. There is still plenty of cash around for acquiring existing companies in the mineral field.

Further down the line, when some of the explorations are proved, then there might be a chance for outside investors to pick up a slice of the action with individual mining operations being floated. Perhaps another chance for sea diamonds?

atch digger, engineer and underwater pipeline expert, sailed out his giant vacuum cleaner on large barges, to suck diamonds from the sea bed early in the swinging 60s.

Harsh seas, unhappy crews and diabolical weather combined to kill the project. So, too, did only a limited recovery of mostly industrial diamonds.

Even the involvement of De Beers could not prevent it sinking into oblivion.

Heading BP Minerals is Johannesburg-born 46-year-old Bernard Smith.

Formerly consulting engineer with Johannesburg Consolidated Investment and managing director of Randfontein Estates, he later became chairman of Government Coal Mining Areas and chairman of Shaft Sinters.

Smith joined BP Coal in February 1981 taking over BP Minerals International a year ago.

The world is his oyster and his budget pure champagne.

This year he will have more than R58 million at his disposal to sink boreshafts from Australia through North and South America, Singapore, New Zealand and Europe and anywhere in North and South Africa that offers commercial operations.

During the next three years he expects to spend more than R160 million in his quest.

Already he has identified several areas as being of great interest but he is naturally reluctant to give clues.

However, Brazil is one

as a money earner for Britain," he says.

Not all of BP minerals exploration is taking place geologically. There is still plenty of cash around for acquiring existing companies in the mineral field.

Further down the line, when some of the explorations are proved, then there might be a chance for outside investors to pick up a slice of the action with individual mining operations being floated. Perhaps another chance for sea diamonds?

PSL/PD UCT
Vervaardig in Suid-Afrika

University

candidate liable to disqualification and to possible exclusion from the

Additional to separate sheet

ams, for which used only for pen is accepted for written

nd for written

of the ques-

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

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

3. No part of an answer book is to be torn out.

4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

WARNING

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

Column (1) of	nd for written	pen is accept-	ams, for which	Additional to
1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.	2. Candidates are not to communicate with other candidates or with any person except the invigilator.	3. No part of an answer book is to be torn out.	4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.	

Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper	Examination Paper

Examiners' Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials	Initials

Internal	External
(1)	(1)
(2)	(2)
(3)	(3)

Handwritten signature

out whenever such members entered the containment buildings?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) (a) No.
- (b) No.
- (c) No.
 - (i) Fall away.
 - (ii) The containment building of unit 1 was already before the explosions a controlled area to which on the average 450 employees of the contractor had access. The containment building of unit 2 was, however, not classified as a controlled area and on average 4 400 employees of the contractor had access to it.

- (2) Yes. Security clearance was obtained from applicable Government departments. However, as a result of the high turnover of certain categories of locally recruited employees this was not always possible in their cases.
- (3) Yes. Escom was however compelled to perform security tests on a random basis as a result of the great number of workers who needed to enter different areas of the construction site.

State Oil Fund/Sasol

*22. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether moneys accruing to the State Oil Fund from the sale of petroleum products are still being drawn by Sasol; if not, for what purpose are such moneys being used; if so, (a) for what purpose are the moneys being drawn by Sasol and (b) when is it expected that Sasol will stop drawing them;

- (2) when is the construction of Sasol III expected to be completed?

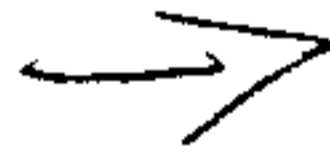
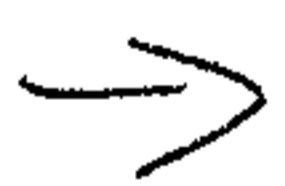
†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Yes:
 - (a) Moneys presently accruing to the SOF from the sale of petroleum products are partly employed for the final completion of the Sasol Three project. However, the present rate at which funds are withdrawn is considerably lower than the rate of inflow of funds. The balance of the inflow is presently employed to redeem bridging loans concluded by SOF for the financing of the Sasol projects. These loans were necessary as the financial requirements of the Sasol projects were at certain stages greater than the inflow of funds to the SOF.
 - (b) The construction of Sasol Three will be completed by June 1983 and after June 1983 Sasol Three will require no further financing from the SOF but levies on petroleum products will still need to be employed to redeem loans concluded by SOF.
- (2) Commissioning of the plant is well advanced and it is expected to reach full production by the end of 1984.

(55) Howard Q. 61.53
Koeberg nuclear power installation 55
9/2/83

*21. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether any unexploded devices were found at the Koeberg nuclear power installation (a) before, (b) during and (c) after the recent explosions; if so, (i) how many were found in the containment buildings and (ii) how many members of the contract personnel had access to the containment buildings at the time;
- (2) whether the background of such members of the contract personnel was investigated; if so, to what extent;
- (3) whether security checks were carried



55 Koeberg nuclear power station
 Hansard Q. 61, 58-59
 *29. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

- (1) What was the cause of the fire which occurred at the Koeberg nuclear power station during July 1982;
- (2) whether steps have been taken to prevent a recurrence of such an incident; if so, (a) what steps, (b) what was the cost of the damage caused and (c) which body will bear the cost of repairing such damage?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) The fire was caused by an electrical fault.
- (2) Yes.
 - (a) Revised working and maintenance procedures were introduced as recommended by the Board of Enquiry.
 - (b) R250 000.
 - (c) The insurers of Escom and the Contractor.

Koeberg nuclear power station

*30. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

Whether it is possible to complete the No. 2 Reactor at the Koeberg nuclear power station within the time it will now take to complete the No. 1 Reactor as a result of the December 1982 explosions; if not, what is the minimum time difference which could be achieved between the completion of the No. 1 Reactor and the completion of the nuclear power station as a whole?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Escom has instructed the Contractor to do his utmost to complete all construction

work during the time in which the damage to unit 1 and 2 is being repaired. This would enable a dramatic reduction of contractor's personnel before commissioning. It would also result in the construction of the two units being completed at approximately the same time instead of 9 to 12 months apart. This does not, however, mean that both units could come into commercial service at the same time.

Mr. R. R. HULLEY: Mr. Speaker, arising out of the reply of the hon. the Minister, can he tell us whether he will make it a matter of policy to complete the power station before activating either one of the two reactors?

The MINISTER: Mr. Speaker, the hon. member must please table that question.

35 (266) *Hansard Q. 61, 71 -*
 State Oil Fund
 11/2/83 72

48. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

What amounts were invested with the Public Debt Commissioners by the State Oil Fund as at 31 December 1977, 1978, 1979, 1980, 1981 and 1982, respectively?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

SOF investments with the Public Debt Commissioners fluctuate continuously and do not necessarily show balances at the end of any specific calendar month. The following is a summary of the investments:

1977	Lowest	Highest	(R Million) Month-end
January	38,9	56,9	38,9
February	15,7	38,9	15,7
March	15,4	34,7	34,7
April	34,7	60,9	43,8
May	39,3	43,8	39,3
June	39,3	52,8	52,8
July	36,4	52,8	36,4
August	0,1	36,4	21,3
September	9,8	21,3	17,4
October	0,1	17,4	1,5
November	—	1,5	—

December 1977 to September 1980 no investments except for an amount of R4,2 million in September.

1980	Lowest	Highest	(R Million) Month-end
October	—	60,4	19,0
November	—	19,0	—
December	—	—	—

FEBRUARY 1983 72

1981	Lowest	Highest	(R Million) Month-end
January	—	56,0	54,7
February	0,5	54,7	49,2
March	0,2	49,2	0,2
April	—	3,6	0,5
May	—	0,2	—

June 1980 to January 1983 no investments except R5,5 million during March 1982.

55 ~~245~~ *Hansard* Soweto: electricity Q. Col. 74
11/2/83

*2. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

What progress has been made in the provision of electricity to Soweto?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Substantial progress has been made with the provision of electricity to Soweto. If the contractors can meet the target dates on their contracts it is expected that the project will be completed early in 1984. At present 27 100 houses and other sites are receiving electricity in greater Soweto. The scheme as a whole provides for the supply of electricity to 105 754 stands and the wiring or upgrading of 101 934 houses. Under the house wiring project 74 000 houses have either been wired or upgraded.

Council denies fire claims

A SOWETO Council official has dismissed claims that the fire which gutted a shopping complex near Phomolong Station at the weekend had anything to do with the digging done near the complex to upgrade electric power in the area.

Mr J J Oosthuysen, director of housing, said it was not possible that a cable could have been interfered with by the diggers and so cause a fire. He said at most, power would have been cut off immediately in the whole area.

A fire swept through Vukani Supply Store on Saturday night causing R100 000 damage. According to the owner of the shop, Mr William Shabalala, the fire was a result of an electric fault caused by the men who dig trenches for the upgrading scheme.

His nightwatchman said he heard a crack-

ling noise from the main switch at the time of the fire.

Said Mr Oosthuysen: "I am not an electrician but I doubt if a fire could have been caused by any contact with the cables during the digging as is claimed by the shopowner."

"If the cables are interfered with, power will immediately be cut off and the main switches in the area getting power from that particular cable will drop until the problem has been rectified."

"There could probably have been something wrong with the wiring. Perhaps they were not properly insulated. But only a qualified electrician will be able to say what could have caused the fire."

"At the moment there is little we can do until the matter is reported to us and our people investigate," he concluded.

X
55

Hansard Q. 61, 159-160
Koeberg nuclear power station

16/2/83

*15. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

- (1) What was the original total contract price for the construction of the Koeberg nuclear power station;
- (2) what is the present estimate of the final cost of the nuclear power station?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) R1 057 million for the main contract and an amount of R228 million in 1975 money terms for additional costs which are common to both reactors.
- (2) R1 819 million in 1983 money terms. This estimate does not include escalation cost from 1983 till the completion of the project. The cost of the recent damage still needs to be quantified and will depend amongst other on insurance payments and the delay in the commissioning of the power station.

Koeberg nuclear power station

*16. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

- (1) What was the original estimated cost

FEBRUARY 1983

160

per unit of generating power at the Koeberg nuclear power station;

- (2) what is the present estimate of the final cost per unit during the first year that the station will be fully operational?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) 1,036 cents/kWh sent out in 1976.
- (2) An estimate of the final cost can only be made once negotiations regarding contract changes, which became necessary following recent events and regarding the fuel situation have been brought closer to finality. X

Final plans are still being drafted.

55 Hansard Q. 61, 137-
Koeberg nuclear power station 138
16/2/83

*23. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

Whether he will make it a matter of policy to complete the construction of the Koeberg nuclear power station before activating either one of the two reactors; if not, why not?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:



FEBRUARY 1983

138

I have already given the assurance that neither of the two units will be commissioned at the expense of safety or before the responsible organizations and the government are convinced that the security measures have been brought to an acceptable standard.

With the delay caused by the sabotage attempt it is expected in any case and as already indicated, that construction and testing of reactor 2 will be completed by the time that repair work on reactor 1 is completed. This implies that during the start up phase of the two reactors there will be no construction workers present except those workers involved in the starting up phase and the attendant security activities.

Katlehong people pay up

RESIDENTS of Katlehong, Natalspruit, are being taxed R5 per household every month to help raise funds to electrify their townships.

This was revealed by Katlehong's Community Council chairman, Mr A P Khumalo, who said

that in the following two years, the "contributions" would double to cover the sum of about R17-million required for the electrification scheme.

So far, about R5.2-million has already been

spent on the scheme which is scheduled to be completed in five years.

Mr Khumalo said his council appreciated financial backing from Katlehong residents.

"Taxing residents seems to be the only way we are able to make any headway because we do not have financial resources like other councils.

"We inherited prob-

lems from the Germiston City Council from whom we took over and everything that has to be done has to be started from scratch. We need money to make this place look decent," Mr Khumalo said.

"Our other problem is our storm water and sewerage system. Consultants have come up with a R12-million solution.

"We don't know how much it's going to cost us to upgrade the roads which are in a bad state. If we had to pay for tarring our roads from our meagre resources, we would only be able to afford to tar two kilometres a year."

Sowetan 17/2/83

55

US giant guns for SA

55
17/2/83

By Stan Kennedy

A major US company involved in Sasol 2 and 3 wants to increase market penetration in South Africa, arguing that it can sell good ideas and technology to several more industries.

Fluor Corporation has been active in South Africa for 20 years in engineering, procurement, construction, and maintenance of some of the country's major industrial plants.

VENTURE

Among its projects are plants at Secunda, a synthetic rubber plant at Sasolburg and a refinery at Cape Town.

In 1980 it decided to become established permanently in

South Africa, entering a joint venture with General Erection Holdings. This led to the formation of a locally-registered company, Fluor Engineers.

Turnover of the local company last year was R30 million. Mr Bill McKay, president of Fluor Engineers, who is on a tour of his company's projects under construction, said this was a modest figure compared with the R16 000 million worth of work the group had in hand throughout the world.

"To be successful here we decided we had to have a wide range of capabilities to exist in your small economy. There are not enough refineries being built

to keep us busy.

"We can serve not only the process industries but also the food, pharmaceutical, bulk paper, power and offshore drilling industries. We will even construct residential houses, offices and factories."

The group regards maintenance as an integral part of a project, from the initial stage of a plant design.

Maintenance costs, Mr McKay said, ran from five to 10 percent of a company's original capital investment.

UNIQUE

Despite the recession South Africa was in a unique position, he said. The country had no oil

but had overcome this lack by the Sasol plant. The shortage of artisans meant the country did not have a lot of unemployed skilled people, and it was in an enviable position being able to export precious and strategic minerals.

"You have everything going for you. You have a large black population requiring education and training, but once the process gets under way their standards will rise. This will create a tremendous internal market.

"Properly managed, you can have the greatest internal market in the world," he argued.

53

By MONK NKOMO
ATTERIDGEVILLE residents living at "Mazakhela" yesterday threatened not to pay their electricity bills following power blackouts in the area for the past three weeks.

Angry residents told The SOWETAN for the past three weeks they experienced electricity failures almost daily between 9am and 2.30pm and between 6pm and 9am.

An elderly mother who refused to have her name published said about R60 worth of meat went off in her fridge due to the daily

Residents ready to act over power cuts

power cuts. "The whole thing is frustrating. We cannot even watch TV or listen to the radio and yet are expected to pay electricity bills at the end of the month," she said.

The Central Transvaal Administration Board's director of technical services, Mr A F Aab, yesterday con-

firmed regular power blackouts, but said the area was "overloaded".

He added: "We are awaiting the delivery of 46 mini sub-stations which were ordered last year to alleviate the electricity problem in the whole township. Although there are other areas which are overloaded, that area is the

worst. It is unfortunate to have power cuts but the situation will be normalised as soon as the mini sub-stations are delivered.

Residents faced with the problem are those staying along Maunde, Ramatswi, Maimela, Mhlanga and Mahlare streets.

A married mother of three said her family often went to bed without food due to the electricity failures. "I arrive home from work at about 5.30pm and just when I start preparing food the lights go off. It is sickening.

"My children sometimes go to school with creased and half-washed uniforms due to the power failures," said another mother. "The authorities must do something about this problem otherwise I am going to stop paying my bills. What is the fun of paying for services not rendered?" she asked.

17/2/83
 State Oil Fund (Pty.) Ltd./S.F.F. Association
 (53) Hansard Q. Col. 177-178
 133. Mr. D. J. N. MALCOMESS asked
 the Minister of Mineral and Energy Affairs:

- (1) Who are the (a) shareholders, (b) directors and (c) auditors of the State Oil Fund (Pty.) Ltd.;
- (2) who are the shareholders of the S.F.F. Association?

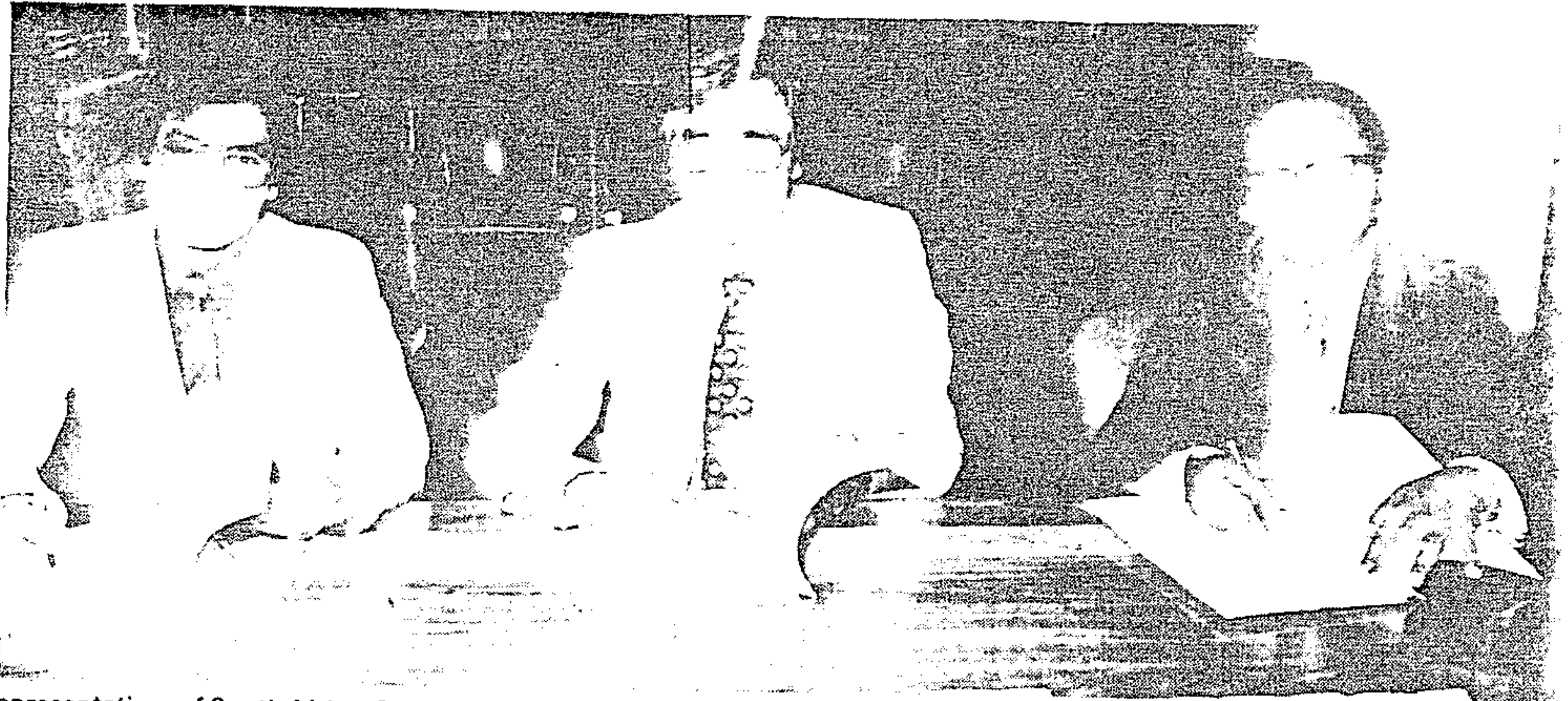
The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) (a) The S.F.F. Association is the only shareholder of the State Oil Fund (Pty.) Ltd.

- (b) Dr. D. C. Neethling Chief Director: Energy, Department of Mineral and Energy Affairs (Chairman)
 Mr. S. J. P. du Plessis Director-general: Department of Mineral and Energy Affairs
 Mr. C. F. Scheepers Deputy Director-General, Department of Industries, Commerce and Tourism
 Mr. J. A. Stegmann Sasol Limited
 Dr. D. F. Mostert Sasol Limited
 Mr. J. L. J. Bezuidenhout Sasol Limited
 Mr. H. R. Wigget Sasol Limited
 Mr. M. MacDonald Industrial Development Corporation
 Mr. D. R. Vorster Industrial Development Corporation.

(c) Hoek and Wiehahn, Johannesburg.

(2) The Industrial Development Corporation and Konoil (Pty) Ltd, a wholly owned subsidiary of the Industrial Development Corporation, with a 50 per cent shareholding each.



Representatives of South Africa, Swaziland and Mozambique met in Pretoria yesterday to sign an agreement to share their common water resources in an equitable manner. The signatories were, from left, the National Director of Water Affairs in Mozambique, Dr A J Lopes Pereira; Mr T P C van Robbroek, an engineer in the South African Department of Environmental Affairs; and Swaziland's Principal Secretary of Ministry Works, Power and Communications, Mr G M Mabila.

Pretoria signs 'water diplomacy' pact

ROM 18/2/83 ~~Journal~~ 55

By DON MARSHALL
Pretoria Bureau Chief

SOUTH Africa yesterday signed an agreement with her neighbours — one of them Marxist — to share their common water resources in an equitable manner.

The agreement is said to be a sequel to the talks at Komatipoort earlier this year between South African and Mozambican officials.

The talks, which were initiated by Mozambique, centred on South African demands that Mozambique stop

harbouring African National Congress terrorists and Maputo's requests for closer economic ties with Pretoria.

South Africa, Mozambique and Swaziland have agreed to establish what Pretoria officials refer to as "a tripartite permanent technical committee" which will co-operate in matters affecting the best joint utilisation of the waters from their common rivers.

It has, therefore, far-reaching implications for future co-operation be-

tween the three countries and is part of Pretoria's wish to promote water diplomacy in the region.

Mozambique, in particular, has become concerned at the large amounts of water drawn from rivers rising in South Africa and flowing to the sea through Mozambique.

Maputo has complained that there is little left for Mozambican agriculture by the time that the water flows out of South African territory.

Dr Peter Vale, director of research at the South African Institute

of International Affairs, said last night that the agreement was an indication that Pretoria was busy strengthening her functional ties with her neighbours.

"This puts South Africa in a strong position, but the real question is how much these states will pay politically for these ties with South Africa," Dr Vale said.

It was also interesting to see South Africa moving from a period of "massive destabilisation" to a new role of acting as an "anchor of stability" in the region, Dr Vale said.

Own Correspondent

LONDON. — Shell International lost the final round of its legal battle yesterday to recover R40 500 000 in insurance for the theft of oil from the supertanker Salem, later scuttled off the west coast of Africa.

Five law lords upheld a Court of Appeal ruling last February that the loss of 180 000 tons of crude oil from the ship before she was scuttled was not a "taking at sea" covered under the Lloyd's marine insurance policy.

The oil was discharged at Durban as a result of what Lord Roskill described yesterday as a "gigantic fraud" designed to get around the ban on the export of oil from the Gulf to South Africa.

After discharging the oil at Durban, the 214 000-ton vessel sailed with her tanks full of seawater, to

CARL TON'S 18/2/83 (55)

Shell loses R40,5m claim for 'stolen' oil

give the impression she was still fully loaded, and was scuttled on January 17, 1980, off Senegal.

Although Shell lost its claim yesterday for insurance on the oil discharged at Durban, the law lords ruled that Lloyd's underwriters were liable for the loss of the 15 000 tons of oil left in the ship when it was scuttled.

They rejected a claim by the underwriters that this oil, valued at about R3-million, was lost by fraud or fraudulent conspiracy rather than by perils of the

sea. Only perils of the sea were covered by the insurance.

Shell has already received more than R27-million from the South African authorities in partial compensation for their loss, with the agreement that if it succeeded in the insurance claim, the money would be refunded.

In April 1981 it won its claim in the High Court that the underwriters were liable to pay out for the total loss of the oil, but last year the Court of Appeal ruled that the oil dis-

charged at Durban was not covered by the insurance.

Dismissing Shell's appeal against that ruling, Lord Roskill, who gave the main judgment yesterday, said the House should take the opportunity of firmly declaring that the standard Lloyd's marine policy did not cover wrongful misappropriation of a cargo by a shipowner.

They ruled that a Court of Appeal, headed by Lord Denning, the former Master of the Rolls, had been wrong to suggest this in a case decided in 1969 involving a ship called the Mandarin Star.

Lord Roskill said that when the present case reached the Court of Appeal, Lord Denning "recanted" and said his earlier decision had been wrong. Lord Roskill added that he had no doubt the Mandarin Star case had been wrongly decided.

PETROL PRICES 55 More to come?

FM 18/2/83

The country could afford a reduction in the pumps price of petrol much greater than the 1c/l in March if government allowed market forces a greater part in price determination. However, it is likely to want to avoid too precipitate a decline that might either encourage consumption or reduce the financial viability of Sasol. Thus a maximum benefit to the motorist of 3c/l is about all that can be expected during the remainder of 1983.

On the world market, the scene looks set for a 12% cut in the reference price of crude oil to around \$30/barrel in line with the Rotterdam spot price. Supplies continue to outstrip demand even though, according to the Middle East Economic Survey, the Organisation of Petroleum Exporting Countries (Opec) has reduced its output to 15m barrels/day, less than half 1979's peak production level.

At least three countries, including Egypt,

have reduced their oil prices to around \$30/barrel. This follows a failure on the part of Opec to agree on production quotas at its recent meeting in Geneva. Some sources believe this heralds the end for Opec. But oil analysts cannot agree on the implications this has for the future pricing structure on the world crude oil markets.

The current crisis may well unhinge the control of the 13-member countries but it would be unwise, as several commentators have done, to assume a price of below \$30 in the longer term, even if Opec were to be disbanded. Because, as economies recover, energy demands will rise to match the present supply rate. SA will benefit not only directly from this but also from an improved export position with its major trading partners, assuming their economies revive through lower energy import bills.

Since October 1982, the rand has strengthened 5% in all against the US dollar. But for the demise of the financial rand, the appreciation would have been 10%. However, it is expected that the unitary rand will recover in the weeks ahead to its previous level of around 93 US cents. Assuming this, the combined effect of cheaper oil and a favourable exchange rate should bring the total reduction in the landed cost of crude oil to about 19%. This would translate into a fall in the pump price of 6,5c/l. If gst is reduced by 1%, as seems likely, then the total theoretical reduction is 7c/l for 93-octane fuel, to a price of about 58c/l.

But the motorist will not see the full benefit of the improved import position. He will have to share fortunes with both the government and the oil companies.

Last December the oil companies had a reported deficit of R31m (see FM December 10). A special formula is used by government to set an agreed profit margin based on landed cost plus various levies and taxes to give an import parity for 93-octane petrol. The margin was frozen last year so that pump price stability could be maintained against fluctuating exchange rates and crude oil prices, with the companies absorbing the difference, plus any inflationary effects on marketing operations. Not surprisingly, they have been pressing for an increase in profit margins since September last year. A portion of the improvement in the import position will probably be utilised to liquidate this deficit. Government will also hold some of the benefit in the equalisation fund if it wishes to control the fall in price.

Being linked to the landed price, Sasol will have to reduce its prices in line with the five major oil refineries. And the company could lose revenue necessary to cover production costs of its synthetic fuels. But last year, Sasol 2 made a trading profit for the first time. Amounting to R69,6m, this will reduce Sasol's reliance on the government, and corporate funds will in part help to fund Sasol 3. Coupled with this, stockpiles of strategic oil reserves are be-

both to optimise the spot price and to ensure future supplies by longer term contracts, purchases of crude oil will likely comprise a mixture of the two.

This factor will delay the full benefits of the present oil bonanza accruing to the South African economy until the end of 1983.

the gap between landed price and pump price might stabilise, thus the pricing of petrol could become more sensitive to moves in the price of world crude. The government buys oil through intermediary companies and resells it on arrival at the port to the five major oil refineries. As it would be a reasonable policy

from petrol sales to the State. Fund and stockpile contingency should remain at present levels or even be reduced. One might also expect a closer relation between the cost of crude oil and the price at our pumps. Sasol is beginning to stand on its own feet. This reduces the emphasis on supportive finance and protection, so that

bevee... be or target as are the plans for 40% self-sufficiency in liquid fuels. A restructuring of Sasol finances may also follow in the light of government comments indicating a desire to stimulate further synthetic fuel production through private sector involvement. All these factors suggest that contribu-

(55) ~~18~~ ^{Hansen} Q. Col. 181
Lead content of petrol
18/2/83

165. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

What was the mean lead content in grammes per litre of (a) 87, (b) 93 and (c) 98 octane fuel in 1982 in respect of petrol refined in the Republic of South Africa?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (a) 87 octane fuel: 0,406 grammes/litre.
- (b) 93 octane fuel: 0,638 grammes/litre.
- (c) 98 octane fuel: 0,714 grammes/litre.

MP to face bitter nuclear-dump farmers

v/e ARGWS
19/2/83

55

By DIRK VAN ZYL, Weekend Argus Reporter

MR ELI LOUW, MP for Namaqualand, plans to face farmers to put the Government's case for siting a nuclear-waste dump in their region — and will take a scientist with him.

His meeting with members of the Kliprand Farmers' Association, the nearest organised group to the proposed dumping site between the hamlets of Gamoep and Platbakkies, will be the first time people in the area have collectively faced someone who may know what the Government plans to do.

Some town representatives and many individuals in the sparsely populated stock-farming area are bitter that the Government did not keep them fully informed before the decision was nationally broadcast about two weeks ago.

But in response to the criticism, Mr Louw said in an interview: "The people of Cape Town and Blouberg were not asked whether they wanted Koeberg nuclear power station."

The people directly affected — owners of the three farms which will be bought by the State — had been told in advance by an official and he was satisfied they had been treated "with the greatest possible fairness and circumspection".

Mr Louw defended the Government's decision to choose a site in Namaqualand and said:

"As to the safety aspects, I have in the first place fully satisfied myself. The whole thing is based on scientific considerations."

Mr Louw said he could be approached at any time for information.

The infrastructure of the "specific little area" would benefit and employment would be created.

Earlier in the week he said about 20 people — scientists, technicians and security officers — could eventually be employed at the disposal site.

Some Namaqualanders have complained that their land is to be used to store nuclear waste transported 500 km from Koeberg, "when, for the past decade, we have begged for household water to be laid on from the Orange River, 130 km away."

Mr Louw said: "Do the people know that places like Springbok, Nababeep, Okiep, Aggeneys and Kleinsee draw water from the Orange River with the aid of Escom power?"

Namaqualand obtained its electricity from Escom's national grid, which Koeberg would feed.

"All industrial development has its drawbacks and side-effects. The Koeberg power station is also such a development," said Mr Louw.

"The world is not enthusiastic about nuclear power, but what is the alternative?"

"It will be one of the most important energy components of the future."

Secunda

builds

55

its CBD

20/2/83 S. Tribune

BIG STORES BLOSSOM IN OIL CITY

THE oil-from-coal town, Secunda, with a population of 40 000 whites now has a vibrant Central Business District, with the LTA group involved in commercial development totalling R16 million over the past three years.

And at the opening of a R6,8 million extension to the CBD, Mike Crawford, managing director of Sandton property group, Retail Property Projects said another R13 million was being invested in the town's business build-up.

An indication of the growth of the Secunda centre is seen in the space taken by one of the major tenants, Edgars.

Two years ago, the group had 1 200 sq m while today, along with its associate, Jet Stores, the figure has risen to nearly 7 000 sq m.

The extensions have added 8 200 sq m of retail space to the existing

Property Reporter

11 700 sq m, with other majors, Foschini, Markhams, Woolworths and Russells also operating there.

The development is owned by a consortium of pension funds comprising the Joint Municipal Pension Fund (Transvaal), the Pretoria Municipal Pension Fund and the Transvaal Joint Municipal Annuity and Gratuity Fund.

Investment growth is ensured through escalation and turnover rental provisions.

Explosions set Koeberg back

CAPE TIMES 24/2/83

Chief Reporter

THE series of four explosions that rocked the R2 000-million Koeberg nuclear power station during a weekend in December has, it is reliably learnt, set back the programme for commissioning the first reactor by at least nine months.

A spokesman at Escom's head office, Megawatt Park in Johannesburg, said yesterday that an in-depth investigation into the December blasts had not yet been completed, but that Escom hoped to be able to report soon to the Minister of Mineral and Energy Affairs, Mr Piet du Plessis.

It would not be possible before then to say how long the delay would be, he said.

He could say, however, that the contractors had been instructed to complete both reactor units at the same time that damage repairs were being carried out.

"This will mean that both units will be complete by the time the first one is brought into commission. A result will be

that by the time Koeberg is ready to start generating power, there will have been a dramatic reduction of non-Eskom staff on the site.

"This will have obvious advantages from a security point of view."

The first reactor was to have been commissioned in May or June this year, but a source outside Escom said yesterday that it was now doubtful whether Koeberg would be ready to go on stream before the end of the year.

The banned African National Congress claimed responsibility for the December blasts on the Koeberg site.

Meanwhile a number of public figures, including the Springbok cricket captain, Peter Kirsten, have accepted invitations to speak at a meeting of the Koeberg Alert organization in Cape Town on Thursday night.

The meeting has been called to reflect and direct "the growing groundswell of public concern" over the security and public-safety aspects of South Africa's first N-station, sited only 30km from metropolitan Cape Town.

SAUDI ARABIA, Kuwait, Qatar and the United Arab Emirates held crucial talks in Riyadh yesterday on the oil production and pricing crisis, with two Ministers saying a concerted price cut was likely.

Oil Ministers of the four key Opec (Organisation of Petroleum Exporting Countries) members face what oil analysts described as possibly irresistible pressure to cut prices, following large reductions by other exporters trying to revive flagging sales in a glutted market.

55 ROOM
23/2-83
Commerce and industry hail cut in petrol price

By GERALD REILLY
Pretoria Bureau

THE price of petrol is to be reduced by 1,6 cents a litre from Sunday, the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis announced in Parliament yesterday.

In addition, diesel would be reduced by one cent a litre, aviation fuel by 1,5c and household and power paraffin by 1,5c.

Mr Du Plessis said the drop in world crude oil prices may lead to a further fuel price reduction in future.

News of the cut — the first major administered price reduction for years — was welcomed throughout commerce and industry yesterday.

Economists and businessmen said it should make a significant impact on the current 14,4% inflation rate — provided it was passed on by manufacturers and traders to the consumer.

The SA Agricultural Union (SAAU) welcomed the cut in the diesel price, and claimed it would save farmers about R10-million a year.

However, Mr John Malcomms (PFP Port Elizabeth) said the petrol price could have been brought down by a minimum of three cents a litre, and Mr Ron Miller, the New Republic Party's chief

spokesman on energy affairs, said prices could comfortably have been reduced by five cents.

The AA estimates the reduced petrol price will save motorists a collective R80-million a year.

Other sources said had it not been for the threatening world oil price war, and the fact that Britain, Norway, Nigeria, Mexico had announced big reductions in their crude oil prices, the cut would have been one cent a litre by the Minister in December last year.

The deputy director of the SAAU, Mr I M van Rooyen, said his organisation welcomed any reduction in farmers' costs.

"But we would have liked to have seen the price of diesel come down to the same extent as petrol."

The annual saving in fuel costs, based on last year's consumption figures for farmers, would be in excess of R10-million, he said.

A spokesman for the AA, Mr Denzel Vermooten, said:

"We believe that as petrol constitutes 60% of motorists' running costs, the reduction

Go Page 2

Earlier reports indicated the four would be joined at the talks by fellow Gulf Co-operation Council members Bahrain and Oman.

But Gulf news agencies said yesterday the two non-Opec members were not at the meeting, although Iraq's Oil Minister, Mr Qassem Ahmed Taqi, was flying to Riyadh to join the talks.

The Libyan Oil Minister, Mr Kamel Hassan al-Maqhour, who earlier this month shuttled between Gulf capitals in an attempt to assemble a full meeting of Opec, might also join the talks, informed sources said.

Kuwait's Oil Minister, Sheikh Ali al-Khalifa al-Sabah, was earlier quoted by a Kuwaiti newspaper as saying the Gulf states would not cut their oil prices.

But Qatar's Oil Minister, Sheikh Abdul Aziz al-Thani, on arrival in Riyadh, said: "We have to cut prices to get out of the crisis."

Asked about reports that a \$5 a barrel cut was planned, he added: "I tend to support these expectations."

The UAE's Oil Minister, Dr Mana Said al-Oteiba, also said price cuts were likely. Speaking to the official Emirates news agency, WAM, in Abu Dhabi before leaving for the Saudi capital, he said the present \$34 benchmark price was no longer relevant.

"We have to look for a new base that should be agreed upon by all the 13 (Opec) members, who will also have to defend it and abide by it," Dr Oteiba added.

Nigeria, a key Opec member, unilaterally cut its price by \$5,50 a barrel to \$30 a barrel last week.

The Nigerian move, the first public breach of Opec price rules, followed a proposed \$3 cut to \$30,50 a barrel by North Sea oil producers Britain and Norway, announced last Friday.

The cuts plunged Opec into the gravest crisis in its 23-year history and raised the threat of unleashing an unlimited price-cutting war.

Oil analysts said Saudi Oil Minister, Sheikh Ahmed Zaki Yamani, and his colleagues faced an agonising choice if they decided to cut the \$34 benchmark.

A reduction of \$4 a barrel, as widely forecast in the industry until the unexpectedly large Nigerian cut, would do little to revive flagging sales but would cut the Gulf states' revenues by about R27-million a day, they said.

But a larger reduction to perhaps \$28,50 to restore the recent quantity differentials against Nigerian crude would almost certainly invite matching cuts by Lagos, they added. — Sapa-Reuter

Some of which ha and Fran

Cha the is l

Mail (CAPE TO bat-earl confisca ment o and Na pumped when it per ow Beketi

HOME FRONT
How to be a capitalist overnight
● See Page 4

INSIDE

Appointments	28
Auctions	28
Bridge	28
Car Specials	26, 27
Comics	25
Crosswords	27
Legals	20, 28
Metro Mail	2
Parliament	8
Radio	28
Weather Mail	2
World News	4

Ring the Rand
Daily Mail 710-9111

Be a double winner!

OH BUT, it is getting close! Now you have only until 5pm on Friday to put yourself in the driver's seat of a brand new Daihatsu Charade, with the compliments of Alfa Romeo, South Africa.

Ah, but there is more... like a week's trip for two to Geneva, all expenses paid. On their return, the winners will be given the use of the spanking new Daihatsu Charade for a whole year, including free insurance.

Now for a hint: the Daihatsu Charade has been voted "Car of the Year" in Japan; it was recently winner in its class and first car ever of 1000cc to finish the gruelling East African Safari Rally; won first place in its class in the 1981 Monte Carlo Rally.

Petrol price cut welcomed

(244) (55) ROM 23/2/83

of 1.6 cents a litre will be significant."

He calculated that on a mileage of 15 000 km, a motorist would save about R30. It would also bring about an overall saving in the total spent on petrol of about R80-million.

"We also estimate that the saving per kilometre will be 0.2% across the whole range of cars, big and small," he added.

The president of the SA Federated Chamber of Industries, Mr Rod Ironside, congratulated the Government on its decision to cut the fuel price.

The move reflected the significant changes now taking place on the world oil scene.

However, he cautioned against possible future adjustments which could wipe out the benefit of the present cut.

Costs throughout industry should be lightened — costs of transportation of raw materials

From Page 1

materials and finished products — "and we can only hope the advantage will be passed onto the consumer".

Barclays Bank chief economist, Dr Johan Cloete, said the price cut would have a significant indirect effect on the inflation rate.

The Government could now more easily hold administered price rises down to below the current inflation rate of more than 14%.

The vice president of the Afrikaanse Handelsinstituut, Mr Hennie Klerck, said the cut was a positive step in the fight against inflation.

He estimated the inflation rate would drop by one half a percent because of the lower price, provided the full benefit was given by traders to the consumer.

The AHI appealed to businessmen to pass the benefit of the price cut onto the consumer, and help the Government

in its fight against the price spiral.

The president of the Motor Industries Federation, Mr Cecil Jowell, said fuel was a significant cost factor throughout commerce and industry and the lower price should make an impact on inflation.

However, he said there was a danger some businessmen might be tempted to offset other cost increases for which they had not been compensated against the reduced fuel price.

An Assocom spokesman also welcomed the move. It provided further proof of the Government's commitment to its anti-inflation drive, and its intention to have a hard look at all administered prices, he said.

Sapa reports that Mr John Malcomess said he did not believe the 1.6c/l cut in a petrol price in excess of 60c/l was really sufficient.

"If you consider that the drop in prices of Opec and

other oils like British, Norwegian and Nigerian range from four to seven dollars a barrel, and when you consider that an average five dollar drop in the price of a barrel of oil reduced the pump price of our petrol by some 3c/l, 1.6c against that is not very high," he said in Parliament.

Also reacting to the news, the NRP's Mr Miller said: "In our opinion, based on present producer prices which have plummeted, the Minister could comfortably have reduced petrol prices by at least five cents per litre."

Meanwhile, Associated Press reports from Riyadh that Saudi Arabia's Oil Minister was quoted yesterday as warning that his country was not prepared to "take any more" pricing infringements by Opec's other member states and as vowing to "take the measures necessary to protect our (petroleum) wealth".

Auctions
 Bridge
 Car Special
 Comics
 Crossword
 Legals
 Jackpot
 Metro Mail
 World News
 Radio
 Weather
 Your Stars
 Ring the
 Daily Mail

INS

Mail Co
 CAPE TOWN
 289 people
 children —
 ing a mass
 cials of the
 Administrat
 police on s
 KTC cam
 morning.
 Targas w
 45 WCAB and
 and two Rate

289
held

The Set
 nated in t
 James Sc
 who worke
 ing condi
 Mr Jus
 found that
 all was a c
 which hat
 terms of t
 local autho
 Mrs Bu
 Hiongwane
 they and th
 permits to
 East

CAPE TIMES 23/2/83

Cheaper petrol means embargo has failed

55 ~~210~~ Staff Reporter ~~220~~

CHEAPER petrol for South Africa from Monday effectively means that attempts to impose an oil embargo against the Republic have failed.

Far from having difficulty in getting supplies, South Africa is now receiving a discount on official government selling prices on some contracts.

In addition, South Africa has succeeded in establishing a profitable synthetic fuel programme, capable of insulating the country from a repetition of the world oil crises which have made the price of a barrel of crude oil rocket from about \$3. to more than \$30 in the past decade.

This was the implication of the announcement of reductions in petrol, diesel and paraffin prices delivered yesterday by the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis.

Price could fall further

The coastal price of 93 octane petrol — to be reduced to 58,3c a litre — could fall further before it rises again.

Under-recovery by the oil industry has been taken into account in the new price structure which is intended to allow for a remedy by September.

This is because there is little prospect of an early improvement in world oil prices, as the lake of surplus crude is growing. It is highly likely that the rand will continue to appreciate against the dollar, effectively reducing the rand cost of oil further.

Weaker oil prices will mean lower returns for Sasol's oil-from-coal operations. However the project reduces the strain of oil on balance of payments.

MP calls for probe on Salem oil deal

CAPE Times
23/2/83
55 7650

MICHAEL ACOTT
Political Correspondent

HOUSE OF ASSEMBLY. — An Opposition spokesman yesterday called for a parliamentary inquiry into the Salem oil fraud which he said had cost the public \$30,5-million because the government had dealt with "conspirators and crooks".

Mr John Malcomess, Progressive Federal Party spokesman on mineral and energy affairs, said Parliament had no control over strategic oil funds so large that they made the Information scandal money look like small change.

A government agency had bought a shipload of stolen oil from a tanker subsequently scuttled, and had paid the rightful owners a vast sum in compensation, without Parliament knowing or being able to redress the situation.

He demanded that a parliamentary select committee investigate the deal, try to recover the lost money and prevent a

recurrence.

He asked the Minister of Finance, Mr Owen Horwood, who negotiated the Salem deal, whether any cabinet minister had been involved and what was being done to recover \$30,5-million paid in compensation.

First discussion

Mr Malcomess raised the issue during the mini-budget debate. This is the first public discussion in South Africa of the 1979 deal which has been reported throughout the world and was the subject of a British court case.

Quoting from Lloyd's Law Reports, Mr Malcomess said the tanker Salem had discharged about

1,5-million barrels of Kuwaiti oil in Durban in 1979.

The Strategic Fuel Fund Association had agreed to buy the cargo and also arranged a \$12,3-million letter of credit so the "crooks" could purchase the tanker.

After discharging its cargo — which at the time belonged to Shell — the Salem was scuttled off West Africa.

The State Fuel Fund had paid the conspirators more than R50-million for the cargo, which it sold to South African oil companies. The fund had in addition paid \$30,5-million to Shell in compensation for its loss.

He said he raised the matter in Parliament because the bodies involved in buying the oil were State bodies using public funds for which the government was accountable to Parliament.

'Stifling' powers

"\$30,5-million has been paid out of these funds because a government concern became a receiver of stolen goods. Yet the first knowledge of this in this country is a court case in England.

"When the facts were published in the South African press, the minister's predecessor used his very wide powers to stifle discussion."

Mr Malcomess asked whether this had been done merely to protect the government and Nationalist cabinet ministers, because the facts were known to the rest of the world.

Fuel price cut welcomed

55
11/11/83

Cape Times 23/2/83

Own Correspondent

PRETORIA. — The 1,6 cents a litre fuel price cut — the first major administered price reduction for years — was welcomed throughout commerce and industry yesterday.

Economists and businessmen said the cut should make a significant impact on the current 14,4 percent inflation rate — provided it was passed on by manufacturers and traders to the consumer.

The SA Agricultural Union (SAAU) also wel-

comed the one-cent a litre cut in the diesel oil price, and claimed it would save farmers about R10-million a year.

The deputy director of the SAAU, Mr I M van Rooyen, welcomed any reduction in farmers' costs.

The annual saving in fuel costs, based on last year's consumption figures for farmers, would be in excess of R10-million, he said.

The AA estimates that the reduced petrol price will save motorists a col-

lective R80-million a year.

A spokesman for the AA, Mr Denzel Vermooten, said: "We believe that as petrol constitutes 60 percent of motorists' running costs, the reduction of 1,6 cents a litre will be significant."

He calculated that on a mileage of 15 000km, a motorist would save about R30. It would also bring about an overall saving in the total spent on petrol of about R80-million.

"We also estimate that the saving per kilometre will be 0,2 percent across the whole range of cars, big and small," he added.

The president of the SA Federated Chamber of Industries, Mr Rod Ironside, congratulated the government on its decision to cut the fuel price.

The move reflected the significant changes now taking place on the world oil scene, he said.

However, he cautioned against possible future adjustments which could wipe out the benefit of the present cut.

Costs through industry would be lightened — transportation costs of raw materials and finished products.

Barclays Bank's chief economist, Dr Johan Cloete, said the price cut would have a significant indirect effect on the inflation rate.

The government could now more easily hold administered price rises down to below the current inflation rate of more than 14 percent.

If salary increases in the private and public sectors were minimized, then the fuel price cut could help pull back the inflation rate to 12 or 13 percent, with the possibility of 10 percent by the end of the year, Dr Cloete said.

The vice-president of the Afrikaanse Handel-sinstituit (AHI), Mr Hennie Klerk, said the cut was a positive step in the fight against inflation.

Cost factor

The president of the Motor Industries' Federation, Mr Cecil Jowell, said fuel was a significant cost factor throughout commerce and industry and the lower price should make an impact on inflation.

More fuel price cuts?

Political Staff

PETROL, diesel and other fuel prices were cut by a cent and more yesterday — and there could be more cuts on the way.

The price cuts announced yesterday by the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, will amount to "a couple of hundred million rands".

From Sunday petrol is down 1,6c a litre which means motorists on the coast can tank up for 58,3 cents a litre. Diesel users will pay 59,1c.

Other cuts are 1,5 cents a litre for paraffin, and jet fuel.

These will be the first petrol price cuts since 1964 when the price was 8c a litre.

Mr Du Plessis pointed out that South Africa compared favourably with other countries such as Britain (60,6c), Germany (61c), Belgium (67c), Portugal (83c) and Italy (88c).

Mr Du Plessis said the cuts were largely due to the over-supply of crude oil on the world market, the willingness of the oil companies to recoup their accumulative losses over a longer period and the agreement of filling station owners to delay an increase in their profits.

'Over-supply'

South Africa had been able to restructure its buying programme because of the over-supply on world markets and "the impact of more permanent lower crude oil prices will be taken into account."

Asked if this meant more cuts he replied: "Yes, that is possible."

He explained when petrol prices were increased on 1 April, last year, the total amount needed was not passed on to the consumer and oil companies carried the loss.

Mr Du Plessis said the lower world price had been expected and the cuts had taken this into account.

"A reduction in the price of any commodity in today's conditions is indeed an occasion for which to be grateful. It is trusted this will play an active role in our fight against inflation and make a meaningful contribution to our economic welfare.

"I call on private enterprise to pass on whatever benefits they can to the consumer."

He pointed out fuel costs had a large effect on production costs.

Mr Du Plessis warned however obtaining crude oil was still a "sensitive" matter and it was everyone's duty to conserve fuel.



Oil embargo and the petrol price.

However, he said there was a danger some businessmen might be tempted to offset other cost increase for which they had not been compensated against the reduced fuel price.

An Assocom spokesman also welcomed the move and said it provided further proof of the government's commitment to its anti-inflation drive and its intention to have a hard look at all administered prices.

Power bills of R1,3-m outstanding

95
Stou
23/2/83

An analysis of electricity accounts in Johannesburg reveals that more than 36 percent of coloured consumers are in arrears with their payments.

This figure is three times as high as that in Asian areas and six times as high as that in White areas, with the average consumer's account nine months overdue.

These figures were made public at the Johannesburg City Council meeting last night. It was also revealed that more than 6 000 accounts totalling R1 265 000 are involved, with the average individual monthly account being R24.

Steps have been taken to recover the outstanding amounts through civil actions.

The report from the City Treasurer's Department states that the electricity supply is cut off when an account is more than two months in arrears and after due warning to the consumer. However it has been found that warnings have little effect.

To add to the council's problems, certain subscribers whose electricity supply had been cut off, resorted to il-

All reports by Shirley Woodgate

legally "bridging" the supply — a practice which if discovered, results in the removal of the cable.

The practice is rife in the coloured areas where 95 percent of cut-offs are illegally restored.

The water supply of delinquent users is only discontinued on rare occasions as this could cause a health hazard, the report states. Trickler systems are usually installed to allow for a minimum flow of water for cooking, flushing toilets and essential hygiene.

Warnings about non-payment of water accounts also have little effect and in coloured areas council officials have been threatened with violence when cutting off water supplies.

Meter-reading in coloured areas is fraught with hazards for officials who have to contend with water meters covered with rubbish, dogs tied to meter boxes, damaged meters and electricity meter boxes tied with wire.

12
work
at for the
is measured

at for the
is measured

Here the expenditure of the household is counted
The market value of the goods is added to
the same example in the income approach
is for example what is paid in wages for
the household which help in producing the
goods.
The value added approach I have detailed
with under the discussion what it is.

Oil price war may mean even bigger cut in petrol costs

By Michael Chester

World oil producers today moved to the brink of an all-out price war that may mean even greater cuts in South African petrol prices in the wake of the 1,6 cents a litre reduction already announced by the Government.

The price of Britain's North Sea oil has slumped to its lowest in four years, 27,55 dollars a barrel, in the key Rotterdam free market and looked set to plunge even lower as sellers rushed to dump cargoes.

Oil from Nigeria, which joined Britain in triggering the price cuts, was quoted at 28 dollars — down as much as 5,50 dollars.

Arab oil producers today gathered in Saudi Arabia to discuss what they now consider a market crisis and were expected to slash prices by at least four dollars a barrel.

Political correspondent Tos Wentzel reports from Cape Town that hints of possible further reductions in South African prices were also dropped by the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, at a news conference.

Mr du Plessis confirmed that petrol comes down next week by 1,6 cents a litre, diesel by 1c and jet fuel and paraffin by 1,5c.

The impact of more permanent lower crude oil prices would be taken into account when applicable, he said.

The Automobile Association has calculated that the petrol price reduction will save motorists about R80 million a year as running costs come down about 2,0 percent.

The strengthening of the rand exchange rate with the US dollar has also been a major factor in allowing the Government to announce a bigger cut than the 1c a litre drop promised by the Prime Minister when he outlined various anti-inflationary measures several months ago.

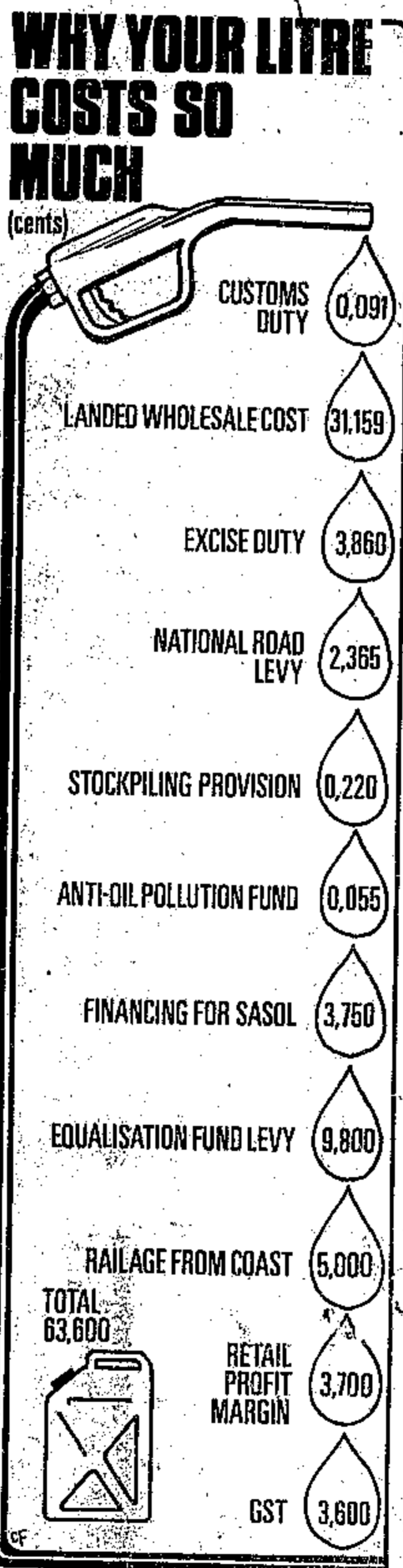
The Afrikaanse Handelsinstituut estimates the petrol cut will trim inflation by about 0,5 percent and the impact could be greater if the full benefits are passed on.

However, it added in a statement, the Government may intervene with new rules on petrol sales if consumption jumps to levels that threaten the balance of payments.

Economists said gold price trends needed to be watched with caution. Bullion, pulled down by the oil decline, has lost nearly 20 dollars an ounce in only 48 hours.

South African Airways said the fuel price cut would cushion the losses it is suffering but would not allow price reductions on either international or domestic air fares.

● See Page 6



AKGUS 23/2/83

More fuel-price cuts possible, says Minister

By TOS WENTZEL
Political Correspondent

FURTHER fuel-price cuts are possible following yesterday's announcement of a decrease of 1,6c a litre for petrol and 1c for diesel.

Mr P T C du Plessis, Minister of Mineral and Energy Affairs, gave an indication of this at a Press conference after announcing in Parliament that jet fuel and paraffin prices were also to be reduced — by 1,5c a litre.

Mr du Plessis said the impact of more permanent lower crude oil prices would be taken into account when applicable.

Opposition spokesmen welcomed the reductions, but claimed they were inadequate.

THE CONSUMER

Mr Harry Schwarz (Progressive Federal Party) said he hoped the savings would be passed to the consumer and that other administered prices would not negate the effect of this reduction.

The main reasons for the drop in fuel prices were the over-supply of crude oil on the international market and the more-favourable exchange rate of the rand against the dollar. Among the other reasons were the willingness of oil companies to spread the recovery of their cumulative losses over a longer period and alternative arrangements for the remainder of the Government's sales commitments.

OVER-SUPPLY

The reduction in fuel prices was an achievement if South Africa's vulnerable position with an oil boycott against it was taken into account.

WORLD MARKETS

The prices South Africa had to pay on the world markets had been considerably reduced, said Mr du Plessis, and he indicated that in some cases South Africa was able to obtain crude oil without paying a premium. Mr du Plessis said consumers would save hundreds of millions of rands a year from the reductions, which would come into effect next Monday. It was the first fuel-price reduction since 1964.

INFLATION

South African Transport Services tariff increases would be financed by the equalisation fund. In agreement with the Government's attempts to combat inflation the service industry would do for a further period without an approved increase in its gross retail profit margin. A proposed fuel levy for road-building had been postponed until the next price adjustment, when the effect could possibly be neutralised. ● See page 15.

By SIMON WILLSON
Industrial Editor

SOEKOR's R600-million offshore oil prospecting programme would continue as planned despite the plunging world oil price, the state-run oil corporation said yesterday.

The corporation said the drilling network established at the EG and FA fields 100 kilometres off Mossel Bay was not restricted by a floor oil price below which drilling would stop on economic grounds.

The prospecting programme would go ahead regardless of world oil price fluctuations because internal corporation projections indicated that the present oil price reduction would be short-lived.

By the time commercially viable South African offshore oil deposits were discovered and tapped, it was likely that the world price of crude would have resumed its upward spiral.

"We regard the disruption within OPEC (the Organais-

Soekor's offshore search for oil to continue despite oil price cuts

55

RNM

23/2/83

tion of Petroleum Exporting Countries) as temporary. In the period 1987-1990 the pressure will be on again," a corporation spokesman said yesterday.

Within the last week an international oil price war has looked increasingly likely as the world's major producers have become locked in competitive price reductions in the face of collapsing demand.

Britain and Nigeria have led the way with reductions of \$3 and \$5,50 respectively in the former \$34 a barrel benchmark price of their export crude, and Saudi Arabian press reports this week have forecast retaliatory

\$5,50-\$7 price cuts by Gulf producers.

The price of petrol in South Africa is expected to be cut by 1c a litre from March 1.

The spokesman said the corporation's most recent financial models were based on an average oil price of \$33 a barrel.

"But the EG field, for example, could continue to be a viable proposition on a world oil price of much less than \$30 a barrel," he said.

"For us, the present state of the world oil market only means: the lower the world price, the bigger our fields will ultimately have to be to pay in the long run.

"A prolonged lower oil price will be worse for Sasol than for Soekor."

To date Sasol's oil-from-coal process has been protected from cheaper world crude by the depreciating rand, but a repeat this year of last year's rand devaluation is unlikely.

The corporation spokesman said Soekor regards the present oil price slump as an opportunity for oil importing countries to improve their self-sufficiency.

"It has never been clearly defined whether Soekor's role is to provide and economic oil supply or a strategic oil supply. There is therefore no obligation on the corporation to suspend its operations just because of a fall in the oil price.

"Everything indicates that one should take the present state of the oil market as a breathing space to get the national energy programme in good order so that OPEC (the Organisation of Petroleum Exporting Countries) cannot hold the West to ransom again."

s
r
s
n
n
ly

No power behind bills

MOHLAKENG residents are up in arms over an electricity levy in their rent bill. But not a single house has been electrified in the township.

The levy amounts to R1,75 and was introduced during the recent rent hikes in the township which came into effect on February 1. The levy is compulsory for every householder, and according to the chairman of the West Rand Administration Board, Mr John Knoetzé, it was introduced to raise capital for the on-coming electrification project in the area.

But people in Mohlakeng are angry, alleging that Wrab was charging them for a commodity they do not have.

PE's first heart op

~~THE first open-heart operation in Port Elizabeth will be performed in the new heart centre at the provincial hospital today. The patient is 16-year-old Mbu-~~

23/2/83
55
Port Elizabeth

Blaze at Pelindaba

DOM 24/2/83

A clampdown on details of a fire which raged at the Atomic Energy Board's Pelindaba headquarters last night, has been ordered by the board.

It is believed at least four Pretoria municipal fire engines were called out to the fire in one of the Atomic Energy Board buildings, and police cars and ambulances were on standby. A cordon was thrown around the area and access prohibited. — Sapa.

SA the big loser

PM 25/3/83

Shell International Petroleum has lost the last round of its three-year fight to recover all the \$56m lost in the gigantic Salem oil cargo fraud three years ago.

But it must derive consolation from the \$30,5m compensation paid by the SA Strategic Fuel Fund Association (SFFA) with funds derived from imposts levied on SA fuel consumers.

In the second reading debate on the Part Appropriation Bill in Parliament this week, John Malcomess (PFP PE Central) asked:

□ Whether SA's involvement in the Salem oil deal was due to "mere gullibility, or was there a suspicion on the part of our negotiators that this oil would be illegally obtained?";

□ "Why did we pay over \$50m for oil without ensuring that the sellers had legal title?"; and

□ "Was this monstrous stupidity or a deliberate shutting of minds to the possibility that existed and finally cost us some \$30,5m?"

He asked for the appointment of a select committee to try to recover the funds and to try and avoid a recurrence of the debacle. Energy Minister Pietie du Plessis said he would reply to Malcomess at the opportune time.

According to Du Plessis, the board of SFFA is made up as follows: D C Neethling, chief director (energy), Department of Mineral and Energy Affairs, who is chairman of the board; S J P du Plessis, Director-General, Department of Mineral and Energy Affairs; C F Scheepers, Deputy Director-General, Department of Industries, Commerce and Tourism; J A Stegmann, Sasol; D F Mostert, Sasol; J L J Bezuidenhout, Sasol; H R Wiggett, Sasol; M MacDonald, IDC; and D R Vorster, IDC.

SFFA's auditors are Hoek & Wiehahn, Johannesburg.

Discussion of the maritime fraud in SA has been kept out of the media because

government invoked the secrecy clauses of the Petroleum Products Act. It was widely covered abroad.

What appears to be the final chapter of this extraordinary case was written in London last week when the Law Lords threw out Shell's appeal for remedy.

According to the *Financial Times*, the Lords ruled that Shell's insurance covered only the 15 840 t of crude left on the vessel when it was scuttled off Senegal in January 1980. Shell's standard ship and goods policy did not cover the bulk of the cargo — 180 392 t of crude secretly discharged in Durban in a \$45m deal between the "conspirators" and SFFA.

For the oil that went down with the Salem, Shell recovered about \$4,6m. It also received \$30,5m from SFFA.

According to evidence before the Lords (one of whom described the fraud as "gigantic and astonishing"), and Malcomess's statement in Parliament, the conspirators, after negotiating a contract for the oil with SFFA, bought the Salem with a \$12,3m irrevocable letter of credit supplied by SFFA's bankers. It was chartered to innocent charterers, Pontoil, for a voyage from Kuwait to Italy.

Pontoil sold the cargo to Shell after it had been loaded at Mina. During the voyage the vessel, whose master and crew were parties to the conspiracy, secretly diverted to Durban where she discharged the

bulk of her cargo. Her tanks were then filled with seawater to create the impression she was still fully loaded. The supertanker was then scuttled in a deep and inaccessible channel off Senegal. The conspirators are still at large.

Still at a premium

The price of petrol has come down for the first time since 1964. That is good news as far as it goes. But seen against the background of whopping double-digit tariff increases announced first by SATS and then by the Post Office, Energy Minister Pietie du Plessis could have shaved at least another cent or two.

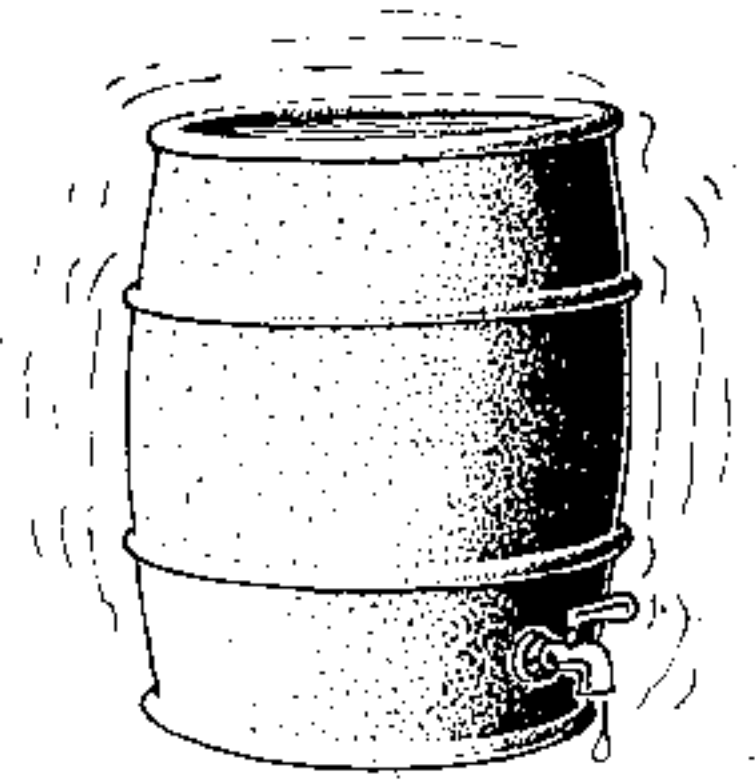
With Opec in disarray, not even the Saudis can hold together the fragile pricing and production policies of the cartel, while Britain and Norway are setting the pace among non-Opec exporters to dispose of their surpluses. The retreat of oil prices could become a rout as the northern hemisphere summer approaches. If such a thing as an Opec reference price exists in six months' time, what will it be — \$25/barrel, \$17/barrel?

On the basis of some calculations, a fall of \$4/barrel in the price of benchmark Saudi light crude to about \$30/barrel should have enabled Du Plessis to roll back the price of 93 octane petrol by at least 3c/l, especially now that the Secunda synfuel projects no longer require large transfers from the various secret funds administered

by the SFF Association and the SOF from user levies. The Salem debacle has shown, at a cost of \$30m to the SA taxpayer, according to John Malcomess (PFP MP for Port Elizabeth Central), that these men are not above grave miscalculation.

That Du Plessis has not been able to do so may be because SA oil procurement agencies are locked into iron-clad term contracts which are not responsive to the present turmoil in the oil market. He told a Cape Town press conference this week that the vast proportion of the country's crude oil imports are subject to term contracts, but denied that SA was paying a "pariah premium."

A major component of the domestic price of petrol is at least 13c/l contributed to the various secret funds. Their administration is a secret. The administrators are not accountable to Parliament or any other forum. On the evidence of the quantum of this week's fuel price reduction, they clearly pay scant regard to influences such as exchange rate movements, falling demand, world over-production of crude and the price mechanism.



Tembisa urged to pay bills

25/2/83
Sopetan
THE LEADER of the opposition in the Tembisa community council, Mr G D Twala, yesterday appealed to residents to pay their electricity connection fees before next Tuesday to avoid higher payments.

Mr Twala said he was warning residents because the township's electricity master plan had not been properly explained to them.

The master plan is in three phases comprising various sections and two weeks' notice is given to residents before work starts in their section.

He said rents in the township had been raised to accommodate the plan and residents were expected to pay R170 before engineers started with the installations. Some houses in other sections, notably Mqantsa, Sedibeng, Ecaleni, Emoyeni, Emangweni, Morithing South and Sethokga, had been skipped and these would be expected to pay higher installation fees if they did not pay by next Tuesday, March 2.

Carbon Black to convert waste gas into energy

55 MAR E-Post 26/2/83

A R5-MILLION energy-saving expansion by Port Elizabeth's Phillips Carbon Black Company is to be officially-commissioned on Wednesday next week.

The scheme, designed to convert waste gas into a productive energy source, has the double cost advantage of saving on the pollution-controls which had previously to be applied before the waste gas could be vented into the atmosphere, according to the company.

Phillips Carbon Black (Pty), is jointly owned by the Industrial Development Corporation and the Phillips Petroleum Company of Oklahoma USA (one of the single largest petroleum and industrial groups in the world. The company is the sole SA manufacturer of oil furnace carbon black — an essential compounding ingredient in the manufacture of tyres and mechanical rubber components.

The official commissioning, which is to be celebrated with a cocktail reception at the Edward Hotel in Port Elizabeth on Wednesday evening, will be attended by company chairman, Mr Danie Vorster (general manager

of the Industrial Development Corporation)

Explaining the latest expansion, marketing manager Mr Paddy Stopford told BUSINESS POST this week that the production of a certain amount of "off-gas" was inevitable in the production process.

"As this only contains about 20% combustible material the gas had to be passed through an oil-fired incinerator to meet air pollution requirements before being released into the atmosphere.

"With the installation of the new plant it is possible not only to burn the 95 000 cubic metres of off-gas with the minimum addition of supplementary fuel oil, but to use the heat produced to generate steam. As the steam generated is more than Philblack requires, it has contracted to supply steam to an adjacent factory and to the nearby municipal sewerage works."

Designed and installed by Rekuperator K-G Dusseldorf, the installation is capable of recovering the equivalent of 3,5 ton/hours of coal, or 24 ton/hours of fuel oil.

BUSINESS TIMES ON THE INTERNATIONAL SCENE

By Stephen Orpen
THE major bombshell this week for the world economy and financial markets was the open fissure in the Opec cartel following the failure to agree on production limits at the January 24 meeting.

Widespread cheating by cartel members because of fundamental supply and demand disequilibrium has been evident for months.

However, the extraordinarily warm winter, dragging world recession and excess inventories had pushed Opec production down to about 16-million barrels a day (half the 1979 level of output) even before the rapid approach of the usual seasonal decline in production.

This is what precipitated the price break somewhat earlier than most expected.

Of course, the break was inevitable anyway.

No cartel with as many diverse members as Opec, which accounts for less than half of total world output, can suspend the law of supply and demand indefinitely.

The age-old problem with virtually all cartels is that they have sufficient power to price their product above equilibrium levels in the short-to-intermediate term, thereby creating the pre-conditions for their eventual demise — temporary or permanent.

The bottom line of the Opec production and pricing crisis relates to five very complex questions.

QUESTION ONE: The first and most important question has to do with the magnitude and duration of price decline that may develop.

A widespread view is that the energy "shortage", which really began to develop in the late 1960s, has had many years — particularly since the first big price rise in 1973 — to become well recognised.

The second oil-price rise, which took the contract price to \$34 bbl, was unnecessary from an economic point of view. When all other commodity prices broke after 1979, oil did not, pushing it far out of line in a relative price sense.

The supply-and-demand imbalance is massive and could continue in a disinflationary environment for as long as the previous shortage existed because of the time lags involved in the complicated elasticities of energy

OIL BOMBSHELL:

Suddenly, an all-new ball game for your economic future

demand and supply.

Also, it is crucial that the cost of most Opec oil is trivial compared with the current spot price of around \$29-\$30.

The cash needs of most oil producers (including non-Opec) is massive.

Finally, as prices fall, producers which are squeezed for cash have to produce and sell increasing amounts, further depressing the price.

The preliminary conclusion is that the price of world crude oil could fall rather more steeply than many are expecting and for a longer period, because it will take years for a lower price to re-establish a new equilibrium.

A price decline to the \$20-\$25 area is clearly within the realm of feasibility for 1983 with subsequent price action dependent on the extent of world monetary reflation.

SECOND QUESTION: This has to do with how Eastern governments react on the fiscal side to the price decline.

A sensible policy for most governments would be to impose an oil-import tax, insulating the domestic price of oil from the falling world price and using the tax revenue to reduce budget deficits, which are massive in virtually every country, particularly the US.

Some governments, however, will be reluctant to do this, particularly if big oil-import-dependent countries like Japan and West Germany do not follow, as their industrial cost structures would become much lower.

At this point it is not clear what tax policy countries will follow, but our guess is that there will not be a substantial move to impose offsetting tax increases on falling world oil prices.

THIRD QUESTION: The effect of the new oil situation on inflationary expectations will also be crucial.

The extent of the effect cannot yet be known because the full magnitude of the drop is not known as is government tax policy.

For example, a big oil-import tax in the US designed to reduce the US budget deficit could have an important effect on reducing inflationary expectations there and abroad.

Our view is that, in the short run, the decline in oil prices will reduce inflationary expectations.

The second-round effects on inflationary expectations will naturally depend on what else governments do.

FOURTH QUESTION: The next area of concern is monetary policy.

Central banks of the major countries will obviously be tempted to step up monetary stimulation with falling oil prices if inflationary expectations are felt to be adjusting downward.

This temptation would be reinforced if governments impose offsetting energy taxes.

A second reason is that countries that are net importers of crude oil will experience balance-of-payments improvements.

Our view is that world monetary reflation, already under way, will be stepped up in the period ahead.

FIFTH QUESTION: Another major issue deals with the net effect of the oil-price drop on world credit demands.

This will depend partly on the answer to Question Two above relating to government tax policy.

If one assumes that there will not be major new taxes, then the oil-price drop should have the effect of increasing world credit demands.

The reason is that Opec, which could be forced into a current account deficit of

\$50 000-million to \$70 000-million, will not cut back on its activities much, if at all.

It will try to borrow or run down liquid assets, which has the same effect on credit markets.

Non-oil-producing LDCs (less developed countries) will experience a balance-of-payments improvement and will be in a better position to borrow to finance imports and domestic development.

Oil-producing LDCs like Mexico, Venezuela, Nigeria and Indonesia will, of course, be subjected to dreadful balance-of-payments and domestic budgetary pressure, and will be forced to deflate internally even more.

However, because the number of countries in debt-default situations will shrink but become more dangerous to the health of the world financial system, they will be given access to more desperately needed credit.

Finally, the extent to which consumers experience a drop in their cost of living, and therefore improvement in real incomes, will probably encourage them to step up spending and borrowing to help fill the backlog of needs built up over the long 1979-83 recession.

One obvious example — a lower petrol price and more stable energy supply situation — should raise the demand for cars, especially larger ones, and thereby raise the demand for instalment credit.

SIXTH QUESTION. A sixth important question, touched on in Point Five above, relates to the risk of a third world/oil companies debt-default crisis leading to more severe strains on the banking system.

This issue has been widely focused on in the Press and appears heavily exaggerated.

Most countries will benefit from falling oil prices and consequent world reflation, including such heavy debtors as Argentina, Brazil, South Korea and Eastern Europe.

The problem will be concentrated in fewer countries and therefore international lending bodies, commercial banks and Western government treasuries may well find it easier to cope with.

Therefore, while the risk of debt crises may appear to grow, in actuality, the risk in general will probably diminish.

Because it is impossible to have hard answers to these questions yet, uncertainty has been increased, and this will be reflected in greater volatility and hence greater market risk in the short run.

As a result, investors and businessmen should take a somewhat more cautious posture toward the financial markets at the present time.

Tentative conclusions for the financial markets of the prospective drop in oil prices are as follows:

● It is fundamentally bullish for the stock market as a whole because it lowers costs, will mean more reflation and higher real incomes. Inflationary expectations may be lowered for a while, justifying higher price/earnings ratios.

It may be bullish for bonds in the near term if a drop in inflationary expectations is sufficient to offset other negative forces bearing on interest rates in countries like the US, Canada and the UK.

The oil-price drop might be bullish for the dollar in the short run as the US current account may not deteriorate as much as we earlier feared.

But if it means more monetary reflation and budget deficits are not cut, then it ultimately would not alter the downward trend of the dollar which we have been anticipating for some time.

When oil was in the \$12-\$15 range from 1976-79, the dollar was very weak, and when it was in the \$30-\$34 range from 1979-82 the dollar was very strong.

A drop in oil prices has already been shown to be negative for gold *in the short run* because of the likelihood of a temporary lowering of inflationary expectations and a temporarily stronger dollar.

But, in the longer term, stepped-up reflation and the prospect of a return to a weaker dollar should tend to support the basic uptrend in the gold price.

Oil prices, SA and you

By Neil Behrmann
London

S. Times
21/2/83

THE sharp fall in oil prices will help reduce world inflation even further.

And the collapse in free-market prices of oil will help to lower South Africa's import bill considerably.

Following Nigeria's dramatic cut in its official oil quotes, prices collapsed on the international free market.

The price of Arabian light crude oil, the Opec benchmark price, traded at around \$28 a barrel, while North Sea crude oil free prices were priced at a four-year low of \$27.30 a barrel.

North Sea prices are already at a discount to the reduced official quotes of

\$30.50, and it is widely expected that Opec will be forced to slash its official quotes by at least \$4 to \$30 a barrel.

While Saudi Arabia, the biggest Opec producer, warned that it would start a price war if other Opec countries failed to fall into line, there were happy smiles among Western politicians that inflation would fall further.

Even before the latest downward spiral in oil prices, there was evidence of considerable success on the anti-inflation front.

Statistics of the Organisation for Economic Co-operation and Development (OECD) show that inflation rates to the six months ended December were far lower

than the previous year.

On an annualised basis United States inflation in the second half of last year was a meagre 1.2%, Japan 1.4%, United Kingdom 1.6%, West Germany 2.2%, Austria 2%, Netherlands 2.6%, Switzerland 3.6%, Canada 5.6% and France 6.8%.

Even with an Italian aberration of 17.8%, the average annualised six-month inflation of 24 member nations of the OECD was 4.4%.

South Africa, a non-member of the OECD, has an inflation rate of 13.8%.

In fact, deflation — falling prices — was experienced in the United States and Japan in the final two months of 1982.

There was deflation in September and December in the United Kingdom as well.

Recent inflation returns of these countries indicate that the success against inflation is continuing. The collapse of energy prices virtually assures that this process will go on.

PFP reopens the old wound of a ship that died of shame

'Now Info is just small fry'

55
S. Tribune
27/2/83

By Peter Mann

Political Correspondent

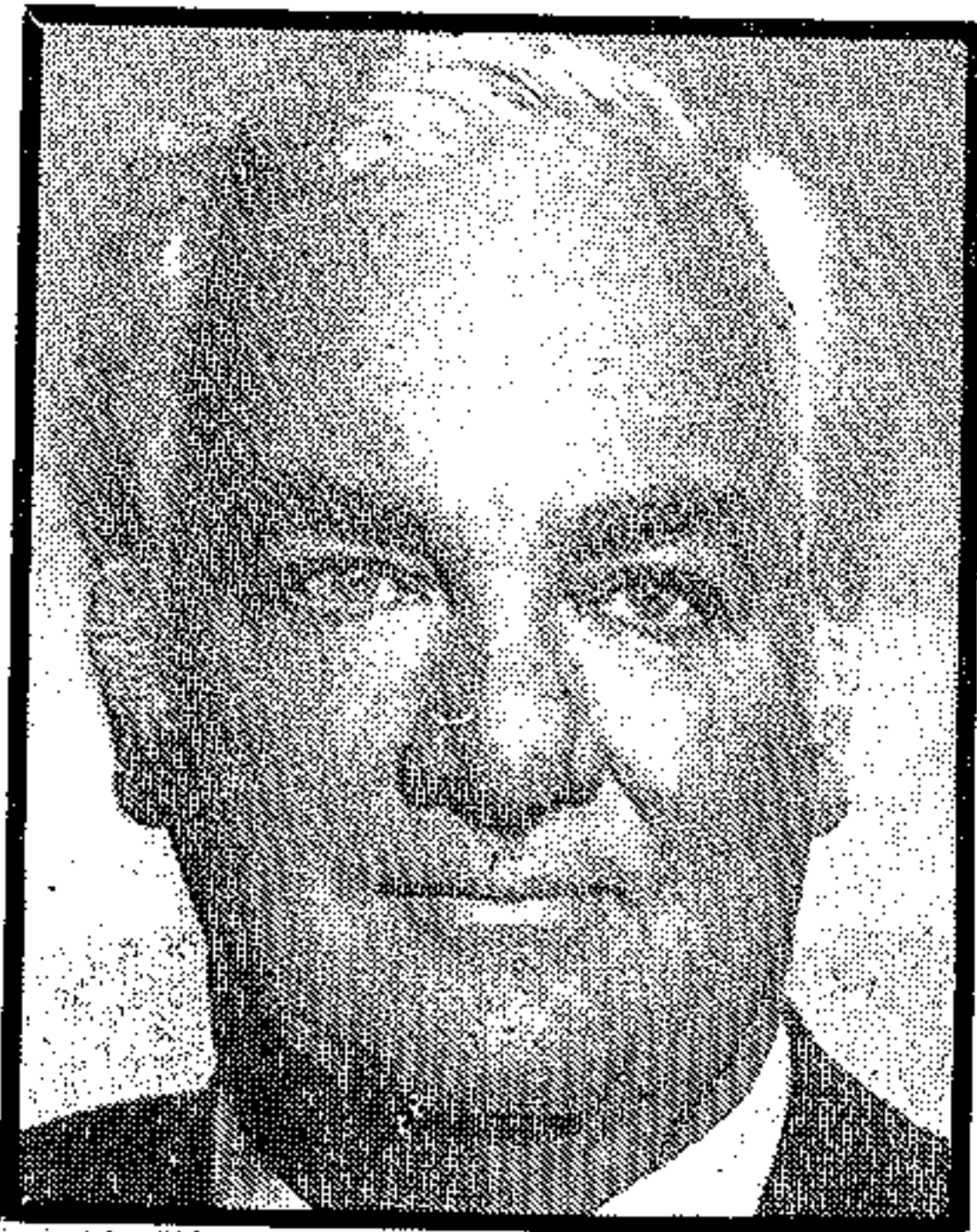
CAPE TOWN: Details of "a gigantic fraud" that allegedly cost South African taxpayers R30,5-million and made the Info scandal seem like "small change" were given in Parliament this week.

Mr John Malcolmess, the PFP's energy spokesman, lifted the wraps off the Salem tanker oil deal of 1979, saying the Government had received stolen goods and had dealt with crooks.

(The Government has always used its wide powers under laws dealing with oil to limit the Press in South Africa from publishing details of the swindle which has led to court cases and wide publicity overseas.)

Mr Malcolmess used parliamentary privilege to raise the matter and asked that a Select Committee of Parliament be appointed to establish better Parliamentary control over funds of about R880-million a year which he said made the funds used in the Info scandal look like small change.

But Finance Minister Owen Horwood said there might be grounds for a select committee to probe Mr Malcolmess's disclosures.



□ John Malcolmess
... wants an inquiry

"I suspect strongly that he has blatantly contravened the provisions of the Petroleum Products Act," Mr Horwood said.

He said that at the time of the scandal the South African Government had briefed energy spokesmen of all the parties (including Mr Malcolmess's predecessor) and they had agreed with the way the Government was handling the affair.

Mr Horwood refused to deal with details of the deal.

But the fight continues. Mr Malcolmess has now issued a statement that the Salem affair could become "the biggest cover-up in South African history" unless the Government lifted its news blackout.

He said the briefing had been before the court cases in Britain when the whole matter became public outside South Africa.

"No further point can be served by secrecy," Mr Malcolmess said.

Earlier Mr Malcolmess used the Lloyds Law Reports to give Parliament the following facts about the Salem affair:

"On about November 23, 1979 the Strategic Fuel Fund agreed to buy about 1,5-million barrels of Saudi light crude oil for delivery in Durban. A condition of the sale was that finance should be arranged for the purchase of a tanker ... A letter of credit was made available for 12,3 million US dollars. With this the crooks bought the Salem, not having paid a penny for her themselves and offered her on charter.

"A company called Pontoil of Switzerland, who were absolutely innocent, chartered her to load about 200 000 tons of crude oil from Kuwait for transportation to Europe.

"The cargo was loaded and the Salem

set sail on December 10. Before the vessel reached Durban Pontoil sold the cargo to Shell.

"The Salem was moored on December 28 at Durban and discharged her oil. She sailed on January 2, 1980 and was scuttled off the coast of Senegal.

"The Strategic Fuel Fund paid the conspirators in full and sold the oil presumably to various South African oil companies.

"Shell claimed for its loss and was ultimately paid out 30 500 000 dollars by the SFF.

"These are the bold facts and to quote Lord Denning ... 'A gigantic ship was used for a gigantic fraud'."

Mr Malcolmess said he had raised the matter because the bodies involved in buying the oil were State bodies and the funds used were public funds "for which this Government should be responsible to this House."

This was disputed by Mr Horwood, who said the money paid out by the State Oil Fund (which receives 3,725 cents a litre of petrol sold in South Africa) was not public money because in terms of the Exchequer and Audit Act of 1975 and the State Oil Fund Act of 1977, the State Oil Fund was a company incorporated in terms of the Companies Act and consequently audited according to normal business practice.

Mr Malcolmess also said the Salem deal gave an insight into the premium South Africa was paying at that stage for its oil supplies.

"It is a premium directly caused by the abhorrence with which the world regards the policies of apartheid practised by this Government, a direct indication of the cost of apartheid for the South African taxpayer.

"The SFF contracted with these crooks to pay 34,50 dollars a barrel. Yet Petrol Intelligence Weekly of January 7 1980 quoted the price of Kuwait crude on December 1, 1979 at 25,50 dollars. This is a difference of 9 dollars per barrel for approximately 1,5-million barrels or 13,5-million dollars in excess of the quoted price.

□ Owen Horwood ... hits back

"Multiply that 13,5-million dollars by the number of shiploads we receive a year — and the extra cost to the motorist, the taxpayer, the foreign exchange position, the inflation rate and the economy must be remarkable."

He asked whether South Africa was still paying such a heavy premium for its oil. The Minister of Mineral and Energy Affairs, Mr Pietie du Plessis replied across the floor of Parliament that the premium had been reduced and in some cases it was "negative".

Mr Malcolmess said: "Perhaps the most urgent question is the complete lack of control over public funds by this House. 30,5-million dollars has been paid out of these funds because a Government concern became a receiver of stolen goods ... yet when the facts are published in the South African Press the Minister's predecessor used his very wide powers to stifle discussion."

Oil prices, SA and you

By Neil Behrmann
London

S. Times
27/2/83

THE sharp fall in oil prices will help reduce world inflation even further.

And the collapse in free-market prices of oil will help to lower South Africa's import bill considerably.

Following Nigeria's dramatic cut in its official oil quotes, prices collapsed on the international free market.

The price of Arabian light crude oil, the Opec benchmark price, traded at around \$28 a barrel, while North Sea crude oil free prices were priced at a four-year low of \$27.30 a barrel.

North Sea prices are already at a discount to the reduced official quotes of

\$30.50, and it is widely expected that Opec will be forced to slash its official quotes by at least \$4 to \$30 a barrel.

While Saudi Arabia, the biggest Opec producer, warned that it would start a price war if other Opec countries failed to fall into line, there were happy smiles among Western politicians that inflation would fall further.

Even before the latest downward spiral in oil prices, there was evidence of considerable success on the anti-inflation front.

Statistics of the Organisation for Economic Co-operation and Development (OECD) show that inflation rates to the six months ended December were far lower

than the previous year.

On an annualised basis United States inflation in the second half of last year was a meagre 1.2%, Japan 1.4%, United Kingdom 1.6%, West Germany 2.2%, Austria 2%, Netherlands 2.6%, Switzerland 3.6%, Canada 5.6% and France 6.8%.

Even with an Italian aberration of 17.8%, the average annualised six-month inflation of 24 member nations of the OECD was 4.4%.

South Africa, a non-member of the OECD, has an inflation rate of 13.8%.

In fact, deflation - falling prices - was experienced in the United States and Japan in the final two months of 1982.

There was deflation in September and December in the United Kingdom as well.

Recent inflation returns of these countries indicate that the success against inflation is continuing. The collapse of energy prices virtually assures that this process will go on.

GLI-6, a two-litre six-cylinder fuel-injected

model which has a revolutionary "lock-up" automatic. When in operation at open-road cruising speeds, it is about 5% more economical than a manual transmission model.

While industry sales in 1982 were only 6% below the record, Mr Adcock expects total sales this year to fall by about 15%, with the biggest decline in light commercial vehicles.

Passenger car sales, however, are expected to fall by only 9%. The reasons for this are:

- A car is still considered a built-in part of the remuneration package offered to many employees.

- The black market is growing rapidly and last year 10% of Toyota's sales were to this sector.

- There are no indications of any change in consumer-saving patterns.

The company's Natal assembly plant ran at near capacity of 420 units a day, but, points out Mr Adcock, this was achieved using about 1 000 fewer people than its nearest competitor, which produces about 300 units daily.

This saved the company about R7.5-million.

with January
Profits were
5%. "But this
when we first
ording to man
"We concentr
etration which
conditions, mea
as inevitable
margins"
The group is c
ers of resin-bas
Africa's R800
industry
Its buoyant sa

Majo

By Julian Kraft
ONE of the coun
specialist foundr
acquired for R
the R20-million a
Industr Serv
group as a
suppliers of alloy
and polution
products

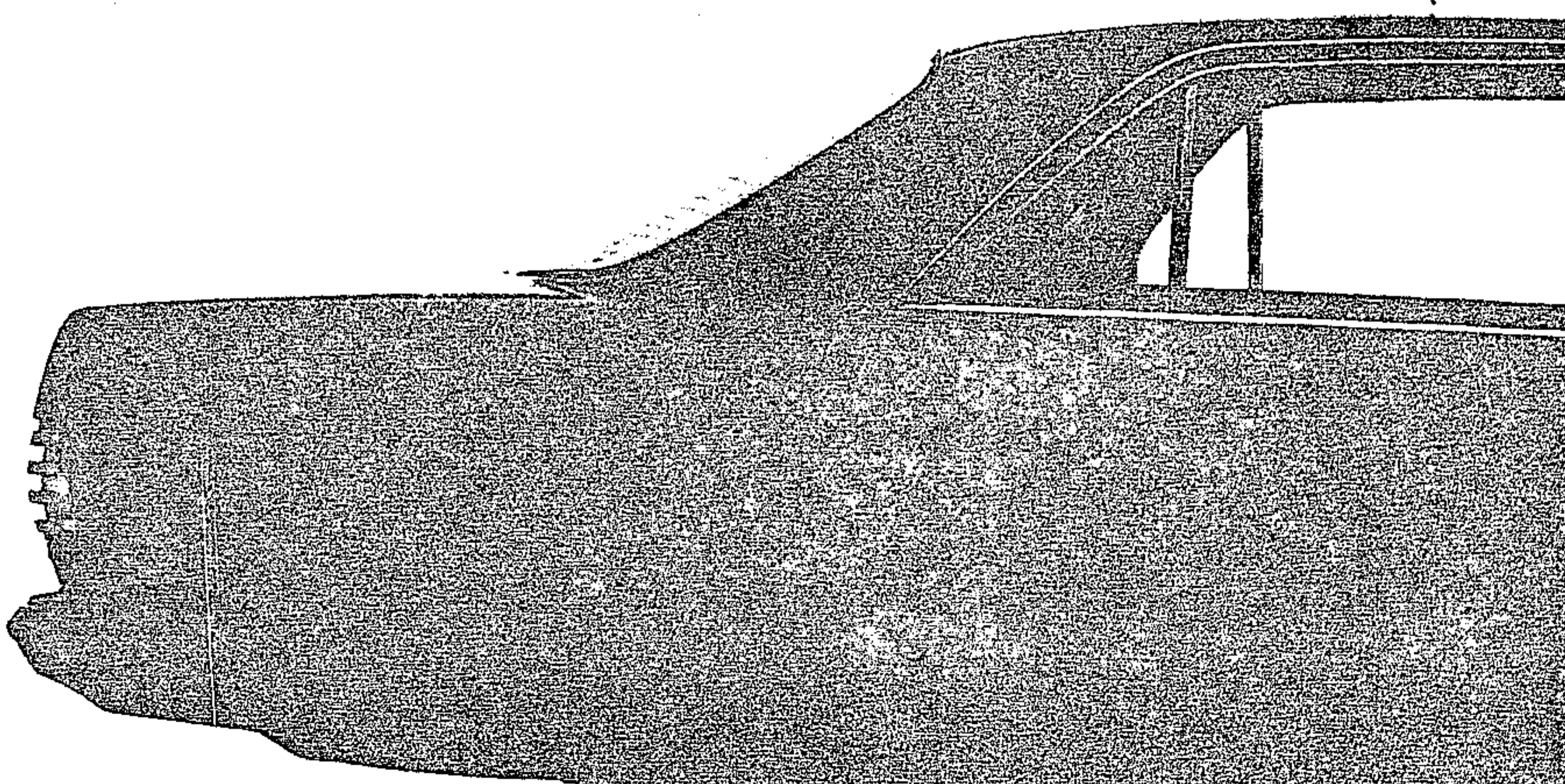
The acquisition
berton foundry
owned by Rexnor
and operating as
Manufacturing, r
vertical integratio
specialist alloy
Mitak.

"By bringing t
under our own roo

Biggest-ever contract

A \$1 000-million computer contract - believed to be the largest commercial computer contract on record - has been awarded by the US Air Force to the Sperry Corporation of New York. Sperry's initial revenue will exceed \$476-million for the eight-year implementation period. This stage will be followed by two six-year contract options, extending the total programme into the year 2002.

WHY MERCEDES-BE CARS THEY HA



By FLEUR DE VILLIERS

HE voters of Waterberg are all set to blast Dr Andries Treurnicht right off the political map. If the Battle of the Orange took place today the National Party would win a clear overall majority in both the Waterberg and Soutpansberg constituencies.

And it would make no difference whether or not the HNP threw in its weight behind Dr Treurnicht's Conservative Party.

These are the most important findings of a specially commissioned Sunday Times opinion poll in the two key constituencies where the NP and its right-wing foes are measuring up for a fight to the finish on May 10.

The poll was conducted this week by a leading market research organisation, MS.

In Waterberg regarded as the only seat where, because of Dr Treurnicht's personal popularity, the Conservative Party would stand a chance of winning an election — the poll gives the National Party a thumping 21-percent lead over the CP and a 33-percent lead over the HNP.

Perhaps even more important for the Government's peace of mind, it shows that if the election were held today the National Party candidate would defeat the right-wing threat with a seven-percent majority over the combined right-wing votes.

And — against all political expectations — it shows that even if the HNP were to disappear from the scene the National Party would enjoy a 15-percent lead over the CP.

The pattern is repeated in the drought-stricken Soutpansberg, where the CP candidate and chief Treurnicht lieutenant, Mr Tom Langley, was expected to put up a stiff fight against the incumbent, verligte Minister of Manpower, Mr Fanie Botha.

The scientific survey in Soutpansberg gives the NP a

Sunday Times



POLL

iversity of Natal, said that the Conservative Party and the HNP were condemned to "permanent opposition".

"Even the suggestion that the Conservative Party might take over from the PFP as the official Opposition no longer appears possible."

The survey showed that in Soutpansberg the National Party had lost 25 percent of its support to the right and

about 20 percent in Waterberg — "but if the CP can't do better than this at a time when, because of drought and inflation, discontent is particularly high in the rural areas, then they are never going to pull it off."

"Time is against the CP," Professor Schlemmer said.

"As the times become more and more insecure, people will shelter behind the strongest party."

Win BIG money in our Charity Crossword contest. Turn to page 14 of LifeStyle

R17 000!

'Cheap horse' wins rich R100 000 race

By PRAVEEN NAIDOO

A RACEHORSE bought for a mere R3 800 on a sale won one of South Africa's richest races yesterday.

Windsor Crown won the R100 000 Computaform Stakes at Gosforth Park by just over two lengths — and paid R61 for a win on the tote.

The previous owners, Mr Peter Bozas and Mr Alf van de Vyver from Natal, put Windsor Crown on auction in Pietermaritzburg in 1981.

It is now owned by Messrs D B F and S J Geldenhuys.

The previous owners had bought the horse as a yearling at the Germiston sales for R8 000 four years ago.

S. Times 27/5/85

Govt scuttles talk on Salem debate

By IVOR WILKINS
Political Correspondent

THE Minister of Mineral and Energy Affairs, Mr P T du Plessis, has refused permission for details of this week's parliamentary debate on the notorious Salem affair — highlighted by the Opposition — to be published.

And the Leader of the Opposition has slammed his decision as a "direct contradiction of parliamentary tradition".

Swindle

The Salem affair, in which the South African Strategic Fuel Fund Association and Shell Oil were defrauded in a gigantic oil swindle in 1979, is subject to the provisions of the Petroleum Products Act.

In a speech in Parliament this week, the Opposition spokesman on energy matters, Mr John Malcomess, made a detailed exposition of the affair.

Parliamentary tradition is that anything said on the floor of the House may be reported. Several newspapers carried reports of Mr Malcomess's speech this week.

But, later, the Minister of Finance, Mr Owen Horwood, said he suspected that Mr Malcomess had contravened

□ To Page 2

POLL ANALYSIS: Overleaf

14-percent lead over the CP, a 42-percent lead over the HNP and an eight-percent lead overall.

Once again, even if the HNP dropped out of the race the NP candidate would still enjoy a 10-percent lead over the Conservative Party.

A significant result of the poll shows that Mr Jaap Marais has read his followers correctly in not unconditionally joining forces with the Treurnicht men.

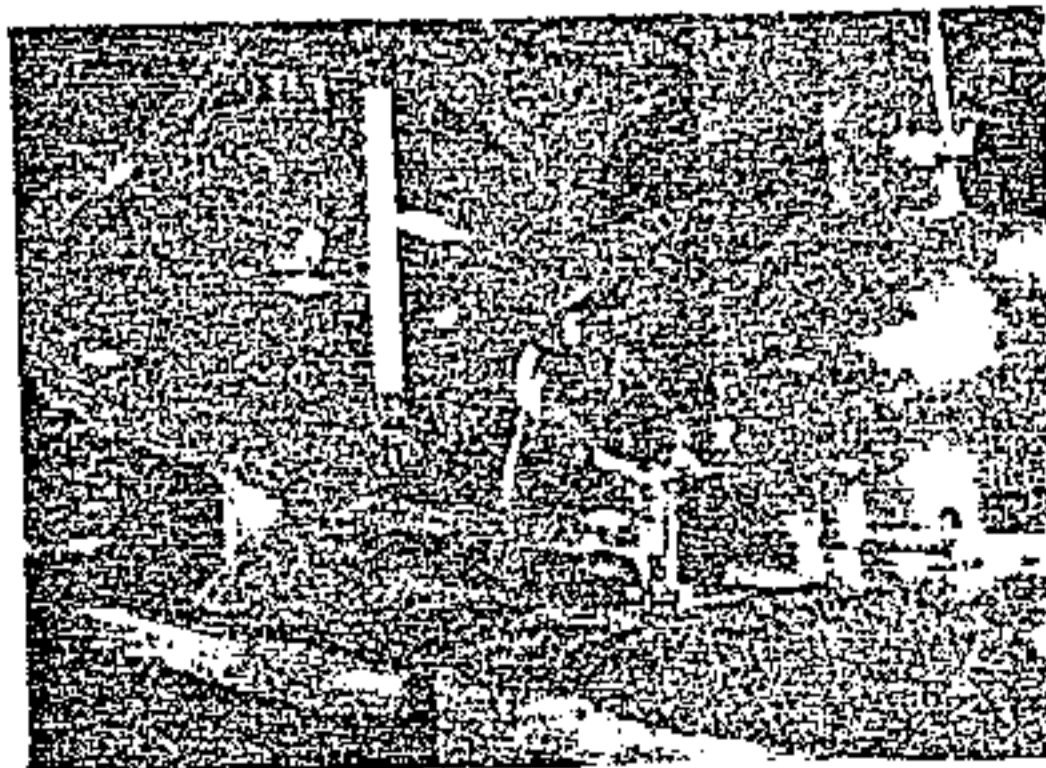
In Waterberg, where in the last election Dr Treurnicht retained the seat for the National Party with a surprisingly small 1 461 majority over Mr Marais, 44 percent of the HNP supporters polled said they would abstain if the HNP failed to put up a candidate.

Mr Marais's insistence that the gulf between the two right-wing parties is too wide to be bridged would appear

Discover the secrets of Richelieu



Breeding The better the grape, the finer the brandy



Purity Like all fine brandies, French Copper Pot distillation



Nats silent on Salem oil fraud

□ From Page 1

provisions of the Petroleum Products Act, which prevents publication of details of oil supplies to South Africa.

He questioned whether Mr Malcomess's speech was not an abuse of parliamentary privilege, and suggested that a parliamentary select committee should investigate.

To clarify the legal position, the Sunday Times approached Mr du Plessis this weekend.

He said it would be an offence under the Act to publish the details revealed in Mr Malcomess's speech, and could not give his permission to allow such publication to take place.

The Opposition leader, Dr F van Zyl Slabbert, commented: "This is a clear contradiction of parliamentary tradition, and it is a very dangerous precedent if MPs' speeches can no longer be reported."

"There are other ways of going about this kind of situa-

tion without letting it reach the stage where MPs' speeches cannot be made available to the public.

"It is simply another demonstration of the arrogance and contempt with which this Government acts under these circumstances.

"The question arises: are they going to delete Mr Malcomess's speech from Hansard? This would be a unique and threatening development indeed."

Swindle

Full accounts of the extraordinary swindle, which ended in the supertanker Salem, used in the fraud, being scuttled off the African west coast, have been published in the overseas Press.

It was also the subject of a series of court cases in Britain, details of which were reported overseas and a full account of which is recorded in the Lloyd's Law Report.

But, apart from official

statements on the matter, the South African media have been prevented from publishing details of the affair.

This week in Parliament, Mr Malcomess, MP for Port Elizabeth Central, re-opened the Salem saga, detailing extracts from the Lloyd's Law Report.

He called for a parliamentary select committee to investigate the whole affair.

In response, Mr Horwood launched a stinging attack on Mr Malcomess.

He quoted in full from a statement last year by the Minister of Energy Affairs acknowledging that Shell and the Strategic Fuel Fund Association had been defrauded in the deal.

The statement also noted that: "After the facts of the transaction had become known, the responsible representatives of all the opposition parties in Parliament were jointly informed thereof (by the previous Minister) in February 1980 as well as of

the circumstances which make it most undesirable for South Africa to disclose any information regarding any oil transaction even though it could be reported in the overseas Press.

"All the Opposition party spokesmen present at the discussion displayed particular understanding of the situation and associated themselves with the proposed handling of the matter."

Confidential

Mr Horwood said it was clear that Mr Malcomess had chosen to ignore the undertaking of his own party, but also betrayed a solemn confidence shared by the Government with the official Opposition.

In a statement afterwards, Mr Malcomess said he would pursue the Salem matter, which he believed could become "one of the biggest cover-ups in South African history".

He said he had never been present at any briefing of the Opposition over the affair, nor had he been told of one.

In February 1980, Mr Malcomess was at the point of crossing the floor from the New Republic Party to the Progressive Federal Party. He actually made the move in mid-March.

Mr Vause Raw, leader of the NRP, recalls that his energy spokesman, Mr George Bartlett, had reported to him about the confidential Government briefing.

The matter had been subsequently dealt with in the NRP caucus, but he said "The full facts were not disclosed. Enough facts were disclosed to satisfy the caucus that we should not pursue the matter."

At that time, the official Opposition spokesman on energy was Mr Derrick de Villiers. He said yesterday that the Government had disclosed details up to that time, but that only constituted "chapter one of the whole story".

It had only been later, when the British court cases and overseas reports were published, that the full scale of the Salem affair had become known.

letter to them with a new application, explaining my predicament.

"It's really awful. Without identity documents you cannot open an account, pay by cheque or even open a banking account," Mrs Bruton, 36, said.

"What is really strange, though, is that my husband sent his documents in at the same time as I did, and he got his back within six months.

"I get nervous even driving my car now because if I had an accident, I would not be able to prove I had a licence," she said.

"It is a bit awful when you realise you do not officially exist."

Mrs Bruton has sent her new application and letter explaining her dilemma to the Department.

A spokesman for the Department of Internal Affairs said that Mrs Bruton's case was being investigated and they were waiting to receive her letter explaining her problem.

"We will do everything we can to help," he said.

Kirsten's no-ball on Koeberg

By MIKE HEWITT

SPRINGBOK cricket skipper Peter Kirsten delivered a no-ball to the anti-nuclear movement this week when he failed to address a protest rally against the Koeberg atomic plant.



PETER KIRSTEN
"Not my department"

Kirsten had been linked to the mass meeting organised by Koeberg Alert, the only anti-nuke movement operating in South Africa.

He had been named as one of the speakers at the lively rally.

Nearly 400 people crammed St George's Cathedral hall in Cape Town to voice their disapproval of the nuclear power plant.

But the Bok captain baled out at the last moment because of "illness" — leaving hundreds of people disappointed at his non-appearance.

Concern

Instead, in a message read to the no-nuke crowd, Kirsten expressed his "concern".

He called for a tightening of security at the station on the outskirts of Cape Town.

Then, in an apparent about-face later this week, Kirsten told the Sunday Times he had no intention of getting involved in the anti-Koeberg campaign.

"It's not my department and I'm not opposed to the power station — I don't want to get involved," he said.

He repeated his concern over security at the plant, but said he was not joining the no-nuke movement.

He refused to talk further about his views on Koeberg.

He said he wanted to concentrate on preparing for yesterday's match against Eastern Province.

The Bok captain was to have shared the platform with other celebrities, including former Springbok rugby player Dr Ian McCallum.

New date

A resolution passed at the meeting called for a stop to the construction of Koeberg, where four blasts damaged the site in December.

The ANC claimed responsibility for the attack, which has probably set back by as much as nine months the date on which Koeberg will become operational.

The target date had initially been set for around May, but Escom officials have still to announce a new date for it to go on stream.

The meeting also called for the scrapping of all nuclear-plant construction plans.

And it called on the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, to channel financial resources into research for alternative energy sources.

Mystery over R100 000 sale of tiny plot

By ISOBEL SHEPHERD-SMITH

SPECULATION surrounds the purchase this week of a small piece of land for R103 000, or R118 a sq m, making it probably the most costly property in the country.

The buyer refuses to reveal his name or his plans for the Trematon Drive residential plot, which boasts a view of Umhlanga Rocks.

The land, less than a quarter of an acre, was owned by Durban City Council.

When it was auctioned this week bids rose by as much as R5 000 a time.

Two people were particularly interested in bidding.

A spokesman for the real-estate company handling the sale said it was an unheard-of price for 873 sq m.

"It's the most expensive piece of land I've known, and I've been in the business 25 years."

"Even in Johannesburg I would not think a site this size would fetch R103 000."

Crazy

The council had put an upset price of R28 000 on the property.

Property experts had estimated that the land, used as a public space for more than 30 years, would fetch between R45 000 and R55 000.

Even neighbours felt the property was "too pricey".

Mrs Daphne Spiers said, "Whoever intends building anything on that is crazy."

"There is something weird about the sale. Maybe there is oil under the ground."

Mr Wally Meyer, sales director of a real-estate company, said, "I do not know."



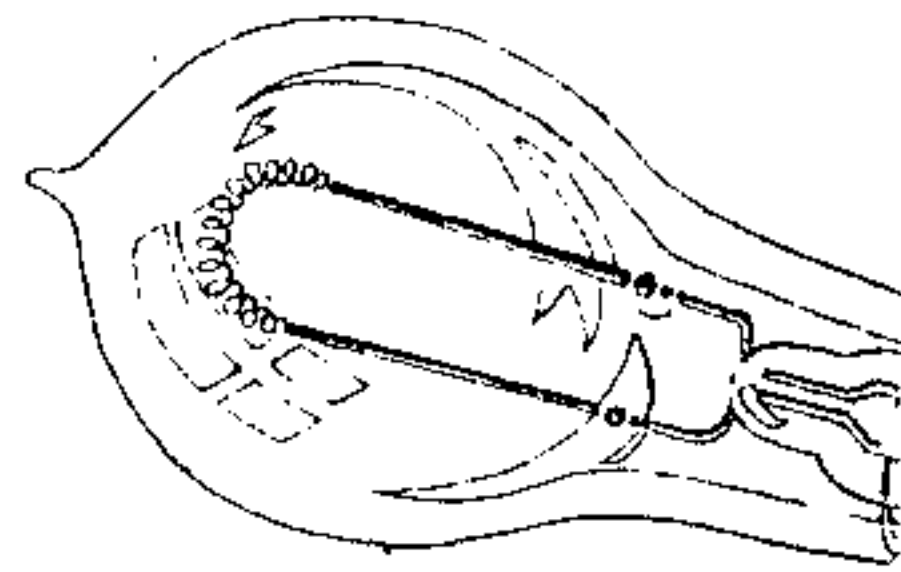
Fortune for Fluffy

Sunday Times Reporter London

FLUFFY the tortoiseshell cat is set for a life of luxury. She has been left R6 600 in the R90 000 will of her mistress, ex-teacher Jean Masland.

Miss Masland, who died in November, aged 57, asked her sister Mary and brother-in-law William Landles — who lived near her in Blyth, Northumberland — to look after 11-year-old Fluffy.

The money is to pay for Fluffy's next four years — and there's R1 600 a year after that if Fluffy lives longer.



IN 1883 A FOUN HAD BRIGHT IDEA

S. Times 27/2/83 (55) (79)

Moment of truth for gold

OIL SUMMIT MEETING COULD MAKE OR BREAK BULLION MARKET

By Elizabeth Rouse
GOLD faces its moment of truth at the coming Opec emergency summit oil producers' meeting.

Bullion, both gold and silver, are treading on an electric highwire, and unless Saudi Arabia and four member Arab Gulf exporters can pull other oil producers into line, sparks might fly.

What has oil got to do with gold?

In a sentence, world oil prices can make or break economies, cause booms or recessions.

As gold's fortunes are inextricably tied to these economies, to business cycles and to the relative attractions of alternative investments, what happens to oil leads gold by the nose — as explained below.

The world's leading oil producer, Saudi Arabia, and four other Arab Gulf exporters, the United Arab Emirates, Kuwait, Iraq and Qatar, will give dissident countries in the 13-member Opec oil cartel a last chance to agree on a new pricing structure or face a destructive price war.

A surprising phenomenon is gold's belated reaction to the long-obvious downtrend in world oil prices and then its slow reaction to the actual price cuts towards the end of last week.

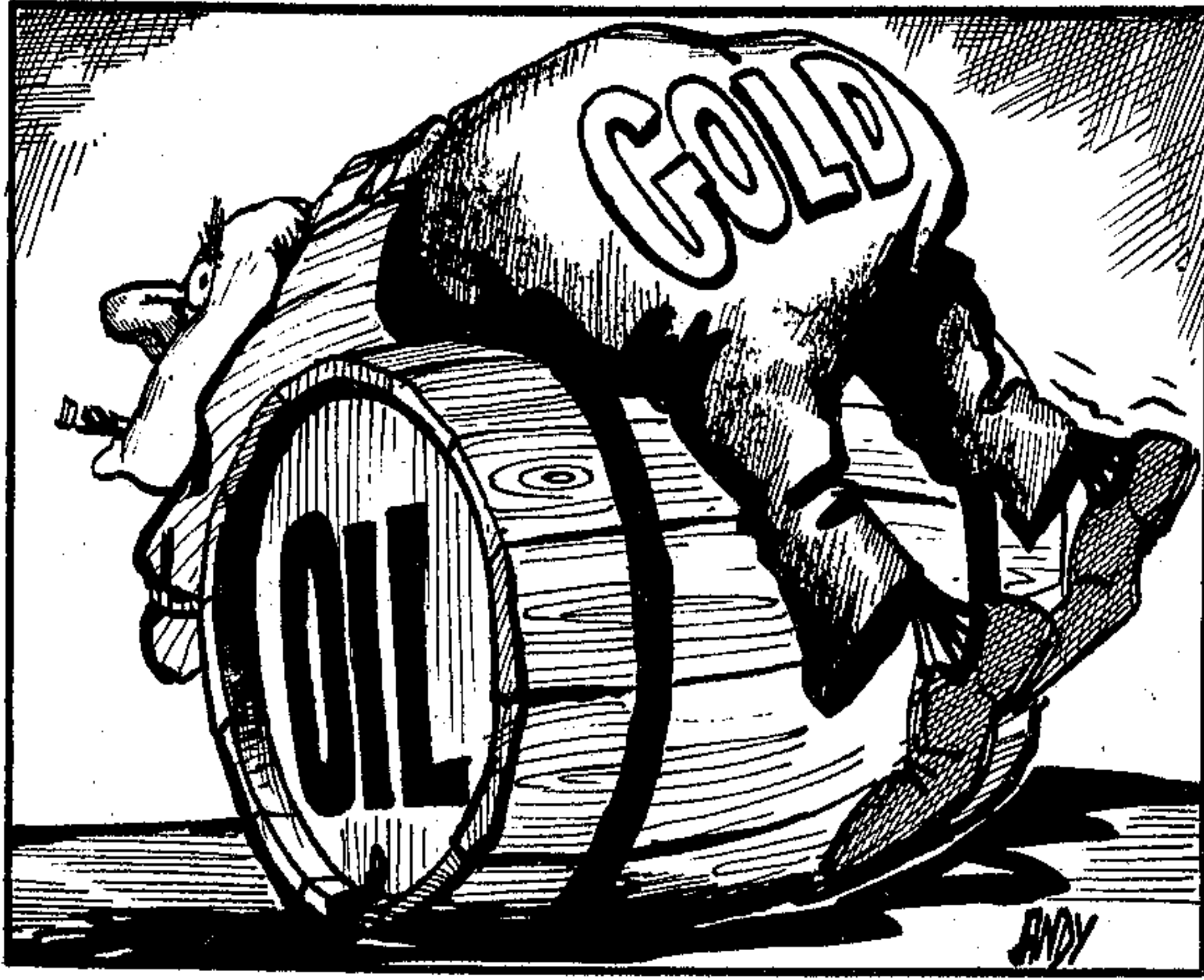
But everything came crashing down on Tuesday. Gold was knocked from its two-year peak of \$511 the previous week to below \$465 on Friday, a fall of \$46.

The JSE Actuaries All Gold Index plummeted from 883.3 last Friday to 766.2 this week, a decline of 13.3%, as speculators scuttled out of the market.

Industrials lost confidence and the JSE Overall Index declined from 930.4 to 860.5, a loss of 7.5%.

If Opec, whose meetings

● To Page 3



Moment of truth for gold market

● From Page 1

frequently end in confusion, does not reach agreement, and the Saudi group declares a price war (loner Iran threatens to undercut Opec whatever the price), gold will take another knock.

The metal's price was due for a correction anyway on technical factors, according to some analysts.

A price of \$500 was not justified on fundamentals such as current jewellery and industrial demand.

That mark was also a critical point on the analysts' charts. Either gold was heading for \$525 or, if a sufficiently major event occurred (which proved to be the oil price chaos), the medium-term uptrend could be broken.

When a market becomes speculative, do not ignore the charts, say seasoned brokers.

Chart analysts now say that gold could drift down to \$460 unless it quickly retraces this week's lost ground.

The market is likely to attract fresh buying around \$460, but the recent support broken at \$480 will represent formidable overhead resist-

ance. That is the medium-term reading for gold. In the longer term some chartists foresee a continuing uptrend, which many think is unbroken.

There are various factors which will influence gold's highwire act in the coming week.

● Consensus is that lower oil prices will hasten economic recovery in oil-importing countries, reduce inflation and undermine the importance of gold as a hedge.

● Opinions differ on the impact of lower oil revenues on debt-ridden oil producers such as Nigeria, Mexico and Venezuela, and the possibility of these countries defaulting on their debts.

● The fear of banking crises caused by these countries is therefore an important balancing factor for gold.

Total world indebtedness is \$700 000-million, of which \$300 000-million is owed to the world's private banking sector. This total is more than the total assets of the world's 10 largest banks.

However, some of these debts have been rescheduled.

S. Times 27/2/83 (55) (79)

55
SA is
S. Tribune
power
27/2/83
king

Finance Reporter

SOUTH Africa's massive power build-up fed by coal seams with a life span stretching into the next century, has made the country the giant of Africa, with an estimated 60 percent of the continent's electricity generation.

The eastern veld bristles with big power stations above vast coal deposits and, if Duvha and Matla were the Escom showpieces, they are giving way to a new breed of power-house projects under the banner of progress.

That's the translation of the Zulu word, Tutuka. And it's Tutuka, out Standarderton way, which is leading the new Escom power revolution — a 3 600mW dynamo which could eventually light up three Johannesburgs.

Tutuka is the first of six stations with a total generating capacity of 21 600mW which, along with Duvha, Matla, Kriel and the rest, will power the new South Africa's industrial infrastructure to support the cities and homes.

Backing the R2 000m Tutuka project is a programme of organisation and planning to prevent lost days which can add up to R200 000 on such an Escom venture.

For instance, tarred roads are already there at a nominal cost of R9m. Roads, say the planners, will have to be there sometime so why not now and so ensure that there is no "bog down" of precious equipment in the rain-belt area?

It's a detailed planning analysis that has not only the effect of getting Tutuka on to the national grid lines at the allotted time, but there will be the advantage of know-how inter-play with the other stations following in its wake.

"Programming has improved tremendously," says Tutuka construction manager Tom Jacobs of Escom. "In the days of the craftsmen, quality control programmes were unheard of."

"Now, with the tremendous growth both in sophistication and finance of the big projects, quality assurance is a vital factor."

Underlining the Escom and contracting teams' dedication to the QA factor is the fact that Tutuka was brought forward 18 months — probably because of the sudden realisation that a power shortage was looming — and yet they have the project into line with contract schedules.

Power station construction today is an ongoing experience which must bring the best together with Escom more selective in the choice of its contractors, going deeply into background, experience, track record and financial stability.

The result is a combination of building men who hit peaks and records in the construction business. The first 275m wind shield for the Tutuka chimneys went up in only 53 days — the work of the new construction partnership in South Africa LTA and the German group Karrena.

Steinmuller boilers will be driving the GEC turbines when Tutuka comes on stream in 1985 and even now, Group Five Engineering company, CMGM Construction, the main "civils" contractor is five, eight and 12 months ahead of schedule on the three cooling towers.

This performance alone is understandable for the cooling towers operation is under the direction of CMGM's Frans Barnard, who has now about 30 towers to his credit.

The consumer in the long run dictates to Escom how it should expand by using about seven percent more electricity every year — a clear indication why Tutuka and the rest of the power giants must be created.

Here is a simple equation of the power demands of the future: When one black man buys a R13 heater to use 1kW of electricity, it costs Escom R550 in capital cost in equipping, building and generating power at Tutuka.

SA capital projects spending is still way above the world average

BILLIONS FOR POWER FEEDS

POWER projects will get the largest slice of the giant R23 billion cake being served up this year for major capital projects other than housing.

This category is way ahead of such other leading sectors as land transport and coal. A total of R16,65 billion, or about 36 per cent of the national total, is being invested in numerous electricity projects, most of which are the construction of the new Eskom power stations. Escom is investing at least R12,5 billion and its largest project, the R2,5 billion Majuba power station is scheduled to start this year.

These figures, along with details of hundreds of projects underway or scheduled, are contained in the latest SA Capital Projects Yearbook '83, compiled by Systems Information Services.

Roads, railways and other land transport projects total R3,94 billion (about 9 percent of total) while gold and coal mining projects come third and fourth respectively with figures of R3,8 billion (about 8 percent) and R3,6 billion.

Chemical industries ranked fifth with a reported investment of R1,67 billion (about 4 percent).

The other five economic sectors that rank in the yearbook's top 10 figures are: other manufacturing; paper and paper products; property development; basic metals; metal products; and water projects.

The publication points out that while the total of non-housing capital projects planned or actually under way, and extending beyond the end of this year, has dropped by 16 percent (from R54,6 billion to R45,2 billion) since the end of 1981, the rate of expenditure is still well above the world average.

Major SA capital projects planned or underway (excluding housing projects) (All figures in millions of rands)

Code	Category	Total Value	Jan 82	Jan 83	Change over 82	Total Value	Jan 82	Jan 83	Change over 82
100	Agriculture	116	116	0	0	620	765	901	136
200	Other Mining	669	886	(218)	26	630	440	715	275
210	Coal Mining	3 628	3 241	(387)	+11	711	3 944	4 251	307
240	Gold and Uranium Mining	3 876	4 826	(950)	20	712	1 126	1 205	79
310	Food, Beverages and Tobacco	1 118	604	(514)	117	713	167	100	67
320	Textiles and Leather	4	4	0	13	719	76	95	19
330	Wood and Wood Products	20	41	(21)	51	810	21	14 901	14 880
340	Pulp and Paper	1 474	418	(1 056)	4	830	236	945	709
350	Chemicals and Allied Products	1 669	4 294	(2 625)	42	830	1 467	1 482	15
370	Steel and non-ferrous Metal Mfg.	1 306	4 380	(3 074)	70	830	107	133	26
380	Metal Products, Machinery and Equipment	1 287	1 444	(157)	1	900	721	286	(435)
390	Other Manufacturing	1 711	891	(820)	5	910	410	486	76
411	Electricity	16 650	14 527	(2 123)	15	920	107	130	23
412	Gas	146	6	(140)	9	921	107	874	(767)
430	Water	1 287	239	(1 048)	4	922	21	27	6
510	Wholesaling	3	71	(68)	87	933	213	300	87
	Total	16 157	14 650	(1 507)	16				

(1) Figures adjusted to include storage under 710
(2) SIC category 360 considered under 370

55

Salem blackout a shock to MPs

CAPE TIMES
28/2/83

55' ~~203-51~~

Political Staff

A CABINET minister's news blackout of a speech made in Parliament last week on the Salem oil deal has astounded Opposition MPs and could cause a row today on the issue of parliamentary privilege.

The news ban imposed by the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, on the speech made last Tuesday by the Opposition's chief energy spokesman, Mr John Malcomess, has for the first time drawn into question an MP's traditional, absolute freedom of speech in Parliament.

Opposition spokesmen say it violates the public's right to know what has been said in Parliament, and it is feared that it threatens the absolute freedom of speech bestowed on MPs by the Powers and Privileges of Parliament Act of 1963.

Legal sources say the action could have staggering effects on the very basis of parliamentary privilege.

Mr Malcomess said last night that the tradition of parliamentary privilege was one of the most basic principles of Western democracy and if destroyed would do irreparable harm to Opposition politics.

Petroleum Act

At the weekend, Mr Du Plessis warned newspapers against further publication of the latest Salem statements made by Mr Malcomess.

He did so by invoking the Petroleum Products Act of 1977 which prohibits its publication of any



Mr P T C du Plessis

formation about the source, transportation, destination or supply of any petroleum product.

Mr Malcomess said in his speech that he had found in Lloyd's Law Reports, available in South African libraries, full details of how the giant oil tanker Salem had been used by international conmen to defraud an oil company and South Africa's oil-procurement agency, the Strategic Fuel Fund, in the most sensational oil hijack in maritime history.

Opposition MPs, who cannot recall any precedent for the action by Mr Du Plessis, say any attempt to stifle publication of speeches made in Parliament is contrary to the tradition of Parliament.

The Minister of

wood, has questioned whether Mr Malcomess abused parliamentary privilege by contravening the provisions of the Petroleum Products Act.

Yesterday Mr Du Plessis said he would today investigate the implications of Mr Malcomess's speech.

The Leader of the Opposition, Dr Van Zyl Slabbert, said it would be contrary to the tradition of Parliament to ban publication of a member's speech which appeared in Hansard, official record of parliamentary proceedings.

"The implications are staggering. For instance, could it mean that the entire speech would have to be struck from Hansard?"

'Only person'

Mr Harry Schwarz, PFP Yeoville, said the Speaker, who had supreme authority over Parliament, was the only person who could stop publication of something said in the Assembly or strike anything off the record of Parliament.

Mr Colin Eglin, chairman of the PFP caucus, said he knew of no law more powerful than that which pertained to the procedures of Parliament.

"There is no law which



Roy Pienaar, the young Western Province cricketer, in action during his maiden Currie watches. Pienaar not

● **JOBFINDER** appears with today's Cape Times
● On Wednesday **MIDWEEK HOME-FINDER** will appear with the Cape Times



Nkom 'house

BULAWAYO. — Veteran Zimbabwe National leader Joshua Nkomo, accused by Prime Minister Robert Mugabe of seeking South African help to stage a coup, was placed under virtual house arrest by police at his Pelendaba home in Bulawayo yesterday.

"It's all part of further harassment," Mr Nkomo said.

"It's effective house arrest," said his lawyer, Bruce Longhurst.

The burly 65-year-old Mr Nkomo, hailed by

a shock to MPs

Political Staff

A CABINET minister's news blackout of a speech made in Parliament last week on the Salem oil deal has astounded Opposition MPs and could cause a row today on the issue of parliamentary privilege.

The news ban imposed by the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, on the speech made last Tuesday by the Opposition's chief energy spokesman, Mr John Malcomess, has for the first time drawn into question an MP's traditional, absolute freedom of speech in Parliament.

Opposition spokesmen say it violates the public's right to know what has been said in Parliament, and it is feared that it threatens the absolute freedom of speech bestowed on MPs by the Powers and Privileges of Parliament Act of 1963.

Legal sources say the action could have staggering effects on the very basis of parliamentary privilege.

Mr Malcomess said last night that the tradition of parliamentary privilege was one of the most basic principles of Western democracy and if destroyed would do irreparable harm to Opposition politics.

Petroleum Act

At the weekend, Mr Du Plessis warned newspapers against further publication of the latest Salem statements made by Mr Malcomess.

He did so by invoking the Petroleum Products Act of 1977 which prohibits its publication of any in-



Mr P T C du Plessis

formation about the source, transportation, destination or supply of any petroleum product.

Mr Malcomess said in his speech that he had found in Lloyd's Law Reports, available in South African libraries, full details of how the giant oil tanker Salem had been used by international connen to defraud an oil company and South Africa's oil-procurement agency, the Strategic Fuel Fund, in the most sensational oil hijack in maritime history.

Opposition MPs, who cannot recall any precedent for the action by Mr Du Plessis, say any attempt to stifle publication of speeches made in Parliament is contrary to the tradition of Parliament.

The Minister of Finance, Mr Owen Hor-

wood, has questioned whether Mr Malcomess abused parliamentary privilege by contravening the provisions of the Petroleum Products Act.

Yesterday Mr Du Plessis said he would today investigate the implications of Mr Malcomess's speech.

The Leader of the Opposition, Dr Van Zyl Slabbert, said it would be contrary to the tradition of Parliament to ban publication of a member's speech which appeared in Hansard, official record of parliamentary proceedings.

"The implications are staggering. For instance, could it mean that the entire speech would have to be struck from Hansard?"

'Only person'

Mr Harry Schwarz, PFP Yeoville, said the Speaker, who had supreme authority over Parliament, was the only person who could stop publication of something said in the Assembly or strike anything off the record of Parliament.

Mr Colin Eglin, chairman of the PFP caucus, said he knew of no law more powerful than that which pertained to the procedures of Parliament.

"There is no law which governs what can be said in Parliament. Parliament makes its own rules."

Mr Malcomess said in Port Elizabeth last night that the minister, by questioning Mr Malcomess's speech, was ignoring a long-standing tradition of Parliamentary privilege.

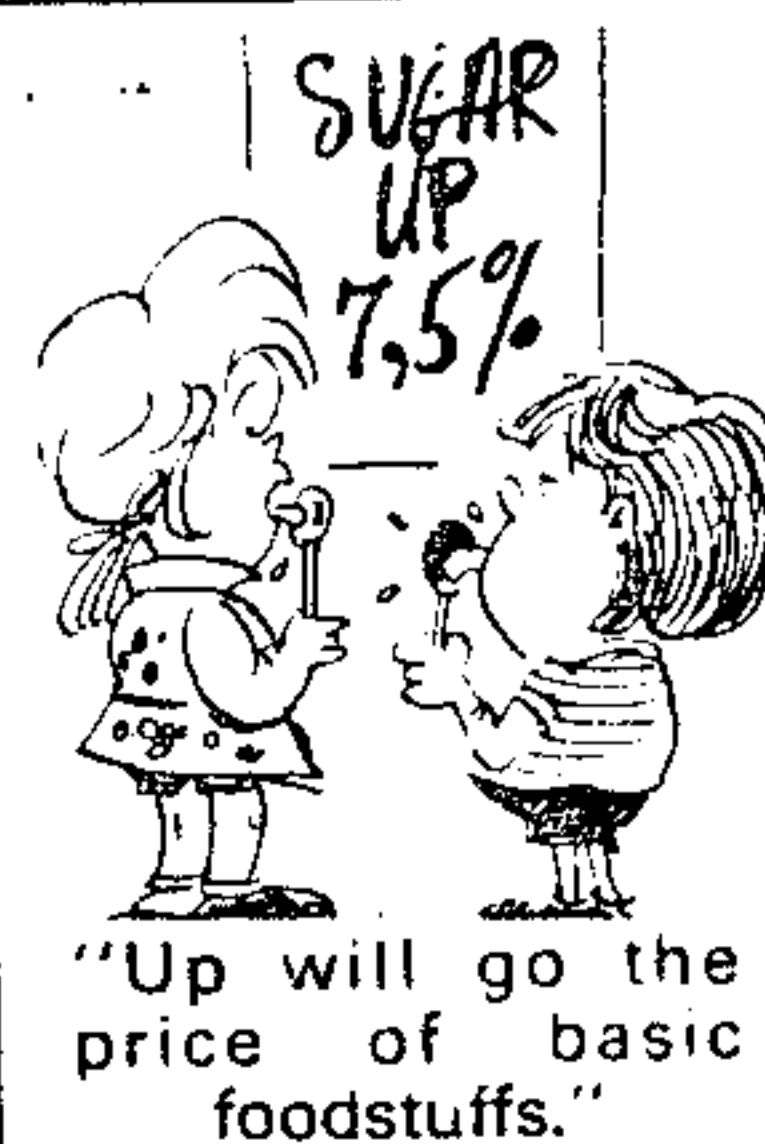
"This is one of the basic principles of Western democracy and if destroyed will do irreparable damage to Opposition politics," he said.

"The big question must now be: 'What is he hiding?'"



Roy Pienaar, the young Western Province all-rounder, during his maiden Currie Cup matches. Pienaar notched...

● **JOBFINDER** appears with today's Cape Times
● On Wednesday **MIDWEEK HOME-FINDER** will appear with the Cape Times



Nkomo 'house

BULAWAYO. — Veteran Zimbabwe Nationalist leader Joshua Nkomo, accused by Prime Minister Robert Mugabe of seeking South African help to stage a coup, was placed under virtual house arrest by police at his Pelendaba home in Bulawayo yesterday.

"It's all part of further harassment," Mr Nkomo said.

"It's effective house arrest," said his lawyer, Mr Bruce Longhurst.

The burly 65-year-old Mr Nkomo, hailed by his supporters as "Father Zimbabwe", received a police order on Sunday morning ordering him to telephone the police before leaving his home at any time.

Mr Nkomo, who was prevented a week ago from boarding an international flight, said the police had told him by letter that the action was being taken because he might be prosecuted.

"This means I am under house arrest," he told Reuters by telephone.

He quoted the letter, dated yesterday, as saying: "As you are aware,

2 die in crossing smash

Staff Reporter

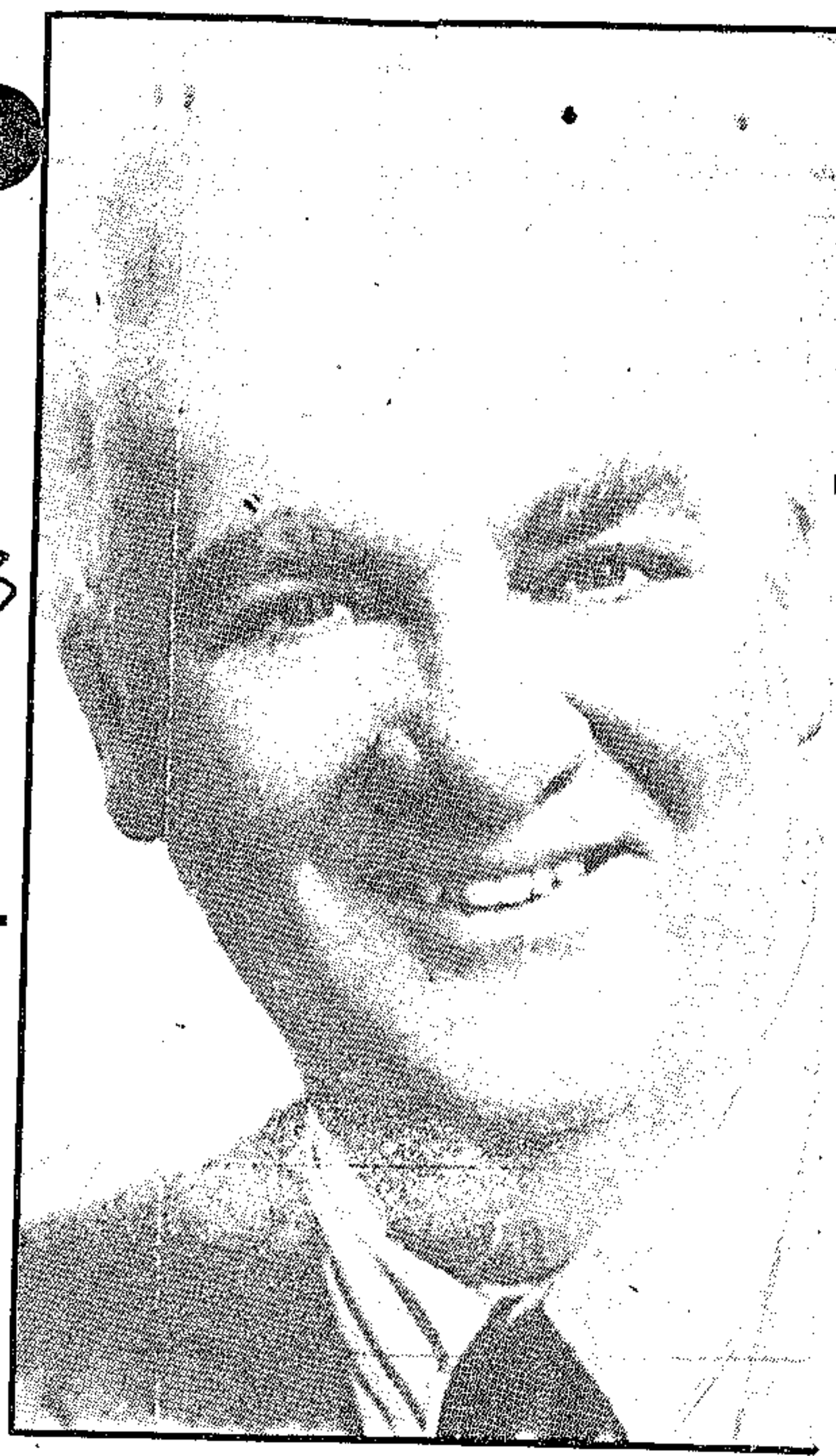
AN elderly couple died and a man was seriously injured last night when their CA-registered car was in a collision with two diesel locomotives and a guard coach at a level-crossing between Saldanha Bay and Vredenburg. The three occupants were not identified.

Three Metro rescue unit vehicles from Cape Town and one from Moorreesburg were sent to the scene with specialized rescue equipment and the "jaws of life" were used to free the occupants of the car.

The surviving man received multiple injuries to both legs, his chest and face. He was taken to Vredenburg Hospital and later transferred to Groote Schuur Hospital.

Salem oil scandal — what was said

55
R2004
1/3/83



JOHN MALCOMESS ... "South Africa has been kept in the dark"

"MY INFORMATION is not confidential ... it is taken from Lloyd's Law Reports. I have them in front of me here, namely 1981, Vol. 2, starting on Page 316, and 1982, Vol. 1, starting on Page 369.

"These are part of the public record in Britain and they are available to all and sundry. They are not secret. The world Press has reported on these court cases in full. Only South Africa has been kept in the dark.

"I quote Lloyd's Law ports: On or about November 23, 1979, the South African Strategic Fuel Fund Association agreed to purchase ... about 1,5-million barrels of Saudi Arabian light crude oil to be delivered to Durban in December 1979.

"Apparently, Sasol acted on behalf of the SA Strategic Fuel Fund Association. A condition of the sale was that finance should be arranged for the purchase of a tanker.

"It was therefore arranged for a Letter of Credit to be made available for the amount of US \$12,3-million. That credit was arranged for 21 days, and it was opened on 26 November 1979.

"I quote again from Lloyd's Law Reports: The crooks had no money with which to pay for the vessel, but they persuaded the South African concern (who were buying the oil) to pay US \$12,3-million in advance — on account of the US \$50-million they would have to pay for the oil when it arrived at Durban.

"So gullible were the South African concern that they got their bank to issue an irrevocable Letter of Credit for US \$12,3-million in favour of the sellers of South Sun.

"The South Sun's name was subsequently changed to Salem. I quote further: With this credit the crooks, as the Oxford Shipping Company Incorporated, bought South Sun and changed her name to Salem, not having paid a penny for her themselves.

"They then offered her on charges. A company called Pontoil, of Switzerland, who were absolutely innocent, chartered her to load a cargo of about 200 000 tons of crude oil from Kuwait for transportation to Europe.

"The cargo was loaded and the Salem set sail on 10 December.

"Before the vessel reached Durban, Pontoil sold the cargo to Shell. The Salem was moored on 28 December at Durban and discharged its oil. She sailed again on 2 January 1980, and was scuttled off the coast of Senegal.

"The SA Strategic Fuel Fund Association paid the conspirators in full and sold the oil, presumably to various South African companies.

"Shell claimed for its loss and was ultimately paid out \$30,5-million by the SA Strategic Fuel Fund Association.

"These are the bold facts and, to quote Lord Denning: 'A gigantic ship was used for a gigantic fraud'.

"The purpose of raising this matter in this House is that the bodies concerned in buying oil were State bodies, and the funds were public funds for which this Government should be responsible to this House.

There is also an illustration within this Government of the premium South Africa is paying at that stage for its oil supplies, a premium directly caused by the abhorrence which the world regards the policies of apartheid practised by this Government, a direct indication of the cost of apartheid to the South African taxpayer.

The SA Strategic Fuel Fund Association contracted with these crooks to purchase 1,5-million barrels of oil at \$34,50 per barrel.

The Petrol Intelligence Weekly of 7 January 1980, which I also have in front of me, quotes the price of crude oil from Kuwait on 1 December 1979 — as close as I can get to the date on which the oil was uplifted from Kuwait — at \$25,50 per barrel.

This is a difference of \$9 per barrel. For 1,5 million barrels we find, therefore, that we have paid \$13,5-million in excess of the quoted price. That is for one shipload.

Multiply that \$13,5-million by the number of shiploads we receive each year and the extra costs to the motorist, the taxpayer, the foreign exchange position, the inflation rate ... is remarkable.

A speech in Parliament last week by Mr John Malcomess, Progressive Federal Party MP for Port Elizabeth Central, disclosing details of the Salem oil scandal, has thrown the Government into a state of confusion. Attempts by the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, to prevent the Press from quoting from the official Parliamentary record are believed to be unprecedented and have sparked off a crisis that threatens the whole tradition of Parliamentary privilege. The details about Salem by Mr Malcomess have been reported abroad and are well known in the world outside South Africa. In view of the importance of the matter, the Rand Daily Mail is publishing an edited version of Mr Malcomess's speech for the benefit of its readers ...



CANDIDATES

NG

ksamenantwoorde mag net aan één kant van vier geskryf word. Kladwerk mag op die agterkant 'n bladsy gedoen word, maar die eksaminator eksamen-doeleindes alleen in aanmerking neem die voorkant geskryf is.

kandidate word herinner om hulle name op alle bladsye wat 'n antwoord op 'n eksamen-vraag verskryf.

een kandidaat mag boeke of aantekeninge van die aard ookal by hom in die eksamenkamer hê nie deur die Registrateur deur skriftelike kennisgewing las om bepaalde boeke mee te bring.

Kandidaat wat probeer om 'n ander kandidaat se of om hulp van 'n ander kandidaat te verkry, of ongeoorloofde boeke of aantekeninge in sy eksamenkamer het, stel homself bloot aan disqualifikasie en sulke verdere stappe as wat die nodige mag zg.

een eksamenskrifte deur die Universiteit verlore mag uit die eksamenkamer weggenem word.

een bladsye mag uit hierdie eksamenskrifte word nie.

r of Finance: Are we still paying such a heavy premium or has that been reduced?

"This whole affair, I believe..."
The Minister of Mineral and Energy Affairs (Mr Du Plessis): "Must I answer you?"

Mr Malcomess: "Yes, please."
Mr Du Plessis: "It has been considerably reduced, in some cases it is negative."

Mr Malcomess: "Well, if that is the case I should firstly congratulate the Minister of Mineral and Energy Affairs on putting right the errors of his predecessors."

"Then, however, I should ask him why the price of petrol has not then come down considerably?"

"Perhaps the most urgent question arising out of this whole affair is the complete lack of control over public funds by this House."

"An amount of \$30,5-million has been paid out of these funds because a Government concern became a receiver of stolen goods. There is no other way to express it."

"However, the first knowledge of this in this country we find to be a court case in Britain. When the facts were published in the South African Press, the Minister's predecessor used his very wide powers to stifle discussion."

"To whose advantage was the stifling of that discussion? It certainly was not to South Africa's advantage, because the whole world already had the facts."

"Whom were we protecting? Were we protecting South Africa or were we protecting the NP and its Ministers?"

Mr Du Plessis: "The Minister does not buy the oil."

Mr Malcomess: "The situation is that there are two companies incorporated in terms of the Companies Act."

"The first one is SOF (Pty) Ltd and the second one is SFF Association. On 17 February of this year, I put a Question to the Minister in this connection and he replied that the shareholders of the SFF Association were the IDC and Con Oil, which is a wholly-owned subsidiary of the IDC."

"They have a 50% shareholding each. They have the same directors as SOF (Pty) Ltd. The directors are exactly the same in both cases."

"Therefore, these eight people control enormous funds flowing into the country."

"These enormous sums of money are public moneys. Normally, this additional amount of \$30,5-million that we had to pay out for this stolen oil would surely have been reported to the Select Committee on Public Accounts and a full discussion would have been held, if necessary in secret, as has been the case in the past."

"However, this did not occur. The Auditor-General does not audit these funds and the decision of the directors is presumably, therefore, sufficient authority for paying out any sum of money, such as this amount of \$30,5-million."

"Parliamentary control has been bypassed and this is wrong because it can lead to all sorts of abuse and mismanagement."

P T C du PLESSIS ... "The Minister does not buy the oil"

"My second question is, therefore: Will the Minister of Finance confirm that he has in fact no control over the funds paid into the State Oil Fund and controlled by SOF (Pty) Ltd, or the funds of the equalisation fund controlled by the SFF Association, and will he make representations to the Cabinet so that, firstly, he has a measure of control and, secondly, that the Auditor-General shall audit these funds?"

"It should be noted that an amount of 3,725c per litre on the price of petrol is paid into the SOF. This will bring in some R242-million per annum."

"The equalisation fund collects 9,8c per litre and this will bring in some R637-million per annum."

"Therefore, in total, we are looking at a figure of some R880-million per annum. This is an amount of money that makes the funds used in the Information scandal look like small change."

"There are many further questions I want to ask in this regard."

- Who are the people we dealt with?
 - What are their names? If this information cannot be given for strategic reasons, are we to assume that we will continue to do business with these crooks?
 - What steps are being taken to bring these crooks before a court of law?
 - What steps have been taken to recover the amount of \$30,5-million?
 - Who was responsible for negotiating this deal?
 - Was any Cabinet Minister asked for authorisation or informed before the contract was signed?
 - Was the South African involvement mere gullibility, or was there a suspicion on the part of our negotiators that this oil would be illegally obtained?
 - Why did we pay over \$50-million for oil without ensuring that the sellers had legal title to that oil?
 - Was this monstrous stupidity or a deliberate shutting of the minds to the possibility that existed and which finally cost us, the South African taxpayers, some \$30,5-million?
- "I therefore recommend that a Select Committee of this House be appointed, with representation from all parties, to investigate this affair so that, firstly, we can attempt to recover the \$30,5-million, secondly, so that we can prevent a similar occurrence in the future and, lastly, so that we can establish better Parliamentary control over taxpayers' funds that amount to nearly R1-billion rand per annum."

Speech berated

REPLYING to the debate, the Minister of Finance, Mr Owen Horwood, berated Mr Malcomess for seeing fit to "rake up the Salem matter" and he denied allegations of a cover-up.
Mr Horwood quoted the text of a statement made by the Minister of Mineral and Energy Affairs on July 12

1982. He accused Mr Malcomess of trying to make "cheap political capital out of an unfortunate incident" and denied that the funds used to purchase the oil were public funds.
Mr Horwood added: "I suspect strongly that Mr Malcomess has blatantly contravened the provisions of the

Petroleum Products Act.
"And the question arises whether the House should not consider appointing a Select Committee to investigate whether Mr Malcomess has, in fact, not violated an Act of Parliament and, if so, has not abused the priveleges of this House."

IN PARLIAMENT yesterday Mr Harry Schwarz, PFP MP for Yeoville, said that the freedom of speech of an MP was a precious heritage which had been fought for over many years. He said: "As far as I and the Members in my party are concerned — we subject ourselves to the Speaker's ruling when it comes to what we may say and we may not say within the ambit of the rules of Parliament and the law in South Africa. We will not submit ourselves to a statement by the Minister (of Mineral and Energy Affairs, Mr P T C du Plessis) outside this house. We are subject to your discipline, Mr Speaker, and not to the Minister's directive about what may be said and what may not be said, because the reality of the situation is that the freedom of speech of which you, sir, are the custodian — the freedom of speech of a Member of Parliament — is a precious heritage. It is not a heritage born today or yesterday, but one that has been fought for for many years. The classic example is one dating from 1396 when a gentleman by the name of Haxey was condemned because he put forward a Bill to reduce the excessive charges of the king's household. What is even more important is the fact that Henry IV reversed that decision and the freedom of the individual to speak in parliament was established. As we sit here in Parliament, every single member knows the provisions of Section 8 of The Powers and Privileges of Parliament Act. Every member also knows the provision contained in Section 2 of that Act, which says: "There shall be freedom of speech and debate or proceedings in or before Parliament and any committee... That is precious to us and that is what is important to us. I have tried to stress this because over the weekend the Minister invoked the provisions of the Petroleum Pro-

IN PARLIAMENT yesterday Mr Harry Schwarz, PFP MP for Yeoville, said that the freedom of speech of an MP was a precious heritage which had been fought for over many years. He said:

As far as I and the Members in my party are concerned — we subject ourselves to the Speaker's ruling when it comes to what we may say and we may not say within the ambit of the rules of Parliament and the law in South Africa.

We will not submit ourselves to a statement by the Minister (of Mineral and Energy Affairs, Mr P T C du Plessis) outside this house.

We are subject to your discipline, Mr Speaker, and not to the Minister's directive about what may be said and what may not be said, because the reality of the situation is that the freedom of speech of which you, sir, are the custodian — the freedom of speech of a Member of Parliament — is a precious heritage.

It is not a heritage born today or yesterday, but one that has been fought for for many years. The classic example is one dating from 1396 when a gentleman by the name of Haxey was condemned because he put forward a Bill to reduce the excessive charges of the king's household. What is even more important is the fact that Henry IV reversed that decision and the freedom of the individual to speak in parliament was established.

As we sit here in Parliament, every single member knows the provisions of Section 8 of The Powers and Privileges of Parliament Act.

Every member also knows the provision contained in Section 2 of that Act, which says: "There shall be freedom of speech and debate or proceedings in or before Parliament and any committee ..." That is precious to us and that is what is important to us.

I have tried to stress this because over the weekend the Minister invoked the provisions of the Petroleum Pro-

A right to speak in the House...

Before Mr Schwarz began his speech the Speaker of Parliament, Mr Johan Greeff, gave the following ruling in reply to a question by Mr Vause Raw, leader of the New Republic Party. Mr Raw: Is it permissible for a Minister to forbid the publication of matters which are recorded in Hansard (the official Parliamentary record) after having been said in this House unless you (the Speaker) have deleted that from Hansard. Mr Speaker: "As far as the member's question is concerned a Member of Parliament has absolute privilege in this House. What is recorded in Hansard can be, and has been, reported in the past. That is as far as I am prepared to go." Political Correspondent JOHN BATTERSBY reports.

ducts Act and sought to prevent reports of what was said by a Member of this House from being published in South Africa.

I have read Mr Malcomess' speech and was present when it was made and all he did was to refer to what was said in a decision in the House of Lords in England which is public knowledge. He said nothing that is confidential. He said nothing that is not known outside of South Africa.

The Minister of Finance said it is not even for this House to have questions asked about it because it is not the taxpayers' money that is involved. It is not money for which a Minister is accountable because it is owned by a private company. But that private company is owned by South Africa and the money in that private company comes from the pockets of the taxpayers of South Africa.

Therefore there is an accountability on the part of the Cabinet and there is a

right on the part of the Opposition, the custodians of the rights of the ordinary South African, to demand explanations.

Whatever anybody says about Mr Malcomess on this issue, I want to say it is his right to ask how that came about, it is his right to ask how public money came to be wasted.

I want to raise another issue concerning what the Minister of Mineral and Energy Affairs did over the weekend.

Surely it is the right of the public to know what a Member of Parliament has said in this house? Surely the public must not depend only upon the ability to get a copy of Hansard. Surely there is a public right to know what in fact is happening in this house.

That is what democracy is all about. That is what parliamentary government is all about.

If in fact there is to be a threat to the right of the public to be told what goes on in this house, then the very fabric is threatened of that on which this House is based.

6

New UN bid to cut off oil flow to South Africa

(D&D) (55) The Star Bureau

Star 1/3/83

NEW YORK — In a fresh bid to cut off South Africa's oil supplies, the United Nations last week proposed penalties for shipping firms sending oil tankers to the Republic's ports.

A special United Nations committee to monitor South Africa's oil supplies decided at its first meeting here that the best way to halt oil exports was to bring pressure to bear on tanker companies.

This week's session concentrated on a general survey of South Africa's oil position and a group of oil experts decided that the next meeting would be devoted to possible retaliatory measures against governments, oil companies and transportation firms which, the UN says, are circumventing a UN oil embargo against South Africa.

The Kuwaiti chairman of the group, Mr Suheil Nasser, said that although the General Assembly had endorsed an oil embargo, the Pretoria Government "is still getting all the oil it needs".

He added: "There is very little oil that doesn't fall under the embargo, not even in the 'spot markets'. Definitely most of the oil that goes to South Africa is embargoed oil being moved through illegal channels."

The 'spot market' refers to the purchasing of oil which is in transit on the high seas, and is out of the jurisdiction of the country which produced it.

Mr Nasser said although most oil exporting nations had passed laws making oil sales to South Africa illegal, some of the poorer oil-exporting nations had relaxed their contract rules.

"They are closing their eyes, and oil is seeping to traders."

He added that many tanker companies operate under flags of convenience, being registered in Liberia and Panama, but these countries were now co-operating with the UN.

"We must break the link that allows oil to flow to South Africa. If you break the chain, you stop the flow."

The General Assembly last year decided to concentrate on an oil embargo after admitting that a campaign to mobilise general economic sanctions had been a failure.

The oil working group is planning a conference on oil supplies to South Africa later this year and is also to publish a "black-list" of all countries and firms selling oil to South Africa.

(55) Hansard Q. No. 426
Salem/S.F.F. Association
2/3/83

*29. Mr. D. J. N. MALCOMESS asked
the Minister of Mineral and Energy Affairs:

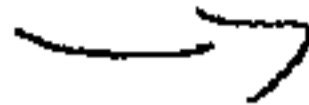
- (1) Whether the S.F.F. Association purchased a shipment of oil which was landed in Durban from the tanker *Salem*; if so,
- (2) whether the S.F.F. Association paid over a sum of money to an oil company for such shipment of oil; if so,
 - (a) what was the amount so paid over, (b) on what date was it paid over, (c) in what currency was payment made and (d) who authorized the payment?

The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

I am in the process of preparing a comprehensive document regarding the *Salem* incident and this document will be made available to all hon. members. Thereafter the Government will arrange for a special debate on this matter.

(55) ~~Q. Col. 430-431~~ *Hansard*
Navy: photographing of tankers
Q. Col. 430-431 2/3/83
*36. Mr. D. J. N. MALCOMESS asked
the Minister of Defence:

- (1) Whether the South African Navy photographed any tankers off the South African coast between 26 December 1979 and 15 January 1980; if so,



431

WEDNESDAY

- (2) whether the names of such tankers could be distinguished; if so, what were their names;
- (3) whether such names could be found in any register of shipping?

The MINISTER OF DEFENCE:

- (1) No.
- (2) and (3) Fall away.

Durban: discharging of oil

*37. Mr. D. J. N. MALCOMESS asked
the Minister of Mineral and Energy Affairs:

Whether any vessels discharged oil at the single buoy mooring off Durban on 28, 29 or 30 December 1979; if so, (a) what vessels and (b) who acted as ships' agents for each such vessel?

The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

Yes.

- (a) Salem.
- (b) Refer to my reply to question 29.

Mr. D. J. N. MALCOMESS: Mr. Speaker, arising out of the reply given by the hon. the Minister, may I ask him whether in the statement he will be making sufficient additional facts will be given in connection with the *Salem* affair to enable us to make the special debate more meaningful? [Interjections.]

Waste gas used
as energy source

8/2/83

55

[Signature]

Financial Staff

The R5 million scheme announced last year by Phillips Carbon Black of Port Elizabeth to convert waste off-gas into a profitable energy source was officially commissioned today.

In the manufacture of carbon black, a certain amount of off-gas is produced

As this contains only about 20 percent combustible material, the gas has to be passed through an oil-fired incinerator to meet air pollution requirements before being discharged to the atmosphere.

With the installation of the plant, it is possible to burn the 90 000 cu m of off-gas with the minimum addition of supplementary fuel oil and to use the heat produced for the generation of steam.

As the steam generated is more than Philblack requires, it has contracted to supply steam to a factory nearby and to the municipal sewerage disposal works.

Designed and installed by Rekuperator K-G Dusseldorf, the plant is capable of recovering the equivalent of 3,5 tons of coal an hour or 24 tons of fuel oil an hour.

Philblack is South Africa's sole manufacturer of oil furnace carbon black — an essential compounding ingredient in making tyres and mechanical rubber components.

Nuclear waste a 'minor problem'

Municipal Reporter

THE disposal of radioactive waste was "a minor technical problem" in relation to the total complexity of a nuclear power plant, the assistant general manager (licensing) of the Atomic Energy Corporation, Mr J O Tattersall, said at the last meeting of the Koeberg Regional Liaison Committee.

Escom yesterday released the minutes of the meeting held on December 1 at Escom's new information centre — the first time they have divulged detailed proceedings of any of the committee meetings.

The next meeting is to be arranged to coincide with Unit 1 going critical.

According to the seven-page document, Mr Tattersall said the problems and cost of protection against radioactive waste were very small compared with those for normal reactor operations, but the disposal of radioactive waste had always

been something of a popular bogey.

There had to be safe on-site storage capability and the time-scale available for decisions on re-processing and permanent storage was several decades, he said.

The amounts involved were small and the full power inventories of radioactive products within a reactor itself carried more potential than the waste that needed to be discarded.

Health hazard levels

Replying to a question on the impact of the nuclear plant on neighbouring municipalities, Mr Tattersall said the health hazard levels would be very low in relation to other hazards in the areas around Koeberg.

With the AEC-permitted radiation levels at the site boundary lower than those applying in the United States and Germany, the chances of dying as a result of radiation from Koeberg

was about the same as from lightening or a button spider.

Mr Tattersall said that the licensee was "absolutely liable" for the consequences of any harmful release of radioactivity from his installation. This liability was unlimited and in force for 30 years after any accident.

The acting vice-chairman of the meeting, Mr C A Gopsill, told the committee that the emergency planning had reached the stage where it was satisfactory for construction, fuel on site, fuel-loading, and criticality.

Other issues, and not the planning, were responsible for the delay in the fuel-loading programme, he added.

Escom's construction site manager at Koeberg, Mr C V Harris, said Koeberg was the first nuclear plant to have been built by the French outside their country, and from the outset the French contractors had treated the job as a showpiece of design and workmanship.

Soweto

in

power fee ^{Soweto} 2/3/83 SWOOP

55 By SELLO RABOTHATA

RESIDENTS in Jabulani, Soweto, were yesterday arrested in a pre-dawn swoop by Soweto Council inspectors for failing to pay fees towards the installation of electricity.

The angry residents, who were picked up from their homes as early as 4.30am, claimed the inspectors who came for them did not even know how much the residents were supposed to have paid. Some of them were told of R20 and others R30.

They were taken to the Zola administration offices and later released after being informed of the right amounts they owed.

According to Mrs Mary Zwane, what angered her most was that the Soweto Council had not sent notices to residents informing them of the move. People were arrested for something they have not even started using.

Another resident, Mr Lockington Ndzunge, said he was released at the Zola office after his house number was not found on the list. He said it seemed those who had bought their houses were not affected.

Mr Nico Malan, executive officer of the Soweto Council, denied the council's employees were involved in the raid. He added that the R30 was optional and only had to be paid when residents were ready to switch on. "We have been notifying residents of the progress of the project which is due for completion in either March or April next year," he said.

"All residents have to pay R20 a month for the next 25 years as we have to repay a loan."

Mr Malan said if residents did not want electricity they should not pay the R30 deposit but would still have to pay R20 a month for the loan obtained for the project.

GANG

TERR



GOALIE: "Wagga" Mokoena in hospital with cut fingers.

By LEN KALANE

MEMBERS of Ditau City All Blacks football team in Tembisa are living in fear of their lives after a gang of men hacked their goalie with a panga and clobbered his teammate brother with an axe-pick on the head.

A third member of the team, Paul "Chippa" Nkwe was hit over the head with an iron-bar and has been missing ever since.

According to the captain of City All Blacks, Mr Jeremiah Tau, "Chippa", was also savaged by his assailants' dogs.

Fear now grips the team who believe a group of Xhosa tribesmen at the Tembisa hostel did alter their blood following a dispute over

football grounds.

The attacks came almost simultaneously starting with goalke "Wagga-Wagga" who tried to block a panga with his bare hands.

Philip was investigating the attack on his brother when his attackers met him and clobbered him with an axe-pick. Hours later, a third member of the team, Nkwe, suffered the same fate.

The City All Blacks team usually train in the hostel grounds unless the Xhosa tribesmen object to the team using facilities at the hostel.

Mr Tau, the captain, said the dispute erupted but we finally decided to move away to our makeshift ground outside the township.

Mr Tau said feelings are strained between his players and the Xhosas since the group dispute and his players have been victims of attacks ever since.

Probe into PE gas operation

E-Post 2/3/83 (55)

A FINANCIAL consultant will be appointed to investigate the viability of Port Elizabeth's gas undertaking.

This was decided by the City Council's Utilities Committee yesterday after it had considered a report by the City Electrical Engineer's Department on the prospects of the project becoming profitable.

In the council's 1982/83 budget, the gas undertaking showed a loss of R1 701 990 over 18 months

The report said it was possible to make the undertaking profitable again by building up sales, improving efficiency and reducing costs.

The chairman of the Utilities Committee, Mr J C K Erasmus, said the committee had decided to appoint a financial consultant to investigate the operation in Port Elizabeth because both the generation of gas and the method of handling accounts had to be considered.

(55)
Oil blocks out

2/2/83 sun day

The danger in the oil price war is that it will persuade politicians to reduce even further the funding of alternative energy research such as solar power.

Yet the truth is that the current oil glut will be short-lived and the West's economy, still based on oil, will again be threatened.

But solar power, underfinanced though it is throughout the world (ex-

THURSDAY, 3 MARCH 1983

†Indicates translated version.

For written reply: *Handled*
Q. No. 471 -
Lead content of petrol *472*

85 Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

MARCH 1983

472

- (1) Whether his Department carries out periodic checks of the lead content of petrol; if so, what was the highest lead content found in each octane; if not,
- (2) whether his Department obtains information on the lead content of petrol from other organizations; if not, why not; if so, (a) from what organizations and (b) what was the highest lead content found in each octane by such organizations?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) No.
- (2) Yes.
 - (a) SABS.
 - (b) Highest lead content for 1982 is as follows:
 - 87 octane fuel: 0,756 grammes/litre;
 - 93 octane fuel: 0,830 grammes/litre;
 - 98 octane fuel: 0,830 grammes/litre.

The maximum standard laid down by the SABS is 0,836 grammes/litre.

Debate soon on Salem oil fraud

CAPL T 1165
3/3/83

55
~~720~~
~~101~~

Political Staff

HOUSE OF ASSEMBLY. — The government is to arrange a special parliamentary debate on the Salem oil scandal — more than three years after the biggest fraud in maritime history rocked the world.

The surprise move was announced here yesterday by the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis.

He also said the government was preparing a "comprehensive document" on the Salem affair to be made available to all Members of Parliament prior to the debate, which informed sources say could be as early as Wednesday next week.

The minister was reply-

ing to questions by Mr John Malcomess (PFP Port Elizabeth Central), who last week warned that the Salem affair could become the biggest cover-up in South African history.

The government move also follows more than a week of heated exchanges in the House sparked by an earlier speech in which Mr Malcomess disclosed details of the Salem saga.

Attempts by Mr Du

Plessis to prevent newspapers from reporting the contents of Mr Malcomess' speech precipitated a major row over parliamentary privilege and the rights of the press to report what is said in Parliament.

In a statement outside the House yesterday, Mr Malcomess welcomed the government decision to hold a special debate.

File

Mr Malcomess said he had built up a file on the Salem affair and was already in possession of the names of some of the people involved.

"I have shared this information with some of my colleagues. I also telephoned London today for the House of Lords judgment.

"To me the importance of this matter is to establish parliamentary control over funds which are extracted from the public in the price of fuel.

"The annual incomes of the State Fuel Fund and the Strategic Oil Fund are enormous and the Salem affair is indicative of costly mistakes being made," he said.

It is understood that MPs will be given ample time to study the document before the special debate.

Agent

In the House yesterday, Mr Du Plessis declined to give details on the role of the State Fuel Fund in the controversy or who had acted as agent for the Salem.

In reply to another question by Mr Malcomess, he said that between December 28 and 30, 1979 the Salem had discharged oil at single buoy mooring off Durban.

In his speech to the House last week, Mr Malcomess disclosed that a government agency had bought a shipload of stolen oil from a tanker subsequently scuttled, and had paid the owners a vast sum in compensation, without Parliament knowing.

He demanded that a parliamentary select committee be set up to investigate the deal and try to retrieve the lost \$30,5 million in compensation money.

Handwritten notes and arrows on the right side of the page, including a large bracket and the word "copies" written vertically.

Handwritten notes on the left side of the page, including the letters "LR" in a box.

New assurance on Koeberg nuclear plant

AKUS
3/3/83
55
~~55~~

Science Reporter

KOEBERG nuclear power station will not come on stream until it meets all the technological and other requirements of Eskom "and all other parties associated with the project", according to the commission's chairman, Mr Jan H Smith.

Speaking at a dinner in a Cape Town hotel last night, Mr Smith said Eskom had resisted building the nuclear power station as long as possible because it wanted to take advantage of the rapid progress that was being made in nuclear technology.

Early in 1973, Eskom had announced that it would delay Koeberg until 1981 and would, instead, build a coal-fired plant in the country's north and build a third 400 kV line to the Western Cape.

Despite pressure from various quarters to proceed with Koeberg, Eskom "was still reluctant to go ahead with the project, mainly on economic grounds".

The situation today was different, though the developments which brought Koeberg to Cape Town were taken for granted — and the pollution caused by the city's old power stations had been forgotten.

The commission was "continually aware" of how necessary Koeberg was and was fully aware of "the associated factors such as the fear of nuclear power, the high cost of building such power stations, the problems with nuclear fuel — and more recently, the question of sabotage", he said.

Mr Smith, after giving an assurance that Koeberg would not be brought on stream before it met the technological and other requirements of Eskom and other parties, said last year's sabotage of the plant had resulted in security measures being introduced which normally would have followed at a later phase.

55 Hansard Q. Col. 489
Lead levels in blood
4/3/83 -490

*10. Mr. D. J. N. MALCOMESS asked the Minister of Health and Welfare:

- (1) Whether he (a) has taken or (b) intends to take cognizance of a thesis written by a member of the Environmental Studies Group of the University of Cape Town on the high lead levels in the blood of children in Cape Town; if so,
- (2) whether he will make a statement on the matter?

The DEPUTY MINISTER OF HEALTH AND WELFARE:

- (1) (a) Yes;
(b) falls away;
- (2) no, not at this stage as the thesis is still being studied. However, I wish to add that the City Council of Cape Town is doing extensive air monitoring in the area concerned. A professor attached to the Department of Environmental Studies at the University of Cape Town, with financial support from the C.S.I.R. will also start a research project in the Cape, in which the Department will also be involved, within the near future. Steps (if any) which may be taken, will depend on the results of the research project and the routine monitoring.

MARCH 1983

490

Mr. D. J. N. MALCOMESS: Mr. Speaker, arising out of the reply given by the hon. the Minister, will he tell us whether it is possible that these studies will be extended to other major metropolitan areas, because if there is a problem in Cape Town it is very likely that the same problem will also exist in Johannesburg, in Pretoria, and elsewhere?

The DEPUTY MINISTER: Mr. Speaker, that is a question the hon. member should table.

(55) Hansard Q. 61. 488 -
Salem
4/3/83 489
*9. Mr. D. J. N. MALCOMESS asked the
Minister of Law and Order:

489

FRIDAY, 4 M

- (1) Whether the South African Police have investigated or are investigating any matter arising from the purchase of a shipment of oil which was landed in Durban from the tanker *Salem*;
- (2) whether any progress has been made in regard to this investigation; if so, (a) what progress and (b) when is it anticipated that the investigation will be completed?

The MINISTER OF INTERNAL AFFAIRS (for Minister of Law and Order):

- (1) No.
- (2) Falls away.



1 this is no ordinary
as Wade Janion,
e his cases. He just

follows the paw marks to help find the dog! However,
er, he's just as successful when looking for budgies,
pet snakes and cats. Just put him on the scent.

●Picture by David Sandison

you never
I am 29-8'
LONELY? J

I'VE FOUND

Wrab set on collecting electricity fee

By Jon Qwelane

The West Rand Administration Board, in collaboration with the Soweto Community Council, is determined to impose the R20 levy recently introduced in the townships to meet the redemption of the loan which was acquired when it was decided to electrify Greater Soweto.

Greater Soweto is made up of Dobsonville, Diepkloof-Meadowlands and Soweto township complexes.

The chief executive officer of Wrab, Mr C J Bezuidenhout, said the levy would be increased to R30 and would probably keep rising. He said the it was already "part of the rent".

Calculations show that if each of Soweto's 105 000 houses pays R20 for one month, a sum of R2 100 000 will be collected monthly and in a year alone Wrab and council

coffers will be R25 200 000 richer.

Over a period of 30 years at R20 a month, the money collected from Soweto residents will be at least R756 million — and Wrab concedes the levy might keep rising.

Mr Bezuidenhout said it was the people of Soweto themselves who had originally agreed to the electrification of their area.

"A survey was carried out between 1978 and 1979, and the opinion of residents canvassed. Large numbers took part in the survey, which was conducted by our clerks in the evenings.

"The survey took place in all three areas comprising Greater Soweto," Mr Bezuidenhout said.

He said the levies would have to be paid because the redemption of the loan had to be made together with interest.

Some beer goes up by 13 percent

By Colleen Ryan

The price of beer has increased by as much as 13 percent at some Johannesburg hotels — although last week's rise in the wholesale price was only 6.8 percent.

Beer drinkers now pay an average 85c to 95c for a 375 ml bottle of beer. Some hotels charge up to R1,30.

A random survey by The Star revealed that many downmarket hotels, which were relatively inexpensive in the past, have increased their prices in line with the expensive hotels.

The price of a beer at a one-star hotel in the city, for example, has increased from 75c to 85c — a 13 percent rise. Many two and three-star hotels have added only an extra 5c to their prices — an increase of about six percent.

Mr Natie Matisonn, chairman of the Hotel, Liquor and Catering Association of the Transvaal, said although the association recommended certain prices, hotels were not bound by them.

"Hotels have been hard hit by the general round of price increases and they cannot absorb all these costs," he said.

The survey showed that a 340 ml dumpy beer costs an average 49c.

Synthetic oil could save SA R585-m a year

By Andrew Walker

The use of synthetic oil in all vehicles in South Africa could result in a potential annual saving of R585 million, a conference was told in Johannesburg yesterday. This would be as a result of lower fuel consumption and savings in maintenance costs.

Mr E C Stoltz, general manager of SA Synthetic Oil, described these potential fuel savings when addressing a Manpower and Management Foundation of Southern Africa conference on alternative fuels.

Mr Stoltz quoted the results of tests carried out on synthetic oils using a South African Bureau of Standards test procedure. The money-saving ability of synthetic oils was enormous, he said.

With a fuel-saving of three percent, and 4,2 million vehicles on South Africa's roads in June 1982, the potential annual saving on fuel as a result of the increased performance of synthetic oil could be about R165 million.

Added to this, it was estimated the potential savings in maintenance costs could be R420 million, making a total annual saving of R585 million.

On new vehicles alone the total annual saving potential was R55 million.

He told delegates to the conference, held at a city hotel, that an important example of the qualities of synthetic oils was illustrated by their use in the worm gear rear axle drives of Johannesburg's trolley buses.

The average service life of the bus worm gear differential was five years.

Synthetic oil was then used and after three years the buses were doing up to 80 000 km without a breakdown, he said.

Mr Stoltz concluded: "Because of problems with suitable crude oil supplies, coupled with the effect of the entrance of Sasol into the South African fuel market on local capital intensive crude oil refineries, a serious shortfall of conventional lubricants in the near future has become a distinct possibility."

He predicted the use of synthetic lubricants in South Africa would increase because they were economic, conserved energy, replaced crude oil and extended raw material supplies.

Another speaker, Mr J P Venter, of the South African Transport Services, described some of the efforts made by the SATS to find a viable replacement for diesel fuel.

He said SATS was "deeply involved in research and testing programmes to help solve the problem of finding alternative fuels for diesel engines to make our country more independent of imported energy resources".

Mr Venter, who is a mechanical engineer, said efforts were being made to use certain "petrol blends" in diesel fuel to produce light diesel fuels.

Handwritten signature/initials

Alternate fuel: how much for security?

Star 4/3/73 (55)
By Stan Kennedy

Strategic considerations would force South Africa to adopt alternative fuel solutions, but the problem would be to determine how much alternative fuel was necessary to obtain the right amount of strategic security, a Manpower and Management Foundation seminar in Johannesburg was told yesterday.

Speaking on alternate fuels as a viable replacement for diesel and petrol, Professor R K Dutkiewicz, director of the Energy Research Institute, University of Cape Town, said a complete change to a non-petroleum fuel would buy independence, but at a "very high price".

"With falling oil prices the incentive to develop alternative energy sources is decreasing, and many projects, especially in the United States, have been abandoned because of poor economics.

"But this situation will not continue, and an increasing tempo of economic growth will again lead to a supply shortage and subsequent price increases," he said.

Any alternative transport fuel was more expensive than crude oil, he said, and he considered 25 percent of total demand would be an acceptable import figure.

He estimated that South Africa's annual fuel demand would

be 17 000 million litres of petrol by 1990 and about 26 000 million litres by the year 2000.

Until 1980 all transport fuel used in South Africa, except for a small contribution from Sasol, was made from imported petroleum. When Sasol 2 and 3 went on stream the country would have an indigenous source of about 3 600 million litres a year.

The existing refinery crude petroleum capacity was 22 700 million litres. There would not be a bottleneck in supply until the end of the century. Refineries were working now at two-thirds capacity. He said the oil-from-coal route had the advan-

tage that it provided liquids that were compatible with the present distribution and utilisation system. Existing road and rail tankers could be used for distribution, and no additional service station equipment was required.

"This would mean nine new plants the size of Sasol 3 and could be a heavy price to pay for independence.

"Vegetable oils are an attractive alternative to diesel. While appearing unattractive in comparison with other alternative fuels, these oils, like sunflower, peanut and soya, could have an important role to play in the event of a total oil embargo.

US technology beaten in many countries — survey

NEW YORK — South Africa, in the opinion of many American businessmen, is ahead of the United States in synthetic fuel technology.

Israel is ahead in solar energy technology and the Netherlands and Denmark are ahead in applied microbiology.

US technology, they say, is lags behind that of Hong Kong in optical equipment and behind Japan and Great Britain in robotics.

More than 20 countries, in their opinion, have overtaken US technology in one field or another, including the Soviet Union, in commercial fishing, Taiwan in plywood manufacturing and textiles, France in aerospace and aircraft, and West Germany in the car and steel industries.

This appears from a survey of 508 US companies that were asked which countries were the world's technological leaders in several fields.

The Conference Board, an independent US research organisation that made the survey, says 343 of the companies thought foreigners

8 Apr 4/3/83 (55)
were ahead of the US technologically in many industries.

Because the respondents do not necessarily have any detailed knowledge of fields outside their own specialty, their general impression that the US is lagging technologically "may be open to debate", the board says.

American businessmen acknowledge the technological superiority of some of their direct competitors abroad in these areas: Australia — die-casters; Austria — industrial silk-screen printing machines; Finland — electric wire, cable and paper-making machinery; France — acoustics and aircraft equipment; Germany — car engines, computer software and pharmaceuticals; Israel — bakery machinery and pharmaceuticals; Japan — alloy steels, optical equipment, robotics and shipbuilding; Sweden — diamond wheels and immuno chemicals; Switzerland — industrial controls and textile machinery; United Kingdom — china manufacturing and precision metal refining.

Cape Herald 5/3/83

Unionist slams Kirsten

A TRADE unionist, Mr Brian Williams, withdrew from a meeting of Koeberg Alert last week because Springbok cricket captain Peter Kirsten was billed as one of the speakers.

Mr Williams, an organiser for the Electrical and Allied Trade Union of South Africa, was asked to address the meeting in St George's Cathedral on Thursday night on a

worker's perspective of the dangers of the Koeberg Nuclear power station.

He had accepted the invitation in principle until he knew who he would address, what he would speak on and who the other speakers would be.

KIRSTEN

He was not aware who the other speakers would be until he saw in a morning paper

that they would include Peter Kirsten. Kirsten eventually did not make it to the meeting.

The trade unionist said he withdrew from the meeting because "Peter Kirsten is an enemy of Sacos (South African Council on Sport), the oppressed sportspersons and genuine nonracial sport.

"He is an active agent of

the racist Government's bid for international sporting status. There can be no compromise with those who undermine the efforts of a genuine drive for nonracial sport.

ISSUE

"The issue at stake does not have to be a sporting issue for one to take a principled stand," he said.

Mr Williams said he had

informed the organisers of the meeting of his reasons for withdrawing and asked them to announce them at the meeting.

"They did not do that, so the impression people will get is that I still addressed the meeting. It is important to clear the air," he said.

The meeting of about 300 unanimously passed a resolution calling for the scrapping of the nuclear power plant.

By JOEL MERVIS

Pietie's Principle

... OR HOW THE MINISTER TRIED TO INTERFERE WITH THE LAW AND ESTABLISHED DEMOCRATIC PRACTICE

THE decision by Minister Pietie du Plessis to bar newspapers from reporting the parliamentary speech by John Malcolm on the Salem scandal constitutes an arbitrary attempt to interfere with the law and with established democratic practice governing Parliament and Press.

The Minister claims that because the speech deals with the supply of petroleum products, publication is prohibited by the Petroleum Products Act.

If this type of reasoning were to prevail, and to be extended, it could place a blanket of secrecy or censorship on a wide variety of debates, such as those falling under the Defence Act, Prisons Act, Internal Security, General Law Amendment Act and so on.

Since the law governing the reporting of parliamentary debates is clean and well established, let me set out briefly what it is:

A member speaking in Parliament has absolute privilege to say what he pleases, subject, of course, to the Rules of the House, and it is the Speaker who applies and interprets those rules.

A newspaper has a qualified privilege to report debates. The courts, both in Britain and South Africa, have defined with absolute clarity what "qualified privilege" means.

Quite simply, a newspaper is entitled to publish a fair and adequate report of any and every debate in Parliament.

Yet if the "Pietie du Plessis' Principle" were applied, the complications could be endless. Take just one example.

An MP makes a speech in Parliament disclosing allegedly appalling conditions in a certain prison. If the "Pietie Principle" were applied, the speech could not be reported because the Prisons Act prohibits newspapers from publishing allegations about prisons, while censorship under the Defence Act is almost total.

There is little doubt in my mind that Mr Du Plessis is propounding a very dangerous



Handwritten notes and signatures in the top right corner, including a circled '55', a signature 'S. ...', and the date '6/3/83'.

Vertical text on the far right edge of the page, partially cut off, including words like 'm', 'Br', 'ca', 'Th', 'ry', 'gl', 'Ri', 'in', 'Po', 'of', '196', 'F', 'vie', 'in', 'I', 'sol', 'pre', 'cri', 'the', 'any', 'Ho', 'S', 'be', 'itse', 'mer', 'sus', 'him', 'H', 'priv', 'spee', 'terr', 'bate', 'tary', 'Ti', 'cent', 'have', 'inc'.

e's ciple

MINISTER TRIED TO THE LAW AND IOCRATIC PRACTICE



243
57
300A
S. Bullock
6/3/83



By Dr LAURENCE BOULLE, associate professor in the Department of Public Law at the University of Natal

See no evil, speak no evil...

THE "Salem affair" has shown that, in a formal sense, the privileges of Parliament are alive and well, but that their real political significance has been virtually destroyed.

The topic of Parliamentary privilege conjures up romantic notions of the dark days of the English constitution with Charles I invading the House of Commons to secure the arrest of five opposition MPs and being met by cries of "privilege, privilege..."

Historically the privileges of Westminster-type parliaments can be traced back to the fourteenth century. They are part of the law and custom of parliament, designed to enable it, collectively, and its members, individually, to do their business without fear or favour. The original privileges, such as freedom from arrest and the right to determine its own composition, were claimed by the Westminster Parliament to avoid overt interference from the crown.

The only substantial modern privilege in Britain and South Africa is freedom of speech. This was given statutory recognition in England in the 1688 Bill of Rights and is enshrined in the South African Powers and Privileges of Parliament Act of 1963.

From a legal point of view freedom of speech in Parliament is an absolute privilege, which precludes any civil or criminal proceedings in the ordinary courts for anything said in the House of Assembly.

Should the privilege be abused Parliament itself can discipline the member concerned, and suspend or even expel him.

However, despite the privilege, freedom of speech can be denied in terms of the rules of debate in the Parliamentary Standing Orders.

The most obvious recent examples of this have been the Speaker's invocation of the sub ju-

permissible to publish a fair and accurate account of Parliamentary proceedings, on the same basis as court proceedings, despite statements they might contain. The law regards the advantage to the public of such reports as outweighing any disadvantage to individuals.

In South Africa the Privileges Act extends an absolute privilege to publications authorised by Parliament. In practice this protects the verbatim Hansard reports, which will in due course contain the Malcomess disclosures. The Speaker is empowered to vet these reports, but once published in authorised form they cannot be a cause for litigation against the relevant MPs or the publishers.

The right of the Press in South Africa to publish is much more qualified, as was implied by the Speaker's ruling last week, and even without the right to report Parliamentary proceedings in the media, Parliamentarians' freedom of speech loses most of its significance.

The Privileges Act does provide immunity for extracts or abstracts of authorised reports, such as Hansard, provided they are published in good faith and without malice. This provision is based on the common law rule, which was really tailored for defamation

of the statute, which is to safeguard the country's oil suppliers from publicity and political pressure.

But the incident raises broader issues which go to the heart of the constitutional system.

Access to information and freedom of speech are indispensable features of representative government, which is what the Government claims to be providing in its new constitution.

While all states have anti-disclosure laws, many balance these with constitutional guarantees of free speech or freedom of information legislation — so called Sunshine Laws.

In South Africa not only is there no guaranteed free speech or access to information but there is also a glut of anti-disclosure laws which serve not only to protect the vital interests of the state, but also to safeguard government from political embarrassment arising from the revelation of maladministration or mismanagement. As disclosure is a matter of ministerial discretion the Government acquires extensive control over the flow of information, an important political resource.

In this context freedom of speech in Parliament appears to be a significant feature of the constitutional system.

lished, let me set out briefly what it is:

A member speaking in Parliament has absolute privilege to say what he pleases, subject, of course, to the Rules of the House, and it is the Speaker who applies and interprets those rules.

A newspaper has a qualified privilege to report debates. The courts, both in Britain and South Africa, have defined with absolute clarity what "qualified privilege" means.

Quite simply, a newspaper is entitled to publish a fair and adequate report of any and every debate in Parliament.

Yet if the "Pietie du Plessis' Principle" were applied, the complications could be endless. Take just one example.

An MP makes a speech in Parliament disclosing allegedly appalling conditions in a certain prison. If the "Pietie Principle" were applied, the speech could not be reported because the Prisons Act prohibits newspapers from publishing allegations about prisons, while censorship under the Defence Act is almost total.

There is little doubt in my mind that Mr Du Plessis is propounding a very dangerous philosophy.

To start with it would undermine, perhaps even destroy, the public's right to know what goes on in Parliament.

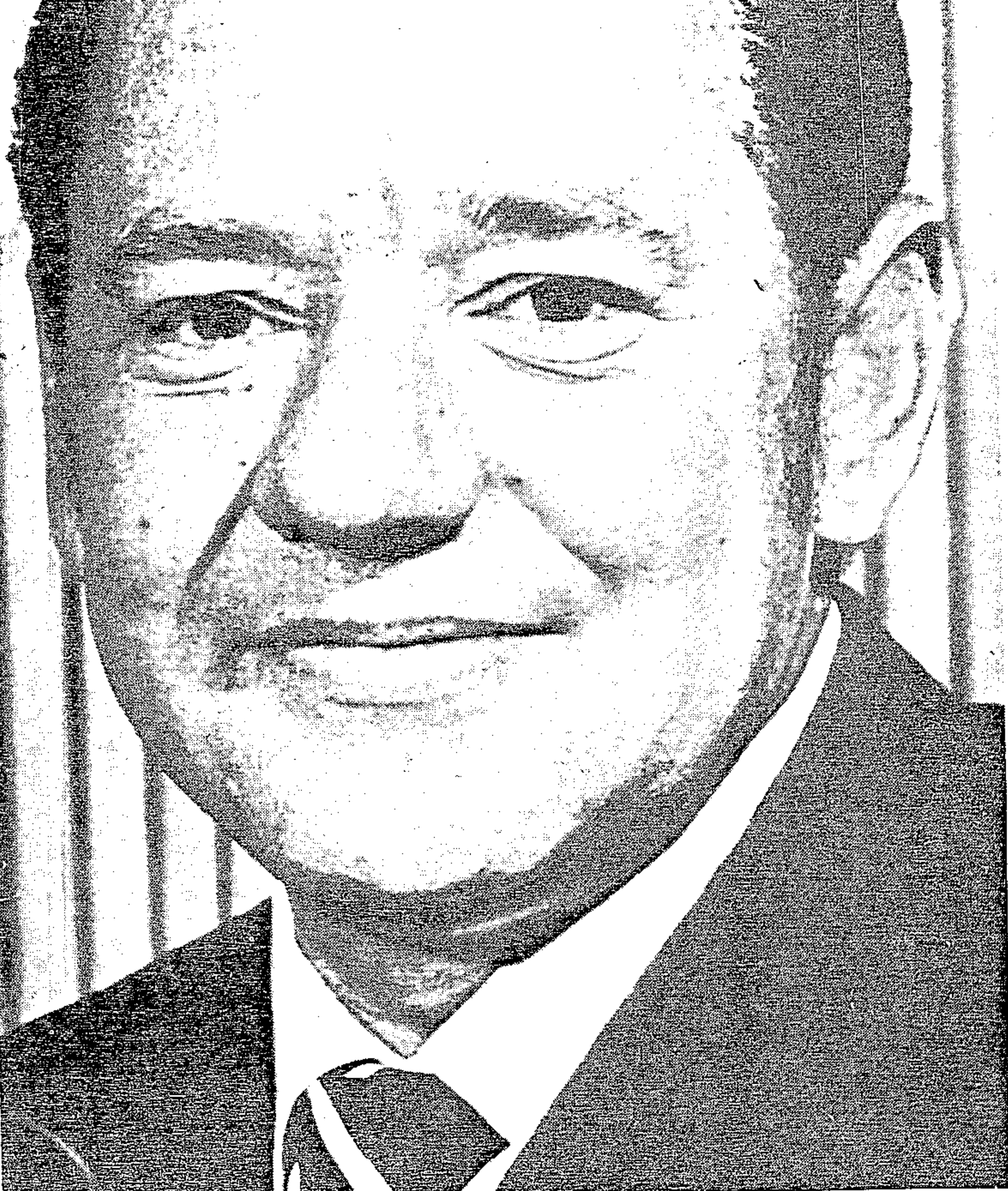
Again, it would undermine the effectiveness of Parliament itself. This is the forum, the platform from which an MP can and does communicate freely to the nation. The "Pietie Principle" would truncate that freedom.

Last, but by no means least, the relationship between Press and Parliament would be thrown into a state of confusion. How could the Press know, from one moment to the next, whether it was free to report one speech but not another?

Apart from the fact that it has been clearly established, over centuries, that the Press has the right to publish parliamentary debates, we do not have just precedent that bears directly on the issues now raised by Mr Du Plessis.

However, there is one matter, within my recollection, which may provide some guidance on the attitude of the Speaker and of Parliament to a newspaper's right to publish.

The event occurred just over 30 years ago, in the early days of the Na-



□ Pietie du Plessis, Minister of Mineral and Energy Affairs — propounding a dangerous philosophy

tionalist regime, when the wheels of apartheid legislation were gathering momentum.

On one of those occasions Sam Kahn, one of the Natives' Representatives (as they were then known) rose to speak.

He proposed to explain how the Immorality Law or the Race Classification Law might hurt whites no less than non-whites.

He then startled the House by announcing that a member of the Cabinet (without naming him) had once fathered a child by a coloured woman.

When the shock of this disclosure sank in, the proceedings were briefly terminated. After consideration, the Speaker ruled that Mr Kahn's remarks be expunged from Hansard.

Despite that ruling

(and the matter today acquires greater significance) the Speaker made no ruling about the Press.

The Speaker, for instance, did not say that as Mr Kahn's remarks were to be expunged from Hansard, they could therefore not be published in the Press.

He made no reference to that issue, although one can assume that his attention would have been drawn to it. For the fact was that parliamentarians on both sides of the House were approaching the Press with the request that they should voluntarily refrain from publishing the speech.

The Afrikaans Press, Sapa, the Argus Group and the Morning Newspaper Group all agreed not to publish, basing their decision on the grounds that Mr Sam Kahn's

claim was spurious. To my knowledge, one editor did refuse to join the others and stated his intention to publish. No one questioned his right to do so. In the end, bowing to the persuasion of other editors, he finally agreed not to publish.

Here, then, was a case where neither the Speaker nor Parliament questioned the right to publish what was said, even though it would not appear in Hansard.

There is a clean inference to be drawn from those events, namely, that even though Parliament was prepared to "censor" Hansard, it was not prepared to censor the Press.

What needs to be emphasised now is the corroding effect of the many laws which restrict publication in many fields of public importance.

At first, it is only the Press and the public who are affected by these prohibitions on publication. The laws are aimed directly at the newspapers to prohibit them from publishing things the public have a right to know.

Now we can see the evil sequel. The Petroleum Products Act was ostensibly designed to prohibit reports about the supply of petroleum products. Now it is being used to prevent a Member of Parliament from communicating with the public.

The claim by Mr Pietie du Plessis is in my view illogical and far fetched. If his attitude to publication of parliamentary speeches is endorsed by the Government, it would destroy the effectiveness of Parliament in a matter of months.

makes a speech
ment disclosing
appalling con-
a certain pris-
"Pietie Princ-
e applied, the
uld not be re-
cause the Pris-
prohibits news-
om publishing
s about prisons,
sorship under
e Act is almost

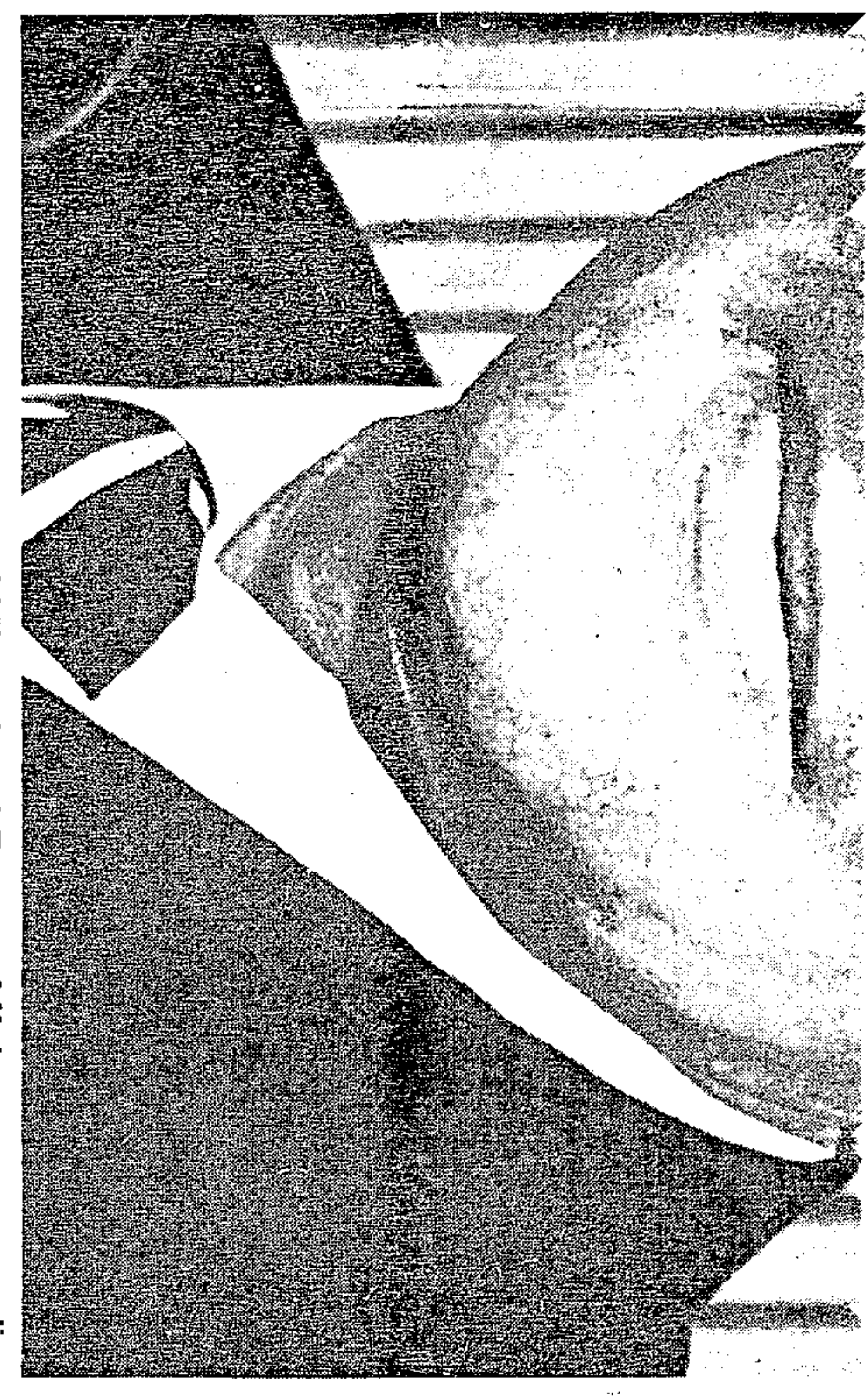
little doubt in
that Mr Du
propounding a
gerous philoso-
t with it would
s, perhaps even
e public's right
what goes on in
t.

it would under-
effectiveness of
it itself. This is
a, the platform
an MP can
communicate
the nation. The
"principle" would
hat freedom.

by no means
relationship be-
ness and Parla-
ould be thrown
of confusion.
ld the Press
om one moment
xt, whether it
to report one
not another?

from the fact
has been clearly
ed, over cen-
t the Press has
to publish par-
y debates, we
e just prece-
ears directly
ues now raised
Plessis.

there is one
ithin my recol-
which may pro-
guidance on
de of the Speak-
Parliament to a
r's right to pub-
ent' occurred
30 years ago, in
days of the Na-



Pietie du Plessis, Minister of Mineral and Energy Affairs — propounding a dangerous philosophy

nationalist regime, when the wheels of apartheid legislation were gathering momentum.

On one of those occasions Sam Kahn, one of the Natives' Representatives (as they were then known) rose to speak.

He proposed to explain how the Immorality Law or the Race Classification Law might hurt whites no less than non-whites.

He then startled the House by announcing that a member of the Cabinet (without naming him) had once fathered a child by a coloured woman.

When the shock of this disclosure sank in, the proceedings were briefly terminated. After consideration, the Speaker ruled that Mr Kahn's remarks be expunged from Hansard.

Despite that ruling

(and the matter today acquires greater significance) the Speaker made no ruling about the Press.

The Speaker, for instance, did not say that as Mr Kahn's remarks were to be expunged from Hansard, they could therefore not be published in the Press.

He made no reference to that issue, although one can assume that his attention would have been drawn to it. For the fact was that parliamentarians on both sides of the House were approaching the Press with the request that they should voluntarily refrain from publishing the speech.

The Afrikaans Press, Sapa, the Argus Group and the Morning Newspaper Group all agreed not to publish, basing their decision on the grounds that Mr Sam Kahn's

claim was spurious. To my knowledge, one editor did refuse to join the others and stated his intention to publish. No one questioned his right to do so. In the end, bowing to the persuasion of other editors, he finally agreed not to publish.

Here, then, was a case where neither the Speaker nor Parliament questioned the right to publish what was said, even though it would not appear in Hansard.

There is a clean inference to be drawn from those events, namely, that even though Parliament was prepared to censor "censor" Hansard, it was not prepared to censor the Press.

What needs to be emphasised now is the corroding effect of the many laws which restrict publication in many fields of public importance.

At first, it is only the Press and the public who are affected by these prohibitions on publication. The laws are aimed directly at the newspapers to prohibit them from publishing things the public have a right to know.

Now we can see the evil sequel. The Petroleum Products Act was ostensibly designed to prohibit reports about the supply of petroleum products. Now it is being used to prevent a Member of Parliament from communicating with the public.

The claim by Mr Pietie du Plessis is in my view illogical and far fetched. If his attitude to publication of parliamentary speeches is endorsed by the Government, it would destroy the effectiveness of Parliament in a matter of months.

Should the privilege be abused Parliament itself can discipline the member concerned, and suspend or even expel him.

However, despite the privilege, freedom of speech can be denied in terms of the rules of debate in the Parliamentary Standing Orders.

The most obvious recent examples of this have been the Speaker's invocation of the sub-judice rule to prevent discussion of the Seychelles coup and Neil Aggett's death in detention, pending judicial inquiries into those matters. Ironically this resulted in less freedom of speech inside the House — because the ruling precluded any discussion of these matters — than outside, where the media could comment on them provided they did not prejudice the judicial outcome.

As there was no such internal ruling in relation to Mr John Malcom's recent disclosures, there appears to have been no breach of privilege. He is also immune from criminal prosecution, despite the fact that the Petroleum Products Act of 1977 prohibits publication of any information relating to the acquisition of petroleum products for South Africa.

However, the publication of Parliamentary proceedings has always been a qualified and not an absolute privilege. Parliament has itself controlled the publication of its proceedings, and on rare occasions prevented it altogether by excluding the public and Press from the galleries.

At common law it is

media, Parliamentary freedom of speech loses most of its significance.

The Privileges Act does provide immunity for extracts or abstracts of authorised reports, such as Hansard, provided they are published in good faith and without malice. This provision is based on the common law rule, which was really tailored for defamation cases. Furthermore it assumes that Parliament has already asserted its right of deciding what it will or will not authorise to be published. This is of little assistance for the Press who wish to publish direct from the Parliamentary Press gallery without having to wait several weeks for Hansard to appear.

But with the many anti-disclosure laws in South Africa, ranging from the Official Secrets Act to the Prisons Act to the Petroleum Products Act, the qualified privilege gives way altogether to the absolute prohibition on the publication of information, although this is not a matter which has yet been before the courts.

The main exception to the strict embargo, contained in the Petroleum Act, is where the Minister has expressly allowed publication by the Press.

It is arguable on the particular facts of the Salem case that the disclosures were not "information" as the term is used in the Act, because the details had been widely reported in Lloyds Law Reports and the overseas media. Subsequent publication in South Africa could hardly defeat the object

from the revelation of maladministration or mismanagement. As disclosure is a matter of ministerial discretion the Government acquires extensive control over the flow of information, an important political resource.

In this context freedom of speech in Parliament appears to be a significant feature of the constitutional system because one of the last methods of calling the executive to account is by extracting information on its activities through questions and by confronting it with information gleaned from other sources. In modern systems of government this is the most important role of Parliament, although there is no sanction for ministers who refuse to answer Parliamentary questions.

But in terms of its history and scope, the privilege alone cannot sustain open and responsible government in the context of an authoritarian constitutional system. Freedom of speech and disclosure of information serves little purpose if confined to individual members of Parliament and the precincts of the chamber in Cape Town.

It is an irony of the present situation that the many laws which have led to the lessening of the political significance of the freedom of Parliamentary speech, were passed by Parliament itself at the invitation of the executive. In the process, as the Salem incident implies, the importance of Parliament as a whole is affected.

THE neighbourhood hoodlum, who may be on the way to rehabilitation, but then again may not be, has a reputation for carrying a gun. There's a suspicious bulge over his hip.

You have two options. Step on his toes, which is dangerous but what a lot of folks want you to do, or risk scandal by inviting him to join your club.

Such has been the US dilemma over nuclear power in South Africa ever since US and Soviet spy satellites made their controversial sightings over the Kalahari and the south Atlantic.

Washington knows not only that South Africa has at least the capacity to build an atomic 'device', but also that it will shortly possess a viable independent nuclear industry capable of enriching locally abundant uranium, fabricating it into reactor fuel and turning it into energy.

Which presents a pair of tough alternatives.

Either the republic can be isolated as a pariah, in which case it might feel tempted to pursue a weapons programme and could sell its fuel and technology to other pariahs, thereby creating a serious proliferation problem. Or South Africa can be cajoled back into the international nuclear fraternity with its rules, safeguards and relatively open commercial and technological exchange.

Strident opposition

President Carter leaned toward the former approach. Despite strident political opposition, the Reagan Administration has adopted the latter.

There is strong evidence that vindication may be only months away. Negotiations are about to begin that would enable South Africa to possess an internationally legitimate nuclear industry ranked in terms of capacity and technology with the industries of the US and Europe.

The price tag for Pretoria is nothing more than common sense: the verifiable renunciation of atomic weapons.

Some background:

Until 1975 the US

US moving into critical phase to return SA to nuclear fold

Simon Barber WASHINGTON

played a pivotal role in the development of South African nuclear power. A co-operation agreement reached in 1957 is still on the books, though in an amended form, and is scheduled to stand until 2007. After 1975, however, the relationship was considerably circumscribed. Amid fears that Pretoria was getting perilously close to the bomb US nuclear exports to the republic were suspended.

Two conditions were set for lifting the suspension. One — mandated by the 1978 Nuclear Non-Proliferation Act (NNPA) — requires South Africa to allow the UN's International Atomic Energy Agency to inspect all its nuclear facilities, a procedure known as 'full-scope

safeguards'. The second, a matter of presidential policy rather than law, calls on South Africa to sign the Nuclear Non-Proliferation Treaty (NPT).

As it did on the South West Africa issue, the administration started out by trying to build Pretoria's confidence and achieve a clear understanding of what its real concerns were. Thus, in August 1981 a team of South African technicians was invited to visit the new uranium enrichment plant at Portsmouth, Ohio. Two months later a US team was asked back to see South Africa's enrichment project at Valindaba. Technical data were exchanged during

the visits and in writing.

It was established that South Africa's technocrats would agree to IAEA safeguards so long as their proprietary technology could be protected. Meanwhile, to help clear the air of irritants, the US eased export controls to permit certain nuclear-related items to be shipped to South Africa. An export licence applied for by the Control Data Corp (CDC) to sell its powerful Cyber 170/750 computer to the republic's Council for Scientific and Industrial Research, was granted, as were several similar applications.

Inevitably, there was an outcry, particularly when the administration announced it would allow a company called Isotec to sell CSIR a quantity of helium-3, an isotope used to test reactor fuel elements, and now Isotec has suspended its licence application. In spite of this and in full expectation of increasingly feverish opposition the administration is now moving to the critical phase of its effort to bring South Africa back into the nuclear fold. 'It may be a little early to say the process is bearing fruit,' a well-placed US official said last week, 'but let us say it is about to blossom.'

At the start of the year there were three main problem areas:

rial being shipped back to South Africa.

DOE still enriches Escom's uranium, but then places it in a sort of escrow account at a storage facility in Oak Ridge, Tennessee. Should Escom fail to maintain annual delivery — the next shipment is due in May — it will be hit, under the terms of the contract, with a \$77-million (R83 million) penalty.

At first US policy-makers saw this as a way to lever South Africa into accepting full-scope safeguards and signing the NPT. But it hasn't worked out that way. Instead, Escom has found alternative sources and has also managed to defray some of the cost of delivery and enrichment by selling portions of its Oak Ridge account to US utilities, much to the chagrin of DOE, whose prices it undercuts.

And now for the solutions. According to administration officials the first problem has now been all but removed; there are no technical obstacles to the second; and, after that the third should fall neatly into place.

At a meeting of the IAEA's board of directors in Vienna last month the US successfully prevented discussion of a resolution to expel South Africa from the agency's technical working groups. The

explained, 'we are not going to brandish the \$77-million penalty either'. By thus showing good will with Escom the administration hopes to make the final breakthrough on safeguards for Valindaba.

The key to this is an agreement, due to go into effect on March 14, between Australia, West Germany, Japan, the Netherlands, Britain, the US, the French-led nuclear group Euratom and the IAEA, known as the Hexapartite Safeguard Project (HSP). The pact is the result of a two-year search for a method of safeguarding that is applicable to all enrichment technologies and compromises none.

Armed with this — and US officials insist the project was carried out with South African concerns specifically in mind — the US is confident Pretoria can be persuaded that Valindaba can be inspected without risk of industrial espionage. Moreover it will be emphasised that South Africa is no longer a special case since all consigners of the agreement will now have safeguards at their enrichment plants.

Should South Africa still balk at safeguarding the Valindaba pilot plant — and this rather than the commercial installation seems to be the major sticking point — the administration is prepared to take steps that would eliminate the need for the plant's existence. The Government's official rationale for the pilot facility is that it produces the highly enriched uranium required by the Safari test reactor at Pelindaba.

Reward

However, under a US-backed programme known as Reduced Enrichment for Research and Test Reactors (RERTR), South Africa has already agreed to modifications to Safari that would enable it to use 20 percent enriched uranium rather than the 45 percent grade currently needed — and produced at Valindaba.

95
Mercury
A3/83

Eviction of S A sought

1 The IAEA, which must administer the safeguards required by American law, has sought repeatedly to evict South Africa from its ranks. Unless the organisation accepts South Africa there is little likelihood Pretoria will agree to safeguards.

2 Contrary to popular misconception South Africa has agreed to safeguards at almost all its nuclear facilities. The critical exception is Valindaba, where a pilot enrichment plant is operating and a commercial enrichment facility is under construction, due to come on stream in 1985.

Pretoria's reason for keeping Valindaba off-limits to IAEA inspection teams and equipment is that it does not wish to give away the secrets of its vaunted home-grown enrichment process. The Government has also argued that since a number of other IAEA members — the US included — have not allowed inspection of their enrichment plants, it sees no reason to be a special case.

3 In 1974 Escom contracted with the US Atomic Energy Commission, since absorbed by the Department of Energy (DOE), to enrich South African uranium, starting in May 1980, for the Koeberg-1 power plant. By some curious legal twist, which Escom contests, the South African company now finds itself contractually obliged to deliver uranium feed for enrichment even though US law prohibits the enriched mate-

rial. A resolution had been mandated by the UN General Assembly in December and would, if accepted in Vienna, have gone before the IAEA general conference next September.

South Africa's membership of the agency has grown increasingly tenuous. It has not attended a general conference since 1980 when, in New Delhi, its credentials were rejected. It has also been thrown off the agency's Committee for Assurances of Supply (CAS). Having persuaded the board of governors to declare Israel a 'fully participating member' at the Vienna meeting the administration believes the same can be done for South Africa.

Sorting out DOE

Sources familiar with the Vienna session say that Eastern bloc members, who have often been closely in accord with the US on proliferation, have expressed willingness at least to abstain on any further bid to oust South Africa.

That dealt with, the next step is to sort out the DOE contract, according to US officials. Talks are due to begin within 'six to eight weeks'. While the administration is loath to detail its negotiating position, it is understood on good authority that the problem will be solved on 'a long-term temporary basis'.

This means that the US will not, as has been suggested, simply terminate the contract. But, at the same time, as one official

If the republic were to agree, as part of the full-scope safeguards deal, to close the pilot facility the US, officials say, might be prepared to provide 20 percent enriched fuel for Safari. Whether the pilot plant is safeguarded or shut down, Pretoria will then have met the legal requirements for lifting the US nuclear export ban — thus effectively freeing Escom's Oak Ridge account for Koeberg.

Nonetheless the second, policy, condition — that South Africa first sign the NPT — would remain unmet. How far the Reagan Administration would push that condition if it meant keeping South Africa out of the club and potentially mischievous is not clear. Officials point out that agreeing to full-

scope safeguards is tantamount to denying that you have the bomb now. Signing the NPT merely takes that one step further by promising never to build a 'device'. The final question, then, is a political one.

On the one hand, can Pretoria take the plunge of forswearing nuclear weapons for ever, thus removing that element of unease among its enemies? On the other hand, is the Reagan Administration willing, as elections draw on, to take on the storm of opposition that would undoubtedly rage over its failure to have South Africa sign the treaty before restoring nuclear co-operation to pre-1975 levels? An intriguing enigma!

Salem Report: the full text . . .

How
1/3/83

55

By Peter Sullivan,
Political Correspondent

THE ASSEMBLY — A document detailing the circumstances which gave rise to the Salem oil deal was tabled in Parliament this afternoon.

Here is the thrust of the document, contained in its last section and headed: "The circumstances which gave rise to the purchase of the load of oil which led to the Salem/Lema incident."

The full text of this section of the report reads:

As from October 9, 1979, Mr F E Soudan, Executive Vice-President of the company, American Polamax, negotiated to sell crude oil to SFF (the Strategic Fuel Fund). Soudan informed SFF, amongst other, that American Polamax possessed a refinery in Louisiana, United States of America, which had concluded various contracts to obtain crude oil and that the volumes were more than that required by the refinery for processing purposes. The company therefore wished to sell the surplus crude oil on the open market. Various schemes were proposed in terms of which the crude oil could be sold to SFF in such a way as to obviate the embargo by the relevant oil producing countries.

At this stage a term contract was considered. Several discussions took place between SFF and Soudan during which six shipments of "Arabian Light" oil were at issue. On November 29, 1979, Soudan informed SFF that as a result of congestion in the harbour of Ras Tanura, he would not be able to deliver "Arabian light" crude oil in December 1979 as originally planned, but that he had made alternative arrangements for the supply of crude oil. He had

namely arranged for a certain A Reidel to supply 1 450 000 barrels of Kuwaiti crude oil. He confirmed that a ship named the "South Sun" had been purchased which was to offload the crude oil in Durban under the name "Lema". In December 1979 Reidel confirmed at the request of SFF in writing that his company was indeed the owner of the consignment of Kuwaiti oil.

On December 19, 1979, the final discussions took place and an agreement with Beets Trading was concluded for the purchase of the Kuwaiti crude oil. Soudan also committed himself as chief co-debtor. As the bills of lading could not be supplied in the normal fashion, SFF insisted, and it was so stipulated in the contract, that Beets Trading guaranteed SFF that they were the unmortgaged owners of the crude oil and also that on payment, title would be transferred to SFF.

It was furthermore stipulated that Beets Trading and Soudan would indemnify SFF against any claims or damages which could arise for SFF since the original bills of lading could not be obtained at the time of payment.

The events took place as follows:

SFF, an importer of crude oil, made a bona fide purchase on December 19, 1979, of a consignment of Kuwaiti crude oil from the firm Beets Trading AG, of Zug, Switzerland. The offloading of the consignment commenced on December 28, 1979, in Durban and 90 percent of the purchase price was paid on December 28, 1979. The remainder was paid on January 3 and January 10, 1980, after the volumes delivered were finally determined. No payment or advance was made before this time.

After the crude oil had been offloaded and paid for by SFF,

the ship Salem/Lema sank off the coast of West Africa on January 17, 1980, as it later appeared, under suspicious circumstances.

The firm of attorneys Deneys Reitz, as instructed by Shell International Petroleum Company Ltd (hereinafter referred to as Shell), notified SFF of Shell's allegation that they were the owners of that particular shipment of crude oil. Shell alleged that they had purchased the consignment from a firm Pontoil, that Pontoil had leased the ship Salem/Lema to transport that consignment of Kuwaiti crude oil and that the consignment would have been illegally sold and delivered to SFF.

Shell consequently applied to the Witwatersrand Local Division of the Supreme Court for an interdict against SFF, pending a suit which they intended to institute to prove ownership.

As SFF was at that stage unaware of any irregularities in the delivery of the crude oil or of any claims thereto, a representative of SFF was instructed to ascertain what claim, if any, Shell had on the crude oil. The representative succeeded in tracing abroad some of the main conspirators in the plot. The investigation revealed that both Shell and SFF had probably been deceived. The extent of the plot and the persons involved were however not apparent.

Immediately after a prime facie case of fraud became evident, the Cabinet was informed. In terms of a decision by the Cabinet, representatives of Opposition parties represented in Parliament at that time were confidentially informed by the then Minister of Industries, Commerce and Consumer Affairs on February 29, 1980.

The representatives were: Mr I F A de Villiers (PFP, Constan-

tia), Mr G S Bartlett (NRP, Amanzimtoti), Mr T A Aronson (SAP, Walmer).

At this occasion it was explained to the said representatives why, notwithstanding wide publication overseas, it was necessary to strictly apply the Petroleum Products Act, 1977 (Act 120 of 1977) and to prohibit publication of particulars regarding to the incident.

In order to process the oil, as otherwise it might have resulted in serious operating problems at the relevant refineries supplied by SFF, and also not to involve purchasers of crude oil from SFF, it was agreed with Shell that the oil could be processed without prejudice to the rights of the parties concerned.

Shell mentioned the possibility of a settlement. After obtaining legal advice from the firm Hofmeyr and Van der Merwe, and after the matter had been investigated by SFF's senior advocate, Adv SA Cilliers, SC, it was concluded that, everything considered, it was in SFF's interest to endeavour to settle. The following reasons were cited:

- There was sufficient prima facie evidence that both Shell and SFF had been deceived in respect of the oil which both had purchased bona fide.
- SFF did not possess sufficient commercial documentation to finally eliminate Shell's claim of title to the oil.
- Shell's claim to ownership of the crude oil was in dispute and finality would only be obtained after a lengthy court case.
- During that period, it was not in the country's interests that the particular vulnerability of the RSA in obtaining crude oil, be exposed.
- In accordance with the legal advice to SFF, a settlement was preferable to a drawn-out court case which, on the known facts, could be risky for both parties.
- Some of the crude oil was delivered to local oil companies and it could have caused the oil companies concerned international embarrassment which was not in their and the RSA's interest.

(55) 8fer

Salem swindlers took SA for a ride

By Peter Sullivan,
Political Correspondent

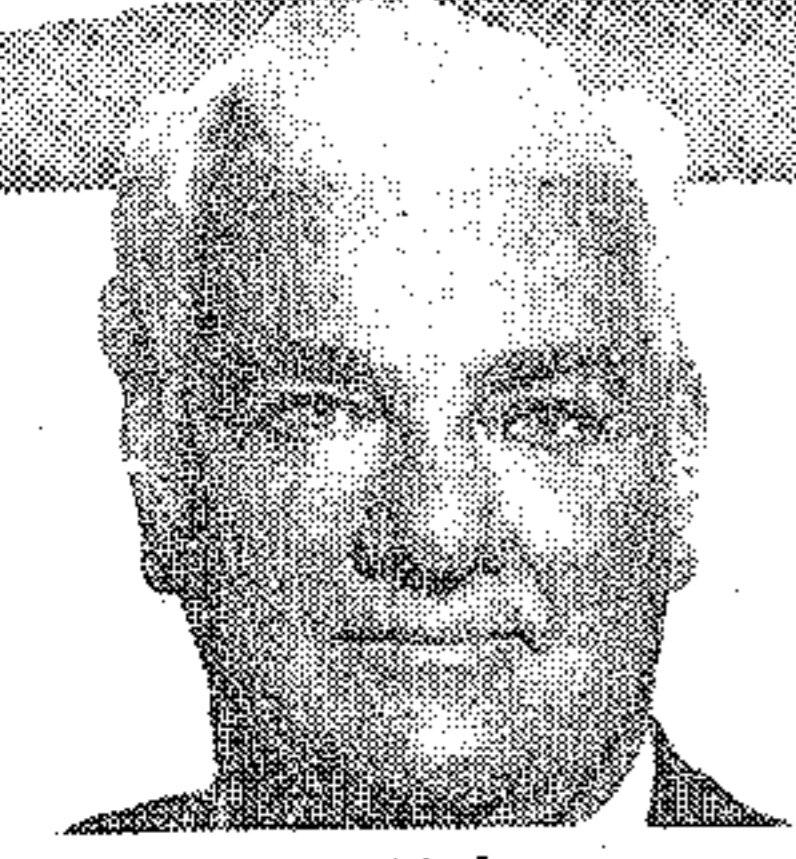
THE ASSEMBLY — The money lost in the Salem transaction may still be recovered, the Minister responsible, Mr P T C du Plessis, told Parliament today.

Opening the case for the Government, he said special experts had been appointed "early in the second half of 1982" to investigate the matter in depth.

These people were told to explore, particularly, ways of recovering some of the lost money, Mr du Plessis said in the special snap debate on the Salem fraud.

He said the people concerned had nearly concluded their investigations and that not everything presented as fact in the courts, in books, or the Press was necessarily true.

For this reason he could not agree to the publication of statements made in the Assembly by Mr John Malcomess.



Mr John Malcomess... his speech sparked off the debate.

Mr du Plessis said the investigators had reported to him that the possibility could still not be ruled out that the money lost in the Salem transaction could be recovered.

Earlier, Mr du Plessis had said that an international group of swindlers was "in all probability" responsible for the Salem fraud which cost the Strategic Fuel Fund (SFF) 25,5 million dollars.

He said that, after more than three years, the full facts had still not been ascertained beyond all doubt, and there was little likelihood they ever would be.

A new fact to emerge was an agreement by the SFF to bear the loss of the fraud equally with Shell International after a lengthy legal wrangle.

"In all probability it was an international group of swindlers taking advantage of the crude oil shortage of that time, the international involvement of the parties, as well as the particular vulnerability of South Africa.

"Facts and speculation become so entwined that commercial realism convinced Shell and the SFF to settle."

From October 9, 1979, American Polamax executive vice president, Mr F E Soudan, negotiated to sell the oil to the SFF which included a consignment of 1 450 000 barrels of Kuwaiti crude.

The crude had been arranged by a certain Mr A Reidel and was on a ship named Lema, which became known as Salem.

Complicated financial dealings followed which resulted in the crude oil being off-loaded at Durban, for which 90 percent of the purchase had been paid the previous day. The final payment was made on January 10, seven days before the Salem sank "under suspicious circumstances" off the coast of West Africa.

● See Pages 4 and 5 of the World section for a detailed report of the Salem affair.

JOHANNESBURG WEDNESDAY, MARCH 9 1982

Pitman calls for police shooting inquiry

Political Correspondent

Six years ago this week the official opposition in Parliament warned MPs against voting for a section of an act which made death by shooting in a wide variety of arrest cases, justifiable homicide.

This was pointed out yesterday by Mr Harry Pitman, Opposition police spokesman, who gave figures of people shot dead each year by the police.

Speaking in the snap debate he gave the following

ing statistics of people shot dead by police: 203 (1976), 149 (1977) 203 (1978), 163 (1979), 178 (1980), 175 (1981) and 188 in 1982.

"That is carnage," Mr Pitman said. "That was the argument to which that side of the House, the Government, turned a completely deaf ear."

Mr Pitman went on to ask for a judicial inquiry into having the law altered to prevent policemen from firing their weapons indiscriminately.

● See Page 6 of the World section and Page 1 of the Metro section.

(55) Hansard Q. 61, 588
Koeberg nuclear power station

9/3/83

332. Mr. D. J. N. MALCOMESS asked
the Minister of Mineral and Energy Affairs:

Whether any plans have been finalized for the decommissioning of the Koeberg nuclear power station; if so, (a) what safeguards will be implemented regarding radio-active materials at the time of such decommissioning and (b) what is the estimated decommissioning cost?

The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

No.

(a) and (b) Fall away.

55 Hansard Q. Col. 567-568
Atomic Energy Corporation: fire at
Pelindaba site 9/3/83

3. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether a fire broke out recently at the Pelindaba site of the Atomic Energy Corporation; if so, what (a) was the cause and (b) are the estimated costs of repairing the damage;
- (2) whether any person was or could have been exposed to radiation as a result; if so, how many persons were or could have been so exposed;
- (3) whether terrorist activities are suspected?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Yes, as already confirmed in press reports on 24 February 1983 by Dr. J. W. L. de Villiers, Chairman of the Atomic Energy Corporation.
 - (a) and (b) The investigation regarding the cause and extent of the

7

9 MARCH 1983

568

fire is not yet completed and particulars cannot be furnished.

- (2) No. There was no nuclear material in the building and no one was injured.
- (3) As the investigation has not been completed no conclusion can be made as yet. . .

†The MINISTER OF TRANSPORT AFFAIRS:

Yes.

*Handed Q. 61. 566-
55 Household gas 9/3/83 567*

2. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

567

WEDNESDAY,

Whether the recently announced decreases in the price of fuels will affect the price of household gas; if not, why not; if so, to what extent?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

No. The price increase for household gas to which the oil companies were entitled has totally depleted the financing source from which the price increase had to be cushioned and consequently, a price reduction could not be effected. The Government is aware that certain sectors of the community employ household gas as an illuminating and heating fuel. In respect of domestic consumption the Equalization Fund levy on household gas is already the lowest of all petroleum products which contribute to this Fund. For a considerable time household gas is not dutiable, which constitutes a further advantage for the consumer.

WEDNESDAY, 9 MARCH 1983

†Indicates translated version.

For oral reply:

55

Hansard Q. Col.
Shipping registers 565-566

*1. Mr. D. J. N. MALCOMESS asked the
Minister of Transport Affairs: 12183

Whether it is the practice of port authorities to check shipping registers with regard to the ships which dock or moor at any South African port?

Govt spells out oil swindle

(Contd from Page 1)

circumstances" off West Africa.

After this an investigation revealed that "both Shell and SFF had probably been deceived".

It is clear from the memorandum that the SFF has avoided taking action to recover the money, because it claims that this could, among other things, hamper future oil supplies.

Scotland Yard

"Although Lloyds and Shell attempted to have the money frozen in the banks, most of it was already distributed amongst unknown participants in the conspiracy," the memorandum says.

It could only be ascertained to whom a portion of the money was paid — to Reidel and Soudan, as well as to another character, Mitakis, who is named only in this one instance in the memorandum.

Although Scotland Yard obtained warrants for the arrest of "certain persons", it was not able to bring them before British courts because of extradition problems with Greece and the Netherlands.

A British court finding that the SFF financed the purchase of the Salem was not true, the memorandum says.

"Soft market"

It concludes that the current "soft market" in oil should not create a false sense of security.

"Recent history has shown that the crude-oil market is unpredictable and that circumstances can change rapidly," the memorandum comments.

"There are still active attempts by the enemies

of the Republic to prevent or hinder the delivery of crude oil to South Africa.

"Discussions of this kind in public council chambers can only serve to discourage those who are still prepared to take risks, since they depend on confidential handling

of transactions for their own protection.

"Secrecy of transactions is primarily aimed at protecting the Republic's crude-oil suppliers and to retain their trust and in no way whatsoever to conceal information."

High risks

(Contd from Page 1)

and the cessation of crude oil production resulted in six million barrels of oil a day not being offered for sale on the international market, which created chaos in the oil market overnight.

DEMAND

Demand exceeded supply and oil prices rose dramatically.

South African oil importers had to buy under extremely unfavourable conditions and there was no firm source.

The SFF had to assist local companies in obtaining and importing crude oil.

"Country Z" is mentioned as one which tried to blackmail South Africa by raising prices as high as \$45 a barrel. This contract was cancelled.

REFINERIES

In order to prevent refineries from being without oil early in 1980, it was decided to buy the Salem consignment as a bridging shipment.

In November 1979 one refinery indicated that it would be without oil the next month.

"Without the benefit of hindsight and with the knowledge of that time it was decided that under the circumstances the offer of oil from the com-

pany of a certain Messrs Soudan and Reidel was the most advantageous."

Notwithstanding the fact that the SFF, as a result of the fraud, had to pay an additional \$30,5-million in this transaction as compensation, the actual loss had been limited to approximately R25,5-million because the price paid was about \$5 lower than the market price.

Afterwards it became evident that the SFF was financially better off by buying the Salem shipment than it would have been if it had remained committed to the existing contract.

"The loss was discounted by the savings on the subsequent cheaper purchases and the so-called 'bottom line' was more advantageous to SFF.

"CRITICAL"

"South Africa obtained an oil supply at a critical moment and thus gained time for negotiation."

The memorandum says legal experts had found that there was no fool-proof system of buying oil consignments.

It was sometimes not possible to insist on the usual commercial documents, such as bills of lading, as oil-producing countries did not allow exports of oil to South Africa.

AAGUS
9/3/83

Dilution the Solution to Richards Bay's 'poison pipeline' to the sea

Richards Bay pipeline wins world notice

The pipeline to carry effluent from the developing industrial complex at Richards Bay had attracted worldwide interest, a consulting engineer, Mr Mark Berstein, said.

"Hardly a day goes by without a telephone call from some part of the world or another from either a research group or fellow consultants asking about the project," he said.

The massive industrial sewerage system will be tested next July and will be fully operational by October. Two pipelines will be used — one for buoyant effluents and the other for heavier wastes.

Mr Berstein said the project was well within estimates. "Inflation has been kind and given us a

glimmer of hope for the first time in many years."

The project will start to hum in about a month when the tenders are awarded for the contract — which will require construction and diving skills to lay the dual pipe system.

"It will also allow research at a high level — the Government intends to see how sea-discharged effluent behaves and what the future holds for such projects," he said.

Mr Berstein said it was probably the first time such a marine outfall could be studied in isolation as in other highly developed areas of the world researchers were plagued by the presence of hundreds of similar pipes.

The controversial Richards Bay pipeline, once described as a "poison pipeline", will be one of the most carefully controlled marine discharge systems in the southern hemisphere — if not the world.

This is the view of Dr Julian Hemens, regional head of the Natal laboratory of the National Institute for Water Research (NIWR), in a leading report on the R42 million pipeline due to be commissioned next year.

Dr Hemens says the concept of a pipeline to carry effluent from the developing industrial complex at Richards Bay out into the Indian Ocean is an example of an attempt at the best possible compromise.

He says the maxim that the "solution to pollution is dilution" remains basically true, because, even after pre-treating effluent, methods achieving the greatest dilution afford the best environmental protection.

With the imminent emergence of an industrial complex at Richards Bay, one of the problems faced by authorities has been that of effluent disposal. **LAWRIE BEDFORD reports.**

It was not until 1979, when the construction of a pulp and paper mill at Richards Bay became a possibility, that provision of a marine disposal effluent pipeline could be economically justified.

Dr Hemens says urgent attention was then focused on possible effects on the marine environment. Similar situations elsewhere in the world were examined, legislation studied, scientific literature reviewed and research initiated.

The CSIR's National Research Institute for Oceanology has simulated the behaviour of the effluent discharge using mathematical and large-scale physical models based on records of seabed topography, winds, waves and currents in the area. The results have been used by

consulting engineers to optimise the design of the marine outfall to comply with environmental requirements.

At the same time the NIWR initiated an extensive study of the chemical and biological nature of the seabed, and the water column in the proposed area of discharge, as well as the beaches and surf zone up to 25 km north and south of the area.

A record of the marine fauna is being built up, which includes data on their present body content of accumulative materials including pesticides and potentially toxic metals such as mercury, cadmium and lead.

The presence of bacteria of sewage origin in the harbour and on the beaches and offshore areas as a result of current ship-

ping and harbour activities is also being examined. In the chemical analyses of beach sands, bottom sediments and water, particular attention has been given to current levels of material likely to be present in the future effluent discharge.

The pipeline is expected to go into full operation in October 1984 and initial contributors will be a pulp and paper mill (Mondi), a fertilizer factory (Triomf) and a relatively small quantity of settled sewage from the Richards Bay Town Board area.

Effluent from the fertilizer factory will contain substantial amounts of fluoride, at least until a suitable market is found. As a result of extensive long-term multi-generation toxicity tests with small marine life, an

environmentally acceptable concentration of 5 mg a litre has been recommended.

Dr Hemens says the most difficult question to resolve has been the potential effect of discharge of gypsum slurry. Experiments have shown that a 1 cm layer of gypsum will probably prevent survival of any bottom fauna in an area of less than a sq km from discharge.

"A decision on sea disposal was taken at a high level with technical advice after we had done as much as we could do to research this with laboratory models. It was decided that sea disposal did the least damage to the environment," he said.

With continued environmental monitoring and by very careful scrutiny of effluent characteristics of industries that may in future seek to use the pipeline, the Richards Bay pipeline will be "one of the most carefully controlled marine discharge systems in the southern hemisphere, if not the world".

Shell and SFF bought same oil

THE mind-boggling intricacy of the Salem oil scandal has been revealed in a special Government-approved report on the scheme, which hoodlined South Africa's oil procurement agency, one of the world's biggest oil companies and international investigators.

The document — compiled at the request of the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, by the Strategic Fuel Fund (SFF), reveals a net of intrigue stretching from the Mediterranean to the tip of Africa.

This is the story it tells. "On October 9 1979, Mr F E Soudan, executive Vice-President of the company American Polamax, negotiated to sell crude oil to SFF. "The SFF and others were told that American Polamax owned a refinery in Louisiana, United States, which had concluded various contracts to obtain crude oil and that the volumes were more than needed by the refinery.

"The company therefore wanted to sell its surplus crude oil on the open market. "Various schemes were proposed for selling the crude to the SFF in such a way that the embargo by oil producing companies could be evaded."

"On November 29 1979, Mr Soudan told the SFF that, because of congestion at the refinery, it would be unable to supply the oil in the normal manner. SFF insisted that Beets Trading guaranteed SFF that they were the un-mortgaged owners of the crude oil and also that, on payment, title would be transferred to SFF.

"It was also stipulated that Beets Trading and Soudan would indemnify SFF against any claims or damages which could arise for SFF because the original bills of lading could not be obtained at the time of payment."

The consignment was discharged at Durban on December 28 1979 and 90% of the purchase price was paid the same day.

The rest was paid on January 3 and January 10 1980 after the volume delivered was finally determined.

After discharging her oil, the Salem sank off the coast of West Africa on January 17 1980 under suspicious circumstances.

Later, Shell notified the SFF, through their attorneys, that they had also bought the oil and claimed title, saying the oil had been illegally sold and delivered to the SFF.

normal manner, SFF insisted that Beets Trading guaranteed SFF that they were the un-mortgaged owners of the crude oil and also that, on payment, title would be transferred to SFF.

"It was also stipulated that Beets Trading and Soudan would indemnify SFF against any claims or damages which could arise for SFF because the original bills of lading could not be obtained at the time of payment."

The consignment was discharged at Durban on December 28 1979 and 90% of the purchase price was paid the same day.

The rest was paid on January 3 and January 10 1980 after the volume delivered was finally determined.

After discharging her oil, the Salem sank off the coast of West Africa on January 17 1980 under suspicious circumstances.

Later, Shell notified the SFF, through their attorneys, that they had also bought the oil and claimed title, saying the oil had been illegally sold and delivered to the SFF.

Recent history had shown that the crude oil market was unpredictable and that circumstances could change rapidly.

There are still active attempts by the enemies of South Africa to prevent or hinder the delivery of crude oil to the Republic," the document said.

The Government document also refers repeatedly to the importance of maintaining the secrecy factor as the main reason for not pursuing the Salem case further and trying to recover the R30.5-million compensation paid to Shell.

The Government document also refers repeatedly to the importance of maintaining the secrecy factor as the main reason for not pursuing the Salem case further and trying to recover the R30.5-million compensation paid to Shell.



MINISTER PIETIE DU PLESSIS ... asked for report

THE SALEM SCANDAL

REPORTS BY:

- John Battersby
- Rob Nuttall
- Michael Acott
- Ronell Scheffer

Oil

Firm

shared

losses

THE MUST enter in order of each question five columns (2) and

the conspirators, it would be shared equally between the two parties.

The SFF document also reveals that while SFF paid

THE SALEM SCANDAL

Don't discuss oil deals

THE Government has again warned Members of Parliament against discussing sensitive aspects of South Africa's oil deals.

In a Government-approved document tabled in Parliament yesterday, the Strategic Fuel Fund (SFF) warned against the discussion of oil deals in "public council chambers".

"Discussions of this kind only serve to discourage those who are still prepared to take risks, since they depend on confidential handling of transactions for their own protection.

"Secrecy of transactions is

THE SALEM SCANDAL

Don't discuss oil deals

THE Government has again warned Members of Parliament against discussing sensitive aspects of South Africa's oil deals.

In a Government-approved document tabled in Parliament yesterday, the Strategic Fuel Fund (SFF) warned against the discussion of oil deals in "public council chambers".

"Discussions of this kind only serve to discourage those who are still prepared to take risks, since they depend on confidential handling of transactions for their own protection.

"Secrecy of transactions is

could not deliver Arabian light as originally planned but that he had made alternative arrangements for the supply of crude oil.

The new plan, he suggested, was that a certain Mr Anton Reidel should supply 1,45-million barrels of Kuwaiti crude.

He said a ship named the South Sun had been bought

THE Strategic Fuel Fund (SFF) was unaware of any irregularities in the delivery of the Salem crude oil consignment until Shell International applied for a Supreme Court interdict against it, the Government memorandum on the fraud has disclosed.

The memorandum also reveals that the Cabinet was informed of the incident immediately after a *prima facie* case of fraud became evident.

When Shell applied for an interdict to the Witwatersrand Supreme Court, pending

a suit to prove ownership of the oil, the SFF ordered an investigation to ascertain what claim, if any, Shell had to the crude oil.

The SFF's representative succeeded in tracing abroad some of the main conspirators in the plot, and the investigation revealed that both Shell and the SFF had "probably been deceived".

"The extent of the plot and the persons involved were, however, not apparent," according to the memorandum.

On February 29 1980, three Opposition party representatives — Mr Derek de Villiers (PFP), Mr George Bartlett (NRP) and Mr Theo Aronson (SAP) — were confidentially informed of the fraud by the then Minister of Industries, Commerce and Consumer Affairs, Dr Schalk van der Merwe.

It was explained to them why, despite wide overseas publication of the incident, it was necessary to strictly apply the Petroleum Products Act to prohibit local publication of the fraud.

both paid the international comen for the oil — agreed to settle the dispute over ownership of the oil because:

- SFF did not have enough commercial documentation to eliminate Shell's claim of title to the oil.
- On legal advice it was accepted that a settlement was preferable to a drawn out court case which, on the known facts, could have proved risky for both parties.
- Some of the crude oil discharged by the Salem in Durban had been sold to local oil companies and it could have caused them international embarrassment, which was neither in their interests or in South Africa's.
- The settlement was based on SFF and Shell each carrying an almost equal share of the losses incurred.

It was also agreed that, if any money was recovered from

oil, below the market price at the time, Shell paid \$52-million, above the market price.

Although Shell made various settlement proposals, SFF insisted on an equal loss settlement.

"Although Lloyds and Shell attempted to have the money frozen in the banks, most of it was already distributed among the unknown participants in the conspiracy," says the document.

The SFF decided not to institute legal action to recover the money, to which it would have been entitled in terms of the settlement, because Shell intending attempting to recover the money from the comen.

"In addition, the possibility existed that in all probability nothing would be recovered and, in the process of such an attempt, there was the danger that the manner in which South Africa obtained crude oil would be exposed world-wide."

No vast premium paid

THE Salem's oil cargo was bought at a discount on ruling world prices . . . not at a vast premium, as claimed in the Assembly last month.

Mr John Malcomess (PFP Port Elizabeth Central) told Parliament when he first raised the Salem issue that South Africa had paid \$34,50 per barrel for the cargo when the price of Kuwaiti crude oil was \$25,50 a barrel.

He said this premium, amounting to about \$13,5-million for the shipload, was the cost of apartheid to the taxpayer.

The Government document tabled yesterday said the price of \$25,50 per barrel in November 1979 was the Kuwaiti official government selling price.

These contracts were not available to South Africa or to any other new entrants to the market.

The spot price for crude oil was considerably higher. In January 1980, two loads of Kuwaiti crude oil were being offered at \$35,00 a barrel free on board.

Counter bids of \$33,00 were being made. The \$34,50 paid by South Africa for the Salem cargo included freight costs, insurance and loss by evaporation.

"The price for this oil was therefore more advantageous than the current spot price of approximately \$35,00 free on board at that stage," the document states.

The favourable price resulted in a saving of about \$5-million.

Although South Africa had to pay an additional R30,5-million to Shell as compensation for the stolen oil, the actual loss was therefore limited to about \$25,5-million, the document says.

ALL, Thursday, March 10, 1983

ed risk

oil after delivery . . . on condition that the trader provided indemnity against liability arising out of bills of lading not being furnished in due course. In addition, transfer of title was obtained from the trader in all cases.

While the great risk attached to such transactions was appreciated, the lack of alternative and more advantageous sources of supply necessitated calculated risks in the case of the Salem and other consignments.

In the case of Salem, a contract was concluded with Beets Trading, in terms of which title was transferred to the SFF and the association was indemnified against any loss it could suffer resulting from non-receipt of any original bills of lading.

Conditions of payment were stipulated in the contract and payment accordingly made.

British court

The SFF said the finding of the British court on the role of Mercabank, based on information supplied by Shell and Lloyds, agreed with the facts at the disposal of the SFF.

According to the document, Mr F E Soudan, executive Vice-President of the company American Polamex, informed SFF that he had arranged for a certain Anton Reidel to supply 1 450 000 barrels of Kuwaiti crude oil.

"Soudan confirmed that a ship named the South Sun (later to be renamed the Lema and then Salem) had been purchased to off-load the crude oil in Durban under the name Lema."



Calculated risk

SOUTH AFRICA could not insist on the usual commercial documentation, such as bills of lading, at the time when the Salem crude oil consignment was purchased.

According to the Government document released yesterday, the embargo on crude oil exports to the country prevented traders from overtly loading oil in the Persian Gulf countries for off-loading in South Africa.

"Consequently, bills of lading could not be made out for a destination in the Republic of South Africa. The trader, therefore, had to off-load despite contradictory instructions on the captain's bill of lading," the document states.

For this reason, the Strategic Fuel Fund (SFF) insisted that it would only pay for crude

oil after delivery ... on condition that the trader provided indemnity against liability arising out of bills of lading not being furnished in due course. In addition, transfer of title was obtained from the trader in all cases.

While the great risk attached to such transactions was appreciated, the lack of alternative and more advantageous sources of supply necessitated calculated risks in the case of the Salem and other consignments.

In the case of Salem, a contract was concluded with Beets Trading, in terms of which title was transferred to the SFF and the association was indemnified against any loss it could suffer resulting from non-receipt of any original bills of lading.

Conditions of payment were stipulated in the contract and payment accordingly made.

THE South African Government has disputed the finding of a British High Court that the South African Strategic Fuel Fund (SFF) financed the purchase of the oil tanker Salem for \$12,3-million.

In the document drawn up by the SFF, it denies emphatically that it financed the purchasing of the ship, made any advance payment, or had any part in enabling someone else to finance the purchase.

However, the SFF disclosed that a local merchant bank — Mercabank — had arranged for the financing on condition that it (SFF) pay a portion of the purchase price when it became payable after

British court wrong

delivery of the oil into a local account with the merchant bank.

"No payment would have been made had the ship not delivered the oil or had it sunk en route to South Africa.

"It is, therefore, inexplicable why the merchant bank agreed to finance them."

The SFF said the finding of the British court on the role of Mercabank, based on information supplied by Shell and Lloyds, agreed with the facts at the disposal of the SFF.

According to the document, Mr F E Soudan, executive Vice-President of the company American Polamex, informed SFF that he had arranged for a certain Anton Reidel to supply 1 450 000 barrels of Kuwaiti crude oil.

"Soudan confirmed that a ship named the South Sun (later to be renamed the Lema and then Salem) had been purchased to off-load the crude oil in Durban under the name Lema."

How SA was fooled

According to a memorandum prepared by the Strategic Fuel Fund Association (SFFA), tabled in Parliament by Energy Minister Pietie du Plessis, SFFA did not finance the purchase of the *Salem* for \$12.3m. This contradicts evidence in three separate legal actions brought by Shell in UK courts.

Nor, says SFFA, did it make any payment in advance or do anything to enable anyone to finance the purchase. The memo says a local merchant bank arranged for the purchase of the *Salem* on condition SFFA paid a portion of the purchase price, after delivery of the oil, to a local account with the merchant bank.

"It is therefore inexplicable why the merchant bank agreed to finance them (the conspirators). Two other banks had refused to extend credit to the buyers of the ship on those conditions," says SFFA.

After the ship was scuttled off Senegal on January 17 1980, it became clear to Shell that a *prima facie* case of fraud existed. Lloyd's attorneys, identified as Shell's attorneys by the SFFA, Deneys Reitz, notified SFFA that Shell was the rightful owner of the oil. Shell said it had bought the oil from a company called Pontoil, that Pontoil had leased the ship to convey the cargo to Europe, but that the conspirators illegally sold and delivered the oil to SFFA.

At that stage, says the SFFA, it instructed one of its representatives to investigate Shell's allegations. He found that "both Shell and SFFA had probably been deceived."

Shell suggested a settlement and legal advice was that a settlement would be in the association's best interests because:

There was sufficient *prima facie* evidence that both Shell and SFFA had been deceived;

SFFA did not possess sufficient commercial documentation to finally eliminate Shell's claim to title over the oil;

Shell's claim to ownership was in dispute and finality would only be obtained after a lengthy court case;

During that period it was not in the country's interests that SA's vulnerability in international oil markets be exposed;

A court action would have been risky for both parties "on the known facts;" and

Some of the crude oil had been delivered to other local oil companies and it could have caused them international embarrassment.

After lengthy negotiations the matter was settled, with Shell and SFFA each bearing about half the loss sustained.

The conspirators are still at large. Although Lloyds and Shell tried to freeze their gains in the banks, most had been distributed. It was established that a portion of the money was paid to people called Reidel, Soudan and Mitakis.

Although Scotland Yard obtained warrants against a number of people, it was soon apparent that it would not be possible to bring them before UK courts because of extradition problems with Greece and the Netherlands.

Outlining events that led to the fraud, SFFA says international markets were in turmoil after the Iranian revolution. SA was at the mercy of the spot market.

A supplier who had been selling to SA on a term contract of 40 000 barrels/day announced that SA would have to pay prohibitive auction prices for its oil. This was unacceptable and it was decided to terminate the contract. But a big "bridging" cargo was needed.

A deal offered by traders called Soudan and Reidel was reckoned to be the most ad-

vantageous. "Notwithstanding the fact that SFFA, as a result of the fraud, had to pay in this particular transaction an additional \$30.5m as compensation, the actual loss had been limited to about \$25.5m because the price paid was some \$5m lower than the market price."

SFFA insisted that it would only pay for crude oil after delivery on condition the trader provided indemnity against liability which could arise if bills of lading were not furnished in due course.

"The great risk was appreciated throughout by all concerned. However, since there were no alternative sources of supply, a calculated risk had to be taken as in other similar cases."

Payment was made as follows:

January 3 1980 — R430 435 to Mercabank for account Haven International;

December 12 1979 — R10.2m to Mercabank for account J C J van Vuuren;

January 10 1980 — \$92 500 to Credit Mercabank (Haven International);

December 28 1979 — \$31.1m to Suisse Credit Bank, Zug, for account Beets Trading;

January 3 1980 — \$758 733 to Suisse Credit Bank, Zug, for account Beets Trading; and

January 10 — \$305 411 to Suisse Credit Bank, Zug, for account Beets Trading.

Soudan, who apparently represented a company called American Polamax, said that Polamax had a refinery in Louisiana in the US. The refinery had supply contracts in excess of its requirements and wanted to sell the excess in open market.

The Parliamentary debate revealed little new, except that a high level investigation is continuing, partially in the hope of recovering some money.

55

EXCLUSIVE

They're free, successful and very, very rich . . .



By RAY JOSEPH: London

ROBBERING IN IT! The Salem Swindlers

THE multi-million rand Salem fraud has changed the lifestyle of many of the people involved and several rags-to-riches tales have emerged from the debacle.

On one tiny Greek isle, from where most of the scuttled tanker's officers were recruited, new houses and one or two new tavernas suddenly went up after the men returned home.

But one of the most noticeable lifestyle changes was that of former small-time insurance agent, Lebanese-born Frederick Soudan.

With only his insurance earnings and the odd business deal, Soudan, who suddenly set himself up as a shipowner in 1979 when he bought the Salem for \$12.3-million, moved from his modest Houston home after the oil deal in 1980.

Today Soudan and his wife live in a luxurious villa in one of the most select areas of Houston, drive expensive cars and move in the upper strata of Texas society.

Soudan, who claims he bought the Salem with a legacy from his father, was a key figure in the whole swindle.

Strangest of all is the fact that he has, at no time, ever tried to claim insurance compensation for the supertanker which sunk so soon after he bought it.

And another man, who, according to members of the crew, paid them off after the scuttling of the ship, today owns a luxurious newly-built hotel/restaurant on the outskirts of Athens.

Deported

According to Fleet Street journalist Barbara Conway who has written a book about the Salem fraud, the captain of the ship also appears to have come into money.

While most of the ill-fated supertanker's officers were deported back to Greece after the scuttling, the captain, Dimitrios Georgoulis, and chief engineer Antonios Kalomiropoulos, were sent to Li-

beria to face charges of destroying a ship sailing under that country's flag.

At that stage the captain's family briefed one of the most prominent and expensive — lawyers in Greece to defend him.

The lawyer, George Agens, had previously represented some eminent Greek citizens, including the lg of the last Junta before it was overthrown.

The men were due to stand in June 1980 and faced up to 10 years prison — but a month before they were kept in court, the Libertan government President Tolbert was overthrown in a military coup.

Captain Georgoulis' attorney had earlier tried unsuccessfully to secure his client's release, returned to Lira. In mid-June the new president, Ker-Sergent Sarnuel Doe visited them and announced that the men were freed as there was "insufficient evidence that a crime had been committed".

This aroused much concern in the shipping world and amongst investiga-

tors who believed they had a watertight case which would serve as a warning to anyone wishing to emulate the Salem con.

Ms Conway, a leading financial investigator and recognised authority on the Salem affair, said the ordinary crewmen were all "conveniently" Tunisian. They were paid at least three times their normal salary, put on a plane and sent home.

Not paid much

But, she said, the officers and crew — besides the captain and possibly the first engineer, were not paid much more than \$100 000 in total — a far cry from the \$30-million proceeds from the fraud, which went to the main "fixers".

"Several of the officers came from the same island, which suited the Salem fixers perfectly because they would hardly have been likely to break ranks," Ms Conway told me.

"Visitors to the island after the Salem affair told me that the standard of living

there had improved noticeably since January 1979. No signs of Kollis Royces or anything like that, but the spending power of some locals were definitely above what is normal in minor Greek villages."

Another central character, a Greek, had simply disappeared and all efforts by both journalists and police to trace him have failed. The man had once owned a ship, and employed some of the same crew members as the Salem. The ship had gone down in similar circumstances.

But the Salem con has not made a noticeable difference to the already high life of some of the Greek "fixers" involved in arranging the deal.

"Many of the planners had been living well off the proceeds of other similar incidents for a long time before the Salem," Ms Conway said.

Ms Conway, whose book "The Piracy Business" is recognised as the definitive book on ship scuttling sea piracy and the diversion of cargoes, was offered a substantial sum not to write it.

And, while she was researching it, her life was threatened in an attempt to stop her publishing the book.

Meanwhile only one person, Dutch businessman Anton Reidel, has so far been charged over the Salem affair.

Mr Reidel said to be one of the principal organisers of the fraud, is to appear in a Rotterdam court on March 25 on charges of criminal conspiracy.

New probe

In Greece, following representations by Lloyds and the Salvage Association to the Minister of Justice, the file of the Salem affair has recently been reopened. Earlier Greek investigations into the ship's officers came to nothing.

Scotland Yard, which undertook its own extensive investigations into the Salem affair, has issued warrants of arrest for four of the men allegedly involved. They are Reidel, Captain Georgoulis, Soudan and West German Tom Lockes. Yesterday a Scotland Yard spokesman

would only say that "the position has not changed".

And Shell, who last week lost a major battle for compensation for the stolen oil after a court ruled that the diversion of the Salem to Durban where most of the cargo was unloaded did not come under the "taken at sea" clause of their policy, are to continue their fight.

A Shell spokesman told me: "We had to take this thing to court with the specific insurance which concerned this cargo.

"The courts ruled against Shell and for the insurers and we are now considering claiming under our general hull and cargo policy as a way of recovering the balance of the money owing to us.

"We are not concerned in any way with any criminal proceedings this is a matter for the police in various countries and all we want is to recover the money we lost."

Attempts to contact Mr Soudan at his home in Houston were unsuccessful. An operator at the USA International exchange said: "That number is unlisted . . . it is not to be handed out."

Jobburg man got more than R10m



Mr Johann van Vuuren — now insolvent businessman, one of the fixers in the Salem affair — and his home in Brackendowns, Alberton



amateur dramatist and now a Johannesburg entrepreneur, Jim Shorrock, confirmed from Holland yesterday that he was a key figure in the secret supply of oil to South Africa in the Salem scandal. But he denied that he had been involved in the subsequent fraud involving the Salem, which sank — with its oil tanks filled with seawater — off the west coast of Africa early last year, precipitating a stormy debate in Parliament this week. Mr Shorrock, who is in his 50s, could not, however, explain certain payments

By NEIL HOOPER

Wednesday, the Government listed payments made by SFF Association (Pty) — a company authorised to procure crude oil for South Africa — for the Salem oil.

Payments

Three of the payments are listed as having been made on the following dates to various accounts at Mercabank:

- 28-12-1979 — Mercabank Limited, Jeppe Street, Johannesburg, for account J C J van Vuuren.....R10 235 571,75
 - 03-01-1980 — Mercabank Limited for account Haven International.....R430 425,80
 - 10-01-1980 — Credit Mercabank (Haven International).....\$92 500
- Sources at Mercabank said

this week that the instruction to pay Mr J C J van Vuuren R10-million-plus had come from Mr Shorrock, who had introduced Mr van Vuuren to the bank.

Mr Shorrock denies this, saying that he knows nothing about R10-million being credited to Mr van Vuuren, but confirmed that the latter had an account at the bank.

"Mr van Vuuren introduced us to Mercabank and was supposed to have received R100 000, which was to have been split four ways. "I got about R25 000 and he was also supposed to get the same amount. I don't know who got the balance," he said.

Mr Shorrock confirmed that Haven International was his company, but denied receiving any other payment

out of the supply of oil from the Salem apart from the commission.

"The commission which we shared, R100 000, infinitesimal in relation to the value of the cargo. But it is in the interests of South Africa," he said.

Mr Shorrock said he had first met Mr van Vuuren during a deal involving oil, and had contacted him when they needed financing for the Salem deal.

Mr Shorrock, who runs a trading agency, explained that he had not all bread-and-butter products — explained the Salem deal had come out.

Indemnity

"Mr Frederick Idan (mentioned in the indemnity memo as vice-president of African Polamax) came to South Africa in 1979 in connection with a deal unrelated to the Salem case.

"Then we receive indication that oil was being earlier than anticipated. "Mr Soudan offproduced from Mr Reidel (also mentioned in the indemnity

ment memo), and I put the offer to a certain agency. "It was at this stage that Mr van Vuuren became involved, as he knew a senior official at Mercabank. He arranged to join up with Soudan and myself and somebody from the agency, and to take us to the bank to meet the official.

"What happened — and I want to get this straight — at the bank was a straightforward situation, and the agency handled the transaction with the utmost dexterity and skill under the circumstances, to the extent that they demanded indemnity and that the price to be paid for the crude oil was much less than had been paid by an international oil company. "It was a straight transaction in the interests of the country.

"The next stage was that Mr Reidel of Rotterdam, who had a company called Shipa-Zug, Switzerland, came out to finalise the deal, and Mr Soudan had no further control over the matter.

"His only part from then on in the whole situation was to purchase a vessel, which was renamed the Salem, and which he chartered to Reidel, who signed up his own crew under Captain Mitakis," Mr Shorrock said.

He agreed with a statement in the parliamentary memo that the SFF did not finance the purchasing of the ship or make any advance payment to finance the purchase, which, in fact, had been arranged by a local merchant bank.

Guarantee

"Not one cent of public money went into the purchase. Mercabank agreed to the financing of the purchase of the vessel because it had a personal guarantee from Frederick Soudan," he said.

Mr Shorrock said that he had been unaware that the oil sold to two customers, and that it was planned to fill the ship's tanks with seawater and scuttle her after she had discharged her cargo at Durban in December 1979 so that a fraudulent insurance claim could be brought.

"No, I was totally unaware. I'm sure Mr Soudan wasn't aware, I wasn't and the agency wasn't. If any of us had known we wouldn't have touched it," he said. "The fraud was only revealed after that darned vessel sank off the west coast of Africa."

He continued: "Reidel got the bulk of the money. I'm sure Soudan wasn't involved and had no advance knowledge because he was planning to use the vessel for further oil consignments.

He added that he would probably be giving evidence in the case against Reidel in Holland shortly. He said that he did not believe that Mr van Vuuren had had any advance knowledge of the fraud.

"He never even met Reidel

European sleuths refused entry to S Africa

By IVOR WILKINS
Political Correspondent

TWO European investigators appointed to bring to justice one of the Salem oil swindlers were refused entry to South Africa to pursue their inquiries, according to informed sources.

It is also reliably understood that early in the attempt by British investigators to conduct inquiries in South Africa were turned down, although later an agent for Lloyds Insurance is understood to have been allowed in to South Africa.

The West European investigators were appointed by the office of the attorney-general in the country concerned to make a case against a suspected fraud in the multi-million rand Salem oil

They were appointed in 1980, shortly after the facts of the fraud became known internationally.

According to impeccable sources, their government applied to the South African authorities for visas to enable the investigators to travel to the Republic.

Evidence

They wanted, among other things, to consult with South African concerns involved in the Salem affair to gather sufficient evidence to bring charges against one of the main suspects in the gigantic fraud.

But, the Sunday Times source said, the visas were turned down, cutting off access by the investigators to prime sources of evidence.

A well-placed government source, who did not confirm that entry to international investigators had been refused, said court cases had been avoided at the time for fear their proceedings would expose South Africa's oil dealings.

The emphasis of government investigations had been more on recovering the funds which South Africa had lost as a result of the fraud. This is borne out in a State Fuel Fund Association (SFF) memo which said an out-of-court settlement with Shell, for whom the oil fraud was sold to South

Africa had been destined originally, had been desirable.

"During that period, it was not in the country's interests that the particular vulnerability of the Republic in obtaining crude oil be exposed," the memo said.

The lack of co-operation by the South African Government in the investigation was revealed to the Sunday Times this week following the debate in Parliament over the Salem incident.

In a carefully-worded statement at the start of the debate, the Minister of Energy Affairs, Mr P T C du Plessis, told Parliament:

"I would like to point out that the Government and the SFF constantly kept abreast of developments surrounding the Salem affair.

"During the periods of responsibility of successive Ministers, the handling of the case was characterised by the purposeful collection of information regarding those persons involved in the matter and related developments abroad such as, for example, the course of lawsuits and the progress of judicial steps against the alleged offenders.

"Eventually, the matter developed to such an extent that, after consultation with the Prime Minister, experts were

Mr Reidel is scheduled to appear in Rotterdam Court on May 25 on charges of criminal conspiracy. This will be the first prosecution resulting from the swindle, though the Greek government is reported to have appointed a magistrate to investigate possible charges against the officers of the tanker Salem, which was scuttled off the West African coast after discharging the oil at Durban.

In Britain, Scotland Yard issued warrants of arrest for Mr Soudan, the businessman who fronted the sale of the oil, Mr Reidel, Mr Dimjous Georgoulis, captain of the Saleind West German businessman Mr Jmas Johannes Locks, alleged to be the man who set up the financial side of the plot from Switzerland.

Mr du Plessis was not flustered by comment on the weekend. Jokesman at his office said he was out of town and could not be reached.

Govt cools stand on freedom of speech

5.1.1983 12/31/83

IN the face of a massive outcry, the Government appears to be tempering its threatening position on the freedom of parliamentary speech and the right of the media to report on proceedings in the House of Assembly.

But while it appears legislation to curb the freedom of speech has been averted there is no doubt that the Government is determined to prevent parliamentary privilege being used to air matters that have been made taboo in secrecy provisions

By IVOR WILKINS
Political Correspondent

written into specific laws. Instead of legislation, it appears that existing mechanisms inside Parliament will be sharpened to curb speeches on what the Government regards as sensitive issues. Parliament's most senior committee, that on Standing Rules and Orders, is likely to be the scene of a major battle between the Government and the Opposition over the matter.

Parliamentary privilege is the time-hallowed and hard-won tradition that protects MPs from civil or criminal prosecution when they speak on any subject in the House of Assembly.

With it, although slightly more circumscribed, has always gone the right of the media to report speeches in Parliament without fear of prosecution.

The Government is furious that an Opposition MP, Mr John Malcomess, used the privilege to discuss an issue affecting oil supplies - a subject covered by secrecy provisions in the Petroleum Products Act.

The Minister of Energy Affairs, Mr P T du Plessis, said in Parliament there was a conflict between the secrecy provisions of the Act and the general privilege granted to MPs under the Powers and Privileges of Parliament Act.

Fears

He suggested a "suitable committee of Parliament attend to this apparent contradiction". The suitable committee would be the Standing Orders committee.

During Wednesday's debate on the Salem oil affair, Government spokesmen made it clear that steps would be taken to prevent a recurrence.

Serious fears were aroused that drastic steps were being contemplated to limit the right of MPs to speak on certain subjects and the right of the news media to report their speeches.

The fears were heightened by the fact that the strongest suggestion of impending action came from the Minister of Constitutional Development, Mr Chris Heunis.

Mr Heunis is responsible for ushering in the proposed new constitutional dispensation and there was deep concern that he intended writing out of the new legislation age-old traditional freedoms or introducing new limitations on those freedoms.

During his speech on Wednesday, Mr Heunis said it could not be allowed that the privilege of Parliament be used to frustrate other laws passed by Parliament.

"Is it not seriously questioning the privilege of this House when this House is used to publish information that the law prevents from being published outside?" he asked.

"We shall have to look again at the Acts of this Parliament and its procedures."

His threat caused an uproar.

In the row that ensued - during which...



X-ray shows the rifle-grenade in Cpl Oliveira's chest

Surgeons remove bomb from chest

□ From Page 1

... an experience of a lifetime."

Dr Koos Reyneke, who has done eight years of voluntary border duty, said: "We had a dying man in front of us and his life was of much more importance than our own."

"It wasn't anything really special. We just did what others would have done if they were in the same situation."

Maj de Villiers said: "I concede that this was an unusual operation, but the quality of medical service afforded Cpl Oliveira is not unusual. Every injured soldier receives the same treatment."

But an army explosives expert said: "We are unable to ascertain exactly why the

grenade didn't explode.

"It was a miracle it didn't. The doctors took one helluva risk."

● There are only two other known cases of live explosive devices being successfully removed from the bodies of soldiers in modern warfare.

In 1967 an American soldier was shot in the stomach during the Vietnam war with an M79 rifle grenade, which is much smaller than the M60.

In 1975 during the Rhodesian bush war the explosive warhead of a RPG-7 rocket launcher entered the bowels of a Rhodesian soldier. During a four-hour operation at the Andrew Fleming Hospital in Salisbury the warhead was successfully removed.

Ex-Speakers: Don't muzzle Parliament

By NEIL HOOPER

TWO FORMER Speakers of the House of Assembly have urged the Government not to restrict debates by MPs, and the right of newspapers to report on what is said in Parliament.

They are Mr Henning Klopper, Speaker from 1961 to 1974, and Mr Jannie Loots, who occupied the chair from 1976 to 1981.

Mr Klopper said it was the job of the Speaker to ensure that MPs had the right to speak in terms of the Powers

official report of debates) and newspapers should be allowed the same right to report on debates.

"Parliament is the highest body in the country and members have the right to say what they want. Newspapers have the right to report the speeches and this right must not be taken away from them."

"I would oppose any attempt by the Government to amend the law to stop MPs speaking or newspapers re-



ax We'll Do ir Tax.... uth Africa

you pay the least legitimate tax by claiming
uth Africa's largest personal tax company
ed Bubbs Taxaid in 1977 because he felt
s were losing out on tax more than anyone
aid specializes in completing returns for
on and provisional taxpayers from as little
enses, got married or divorced, bought or
to invest money or feel you might not be
rm correctly, we can help.
x laws our carefully trained managers will
w to save money at no extra charge.
ced a free brochure "1983 TAX CHANGES"
offices.
r the normal individual return regardless of
you.
lable daytime and evenings. Credit cards
me.
helping you. After all there's never been
ore.



The Government is furious that an Opposition MP, Mr John Malcomess, used the privilege to discuss an issue affecting oil supplies — a subject covered by secrecy provisions in the Petroleum Products Act.

The Minister of Energy Affairs, Mr P T du Plessis, said in Parliament there was a conflict between the secrecy provisions of the Act and the general privilege granted to MPs under the Powers and Privileges of Parliament Act.

Fears

He suggested a "suitable committee of Parliament attend to this apparent contradiction". The suitable committee would be the Standing Orders committee.

During Wednesday's debate on the Salem oil affair, Government spokesmen made it clear that steps would be taken to prevent a recurrence.

Serious fears were aroused that drastic steps were being contemplated to limit the right of MPs to speak on certain subjects and the right of the news media to report their speeches.

The fears were heightened by the fact that the strongest suggestion of impending action came from the Minister of Constitutional Development, Mr Chris Heunis.

Mr Heunis is responsible for ushering in the proposed new constitutional dispensation and there was deep concern that he intended writing out of the new legislation age-old traditional freedoms or introducing new limitations on those freedoms.

During his speech on Wednesday, Mr. Heunis said it could not be allowed that the privilege of Parliament be used to frustrate other laws passed by Parliament.

"Is it not seriously questioning the privilege of this House when this House is used to publish information that the law prevents from being published outside?" he asked.

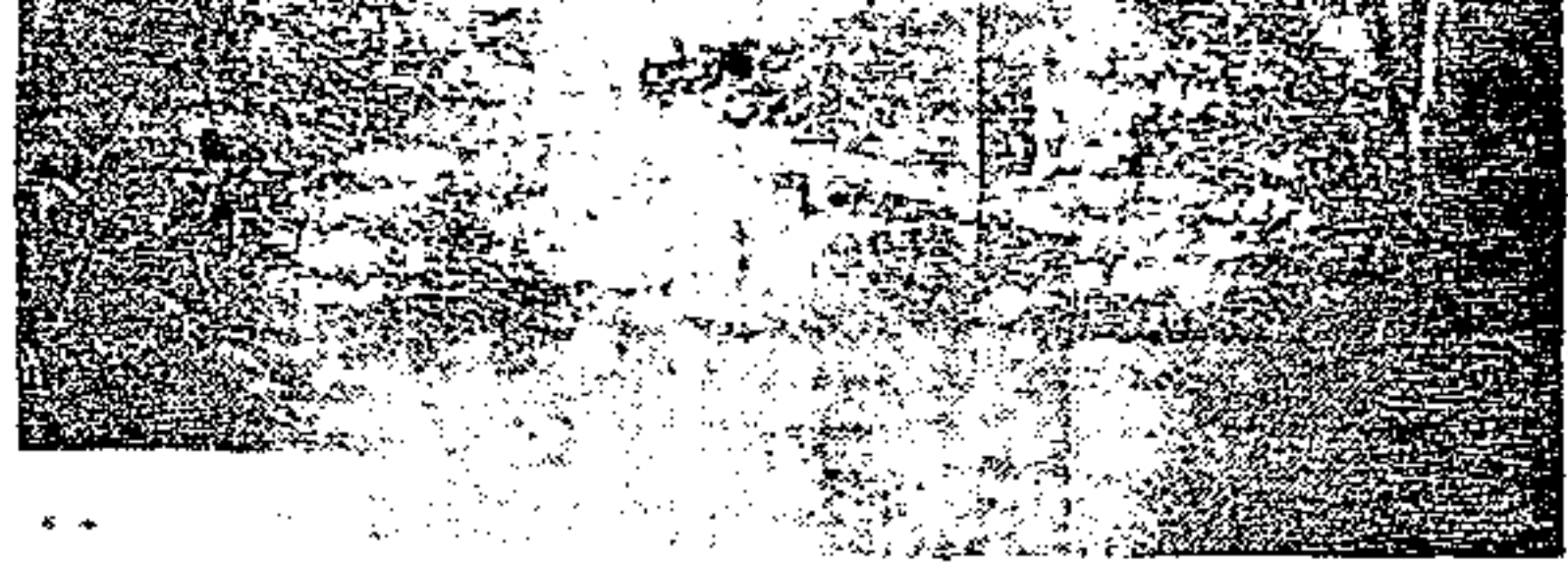
"We shall have to look again at the Acts of this Parliament and its procedures."

His threat caused an uproar.

In the row that ensued — during which foreign diplomats confirmed that their Governments were viewing developments with alarm — signals of a slight climbdown by the Government started emerging.

Government sources were admitting that Mr Heunis had left the matter wide open to negative interpretations, but were giving assurances that legislation was "out of the question".

On Friday, Mr Heunis gave an on-the-record interview that the right of news media to report the proceedings in Parliament was not in jeopardy.



X-ray shows the rifle-grenade in Cpl Oliveira's chest

Surgeons remove bomb from chest

□ From Page 1

... an experience of a lifetime."

Dr Koos Reyneke, who has done eight years of voluntary border duty, said: "We had a dying man in front of us and his life was of much more importance than our own."

"It wasn't anything really special. We just did what others would have done if they were in the same situation."

Maj de Villiers said: "I concede that this was an unusual operation, but the quality of medical service afforded Cpl Oliveira is not unusual. Every injured soldier receives the same treatment."

But an army explosives expert said: "We are unable to ascertain exactly why the

grenade didn't explode.

"It was a miracle it didn't. The doctors took one helluva risk."

● There are only two other known cases of live explosive devices being successfully removed from the bodies of soldiers in modern warfare.

In 1967 an American soldier was shot in the stomach during the Vietnam war with an M79 rifle grenade, which is much smaller than the M60.

In 1975 during the Rhodesian bush war the explosive warhead of a RPG-7 rocket launcher entered the bowels of a Rhodesian soldier. During a four-hour operation at the Andrew Fleming Hospital in Salisbury the warhead was successfully removed.

Ex-Speakers: Don't muzzle Parliament

By NEIL HOOPER

TWO FORMER Speakers of the House of Assembly have urged the Government not to restrict debates by MPs, and the right of newspapers to report on what is said in Parliament.

They are Mr Henning Klopper, Speaker from 1961 to 1974, and Mr Jannie Loots, who occupied the chair from 1976 to 1981.

Mr Klopper said it was the job of the Speaker to ensure that MPs had the right to speak in terms of the Powers and Privileges Act.

"The Speaker has great power. He must ensure that members have the right to say what they want, whether others agree or not. He must listen carefully and, within the rules of the Assembly, allow a member to speak."

On the possibility of a legal amendment to prevent an MP from debating certain subjects, and/or newspapers reporting on such speeches, Mr Klopper said: "The Government must not be allowed to silence anybody."

Mr Loots said that what was reported in Parliament was recorded in Hansard (the

official report of debates) and newspapers should be allowed the same right to report on debates.

"Parliament is the highest body in the country and members have the right to say what they want. Newspapers have the right to report the speeches and this right must not be taken away from them."

"I would oppose any attempt by the Government to amend the law to stop MPs speaking or newspapers reporting what they say. This would be an infringement of the rights and privileges of Parliament," he said.

WEATHER AND TIDES

TRANSVAAL: fine to partly cloudy and hot with a possibility of isolated thundershowers.

FREE STATE: partly cloudy and hot with isolated thundershowers.

CAPE: fine to partly cloudy and hot with isolated thundershowers over the north-east; cooler along the coast.

against the ritual — a practice which some students prefer to call "orientation".

The newspaper also lashed out at the controversial practice of initiation ceremonies — banned by the university authorities but still favoured by many students.

Now the powerful conservative clique on campus will be satisfied with nothing less than the sacking of the editor, Jacques Joubert, it emerged this week.

Mr Joubert's fate will probably be decided at a mass student meeting next week.

If the conservatives succeed in their bid to oust him, freedom of the press at the University of Stellenbosch — the cradle of Afrikaner verligtheid — will be under siege, some students claim.

But Mr Joubert — a third year law student who has edited "Die Matie" for nearly a year — is fighting back.

"I believe that "Die Matie" is well read on campus and that it is reasonably popular," he told The Sunday Times.

Criticism

"But whatever students decide at the meeting — whether in my favour or against me — there will be many others left dissatisfied with the outcome."

"I believe that 'Die Matie' should be able to absorb criticism."

"I also believe that students will give me the opportunity to state my case clearly."

The rumpus over the newspaper, which has consistently adopted a verligte standpoint over the years, flared into the open this week when a powerful group of verkramppte students complained to the Student's Representative Council.

Spearheading the conservative cause against the newspaper is the influential Primarius Committee — the traditionally conservative student heads of hostel residences.

In a surprise move, the "Prims" took their complaints against the newspaper to the SRC — bypassing the students' Publications Committee, the body which appoints editorial staff to "Die Matie" and deals with complaints.

At the meeting with the SRC and Mr Joubert, the "Prims" claimed that:

● "Die Matie" was not read at all by students and

Excessive political coverage in "Die Matie" did not present a true reflection of student thinking.

● The display of a photograph in the March 3 edition of two men carrying a mould of a women's breast on Rag Day was "immoral".

Mr Joubert disputed these claims and criticised the "Prims" for not having placed their complaints through the right channels,

SUN MAGAZINE
WHAT
TH

Bedrooms of the beautiful people

The smallest h



THE KREMLIN Red head

The Pied Piper gen



YOU'LL THIS IN THE

NEXT WEEK THE BATHY. A solar-power THE CHIEFTAN LIFE BEGINS A What the peop VISIT THE REAL MASA! You saw it on T.V. — SCULPTOR OF THE SKINS. An internationally renown.

Bankrupt! The man who got R10m in the Salem oil deal

TWO years after an Alberton businessman received more than R10-million intended for the international conspirators of the Salem oil fraud, his crude oil purchasing company, Safoil, went into liquidation.

The former managing director of Safoil, Mr Johan Christian Janse van Vuuren, 34, was named in Parliament this week as the man whose Mercabank account was credited with the money.

Mr van Vuuren is an unrehabilitated insolvent and is overseas. According to Safoil's file with the Registrar of Companies in Pretoria, Safoil was registered on April 23, 1981 — almost two years after the R30-million oil fraud took place.

The stated main object of the company was to purchase crude oil and establish industries related to oil. The file also states Safoil's capital was inadequate to meet this object.

Safoil's directors said they would need outside capital to achieve their aim. This would be obtained in the form of loans from directors and outside financial institutions.

The second director of the company was Mr Gerrit Steyn, an 80-year-old farmer from Warden in the Free State; the third Mr David Garcia Mthaulana, a 65-year-old shopkeeper from Orlando West, Soweto and the fourth Mr Harold Fleming who lived in the same street as Mr van Vuuren — Orange Street in Bracken-downs, Alberton.

Mr Fleming described himself to the Registrar of Companies as a technical adviser and British subject.

The fifth director was Mr Paulus Frans Steyn, 27, of Warden; the sixth, Mr Daniel Jurgens, a builder of Northern Estate, Benoni; and the seventh, Mr Thokozani Matthew Gumede, a Soweto minister of religion.

Safoil was put into provisional liquidation after a secretary, Miss Constance Watt, sued in the Johannesburg Magistrate's Court for non-payment of salaries amounting to R2 943.

The company was unable to pay and the messenger of the court was unable to find

SECRETARY'S PAY CLAIM FORCED FUEL FIRM INTO LIQUIDATION

By ANGELA GILCHRIST

any assets belonging to Safoil.

Safoil's insolvency file states that the company continued to trade while it was insolvent.

Miss Watt later married Mr Danie Fourie, a director in Mr Van Vuuren's Mon Repos group of companies, of which Safoil was a subsidiary.

A second claim was brought against the company by Mr Raymond Fletcher, of Denver, who claimed R45 000 for salaries and damages in the form of lost commission.

The provisional liquidation order against Safoil was set aside on March 16 last year, the company apparently having paid its debts.

Mr John Malcomess, the PFP MP for Port Elizabeth

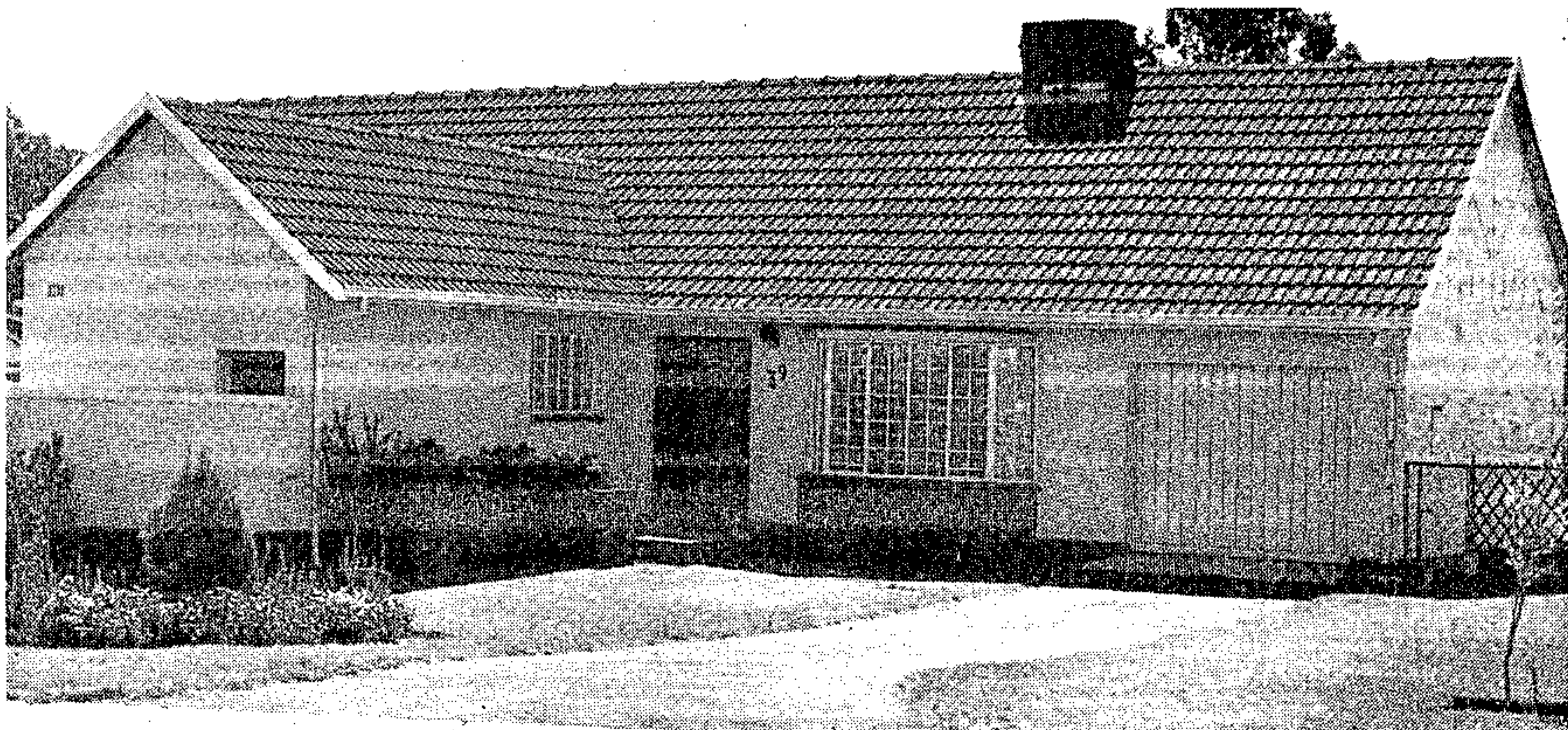
Central who raised the Salem affair in Parliament, asked: "Who was J C J van Vuuren who got paid R10-million? Was he a front man for anyone?"

The British High Court found that the South African Strategic Fuel Fund (SFF) financed the purchase of the oil tanker, Salem, for \$12,3m.

This has been denied by the SFF, but it was disclosed in a document tabled in Parliament on the Salem this week that Mercabank arranged for the financing, on condition that SFF pay a portion of the purchase price.

This became payable into a local account with the merchant bank after delivery of the oil, the SFF document said.

The document stated that



● The Alberton home of Mr Johan Christian Janse van Vuuren, who had more than R10-million paid into his bank account.

SFF had paid R10 235 570 "for account J C J van Vuuren" at Mercabank, Jeppe Street, Johannesburg on December 28, 1979.

Mercabank chief Dr Charles Ferreira has denied that he ever knew Mr Van Vuuren.

"If he walked through my door now, I assure you I wouldn't know him," he said.

"I assure you I have never dealt with him under any circumstances," he said.

The Master of the Supreme Court requires insolvents to inform their trustees of their whereabouts at all times but the trustee of Mr Van Vuuren's estate, Mr Harry Kaplan, knew nothing of his whereabouts this week.

Mrs Van Vuuren told the Sunday Express at her Alberton home that her husband was in London. Earlier reports stated that Mr Van

Vuuren was in Greece.

"I don't know where he is staying in London," said his red-headed wife, a school-teacher.

"He only phones me about

once a fortnight."

Pressed for further information Mrs Van Vuuren said her husband had left the country before Christmas and had never been away

from home for such a long period before. However, she said she was happily married, and any further questions should be put to her lawyer.

The Salem debate

Page 7

Govt confirms its links with international crooks

By KITT KATZIN

THE Government confirmed this week that its partners in the Salem oil deal — part of a spectacular fraud in which R97-million changed hands — included men identified by the Sunday Express last year as part of Europe's criminal underground.

The Sunday Express reported in September that men named in Parliament this week were members of a gang of international thieves. Some of them have visited South Africa, staying in Johannesburg's Carlton Hotel or in Durban.

It has since been established that they had connections with a second group of European underground figures, including a former Luftwaffe pilot and ex-member of the Nazi party.

The men named were: ● Anton Reidel, a slick underground operator who lives in the Dutch city of Rotterdam and had an Italian conviction for smuggling. He is wanted by Scotland Yard and faces trial shortly in Holland. He has visited South Africa several times.

Reidel once applied to authorities in Rotterdam for permission to run a floating sex shop in the harbour. His proposal was turned down.

THIS GANG OF THIEVES RIPPED OFF SA

EXCLUSIVE

By KITT KATZIN

International fraud network netted millions for tricksters

● Last year's Sunday Express report which identified members of an international gang of thieves.

He is associated with the Rotterdam firm of Contraco and is chairman of a Dutch company called Beets.

This company is linked to another called Beets Trading of Zug in Switzerland which, the Government disclosed this week, played a part in the Salem fraud.

● Frederick Ed Sudan — 36, born in the Lebanon, but described by the Government as having been born a Dutch

citizen and now a naturalised American living in Texas.

He is also wanted by police in Britain on a charge of conspiracy to defraud. He has also visited South Africa.

● Thomas Jurgen Locks — a 33-year-old West German businessman who lives in Frankfurt, wanted by British police. He used stolen blank passports to change his identity.

His father, Hans Locks, was involved in a suspect land deal in the south of France in 1972 involving letters of credit and a company set up by another criminal, Heinrich Frey.

● Frey is a Swiss who served two years in Munich and Stuttgart jails for fraud. The charges concerned tax problems and faked paintings.

He was in the same prison as the Bader Meinhoff gang.

● Mitrios Georgoulis who lives in Greece but is wanted in Britain on charges of conspiring to defraud. He has been questioned by Greek police about the disappearance of 3 000 tons of steel.

The Government this week also named Nicholas Mitakis as one of three of the conspirators who received money. The others named were Reidel and Sudan.

Mitakis is a 56-year-old shipbroker who lives in Athens, and is known to be involved in at least three companies that operate in Greece, Europe and Africa. He has connections with European criminals including two German businessmen convicted and jailed for fraud in Munich and Frankfurt.

One of them was a Luftwaffe pilot and a former member of the Nazi party.

course for

Peter Stuyvesant

FILTER 20

1592 RICH CHOICE TOBACCO KING SIZE

AMERICAN CIGARETTE COMPANY
Manufactured in South Africa. Also in London, Sydney, Amsterdam, Kuala Lumpur, Dublin, Toronto, Zurich, Singapore, Vienna, Auckland, Lusaka and Berlin.

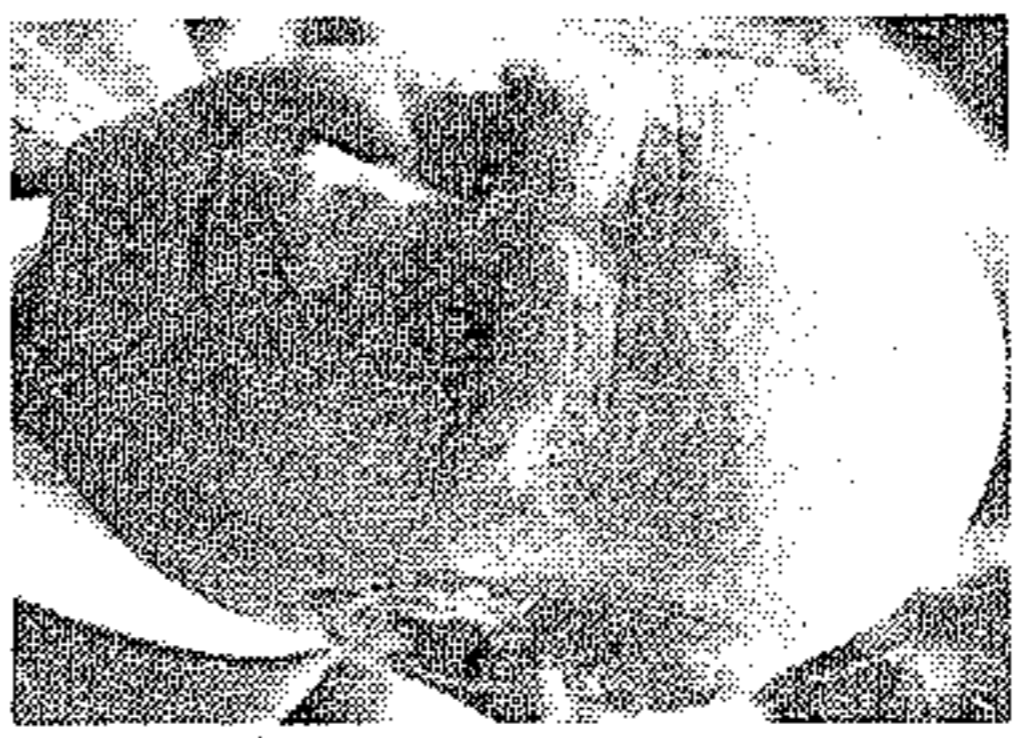
so much more to enjoy!

55 S. Express 13/3/83

Salem fraud was ignored by SA for two years

MINISTER ADMITS GOVT DEALT WITH 'SHADOWY' PEOPLE

BY MARTIN WELZ
Political Correspondent



MINISTER of Mineral and Energy Affairs Mr P T C du Plessis was hard put to explain in Parliament this week why the Government had taken no direct action to recover the money lost in the Salem fraud or to bring the criminals to justice.

He revealed, in answers to questions from opposition MPs, that South Africa had only appointed its own top investigators — on instructions from the Prime Minister, on September 30 last year — nearly two years after the incident had taken place.

This is the history of events as they emerged or were confirmed in Parliament this week.

The Salem unloaded its oil cargo at Durban at the end of December 1979. It sank off Senegal on January 17, 1980.

Within weeks there were reports in the British Press that it had unloaded its oil load in South Africa and that the circumstances of its sinking were suspect.

Some of these reports appeared in the South African Press, but the Minister of Energy Affairs ordered a ban on any further publication.

It emerged that the oil cargo, which was still supposed to be on board, belonged to Shell and had been scheduled for delivery in

France.

The cabinet was briefed on the affair on February 14 and again on April 15 1980.

The Minister of Internal Affairs, Mr F W de Klerk, who was Minister of Energy Affairs at the time, told Parliament this week that Shell had launched a major effort to recover the lost money and it would have been pointless and a waste of money for the South African Government to have duplicated the effort.

It had, instead, agreed to bear half Shell's losses, about R30-million. In turn Shell had agreed to pay half of any money it might succeed in recovering from its insurers to South Africa.

Shell's insurers disputed the claim. After a protracted series of court cases, the House of Lords finally ruled against Shell early last year with the result that Shell failed to recover any of the money.

The Minister said the Government had not been inac-

tive for all that time: it had kept itself informed of the progress of the court cases.

In Britain Shell had called in Scotland Yard and eventually the police of eight countries were involved in the investigation.

But:

- South Africa had made no independent inquiries of its own.
- The South African Police was not called in.
- No claims had been made against any of the parties known to the South African Government.
- No approaches had been made by the South African government to the Greek Government, despite the fact that a man alleged to be one of the main conspirators was still resident there.
- No claims had been made against Mr Soudan, Mr Reidel or Mr Reidel's company, Beets Trading, despite the fact that they had apparently guaranteed ownership of the oil.

Special top-level South

Minister Du Plessis
... mum about oil

African investigators had been appointed for the first time on the instructions of the Prime Minister on September 30 last year — nearly two years after the events, and several months after the House of Lord's final judgment.

Mr du Plessis said this week the South African investigators were carrying out their investigations overseas under dangerous circumstances.

One of the investigators had reported that the published details were not necessarily entirely true, but that there was still a chance that South Africa might recover some of the money.

The Government was the last to claim that it could not make a mistake or that its judgment was always per-

Minister De Klerk
... dealings with Shell

fectly correct, the Minister said. But in the circumstances that prevailed at that time South Africa had often had to deal with 'shadowy' persons.

"If you are embarrassed and have only so many days' supply of oil left, you don't check a man's credentials back to his grandmother and great-grandmother," Mr du

Plessis said.

Explaining the Government Press gag on the subject, Mr du Plessis said he had not allowed publication of the details of the Salem affair that had emerged in overseas newspapers and British courts, because they were not necessarily the truth or the whole truth.

He had not wanted the South African public to be misinformed, the Minister said.

And if he had approved publication in South Africa he would automatically have lent credibility to the information.

The Government was determined never to be the source of information about its oil supplies. It gave an absolute undertaking of confidentiality to its suppliers.

"Once we become a source of such information, we will automatically undermine the confidence of our suppliers," he said.

Sunday Times Reporter THEY devised the biggest fraud in maritime history.

They sank a ship, sold a vast cargo of oil which didn't belong to them — and took the South African taxpayer to the cleaners for R30-million.

Today the Sunday Times reveals that the men who pulled off the Salem caper are living high, wide and free on the proceeds in a luxurious Houston

mansion, in the cafes of Athens and a suddenly not-so-poor Greek island.

A key figure, Lebanese-born Frederick Soudan, was once a small-time insurance agent in Houston.

Now he lives in a mansion in one of the city's most select areas, drives expensive cars and is accepted in Texas high society.

One Greek fixer involved in the fraud owns a posh new re-

taurant and hotel on the outskirts of Athens.

Another has apparently disappeared.

After the Salem was scuttled off the West African coast, skipper Dimitrios Georgoulis and chief engineer Antonios Kalomiroplous were able to hire one of Greece's most expensive lawyers to spring them from a Libberian jail, where they faced charges of destroying a Libberian ship.

55

And new tavernas and houses have sprung up on an impoverished Greek island, which is suddenly enjoying a much higher standard of living.

The island is home to many of the Salem's officers who did not lose a thing when their ship went down.

But not all is peace and Aegean tranquility for those interested or involved in the Salem affair.

S, Times 12/3/82

Writer Barbara Conway, who investigated the swindle for her book on modern piracy, was offered a large sum not to write it.

When she declined, her life was threatened.

Alberton businessman Mr Johann Christiaan Janse van Vuuren, who, according to a South African Government memorandum, was involved in the deal, is today an unrehabilitated bankrupt.

Dutch businessman Anton Reidel will appear on a charge of criminal conspiracy in Rotterdam on March 25.

But he is the only man to have been charged in the R30-million heist which destroyed a ship, hoodwinked a government, defrauded an oil company, created a South African political storm and sent most of the plotters laughing all the way to the bank.

● Full story overleaf.

THE FIXERS

THESE MEN SET UP THE SALEM OIL TANKER DEALS AND TOOK THEIR CUT OF THE TAXPAYERS' MILLIONS



□ Johan van Vuuren — dreamed up fancy ventures
 □ Jim Shorrock — a Free Stater involved in the Salem deal
 □ Dimitrios Georgoulis — Greek skipper of the

THE South African connection, "the fixer" in the Salem affair which cost the taxpayer millions of rand when the Salem was scuttled by an international team of conspirators, is Johan Jansse van Vuuren, of Alberton.

By **KEVIN DAVIE**
 5 Tribune
 13/3/73

According to documents tabled in Parliament this week by the Government, Mr Van Vuuren received a payment of more than R10-million from the Strategic Fuel Fund (SFF) during the Salem negotiations.

Barbara Conway, the author of "The Piracy Business", the authoritative work on piracy at sea which documents the Salem saga, says R100 000 was paid to an important South African fixer who was involved in arranging the finances. She has confirmed to the **SUNDAY TRIBUNE** that the fixer is Mr Van Vuuren.

Her book has been available in South Africa for more than two years. When published it did not identify Van Vuuren as the man she referred to as the fixer.

Mr Van Vuuren's activities are known to readers of the **SUNDAY TRIBUNE**. In October this newspaper published details of his numerous ventures which have left a string of people out of pocket, in deals which could involve as much as R1-million.

Yes, he knows about their law. Johan van den Berg, said he had been contacted by Van Vuuren this week, but would not say where he

Full story on Page 21

was or whether he would return to South Africa. Earlier in the week he told a police source Mr van Vuuren was returning at the weekend.

"I have no knowledge of the Salem situation," Mr Van den Berg said. "I only met him six months after the Salem incident".

He said Van Vuuren was connected with Johannesburg.

"He was involved arranging finances." The SFF document tabled in Parliament shows that payment to Van Vuuren was made through Mercabank Ltd of Jeppe Street, "for account J C J van Vuuren, R10 285 571.75".

The SFF document says it is inexplicable why Mercabank agreed to finance the buyers of the ship.

Two other banks had refused to extend credit to them on the conditions set down by the SFF.

To Page 3

These range from an attempt to convince the Thailand Government he could finance a complete oil refinery costing R300-million, with a back-up town and harbour, to a plan to buy two petrochemical plants and a PLO-run floating oil refinery.

While Van Vuuren conceived these fanciful ideas and claimed to have backers associated with the Chase Manhattan Bank in New York, Barclays, and Swiss banks, when he was put into sequestration at the end of 1981, his sole asset was his Corina valued at R5 000.

A string of people claim to have lost money in their dealings with him.

Barbara Conway says Van Vuuren and a company he called Monrepos had been approached by two of the chief conspirators in the Salem swindle to arrange finance for the buying of a ship.

"He made the arrangements and a loan account was opened in his name. He got R100 000 for his co-operation".

She says the conspirators, Frederick Soudan, an American of Lebanese birth, and Anton Reidel, a Dutchman, came to Johannesburg in August, 1979 when they met two of Reidel's contacts, Jim Shorrock who operated a company called Haven International, and Johan Jansse van Vuuren.

The SFF memorandum on Salem, the Government's official explanation on the affair, shows that more than R500 000 was paid to Haven International. According to Mr Shorrock's estranged wife, Shirley Shorrock of Port Elizabeth, her husband left South Africa in September, 1980.

Speaking from Port Elizabeth this week, Mrs Shorrock confirmed her husband had business dealings with Frederick Soudan, Anton Reidel and Johan Jansse van Vuuren. Mrs Shorrock de-

JUST WHEN THE NATS THOUGHT IT WAS SAFE TO FORGET ABOUT IT... THE SALEM COMES BACK FROM THE GRAVE

HERE never was a story such as Salem, the greatest marine fraud of all time. Salem was a classic con, the kind they write books and make films about.

It had added intrigue and adventure because it took place on the high seas, and was engineered by a cosmopolitan team of con-men, including a Texan, a Dutchman, a West German, and some Greeks.

This team saw a gap and went for it — South Africa's vulnerable position in the world of oil procurement and supply. A tanker and a shipment of oil was bought and sold in a complex set of deals which left it at the bottom of the Atlantic Ocean, and the Government's oil procurement agency, the Strategic Fuel Fund (SFF) facing a loss of millions of rand.

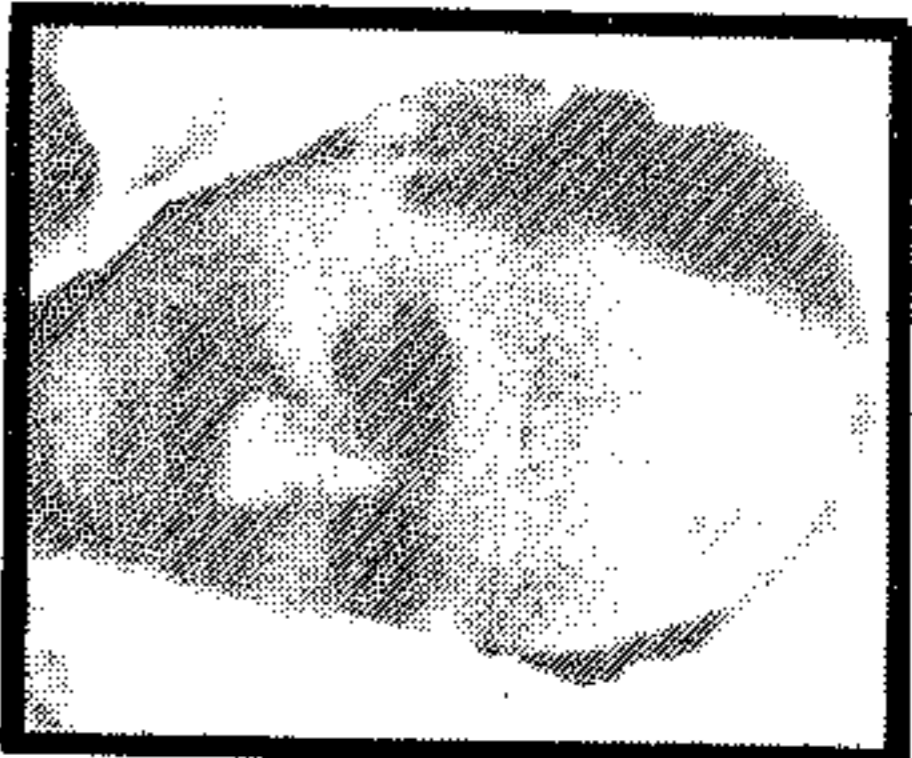
The con-men, their money laundered through Swiss bank accounts, are living in luxury in different countries throughout the world. Their freedom is restricted though — they are wanted men in Britain on charges of conspiracy to defraud.

The 200,000 ton oil supertanker was 11 years old when she sunk. She had been scuttled by her crew in one of the deepest trenches of the North Atlantic.

It was an undignified end for this lady of the ocean, even if she was nearing the end as her single screw turbine system was no longer economic in the days of steeply rising fuel costs following the 1979 fuel crisis.

Still, only two months before her untimely end, she fetched R12.3 million, sold to a Texan of Lebanese birth, Frederick Ed Soudan. Soudan, 40, moved from Lebanon to America in 1972, and worked as an insurance salesman until 1978, when he set up a company which he called American Polamax International, and assumed the grandiose title of executive vice-president.

According to Barbara Conway, author of *The Piracy Business*, although Soudan travelled



VAN VUUREN
R10 million deposit in his bank

which had concluded various contracts to obtain crude oil and that the volumes were more than that required by the refinery for processing purposes.

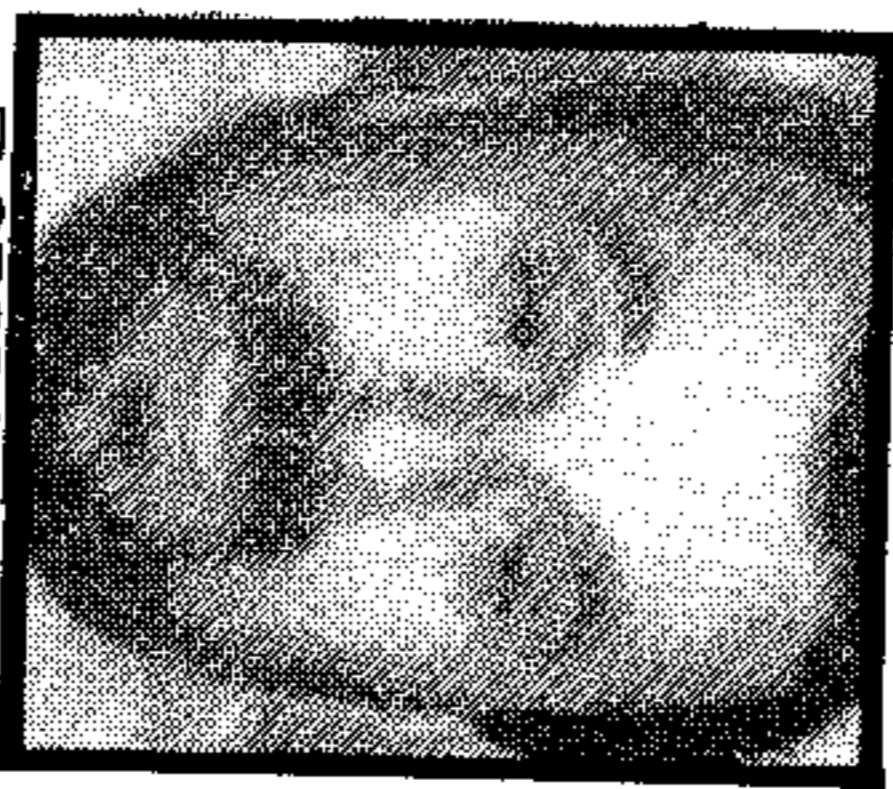
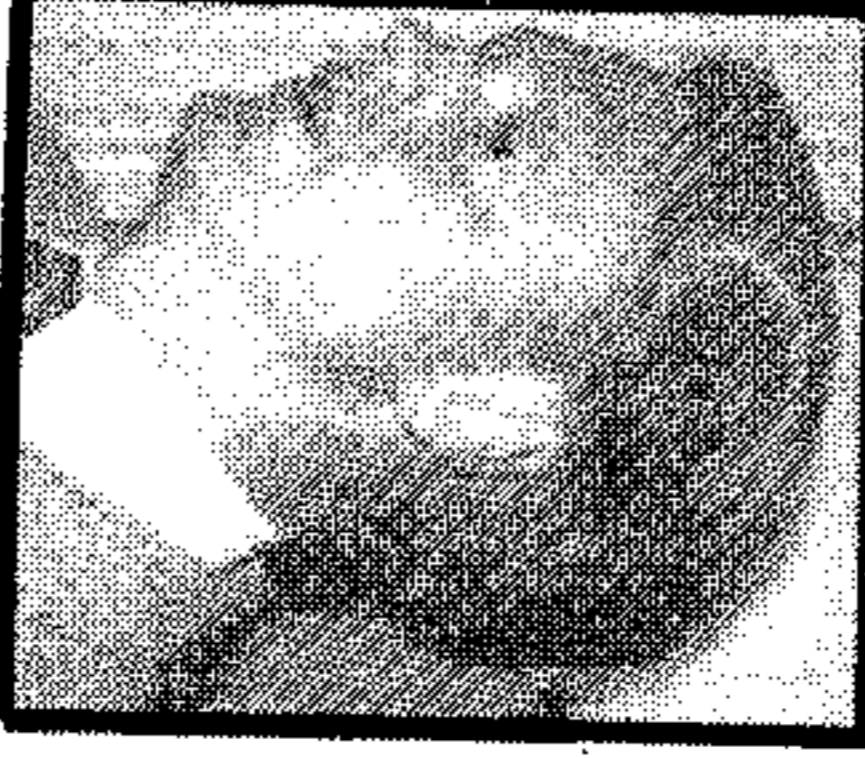
The company therefore wished to sell the surplus crude oil on the open market.

The deal was struck. The con was underway.

But there was still the problem of financing the supertanker. SFF would only agree to do this on the basis of payment on delivery of the crude. Two banks refused to extend credit to the buyers on these conditions, but a third, Mercabank of Jeppe Street, Johannesburg, agreed.

Soudan could buy his ship.

SHORROCK
Mystery Free Stater in the South African connection



GEORGULIS
Bogus skipper who sank Salem

on his various travels, and has said that Reidel suggested a profitable venture to him involving a shipment of oil to South Africa.

Soudan travelled to South Africa in August, 1979, and using South African contacts of Reidel's, began setting what is now known as the Salem fraud. Several South Africans were involved at this stage, prominent among them were a Free Stater named Jim Shorrock, and Johan Jansz Van Vuuren, who has dreamed up some pretty fancy ventures of his own in his time, including an attempt to sell a multi-million rand harbour, town and oil refinery to Thailand, and an attempt to finance a floating oil refinery off

SALEM

How State fund fell for biggest ocean con of all time

By KEVIN DAVIE



fect their interests, and the stage was set for the battle of giants such as Shell and Lloyds of London in claims and counter claims.

Shell claimed insurance of R56-million from Lloyds, the price they had paid for the oil. This case was complex and protracted and drew on until February this year when five law lords upheld a Court of Appeal ruling the previous February that the loss of the oil previous to the scuttling of the ship could not be covered by marine insurance.

The judge who headed the Court of Appeal described the SFF as "guiltible".

Shell applied to the Witwatersrand Local Division of the Supreme Court for an interdict against SFF, pending a suit which they intended to institute to prove ownership.

SFF decided to settle. "After lengthy negotiations with Shell, the matter was finally settled, taking into account the price paid for the oil, in a manner which resulted in both SFF and Shell bearing approximately half the loss sustained."

The settlement involved a further R30 million being paid from SFF coffers.

Fred Soudan retired to one of the plushest suburbs of Houston, where he bought a villa. He is wanted by Scotland Yard on charges of conspiracy to defraud.

Anton Reidel went home to Rotterdam, where he was arrested in March, 1981, and faces charges this month of criminal conspiracy arising out of the Salem affair. He is also wanted by Scotland Yard.

Thomas Jurgen Locks lives in Frankfurt, like Soudan and Reidel, he is a wanted man in Britain on charges of conspiracy to defraud.

Nikolaos Mitakis lives in Piraeus, Greece. One report says got the lion's share of R19 million out of the deal. The SFF document says this of Mitakis.

Shell still fighting to recover \$22 million

By LESLIE FRIEDMAN
Tribune London Bureau

LONDON: Shell International is continuing its fight to recover more than \$22-million from the insurers of the cargo of the 214 000-ton supertanker, which sank off West Africa in January, 1980.

This is in spite of the fact that Shell lost its three-year battle to recover the money earlier this year when the House of Lords ruled that Shell's insurance covered only the 18 840 tons of crude oil left in the vessel when it was scuttled as part of a bold and highly successful conspiracy.

The loss of the bulk of the cargo — 180 392 tons secretly discharged in Durban in a \$45-million deal between the conspirators and — allegedly — the South African authorities — was not covered by Shell's standard Lloyd's shop and goods policy the law lords decided. The court unanimously upheld rulings by the appeal court last year and dismissed Shell's appeal and the insurer's cross-appeal.

This meant that Shell recovered only about \$4.5-million under the insurance (for the oil left in the tanker when it went down). However, it had earlier obtained \$30.5 million from the South African Strategic Fuel Fund (SFF) as payment for the oil discharged at Durban. The cargo was insured for \$56-million by 69 Lloyd's syndicates, with 56 percent of the cover, and 29 insurance companies.

The conspirators who devised and executed the fraud are still at large and have not been prosecuted. After negotiating a contract for oil with SFF association they bought the Salem and chartered it to innocent charterers, Pontoil, for a voyage from Kuwait to Italy. Pontoil, the shippers, the Kuwaiti oil company, and the Kuwaiti authorities were all deceived.

Pontoil sold the cargo to Shell after it had been loaded. During the voyage the vessel was secretly diverted to Durban where after the bulk of the oil was discharged, the tankers tanks were filled with seawater to give the impression she was still loaded.

Later, on January 17, 1980 the Salem sank off the coast of Senegal and its crew were rescued by a BP tanker, British Trident, which happened to pass just as the Salem was sinking.

The captain, Dimitrios Georgoulis, claimed there had been an explosion on board. The British Trident landed the crew at Dakar.

Suspicions had been aroused in London the minute Lloyd's was informed of the loss. It was not only the mystery of why she sank but the small amount of oil which surfaced — from a wreck that should have contained 1.4-million barrels of oil only 100 000 barrels were squeezed from the Salem as she plunged to the

Swazis step up use of SA^{ROM} electricity

14/3/83
By SIMON WILLSON
Industrial Editor

SWAZILAND is importing more electric power than ever before from the South African grid to compensate for a sharp fall in its hydroelectric supply.

The rising demand for power from the South African grid comes at a time when the drought is affecting water supplies to South Africa's power stations.

But a spokesman for the Electricity Supply Commission said the South African grid currently had adequate power to supply Swaziland with up to 70 megawatts.

Escom uses more than 700-million litres of water every day in the cooling systems of its power stations. Any restrictions on water supplies would soon affect Escom's 20 000 Mw generating capacity.

"We are in a period of low demand. We added 1 700 Mw last year and another 1 700 Mw will be added this year, so we can supply some extra demand," the Escom spokesman said.

Total maximum electricity demand in South Africa last winter was 15 600 Mw.

Mr Ken Thompson, chief executive of the Swazi National Electricity Board, said in Mbabane that Swaziland was taking 50 Mw from South Africa.

By comparison, a town the size of Potchefstroom uses about 40 Mw, and Witbank uses 65 Mw. Johannesburg consumes 1 200 Mw.

The remainder of Swaziland's 70 Mw demand was being met by its hydroelectric scheme, the 20 Mw generated by the Mkimkomo dam, Mr Thompson said.

"Power demand is relatively high at the moment because of the load needed to supply sugar irrigation systems."

The Mkimkomo dam is 20 years old and is beginning to silt up.

Mr Thompson described the river flow into Mkimkomo as "the lowest this century".

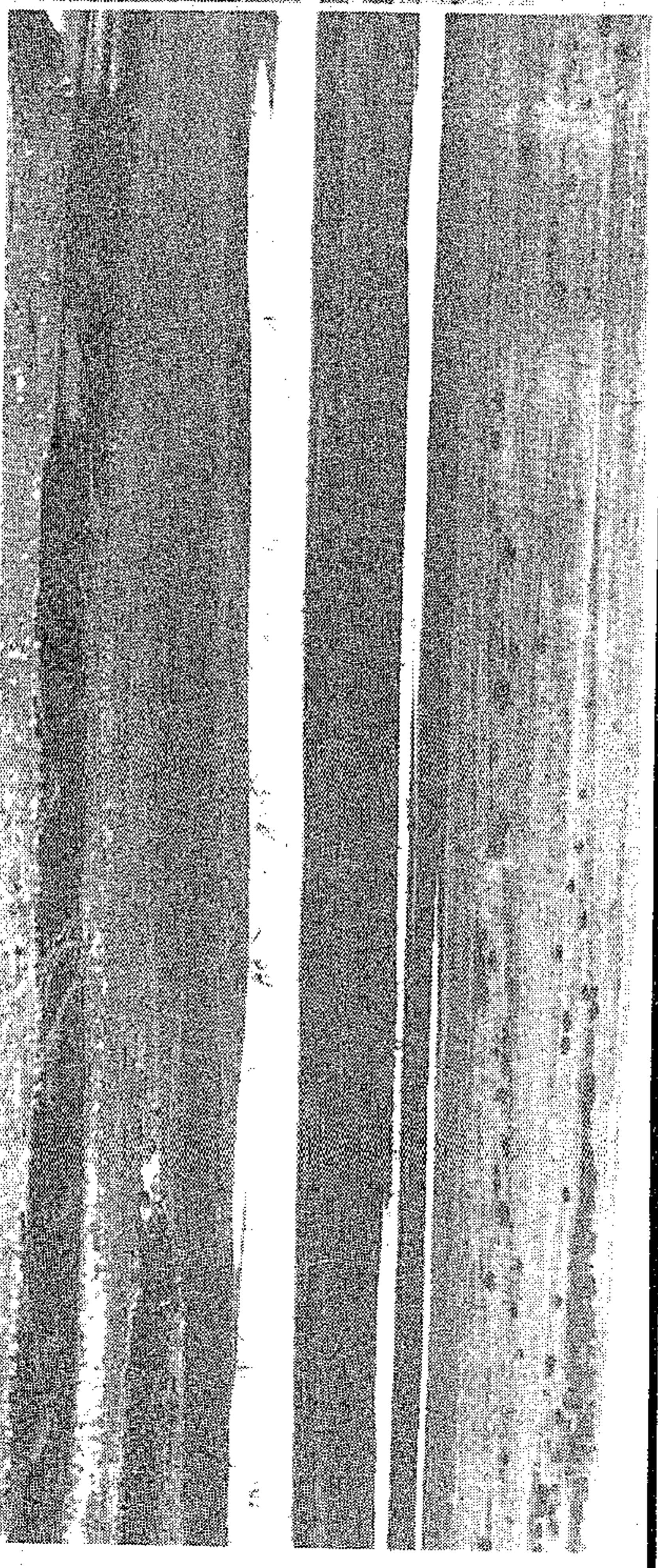
Another hydro-electric scheme based on the new Lupholo dam is expected to come on stream in Swaziland by the end of the year.

The dam will add 20 Mw generating capacity to Swaziland's supply, reducing its demand on South Africa.

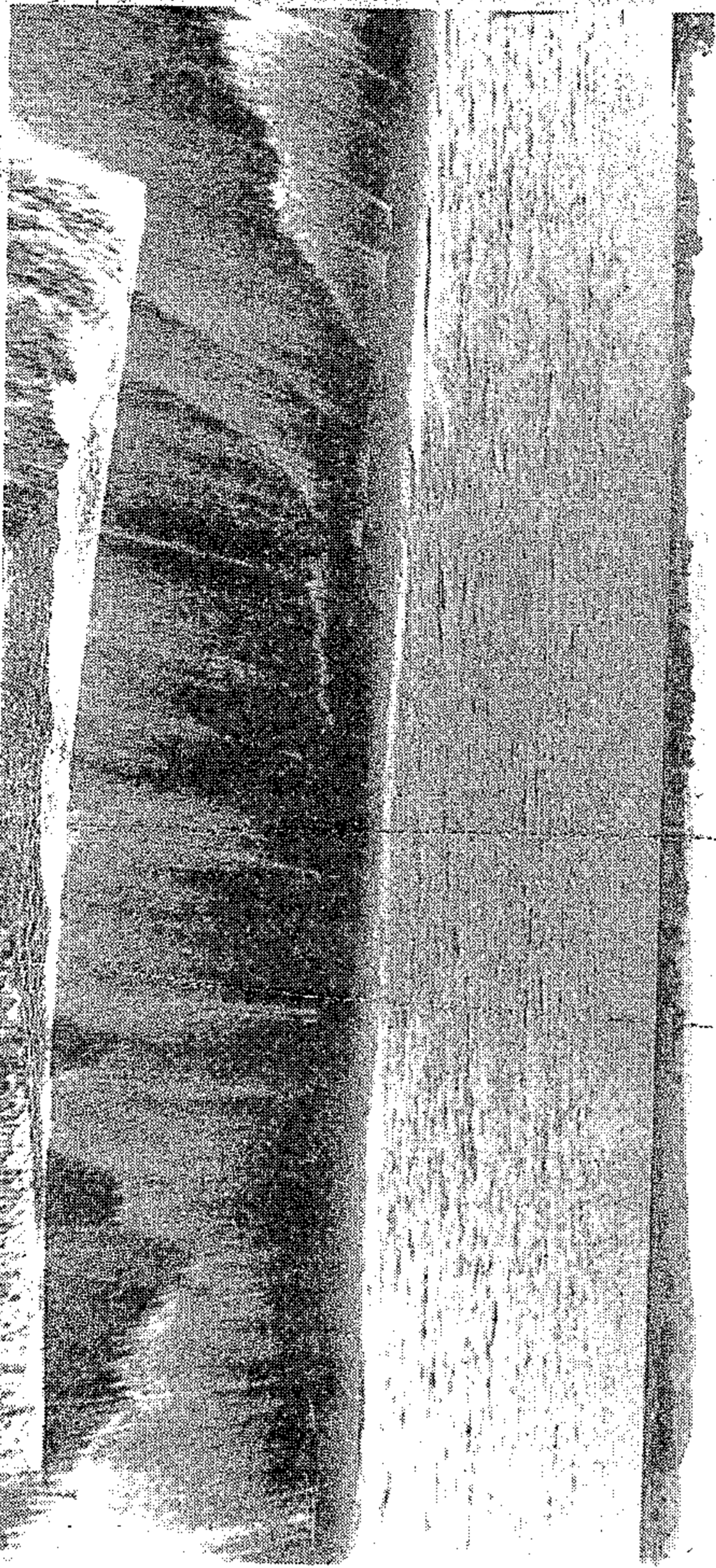
55



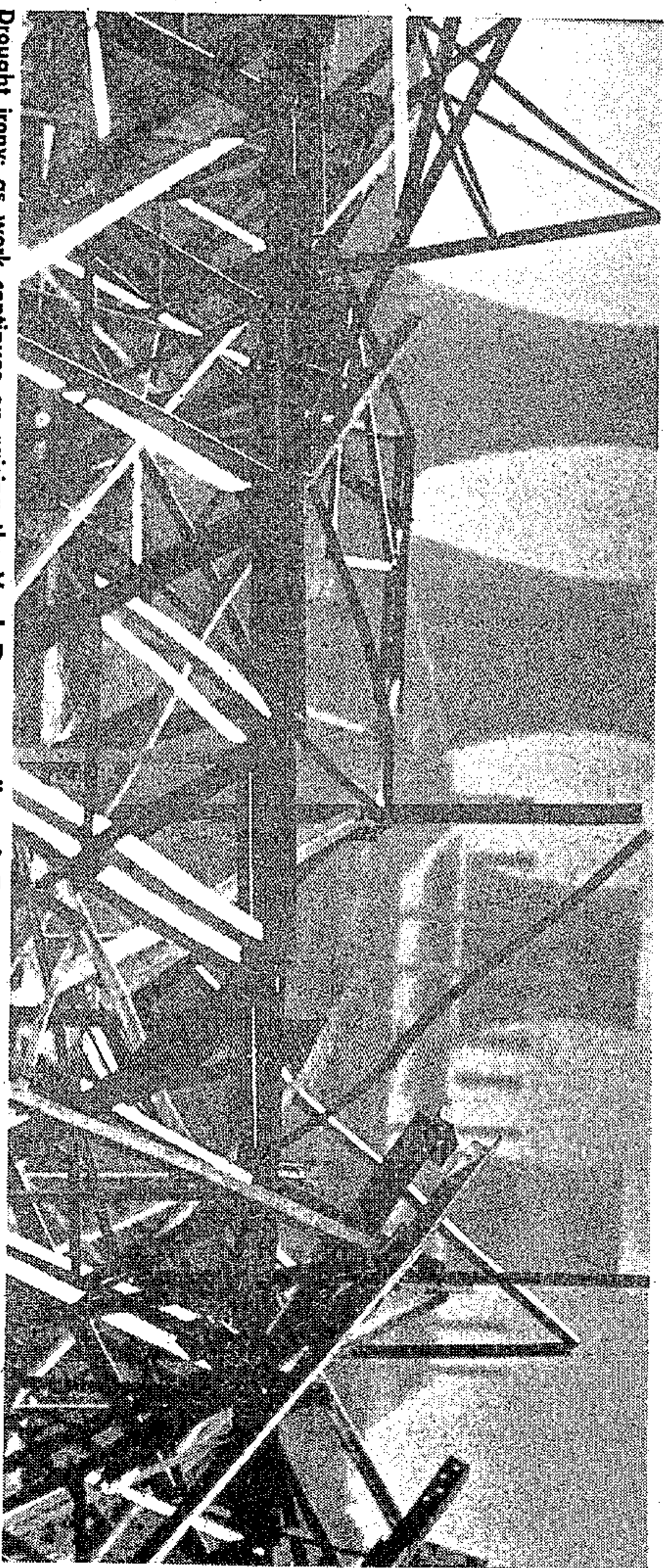
Large crees of the Allemanskraal Dam, which supplies the Sand Vet irrigation scheme in the Orange Free State, are high and dry. The Sand River, shown here as it enters the dam, carries no water at all. The dam is now only 20 percent full compared to 50 percent in March 1982 and has not dropped so low since it was built in 1961. Water has not flowed over the dam wall for more than five years and the situation has become serious for the mines, farms and the town of Virginia that depend on the dam for water supplies.



Electricity supply is threatened as dams dry out



A bright spot in a sad story: Boskop Dam near Potchefstroom, supplied by underground water, is 100 percent full. Water from this dam may be used to feed other dams such as Bloemhof if the drought is not broken by good rains.



Drought irony: as work continues on raising the Vaal Dam wall and Escom carries on with its huge expansion programme for the '80s, electricity production is at risk by rapidly dwindling water supplies. The functioning of the Vaal power station, shown here with one of the thousands of new pylons being erected, depends on water supplied by the Vaal Dam — now only 37 percent full.

The drought is tightening its grip daily on various sectors of the South African economy. Star photographer CLIVE LLOYD visited a number of key dams to assess the severity of the situation in the Transvaal and northern Orange Free State. His report and photographs give an overview of the ravages of "the drought of the century".

The drought has led to severe water restrictions for the man in the street and it has ruined a large part of the country's agricultural production. Now it is set to strike in a third quarter — the generation of an adequate electricity supply during the winter months.

If the drought does not break within the next few weeks and if the spring rains are late, the production of the Sasol oil-from-coal plants and the Escom electricity supply to the industrial heartland may be in jeopardy.

More than 90 percent of Escom's power stations are coal-powered and they consume vast quantities of water. For every unit of electricity produced 2.5 litres of water evaporate from cooling towers which rise from the Transvaal Highveld.

The eight power stations in the drought-stricken Eastern Transvaal supply 75 percent of the country's electricity. The threatening situation is seen in dam levels — Grootdraai Dam in the Eastern Transvaal which supplies the Kriel and Matla stations is a mere 37 percent full compared with 76 percent at this time last year.

The Jericho, Morsenstand and Westoe dams near Ermelo, which supply several mines and the Camden Power Station, are holding only 10 per-

cent of their capacity. Supplies from these dams have been cut by 40 percent and Camden's capacity has been cut by a similar figure. Without replenishment these dams will be completely dry by August.

Nootgedacht and Vregeboom dams on the Komati River, serving a number of coal mines and three Escom power stations, have only enough water, left to last until November.

Chelmsford Dam, now only six percent full, must supply Ngagane Power Station near Newcastle; to try to hold out until relief comes, the station has had to cut power production by 60 percent. Umseni Power Station near Durban is now operating only during hours of peak electricity consumption.

By using every available means to reduce water usage, utilising water brought in from elsewhere (already the case with Usutu and Komati power stations) to keep power stations going in the worst-hit areas, and by using its national network to supply power to areas where local power stations can not cope, Escom believes it can handle the situation until November.

Expensive seawater-fed coastal power stations will have to fill shortfalls in production elsewhere, adding to the many factors which will

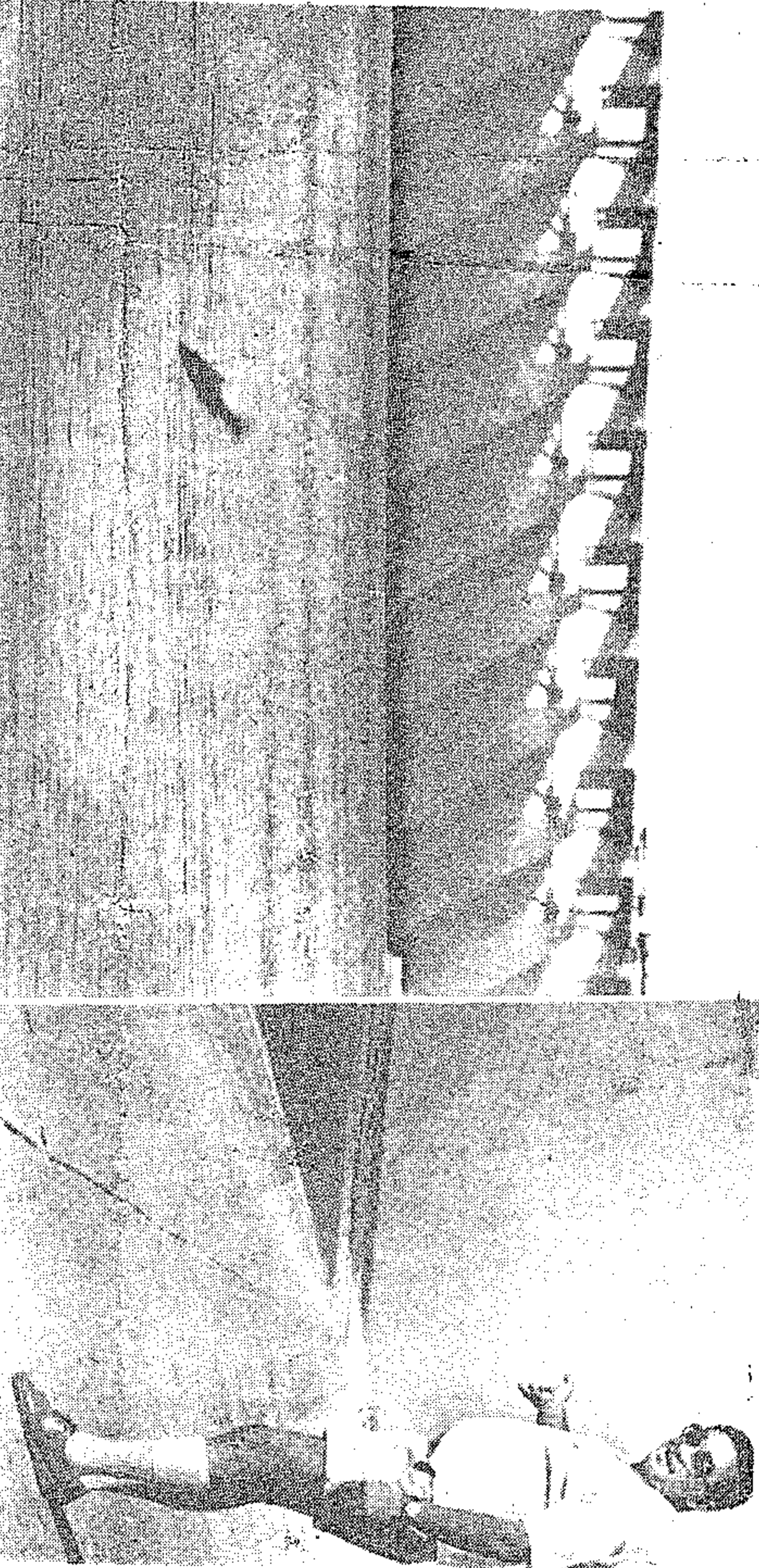
increase the cost of generating electricity until the drought breaks. A similar story of dependence on water applies to the production of Sasol oil. Apart from their direct usage of water, the Sasol plants use coal to make oil and the mining of coal uses water.

Sasol uses enormous quantities of coal and three of the five mines supplying coal have each broken world records in production. However, the four Secunda mines and Sasol 2 and 3 rely on water from the Grootdraai Dam and Sigma Mine at Sasolburg relies on the Vaal Dam — both are only 37 percent full compared with 76 percent in March 1982.

Where already existing river beds, canals and pipelines make it possible, the Department of the Environment is taking water from the better-off dams such as Sterkfontein in the Drakensberg and the Orange River dams to supply other dams that are dangerously low. The Drakensberg water eventually reaches Vaal Dam, and Orange River water is piped to parts of the Eastern Cape.

The Kalkfontein Dam, which normally supplies the Riet River irrigation scheme near Jacobsdal (OFS), is home-dry and the department is working against time to save farmers by laying a pipeline to bring water in from the P. L. le Roux Dam.

Vaalhart's, the biggest irrigation scheme in the country, is served by Bloemhof, Splitskop and Vaalkop Barrage dams which together now hold only 17 percent of their full volume compared with 61 percent in March 1982.



Mr Jan Pretorius, senior water control officer in charge of Bloemhof Dam, shows where the water level was this time last year. A fish jumps from the 'dead water' of Bloemhof Dam — now only 13 percent full. At Bloemhof and other dams the mortality rate of fish is rising.



Mr Nicol-Claassen, Eastern Transvaal farmer and committee member of the Loskop Dam Water Board: "Die Boer maak 'n plan, but the room left to manoeuvre gets less and less. If the rains don't come, planting of winter wheat will have to be cut by two thirds."



Pictured in a scene reminiscent of a coastal resort, Mr Wessel de Bruyn, enjoying a fishing holiday by the Vaal Dam, shows off his latest catch. Fish are dying in many other dams.

Drought threatens SA with power blackouts

Argus 16/3/83

Argus Correspondent

JOHANNESBURG. —

South Africa will be hit by blackouts in spring if power stations — already threatened by low water levels — are crippled by the severe and widespread drought.

That is the warning from one of the country's leading water supply experts who says there will be cuts in power supply by October if the drought is not broken.

He slammed the Government for not making a deal on water supply "years ago" with neighbouring countries.

Professor Desmond Midgley, former professor of hydraulic engineering and director of hydrological research at the University of the Witwatersrand, said power station water supply was reaching crisis levels.

Mr Midgley, now a consulting engineer, said water authorities may have to consider building an emergency pipeline to keep the water supply running to the country's major power station

complex in the Eastern Transvaal.

"Supply to power stations is suffering more than domestic supply," said Mr Midgley, "but the system could be replenished from outside."

He said it was feasible to direct water to the power stations, but it would be expensive. "Anything is possible in times of national emergency," he said.

"It's the power stations we should be worried about now. If we lose power, our other problems will appear to be insignificant. We have to be thinking about what we can do to make sure we have continued power."

Far worse.

"Water shortages for the power stations are far worse than the shortages we have on the Reef. I would think by October — after dams have got lower and lower — we will be in serious trouble."

Of the six major dams supplying power stations in the Eastern Transvaal, all were seriously low or empty.

The country was lucky that, because of recession, demand on power supply had fallen. That had bought more time for the country.

The power station complex uses about 1 000-million litres of water a day and most of it is evaporated in cooling towers. The total national water consumption for power stations is about 1,7 percent of the total national supply.

Worst conditions

Mr Midgley said the water crisis could not have been averted or foreseen.

Dams supplying the Reef were designed to meet expected demand up to 1992 — almost double the present demand.

But the water supply system's capability was based on the worst conditions previously experienced. That did not take into account the present drought which, some say, is the worst for two centuries.

THE neighbourhood hood-
him — who may be on the
way to rehabilitation, but
then again may not be —
has a reputation for carry-
ing a gun.

There's a suspicious bulge
over his hip. You have two
options. Step on his toes,
which is dangerous, but what
a lot of folks want you to do,
or risk scandal by inviting
him to join your club.

Such has been the United
States' dilemma over nuclear
power in South Africa ever
since American and Soviet
spy satellites made their con-
troversial sightings over the
Kalahari and the South
Atlantic.

Washington knows not only
that South Africa has at least
the capacity to build an atom-
ic "device" but also that it
may shortly possess a viable
independent nuclear indu-
stry, capable of enriching lo-
cally abundant uranium fuel
and turning it into reactor fuel
and fissioning it into energy.

Which presents a pair of
tough alternatives:
Either South Africa can be
isolated as a pariah, in which
case it might feel tempted to
pursue a weapons pro-
gramme and could sell its
fuel and technology to other
pariahs... thereby creating a
serious proliferation
problem.

Or South Africa can be ca-
joled back into the interna-

tional nuclear fraternity,
with its rules, safeguards and
relatively open commercial
and technological exchange.
President Jimmy Carter
leaned toward the former
approach.

Despite strident political
opposition, the Reagan
administration has adopted
the latter.
There is strong evidence
that vindication may be only
months away.

Negotiations are about to
begin that would enable South
Africa to possess an inter-
nationally legitimate nuclear
industry ranked in terms of
capacity and technology with
the industries of the United
States and Europe.

The price tag for Pretoria
is nothing more than common
sense: the verifiable renunc-
iation of atomic weapons.
Some background. Until
1976, the United States played
a pivotal role in the develop-
ment of South African
nuclear power.

A co-operation agreement
reached in 1971 is still on the
books, though in an amended
form, and is scheduled to
stand until 2007.
After 1975, however, the re-
lationship was considerably
circumscribed. Amid fears
that Pretoria was getting
perilously close to the bomb,
United States nuclear exports
to South Africa were
suspended.

Cajoling SA back into the world's nuclear fold

litting the suspension.

One — mandated by the
1978 Nuclear Non-Prolifera-
tion Act (NNPA) — requires
South Africa to allow the
United Nations' International
Atomic Energy Agency
(IAEA) to inspect all its
nuclear facilities, a proce-
dure known as "full scope
safeguards".

The second, a matter of
presidential policy rather
than law, calls on South
Africa to sign the Nuclear
Non-Proliferation Treaty
(NPT).

Persuading Pretoria to ac-
cept these conditions has
been the most important
item, aside from South West
Africa, on the US adminis-
tration's South Africa agenda.

Typical of "constructive
engagement" as a whole, the
strategy has been to accom-
modate South Africa's sensi-

bilities rather than bludgeon
them.

As it did on the SWA issue,
the administration started
out by trying to build Pretor-
ia's confidence and achieve a
clear understanding of what
its real concerns were.

Thus, in August 1981, a
team of South African techni-
cians was invited to visit the
new uranium enrichment
plant at Fortsmouth, Ohio.

Two months later, a United
States team was asked back
to see South Africa's enrich-
ment project at Valindaba.

Meanwhile, to help clear
the air of irritants, the United
States eased export controls
to permit certain nuclear-re-
lated items to be shipped to
South Africa.

By SIMON BARBER, who talked to United
States government and atomic energy offi-
cials about their attitude towards South Afri-
can atomic energy development.

puter to South Africa's Coun-
cil for Scientific and Indust-
rial Research (CSIR), denied
under Carter, was granted as
were several similar
applications.

Inevitably, there was an
outcry... particularly when
the US administration an-
nounced it would allow a
company called Isotec to sell
an ABEA quantity of helium-3,
an isotope used in tests of re-
actor fuel elements.

Critics — and they included
such Republican moderates
as Senators Charles Percy
and Nancy Kassebaum —
charged that helium-3 could

be used to obtain tritium, a
potential weapons
component.

The US administration
countered that, if South
Africa really wanted tritium,
it was far more readily pro-
duced from lithium, of which
South Africa had ample
reserves.

At the time of writing, Iso-
tec has agreed to suspend its
licence application.
Despite this setback, and in
full expectation of increas-
ingly feverish opposition, the
administration is now moving
to the critical phase of its ef-
fort to bring South Africa

back into the nuclear fold.

"It may be a little early to
say the process is bearing
fruit," a well-placed United
States official said last week.
"But let us say it is about to
blossom."

At the start of this year
there were three main prob-
lem areas:
● The IAEA, which must ad-
minister the safeguards re-
quired by American law, has
sought repeatedly to evict
South Africa from its ranks.
Unless the organisation ac-
cepts South Africa, there is
little likelihood Pretoria will
agree to safeguards.

● Contrary to popular mis-
conception, South Africa has
agreed to safeguards at al-
most all its nuclear facilities.
The critical exception is
Valindaba, where a pilot en-
richment plant is operating
and a commercial enrich-
ment facility is under con-

struction, due to come on
stream in 1985.

Pretoria's reason for keep-
ing Valindaba off-limits to
IAEA inspection teams and
equipment is that it does not
wish to give away the secrets
of its vaunted home-grown
enrichment process.

It has also argued that,
since a number of other IAEA
members — the United States
included — have not allowed
inspection of their enrich-
ment plants, there is no rea-
son why South Africa should
be a special case.

● In 1974 Escom contracted
with the United States Atom-
ic Energy Commission, since
absorbed by the Department
of Energy (DOE), to enrich
South African uranium, start-
ing in May 1980, for the Ko-
berg One power plant.

By some curious legal
twist, which Escom contests,
the South African company

now finds itself contractually
obliged to deliver uranium
fuel for enrichment, even
though US law prohibits the
enriched material being
shipped back to South Africa.

Should Escom fail to main-
tain annual delivery — the
next shipment is due in May
— it will be hit, under the
terms of the contract, with a
R77-million penalty.

At first, US policymakers
saw this as a way to lever
South Africa into accepting
full-scope safeguards and
signing the NPT.

But it hasn't worked out
that way.
Instead, Escom has found
alternative sources and has
also managed to defray some
of the cost of delivery and
enrichment by selling por-
tions of its Oak Ridge account
to American utilities.

much to the chagrin of DOE,
whose prices it undercuts.
And now for the solutions:
According to US adminis-
tration officials, the first
problem has now been all but
removed, there are no techni-
cal obstacles to the second,
and, after that, the third
should fall neatly into place.

At a meeting of the IAEA's
board of directors in Vienna
last month, the United States
successfully prevented dis-
cussion of a resolution to ex-
pel South Africa from the
agency's technical working
groups.

The resolution had been
mandated by the United Na-
tions General Assembly in
December and would, if ac-
cepted in Vienna, have gone
before the IAEA general con-
ference next September.
South Africa's membership
of the agency has grown in-
creasingly tenuous. It has not
attended a general confer-
ence since 1979 when, in New
Delhi, its credentials were
rejected.

It has also been thrown off
the agency's Committee for
Assurances of Supply (CAS).
Having persuaded the
board of governors to declare
Israel a "fully participating
member" at the Vienna meet-
ing, the US administration be-
lieves the same can be done
for South Africa.

Sources familiar with the
Vienna session say that East-
ern bloc members, who have
often been closely in accord
with the United States on pro-
liferation, have expressed
willingness at least to abstain
on any further bid to oust
South Africa.

The next step is to sort out
the DOE contract, according
to United States officials.
Talks are due to begin within
six to eight weeks.
While the US adminis-
tration is loath to detail its nego-
tiating position, it is under-
stood on good authority that
the problem will be solved on
"a long-term temporary
basis".

This means that the United
States will not, as has been
suggested, simply terminate
the contract.
But, at the same time, as
one official explained, "we
are not going to brandish the
R77-million penalty either."
By thus showing goodwill
with Escom, the US adminis-
tration hopes to make the

guards for Valindaba.

The key to this is an agree-
ment, due to go into effect on
March 14, between Australia,
West Germany, Japan, the
Netherlands, Britain, the
United States, the French-led
nuclear group Euratom and
the IAEA, known as the Hexa-
partite Safeguard Project
(HSP).

The pact is the result of a
two-year search for a method
of safeguarding that is appli-
cable to all enrichment tech-
nologies and compromises
none.

Armed with this — and
United States officials insist
the project was carried out
with South African concerns
specifically in mind — the US
is confident Pretoria can be
persuaded that Valindaba can
be inspected without risk of
industrial sabotage.

Moreover, it will be
stressed that South Africa is
no longer a special case since
all consignees of the agree-
ment will now have safe-
guards at their enrichment
plants.

Should South Africa still
bank at safeguarding the Va-
lindaba pilot plant — and this,
rather than the commercial
installation, seems to be the
major sticking point — the
US administration is pre-
pared to take steps that
would eliminate the need for
the plant's existence.

However, under a US-
backed programme known as
Reduced Enrichment for Re-
search and Test Reactors
(RETRT), South Africa has
already agreed to modifica-
tions to Safart than would en-
able it to use 20% enriched
uranium rather than the
45% grade currently needed
... and produced at Valindaba.
If South Africa was to
agree, as part of the full-
scope safeguards deal, to
close the pilot facility, offi-
cials here say, the United
States might be prepared to
provide 20% enriched fuel for
Safart.

Whether the pilot plant is
safeguarded or shut down,
Pretoria will then have met
the legal requirements for
lifting the United States
nuclear export ban ... thus
effectively freeing Escom's
Oak Ridge account for
Koeborg.

Nonetheless, the second
(policy) condition — that
South Africa first sign the
NPT — would remain unmet.
Officials point out that
agreeing to full-scope safe-
guards is tantamount to deny-
ing that you have the bomb
now.

Signing the NPT merely
takes that one step further by
promising never to build a
"device".
The final question then is a
political one.
On the one hand, can Pre-
toria take the plunge of for-
swearing nuclear weapons
for ever, thus removing that
element of unease among its
enemies?

On the other hand, is the
Reagan Administration will-
ing, as elections draw on, to
take on the storm of opposi-
tion that would undoubtedly
rage over its failure to have
South Africa sign the treaty
before restoring nuclear co-
operation to pre-1975 levels?

Behind the swindle

As Alice might have put it: the *Salem* affair is becoming "curiouser and curiouser." Documents and information in the *FM*'s possession show that Haven International, a company run by two local businessmen, Jim Shorrocks and Jack Austin, received R622 935 of the money paid by the Strategic Fuel Fund Association for the *Salem* oil. Of this, all but R100 000 was paid directly by the SFFA.

Another company — run by Johan van Vuuren, Pieter Joubert, and Daniel Fourie — received R200 000 from the conspirators who organised the fraud. They then paid half of this to Haven International. In addition, a Sasol official seems to have gone to considerable trouble to arrange for Volkskas, at short notice, to give Mercabank a guarantee of repayment of the R12,3m letter of credit Mercabank was issuing for the purchase of the *Salem*. Volkskas's guarantee, however, was dependent on delivery of the oil.

To complicate the situation Van Vuuren, Joubert and Fourie were simultaneously negotiating with the main representative of the conspirators, Fred Soudan, for the supply of a large quantity of American cigarettes for a buyer in Europe.

As far as the *Salem* was concerned, an atmosphere of haste and improvisation seems to have characterised the final negotiations. According to statements given voluntarily to the London police by Van Vuuren, Joubert and Fourie (copies of which are in the *FM*'s possession), finance for the ship had still not been arranged on

the day negotiations for the oil were finalised with Sasol officials representing the SFFA. The same story was told to Lloyds' SA attorneys, Deneys Reitz, by Fourie. (The *FM* has a transcript of the interview.)

They had been approached by Shorrocks, through Van Vuuren, to organise the finance, and it was agreed they would be paid R200 000 for doing so. They were also given the names of two Sasol officials with whom Soudan was negotiating with the help of Shorrocks and Austin.

Van Vuuren originally approached Nedbank. But Nedbank delayed a decision, claiming the need for Reserve Bank permission. On the day the deal was finalised it had, according to the three men's statements, become urgently necessary to obtain a letter of credit — or the purchase of the ship would have fallen through.

Mercabank meeting

Coming to the conclusion that Nedbank was deliberately delaying, Van Vuuren phoned a senior Mercabank executive, Manie du Plessis, whom he knew and a meeting was arranged at the Mercabank offices. The deal was finalised the same day with Mercabank stipulating that it should receive a guarantee from Volkskas for repayment of the R12,3m after delivery of the oil. Du Plessis this week refused to comment.

Soudan, Shorrocks and Austin said a Sasol official was organising this. Fourie phoned the official from the Mercabank offices,

who said he was doing his best but that key personnel were out. However, he would arrange for Volkskas to send a key-coded telex of guarantee as soon as possible.

On the same occasion, Du Plessis, Shorrocks and Soudan spoke to the Sasol official. The telex was eventually received at about 5pm and Mercabank issued its credit. (The Sasol official was not available for comment this week.)

Van Vuuren, Joubert and Fourie were involved in the *Salem* affair only to the extent that they arranged contact with the bank which issued the letter of credit used to buy the ship. For this they were paid R200 000, of which they had to give Shorrocks R100 000.

Shorrocks and Austin, however, were involved in the oil negotiations and, seemingly, profited accordingly. There is, however, no suggestion that they knew of the planned fraud. After the *Salem* was scuttled Fourie spoke to Shorrocks who told him: "Don't worry, Fred Soudan had nothing to do with it."

Shorrocks is known to be in Europe, where a local businessman recently met him. The *FM* has not been able to trace Austin.

The convoluted story of the purchase of the *Salem* does show one thing. SFFA officials were well aware that Soudan and his associates had neither the money nor the credit to buy the *Salem*. In fact, they went out of their way to make it possible for them to obtain credit from Mercabank.

How the SFFA expected them to obtain

AMERICAN POLAMAX INTERNATIONAL
3000 Avenue 6112
Houston, Texas 77061
Tel: 713/861-3344

23rd November, 1979

J. E. J. van Vuuren,
5th Floor,
Sasol National Building,
c/o Commissioner & von Brandis Straat,
JOHANNESBURG,
2001

Dear Mr. van Vuuren,

In accordance with the power vested in me I hereby irrevocably and unconditionally confirm that I will arrange the transfer of USD 200,000 (two hundred thousand U.S. dollars) by our bankers to your account at Mercabank of Johannesburg, on 04th December 1979.

This payment is in recognition of the services rendered by you on our behalf in your capacity as consultant.

I further confirm that the abovementioned payment shall be made in ten equal instalments of USD 20,000 (two hundred thousand U.S. dollars). The first instalment to be transferred to your account no later than December 10th, 1979 and the second instalment by not later than December 10th, 1979. *by the bank is cashed 18/3*

Yours faithfully,
[Signature]
FRED CO. SOUDAN,
Executive Vice-President

5th Floor,
Sasol National Building,
c/o Commissioner & von Brandis Straat,
JOHANNESBURG,
2001

24th November, 1979.

J. Shorrocks Esq.,
c/o Haven International (Pty) Ltd.,
P.O. Box 47320,
HOUGHTON,
2041

Dear Sir,

I hereby irrevocably confirm that I shall pay to your order an amount of USD 100,000 (one hundred thousand U.S. dollars) or the rand equivalent thereof, immediately upon receipt by my banker of the funds and in accordance with the attached undertaking from American Polamax International Inc.

The above amount shall be paid in ten instalments of USD 10,000 (fifty thousand U.S. dollars) or the rand equivalent thereof in accordance with the time periods indicated in the attached undertaking.

Yours sincerely,
[Signature]
J. VAN VUUREN.

LETTER OF CREDIT DETAILS

An irrevocable Letter of Credit, valid for 30 days, for an amount of USD 12,300,000 (twelve million three hundred thousand U.S. dollars) for the purchase of the vessel "South Sun" to be sent

Marine Midland Bank
34 Margate Road
London EC 2
Telex No: 884605
Phone No: 6281768
Attn: Mr. Patrick Cohen

In favour of account: Panaxton Shipping Ltd., of Accra, Liberia

Payable on site upon:

- Legal Bill of Sale, in duplicate, notarised by Liberian Consulate and made out to (Baxford Shipping Company Inc. of New York and American Polamax International Inc., of Houston) or
- Permission to sell the vessel "South Sun" at 214,000 (one hundred and fourteen thousand) issued by Liberian authority.
- Certificates from Liberian authority confirming that vessel free from any encumbrance and any maritime liens.
- Letter of undertaking from sellers confirming that sellers are responsible for all debts incurred by the vessel up to the time of delivery in Dubai.
- Notice of readiness of delivery of the vessel in Dubai not to have been 30th 1979, countersigned by the buyers, with cancellation of this letter of credit should delivery not affected by this date.
- Full Marine Insurance on the vessel covering all contingencies under normal Lloyds A1.

To Whom It May Concern

Dear Sir,

"SALEM"

We confirm that at our offices on 5th and 6th February Mr. J. E. J. van Vuuren, Mr. D. Fourie and Mr. P. J. Joubert voluntarily executed the English Bill of Lading in their capacities in connection with the sinking of the "SALEM"

Yours very truly,
[Signature]
CLYDE & CO.

Some documents in connection with the *Salem* affair

P.T.O.

the money to buy the oil is a mystery. Seemingly it did not occur to the association that the men might simply steal the oil. Possibly it should have done. Fourie, at any rate, had doubts about the *bona fides* of the deal. He told Lloyds's local attorneys: "I could not quite understand. If a man has got enough finance, or a company has got enough finance, to purchase a boat-full of crude oil outright, for which he allegedly paid, why does he need R12.3m in order to purchase a boat? Why must he need our help to purchase a boat?"

It is a pity the same thought did not occur to the SFFA. It might have led to a quick check on Soudan and his company.

American Polamax. Soudan would have been shown to be a not-very-successful insurance salesman, with company premises of one room and three desks.

Not very impressive for a company that was supposed to own a large oil refinery with an excess supply of oil.

Municipal Reporter

ELECTRICITY tariffs in Cape Town will probably be increased by about six percent on July 1.

The expected increase follows an eight percent rise at the beginning of the year.

The City Electrical Engineer, Mr D C Palser, recommended the six percent increase for the next financial year to meet "anticipated inflationary cost increases" and to enable the customary 10 percent contribution to be made to the rate fund.

In a memorandum to the Utilities and Works Committee, Mr Palser said a "welcome improvement" of R5,5-million in the electricity stabilisation fund made it possible to "limit" the increase to six percent.

Improvement

He ascribed the improvement in the fund to a slight increase in income, lower Escom prices, coal costs and capital charges and the scrapping of additional staff posts.

If the City Council approves the increase, income from the sale of electricity will rise to about R186,4-million in the 1983/1984 financial year.

Mr Palser also recommended that further concessions be made to consumers who pay their accounts after the due date.

Limit increase

Now, the 10 percent levy for late payment is not applied to monthly accounts of R40 or less. Mr Palser recommended that the limit be increased to R50.

The council will have to get permission from the Electricity Control Board to increase tariffs outside the municipal area.

Mr Palser said if permission for the increases could not be obtained before July 1, the new tariffs for the entire area would come into effect only the day after the council received permission from the board.

Cost dropped

In a separate memorandum to the City Administrator, Mr Palser said the cost of electricity had, in real terms, dropped steadily since 1977.

Comparing graphs of the Consumer Price Index, Escom tariffs and the council's electricity tariffs, Mr Palser said: "Relative to costs generally, there has been no real increase in the cost of electricity over the past 30 years, despite frequent protestations to the contrary."

Another power price increase in city likely

RKsus 18/3/83 (55)

55 C. Times 19/3/83

Electricity tariff increase?

Municipal Reporter

THE City Council will decide at the end of this month on a six percent increase in the electricity tariff recommended by the City Electrical Engineer, Mr D C Palser, for the coming financial year.

The last increase of eight percent in January was an interim one to cover the council for the extended 18-month 1982/83 financial year.

Mr Palser has also recommended a further concession for consumers who are late in paying their accounts — the 10 percent penalty charge would not be levied on monthly accounts of R50 or less.

Mr Palser said yesterday that if the six percent rise from July 1 was agreed on, he did not foresee another increase for 1983/84.

● In a memorandum to

the City Administrator, Mr Palser said the cost of electricity, in real terms, had dropped steadily since 1977.

Comparing graphs of the Consumer Price Index, Escom tariffs, and the council's tariffs, he said: "Relative to costs generally, there has been no real increase in the cost of electricity over the past 30 years, despite frequent protests to the contrary."

55

SALEM

Swindlers of multi-million

THE SALEM tanker swindlers came within 10 minutes of losing the deal which enabled them to scuttle the Salem and take the Strategic Fuel Fund (SFF) and the South African taxpayer for a multi-million rand ride.

In an exclusive interview with the Sunday Tribune, a Johannesburg commodity broker, Piet Joubert, one of three South Africans who arranged for the financing of the supertanker, has told of the events of November 23, 1979, the day the deal between the syndicate of international con men and the SFF was clinched.

Mr Joubert, who has been receiving anonymous phone calls threatening him with death if he reveals details of the fraud, says some of the information publicised in recent weeks is incorrect and misleading.

He has reported the death threats to the police and written to his MP requesting an interview with Minister of Energy Affairs, Pietie du Plessis.

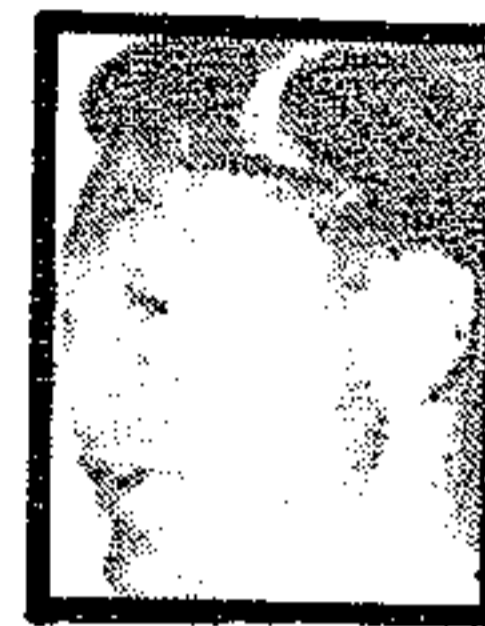
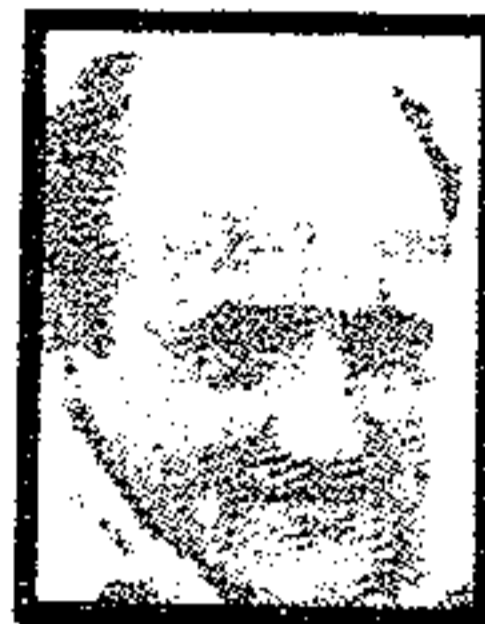
"The officials must come out with the truth. The authorities must clear the insinuation that any South African was paid R10 million by the SFF," Mr Joubert says in a reference to the SFF document which was tabled in Parliament recently.

The document, the Government's official explanation of the Salem debacle, says Mr Johan Janse van Vuuren was paid more than R10 million during the Salem negotiations.

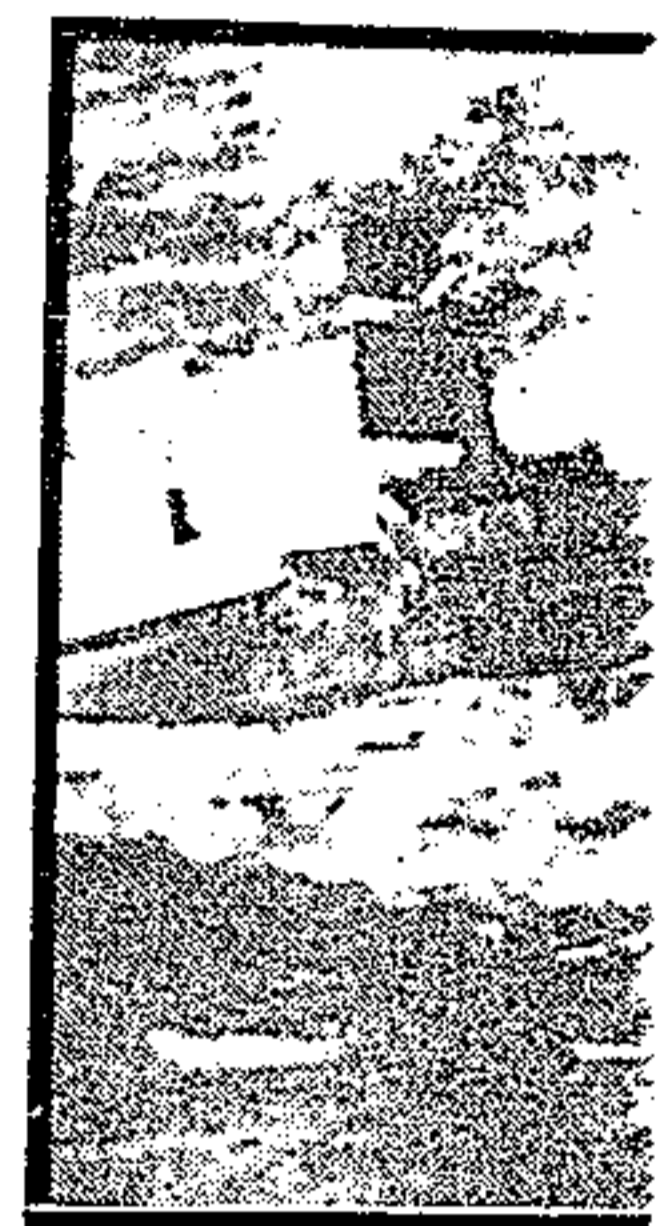
Mr Joubert says he broke all ties with Mr van Vuuren after the Salem affair when he saw Mr van Vuuren was involved in a series of deals which did not appear above board and the involved parties were losing substantial sums of money.

He fears his reputation may be harmed because of his involvement with Salem and Mr van Vuuren and wants the record set straight.

Mr Joubert says he was working as a car salesman in 1979 when he met Mr Van Vuuren but in September decided to become a commodity broker. They were joined a month or two later by Dan Fourie, a Johannesburg man who was then working as an insurance salesman.



INVOLVED ... (from left) Johan van Vuuren, skipper Dimitrios Georgoulis and Jim Shorrock



□ The ill-fated tanker Salem

Death threats for broker who wants the Government to come out with the truth ...

EXCLUSIVE: Kevin Davie interviews Salem dealer Piet Joubert

Mr Van Vuuren was approached by Jim Shorrock whose company, Haven International, was later paid more than R500 000 by the SFF for its part in the Salem oil deal, to arrange the finance for the vessel.

Initially Van Vuuren, Joubert and Fourie were supposed to get \$300 000 for doing this. They ended up getting about R80 000.

The financing of the ship was the crucial factor on which the whole swindle hinged.

Frederick Soudan, the Lebanese-American who had set up the deal, was an insurance salesman-turned-oil dealer, who certainly did not have the capital to finance a supertanker, even though he was masquerading in South Africa as the owner of an oil refinery.

The SFF had agreed they would pay the major part of the cost of the vessel, but only on delivery of the oil.

"In that sense the SFF did protect the taxpayer," says Mr Joubert, "they would only pay on delivery of the oil".

A bridge was needed to provide finance for the period from the purchase of the Salem to when it off-loaded its stolen cargo at Durban. This bridge was found in Mercabank.

Soudan had arranged for the purchase of the Salem (then named South Sun) but the agreement with the sellers was that the deal had to be concluded by November 23, 1979.

It was a Friday and characterised by frantic telephone calls and telexes as the involved parties worked desperately to finalise the deal.

Mr Joubert says the senior bank official who handled the transaction, Manie du Plessis, had prepared a letter of credit to the Marine Midland Bank, who were acting as bankers for the sellers, but would not release it until he had received a letter of credit from SFF's bankers, Volkskas.

Ten minutes before five the Volkskas guarantee, in the form of a letter of credit to take effect once the oil had been delivered, was telexed to Mr du Plessis, and he released the Mercabank letter of credit to the Marine Midbank Bank.

"If it wasn't for Mercabank, the deal would never have gone through," says Mr Joubert. He said the bank took a "long shot" and was fortunate the deal worked for them.

The Sunday Tribune was unable to contact any Mer-

cabank official for comment yesterday. Dr Charles Ferreira, managing director of Mercabank, has said he will not comment on the Salem saga because his hands are tied by legislation.

"I remember once the oil had been delivered how relieved Manie du Plessis was. He said: 'I'm glad it's over, we've got our money,' says Mr Joubert.

They stood to lose \$12,3 million."

That night Soudan threw a wild party in his hotel room at The Towers in Johannesburg. Joubert arrived in the morning to get a document confirming the commission they would get paid.

The meeting with Soudan and Shorrock had been scheduled for 8am but Soudan did not rise until 10am.

Piet Joubert says when they went to Soudan's room there were signs of a wild, drunken party with empty bottles all over the place.

A letter from Soudan to Van Vuuren was produced, saying he would be paid \$200 000 "in recognition of the services rendered by you on our behalf in your capacity as consultant".

Johan van Vuuren signed a second letter to Jim Shorrock, saying he would pay

Shorrock \$100 000 on receipt of the \$200 000.

Van Vuuren, Fourie Joubert did get the \$100 000 which, at current exchange rates and a costs, amounted to about R20 000 each. They did get their money from Soudan.

Mr Joubert says it was only through the intervention of Mercabank's Manie du Plessis that they got paid at all.

Soudan was supposed to have paid the \$100 000 December, 10 1979, but still not paid the amount December 27 when the Salem arrived off Durban.

On the off-chance of finding Soudan, Piet Joubert went to a Johannesburg hotel, where he found Soudan checking in.

Soudan promised to pay after the shipment had been off-loaded but it was Manie du Plessis who paid the \$100 000, in two instalments on December 30, 1979 and January 4, 1980.

"He paid this out of a letter of credit he had from the SFF's bankers, Volkskas".

A week after the Salem sank on January 17, 1980, Joubert, Fourie and Van Vuuren flew to London as guests of Lloyds. They were interviewed by both Lloyds

Tamper proof Tylenol

QANTAS AIRLINE MAY FLY OUR WAY AGAIN

BRISBANE: Senior Qantas executives believe Australia's national airline will fly to South Africa again.

burg. Prime Minister Bob Hawke has promised to re-examine Australia's relations with South Africa. Though he supports former Prime Minister

dealers came within 10 minutes of losing man million oil deal, says SA middle



□ The ill-fated tanker Salem

aler Piet Joubert

Shorrock \$100 000 on receipt of the \$200 000.

Van Vuuren, Fourie and Joubert did get their \$100 000 which, at current exchange rates and after costs, amounted to about R20 000 each. They did not get their money from Soudan.

Mr Joubert says it was only through the intervention of Mercabank's Manie du Plessis that they got paid at all.

Soudan was supposed to have paid the \$100 000 by December, 10 1979, but had still not paid the amount by December 27 when the Salem arrived off Durban.

On the off-chance of finding Soudan, Piet Joubert went to a Johannesburg hotel, where he found Soudan checking in.

Soudan promised to pay after the shipment had been off-loaded but it was Manie du Plessis who paid the \$100 000, in two instalments on December 30, 1979 and January 4, 1980.

"He paid this out of the letter of credit he had from the SFF's bankers, Volkskas".

A week after the Salem sunk on January 17, 1980, Joubert, Fourie and Van Vuuren flew to London as guests of Lloyds. They were interviewed by both Lloyds

and Scotland Yard.

"We wanted to put the record straight," says Piet Joubert.

"When we arrived there the newspaper headlines were all saying South Africa had stolen a cargo of oil, and then sunk the ship to hide the evidence, and we knew this wasn't true."

Mr Joubert says he was in Manie du Plessis' office when the Salem was moored off-shore near Durban.

"Jim Shorrock came in and said he needed money to pay off the crew. I was just leaving and so do not know the details."

A check at the Registrar of Companies in Pretoria shows Jim Shorrock's Haven International, one of the major beneficiaries in the Salem affair, was only registered as a company after the Salem deal was underway.

Shorrock had introduced Soudan to the SFF and, according to the SFF, negotiations started on October 9, 1979.

Haven International was registered on October 22, 1979.

Two months later the SFF paid more than R500 000 to Haven International, which had only a share capital of R4 000 when registered. Shorrock owned 100 shares of R1 each.

Jim Shorrock's estranged wife, Shirley Shorrock of Port Elizabeth, says her husband left the country in September, 1980. Haven International went into liquidation in August, 1981.

Speaking from Oostvoorne, near Rotterdam in Holland, Jim Shorrock told the Sunday Tribune the R500 000 his company received was for port costs, chandler costs, crew costs and agency costs while the Salem was off Durban.

He insisted the deal had been handled "in the most astute fashion and in the best interests of the country".

He said Frederick Soudan would be appearing in a Rotterdam court this month as a leading state witness against Anton Reidel, named as one of the

chief conspirators in the Salem fraud, and would use the opportunity to "clear his name".

Mr Shorrock denies Mr Joubert's assertion that he asked Manie du Plessis for money to pay the crew to keep silent on the off-loading of the oil.

"The crew was paid \$50 000 in cash which was flown out from Switzerland."

Of this money, he says, he gave R5 000 to the captain of the Salem, Dimitrios Georgoulis.

He says Haven International got into difficulties after the Salem sunk because it was supposed to bring several more shipments of oil. This created a cash flow problem for the company and it was eventually put into liquidation.

Mr Shorrock says he only got \$25 000 from the deal, his share of a four-way split of the \$100 000 promised to Van Vuuren.

Piet Joubert, who says he handled the finances, says this is untrue. The money was split three ways and Shorrock was not a beneficiary.

Mr Shorrock says he has been in the oil broking business since he left South Africa and he has done extensive travelling. He says he intends returning to South Africa after the Reidel court case.

According to Mr Joubert, after the Salem saga, Johan van Vuuren began dreaming up more and more fanciful schemes and getting increasingly into debt.

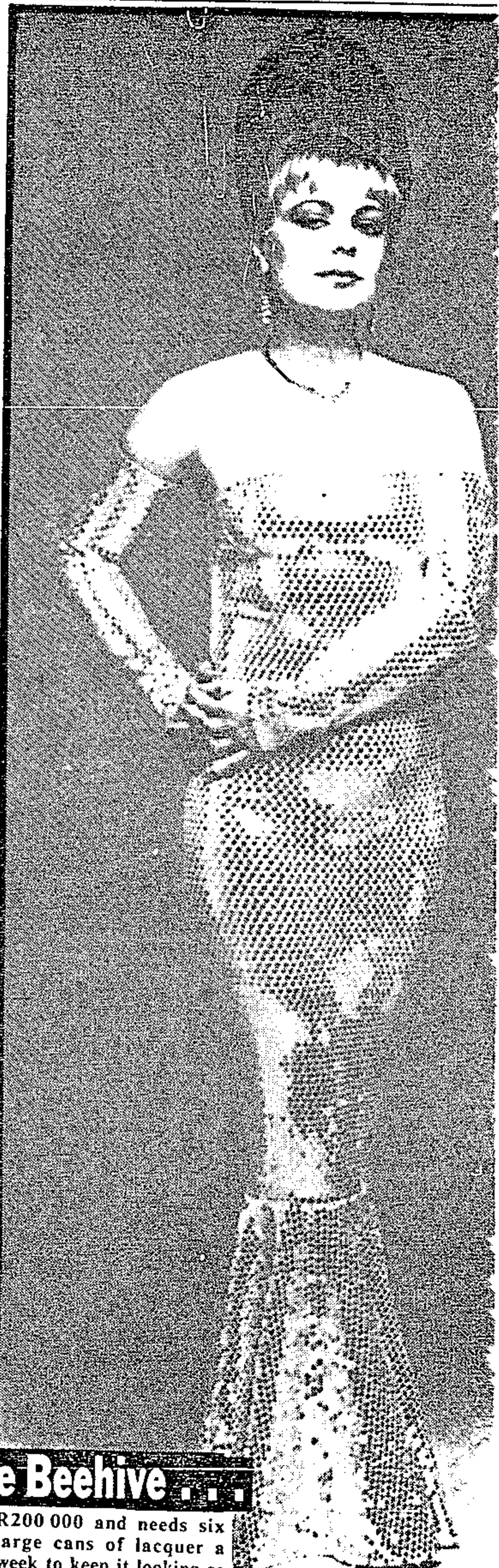
"It was like he was in a dream world."

Mr van Vuuren's wife, Petru van Vuuren, said her husband phoned her from London this week but refused to divulge his exact whereabouts.

"He has nearly finished his business there and may come back to South Africa in a week," she said.

Van Vuuren's trustee, Harry Kaplan of Kaapvaal Trust, says as Van Vuuren is in sequestration, he is not permitted to leave the country without permission.

"Who is paying for all this travelling he is doing?" Mr Kaplan asked.



WAY AGAIN

Lawke has promised to relations with South Africa. former Prime Minister towards apartheid, he

Mari Wilson brings back the Beehive . . .

POP STAR Mari Wilson has brought back the Fifties with her carefully

spangly dresses.

Mari's hairdo has been

R200 000 and needs six large cans of lacquer a week to keep it looking so

Sowetan 21/3/83

Sowetans expected to splash out

SOWETO residents are expected to spend more than R30-million in home improvements this year, and this figure is likely to rocket next year with the completion of the electrification scheme.

The PRO of the Berda Electricity Bureau, Miss Bongki Mtimkulu said potential expenditure on home im-

provements and electrical appliances would be a vast figure once Soweto was electrified.

"Black earning power is expected to surpass that of whites by the turn of the century, when the black population will number 30-million compared with a white population of five-million.

"Communal rooms

are no longer acceptable, as people want separate rooms in which to study or entertain — and electrification will bring with it a new standard in housing needs," she said.

Miss Mtimkulu said it has, however, been announced in Parliament that the Soweto electrification project, scheduled for completion this

year, would only be finished next March.

The delay would be "a big disappointment" to potential users, who are eagerly awaiting the switch on. Since its formation, the Berda Electricity Bureau has been inundated with enquiries from blacks nationwide anxious to educate themselves on electricity, she said.

55 ~~Strategic Fuel Fund Association~~ Howard Q. Col. Strategic Fuel Fund Association 761

23/3/83

*8. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

Who were the directors of the Strategic Fuel Fund Association in (a) November and (b) December 1979?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM (for the Minister of Mineral and Energy Affairs):

(a) and (b)

Mr. C. F. Scheepers: Former Department of Industries.

Mr. D. N. A. Hunt-Davies: Industrial Development Corporation.

Mr. A. J. Mouton: Industrial Development Corporation.

Mr. S. P. Naudé: Sasol Limited.

Mr. J. A. Stegmann: Sasol Limited.

Mr. H. R. Wiggett: Sasol Limited.

envoy silenced

York. Afri- safety om at Col- after s at- apart- se, a rma- rican York nto a en off uted. ", ac-

cording to the Middletown Times Herald-Record. Moments earlier, about 30 black students, who had crowded into a Political Science classroom to protest against Mr Pieterse's talk, formed a path to let him out safely.

"We just want to let you out of here alive," shouted one student.

For 30 minutes he had stood silently in the front of the room while students called him "racist pig", and demanded that his

talk be cancelled. Mr Pieterse was only able to utter a few words.

"You are a racist, a racist pig," shouted a pupil. He carried a sign reading "South Africa — Crime Against Humanity".

Four members of the college's campus police formed a semi-circle in front of Mr Pieterse as some students came to the front of the room shouting and jabbing their fingers towards him. — Sapa-AP

Cape Times 24/3/83

Two Koeberg men in court

Staff Reporter

TWO Koeberg Nuclear Power Station employees were each fined R2 300 in the Paarl Regional Court this week for failing to ensure that a trainee industrial radiographer, who handled radio-active material at the power station, had adequate knowledge and experience to do so.

The men, Abraham Carel Spies, 32, of Paarden Eiland, and Adrian Mynhardt Knoetze, 30, address given as Koeberg Power Station, Melkbosstrand, pleaded guilty to seven charges.

The State alleged that between October 21 and 22, 1981, the men allowed Mr John Marais, a trainee industrial radiographer, to handle radio-active material without satisfying themselves that he was medically fit and had adequate knowledge and experience to handle such items safely.

The men were also charged with failing to notify the Atomic Energy Board of Mr Marais' employment within the required period of 30 days; failing to keep records of occupational exposure to radiation; failing to keep a daily account and log book of radiation exposure times, and failing to issue suitable radiation exposure monitoring equipment to Mr Marais.

Mr P J le Roux was the magistrate. Mr W B Badenhorst appeared for the State. The men were not represented.



The 62-year-old Rondebosch produce market has new guttering, concrete tables and a water-proofed roof. Admiring it yesterday were Mrs N Steer, of the Rondebosch Ratepayers' Association, Mr W C Hinreichsem, its chairman, Mr A G du Toit, a markets superintendent, and Mr D J Smith, director of the City Council's markets branch.

TV
1 & 2

tonight

- 5.27: Programrooster.
- 5.30: Boekevat. Scripture reading by C Engelbrecht.
- 5.34: Jacky, die Beer van die Berge. Die Vreemde Huis. The two little bears are taken to an Indian hut where they are lovingly looked after by Senda. But they miss the big cedar tree under which they used to sleep.
- 6.00: Nuus
- 6.14: Die Kraaines. A magazine programme for children.
- 6.37: Uit en Tuis. A family magazine programme.
- 7.20: 1945. It's the end of the war and people are finding it difficult to adjust. In this 10-part series, we look at a poor Afrikaans farming family struggling to survive.
- 8.00: News
- 8.28: Weather
- 8.44: Then came the English. A seven-part series which traces the history of English-speaking South Africans.
- 9.42: Tom Jones in Las Vegas. Tom Jones sings his most popular songs in front of a capacity audience in Las Vegas.
- 10.27: Portfolio. An arts magazine programme presented by Roger Corfield.
- 10.57: News
- 11.12: Epilogue. Rev Sand Gilfillan.

TV2

- 6.30: Umakhulu Uyasibalisela: Iphupha Letyuwa. A Dream about Salt. A continuation of the story of a chief and his three daughters. Ezabasha Jikelele (Youth News).
- 7.00: Izindaba/lindaba (News).
- 7.10: Jikelele (Magazine Programme). Including Amalahle (Coal). The mining and uses of coal and its derivatives.
- 9.00: lindaba/lzindaba (News).
- 9.27: Imozulu/Isibikezelo Sezulu (Weather).
- 9.29: Iphunga Elimnandi/Ezenkolo (Epilogue).

Last night's TV

TV 1

"HOUSE CALLS" came back to our screens last night with its taped laughter — and taped one-liners.

Without the jokes the programme would last a week. With them, it should last no longer.

However, SATV has promised us 17 more weeks — if they are to be believed — of Lynn Redgrave and Wayne Rogers so viewers better lie back, plug in their intravenous drips and enjoy it.

Gerald Durrell said about zoos on Midweek last night that the bad ones should not be closed down but should be made better.

Capetonians may not agree after the recent controversy regarding the Groote Schuur zoo but the animals shown on the programme last night, which are esconced in other zoos around the

The fly in the milk was the SA Prisons Services' Band. Sure, the Bavianaanspoort prison warders' brass band is excellent and plays delightful orchestrated tunes, but I am afraid they have been featured so often now that their performances have become repetitive.

A panel discussion on the subject of mental health, with emphasis on overcoming stress, was enriching.

Since March is set aside for the observation of mental health, a continuation of this discussion would be welcome.

You cannot get better entertainment than having superstars like Diana Ross and Michael Jackson in one night.

Tonight's soccer special is a British FA league game between Luton and Liverpool around 7.30pm.

JOE GUWA

Chemists blamed for 'drug' death

Staff Reporter

A WYNBERG inquest magistrate found yesterday that two pharmacists were responsible for the death of a Heideveld man, Mr Kenneth Ivan Barnes, after the wrong drug was issued to him.

Mr Barnes, an asthma sufferer, collapsed and died on May 2 last year, after he took the tablets.

The two pharmacists, Mr Samuel Friedman and Ms Jill Bernstein, both

him not to use unknown tablets but he had been unconcerned as he had obtained the tablets at the hospital.

He had taken the tablets for the first time on May 2 and shouted for help soon after. He had collapsed minutes later and died the same day.

Mr Friedman testified previously that the tablets were the correct treatment for asthma. The initial "F" on the prescription indicated that he had issued the medi-

Swapo: 28 SA troops killed

Staff Reporter

SWAPO claimed yesterday that it had shot and killed 28 South African troops this month.

A Swapo spokesman said in Lusaka that 14 soldiers had been killed on March 15 during operations by Swapo's military wing, the People's Liberation Army of Namibia (Plan).

Five soldiers had been killed by a landmine in

er
JOEN
mbab-
nt for
spaper
k Wor-
terday
ting in
eclared
ople of

nst Mr
taken
alt" of
en this
isiting
er, Mr
h were
on" of
eiland,
informa-
Tele-
Nathan
d in a
ay.
ws the
nbabwe
hannes-
respon-
vswweek
ger Jen-
ed that
d about
atabele-
eks.

al'

n's ban-
ial Har-
r. The
editori-
ve more
ists re-
sational
reports
ted from
abwe.

the first
labelled
state.

ra says
Davies,
London,
mpt to

55 Jan 24/83

Clamp **AP** placed on 'private' suppliers of coal

By Colleen Ryan,
Consumer Reporter

The Government has cracked down on "independent" coal suppliers who have been hauling coal from independent collieries and selling at discount rates to industry.

A notice in the Government Gazette last Friday prohibits anyone from selling coal without the permission of the Director-General of Mineral and Energy Affairs.

Suppliers will be encouraged to service both sides of the coal market — the profitable industrial market as well as the household market, said a spokesman for the Department of Mineral and Energy Affairs.

OWN MARKETING

"We welcome suppliers who can offer price reductions, but they will have to market their coal through an established depot or set up their own depot," he said.

"Suppliers will be asked to stockpile a four-week supply of coal to prevent winter shortages."

The Government move is seen partly as an attempt to save the major supplier of bagged coal and anthracite to householders, MacPhail, from financial ruin.

The marketing director for the company said MacPhail was the only company which supplied domestic consumers in the Johannesburg area — a costly and low-profit operation area.

"On the other side, we are competing in the high-volume industrial market against suppliers who can cut prices because they do not have to finance a costly operation supplying householders.

"If we are not able to maintain our share of the industrial market we will encounter severe financial problems and many consumers may be left without a source of coal."

He also promised MacPhail customers better service this winter.

Last year The Star received many complaints from dissatisfied customers.

"We realise we made mistakes and have identified the problems.

"We hope consumers will assist us by placing their orders early to avoid the rush that usually takes place during the first cold snap."

ROM
We'd prefer a *25/3/83*
nuclear submarine *55*

By SIMON WILLSON

BOPHUTHATSWANA is to build a R84-million power station, according to a consortium of Italian electrical engineering companies which says it has won the contract.

Bophuthatswana's Minister of Finance, Mr A G Young, said in Mmabatho yesterday that the Italian consortium's announcement was premature.

"There have been recent studies on the feasibility of power station projects in Bophuthatswana, but it may be

that somebody has made an incorrect statement.

"I cannot confirm or deny the existence of the contract. We'd prefer a nuclear submarine to a power station -- it would be more useful," Mr Young said.

Johannesburg consulting engineers, who have carried out feasibility studies in the region in the past, said they had heard of no power station inquiries in Bophuthatswana.

The Italian consortium says the contract is for a 60 Mw thermal power station, with an option for construction of three more plants of the same capacity. Since its independence

from South Africa in 1977, Bophuthatswana has taken its electricity from the Rand and Free State grid network of the Electricity Supply Commission.

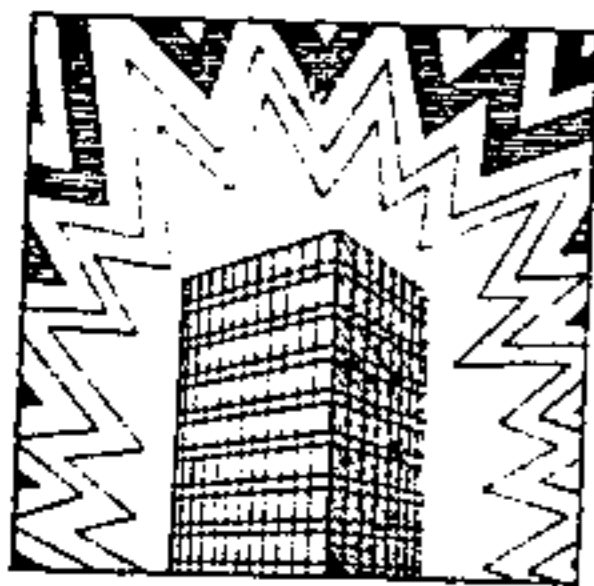
In 1979 Bophuthatswana's electricity demand was 24 Mw, an increase of 40% on the previous year. By 1981, the latest year for which any figures are available, demand is estimated to have risen to between 28 Mw and 30 Mw.

By comparison, a town the size of Potchefstroom consumes 40 Mw, Witbank 65 Mw and Johannesburg 1 200 Mw.

Analysts say Bophuthatswana is paying about R25-million a year for more than 1 000-million kilowatt/hours of Eskom power.

A spokesman for Eskom said the commission had no comment on Bophuthatswana's reported power-station contract.

A delicate balance



SA's energy industry is dominated by two vast State enterprises, Sasol and Escom, that take pride in producing some of the the cheapest petrol and electricity in the the Western world. Trouble

is, except for a recent minute dip in the petrol price, the prices of their products have for 10 years been on an upward spiral and a levelling off appears to be over the horizon.

The recent appointment of a high-level commission to inquire into the cost of electricity is a sign of growing government and business sensitivity to this trend, which takes little account of rises or falls in general business activity. Perceptively, some industrialists believe that electricity should not be spotlighted in isolation and that the commission's brief should be broadened to include the country's energy policies in general.

Certainly, as far as energy self-sufficiency is concerned, this country has much to be proud of. Despite the United Nations embargo on crude oil sales to this country, its stockpiles are probably among the world's largest in relative terms. On the other hand, its capacity to generate electricity is uncomfortably close to peak demand levels.

Despite this, there are those who believe that Escom should cut back its expansion programme in an effort to contain expected increases in electricity costs in the years immediately ahead.

It is now felt that the precepts of the Seventies which still guide energy affairs are no longer appropriate. This thinking gave rise to the massive investments in Sasols 2 and 3 synthetic fuel plants and the even larger expansion programme announced by Escom in the same period.

In those days it was thought that SA should achieve a high degree of self-sufficiency in liquid fuels and an industrial prosperity based on electricity-intensive technology. But the world has changed since then and both views are now being seriously questioned.

In the first place, the price of crude oil has plummeted and shows little sign of regaining its real levels of the last oil crisis. The costs and inconvenience of circumventing oil sanctions are no longer what they were during the Opec oil cartel's days of dominance — despite redoubled efforts by anti-SA bodies, such as the Amsterdam Shipping Bureau which monitors shipments to SA and pressures foreign governments into observing the United Nations embargo.

This means that it is now more difficult to justify further synthetic fuel plants both

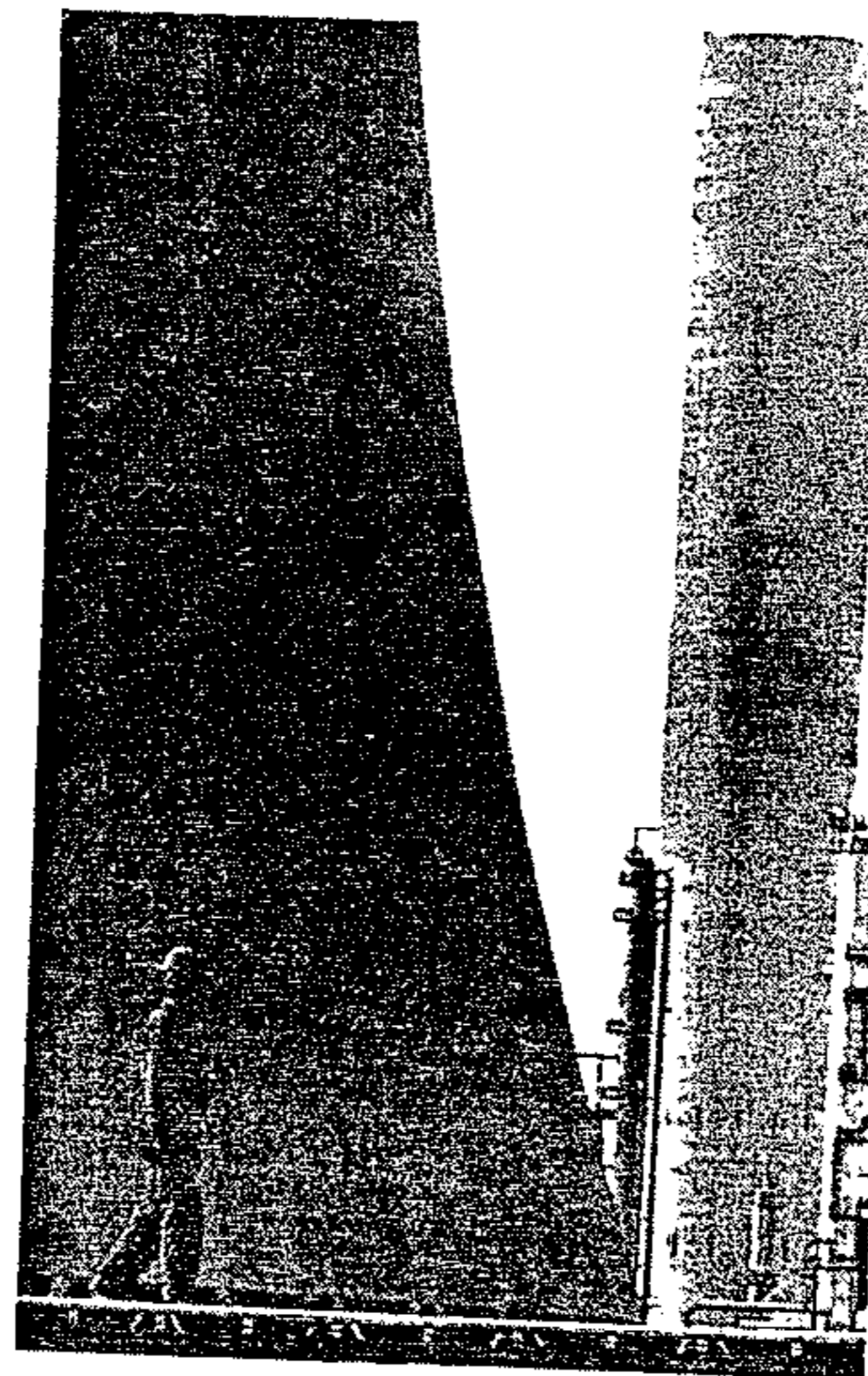
Some businessmen believe that present energy policies could be the death of certain industries. Should they be left to die?

on economic and strategic grounds. At one stage some planners felt that the country should produce about 70% of its own liquid fuel in the form of synthetic petrol and diesel or alcohols such as methanol.

Now, Sasols 2 and 3 are a reality and, when in full production, could give SA about 40% self-sufficiency in liquid fuels at consumption levels expected by then. With existing oil stockpiles, this should enable the country to survive even a lengthy total oil blockade.

Another reason against investing in further synthetic fuel plants is that profits of such undertakings could come under severe pressure if real oil prices remain low. This could necessitate the increase in local administered fuel prices against world trends or an increase in synthetic fuel subsidies at the expense of the taxpayer. This would build into the economy a further — and significant — inflationary threshold.

Even when oil prices were high, Sasol would not have been viable without government support. According to Sasol, it benefits from excise duties of 15% on imported crude oil and advances from the State totalling R4 100m for the establishment of



Sasol at Secunda ...

Sasols 2 and 3. These loans are on a deferred interest basis, which means that they are interest-free until each new Sasol achieves after-tax profits of more than R100m/year. The cash flow advantage on interest payments on this sum runs to hundreds of millions. On takeover of these plants by the public company, Sasol Limited, back interest then becomes payable.

Considering that financial burden, present world crude oil prices suggest that funds originally earmarked for further new synthetic fuel plants may better serve the country's economic and strategic interests if they were invested in more crude oil purchases and additional stockpiling facilities.

The case for curtailing investment in new electricity generating plant is not as strong. Unlike oil, the very nature of electricity prevents it from being stored and dictates that the bulk of the country's requirements be produced locally. And in those cases where importation is technically feasible, political factors make it risky. This has been demonstrated by the frequent interruption of supplies from the Cahora Bassa hydro scheme by guerrillas.

Hydro-electric problems

Consequently, the Zaire and Zambesi rivers, which could supply the present power needs of the entire sub-continent, will for the foreseeable future remain untapped. This is unfortunate as hydro-electricity is the cheapest electricity available.

The main reason advanced for cutting back Escom's expansion plans is that its R20 000m capital investment programme for the Eighties will be funded substantially from tariff revenues. It is argued that this could help push up prices to the point where SA electricity is no longer cheap by world standards and lead to the demise of certain electricity-intensive export industries. This, in turn, would lead to electricity demand levels below those currently forecast by Escom.

At present about 20% of Escom's expenditure is funded from internally-generated revenue paid into its capital development fund, which is used to finance new power stations. Thus, if expansion were cut back by half, which would mean a 10% reduction in total expenditure, there could be a significant cut in tariffs.

But if Escom's current demand projections prove to be correct, such a step could ultimately be more harmful than the relatively high tariffs it is meant to obviate. So far Escom has not been far wrong in anticipating its capital needs. This was demonstrated in the last boom when blackouts occurred as the result of Escom cancelling a large power station when government applied pressure to cut capital spending.

Escom's expectations of a 7% a year

growth in electricity sales until the end of the century are regarded by some as being far too high. If they are achieved, electricity will be supplying 40% of the country's total energy needs in the year 2000 as against a little more than 23% today. It also means that Escom's capex will constitute 20% of total public sector capex during the Eighties.

However, Escom planners maintain that in SA's present stage of development, economic growth is impossible without even higher growth in electricity consumption. They point out that electricity sales have doubled every eight years since the Sixties at an annual average growth rate of 9,1%, while the gdp rose by an average of only 4,4% in the same period. They further maintain that electricity demand will continue to grow at between 2% and 4% above gdp growth until the turn of the century.

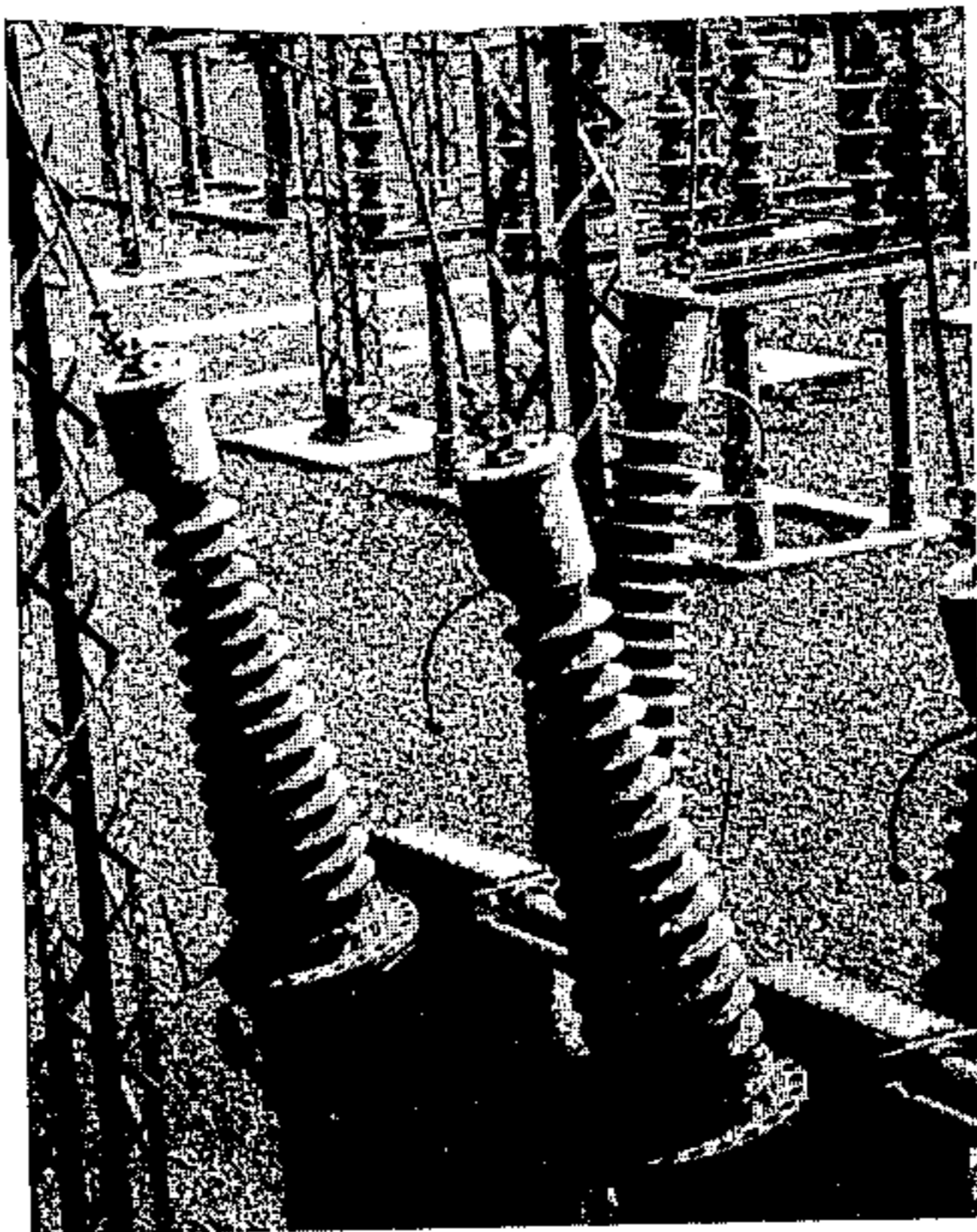
But inflation is one factor which could upset these calculations. If real costs of electricity increase significantly, and signs are that they might, it may price itself increasingly out of the market. This could put a ceiling on industrial growth as it is known now.

Industrialists are understandably concerned at this and are lobbying for electricity tariff increases to be contained at predetermined levels. But Escom will go no further than to say that it will attempt to keep increases below the general rate of inflation. This is hardly reassuring to exporters as SA inflation is still well above that in most of our trading partners.

Some believe that tariffs could be kept down if Escom relied less on self-financing and more on long-term loans. This could take some of the sting out of tariff increases in the short term, but it would also increase Escom's debt burden. On the other hand, to borrow long-term capital now at fixed interest rates could place the corporation at an advantage when it repaid the loans in inflation-eroded rands, dollars or Deutschemarks.

There are also some mining interests urging more direct government subsidies for Escom. This could keep down the price of electricity artificially for all consumers but would distort the economy by shifting some of the real costs of producing electricity from consumers to taxpayers. This is contrary to government efforts to create a more market-orientated economy.

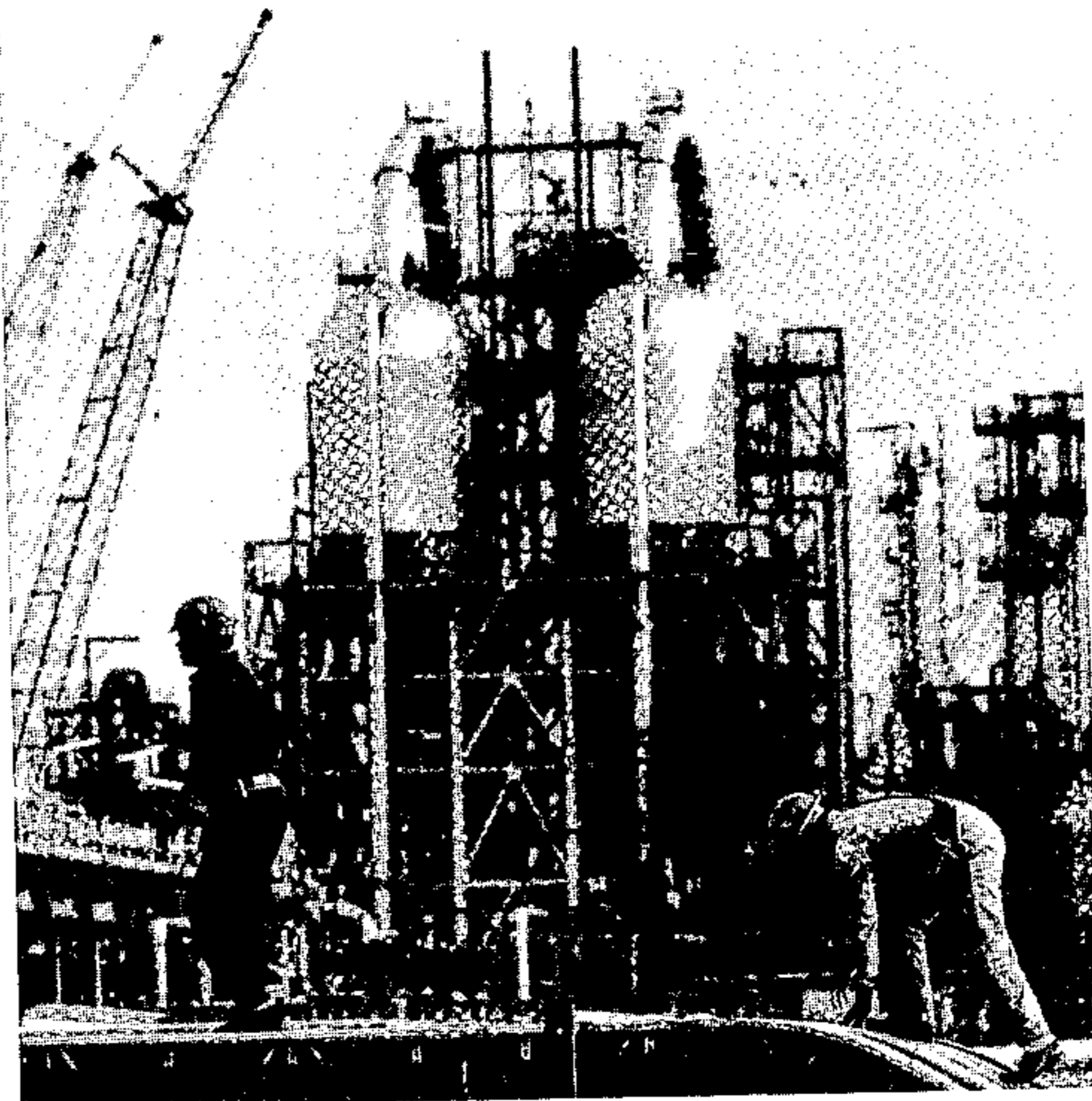
However, the mining companies have a special reason for their advocacy of a general electricity subsidy. The Department of Industries, Commerce and Tourism currently pays them R40m/year to cover the electricity costs in the beneficiation of certain exported minerals. To



Escom power ... growing apace

avoid countervailing duties under the General Agreement on Tariffs and Trade (Gatt), they may have to forgo this direct subsidy. But they would run less risk of penalisation under Gatt if SA electricity generation as a whole were subsidised.

There is no doubt that the real cost of producing electricity will rise in the next two decades. But it is by no means clear that this is due to any failure on the part of Escom. For most of the Sixties and Seventies electricity price increases have been well below the inflation rate largely because of artificially low coal prices and because of Escom's improvements in technology.



last of the line?

The national grid was completed in this period and so were a number of modern power stations. Employee productivity rose as did consumption of coal and water per unit of output. But the 600 MW coal-fired generating sets now being installed by Escom represent a level of efficiency unlikely to be significantly bettered until the introduction of nuclear plants begins in earnest in the year 2020.

Added to this is the fact that, despite SA's abundant coal resources, they will become increasingly difficult to mine in the next two decades. Coal mining productivity has improved from 88 t/man/month in 1977 to 126 t/man/month in 1981 and is expected to peak at 150 t/man/month within the next few years. After this, the figure will decline as more underground mining is resorted to and thinner seams are worked. This will undoubtedly inflate Escom's costs of coal which presently account for 25% of its total costs.

Many of those who welcome the commission of inquiry into Escom seem to hope that it will unearth gross inefficiencies which will bring back the days of low tariff rises. The FM doubts that to be the case. But it is not beyond the realms of possibility that Escom's costing and forecasting could benefit from outside inputs. Neither are areas in which engineers are traditionally strong.

Maybe, too, the commission could devise a more democratic procedure for the fixing of tariffs. It is a tenet of democratic capitalism that a licensed monopoly submit its pricing procedures to detailed public scrutiny from those interested. An independent body on which customers, government officials and Escom executives sit and monitor

Escom's cost calculations and pricing policy may help to take the heat out of the matter.

It is important, however, that this is not merely a body that advises the Cabinet. It is in Escom's and its customers' best interests to have the matter of the electricity price removed from direct political hurly-burly. For its part, Escom will have to accept the principle of public accountability and the need to argue its case in a public forum. Had it done so years ago, the present situation might never have arisen.

Alternatively, some of its assets — such as coal mines and maybe even power stations — could in future be financed from public subscription to subsidiary companies. Of course, legislative change would be necessary. But the point is that if Sasol can do it, why not Escom? This underlines the point that the whole question of the financing of the country's future energy needs should be looked at in broad perspective and not taken piecemeal.

Ministers

(55) Hansard. Q. Col. 770 -
Salem affair
25/3/83 770

Mr D. J. N. MALCOMESS asked the
Minister of Mineral and Energy Affairs:

- (1) Whether any persons have been appointed to investigate the Salem affair; if not, (a) why not and (b) when is it expected that such persons will

795

FRIDAY, 25

be appointed; if so, what are the names of the persons appointed;

- (2) whether any progress has been made in the investigation of this matter; if so, what progress;
- (3) whether the investigation has been completed; if so,
- (4) whether a report on such investigation has been submitted to him; if not, when does he expect such report to be submitted to him; if so, what were the findings;
- (5) whether any money has been recovered; if so, what amount?

Koeberg blast anti-nukes accused

AGGAS 28/3/83
SS

Political Correspondent
A FRENCH magazine supported by the SA Government has insinuated that a group demanding safety measures at the Koeberg nuclear power station may have been responsible for the December explosions.

In its English edition for the first quarter of this year, the magazine, *Courrier Austral Parlementaire*, does not mention any of these groups by name.

It refers to "a vociferous anti-nuke group" and adds: "It might be worth mentioning that it is not impossible that the recent attack on the nuclear plant, and generally attributed to the ANC, may have been carried out by this particular brand of white extremists."

Mr John Malcomess, MP, said today he rejected with contempt any implication that Koeberg Alert had anything to do with the bomb explosions at the site. He said the ANC had actually claimed responsibility.

"Our nuclear energy programme could do without this sort of biased political commentary."

He called on the Deputy Minister of Information, Mr Barend du Plessis, to dissociate himself from the standpoint of the magazine and to stop paying taxpayers' money to it.

He demanded to know who had written the article and said it appeared likely that it was written by a South African.

Answering questions in the Assembly last week, the Minister of Information and Foreign Affairs, Mr Pik Botha, said the Government indirectly provided financial support for the magazine.

It was published by a public relations firm as part of its general business activities.

Dr Arnold Abramovitz said to link Koeberg Alert with the blasts would be "quite laughable were it not for the lamentable ignorance on nuclear matters among sections of the public."

"There is a real risk that simple-minded people will actually believe this kind of gutter speculation."

555

Oil rig losses hurt SA firms

By David Bamber

South African-controlled companies are getting their fingers burned in the rig-drilling business. No fewer than two companies report today that earnings affected have been affected by the slump in oil prices and the resulting oversupply of rigs on the world market.

Anglo American Corporation's Bermuda-based investment company, Minorco, has written off \$40.9 million (R44 million), being its share of the \$87 million write-off on the US Skytop Brewster oil drilling rig business in the last accounts of Consolidated Gold Fields, in which Minorco holds a 29 per cent stake.

Murray and Roberts, while not detailing the financial results of its Armadah Shipyards, has obviously found itself in a similar position which will result in write-offs during 1983 — al-

though these will not be anything like those of Minorco.

The company says a "significant setback has occurred during the current financial year as a result of the inability of Armadah Shipyards to secure further oil rig orders."

Because of the lack of demand for rigs in the medium-term, Murray and Roberts has decided to revalue the assets of Armadah.

Despite this, Murray and Roberts says earnings for the full financial year will not be significantly different from those in the previous year.

In the six months to December net profits rose 4.3 percent from R21.06 million to R21.96 million, although earnings a share fell by almost 16 percent from 101c to 85c due to a rights issue in the latter part of the year.

Murray and Roberts' con-

struction sub-group was undoubtedly the saviour, as certain industrial companies in the group had declines in profitability in line with the economic recession.

But back to Armadah. In July last year, Murray and Roberts gained sole control over the company by acquiring General Mining Union Corporation's stake held by Gencor's subsidiary, Darling and Hodgson.

At the time the groups said it had been decided that Armadah could not be operated efficiently by separate companies while Murray and Roberts Holdings' chief executive, Mr J E D Bramwell, said the learning problems of oil rig construction had been overcome and Armadah would become a viable proposition for the group.

"We tended to under-react early and over-react later but now that the learning curve has

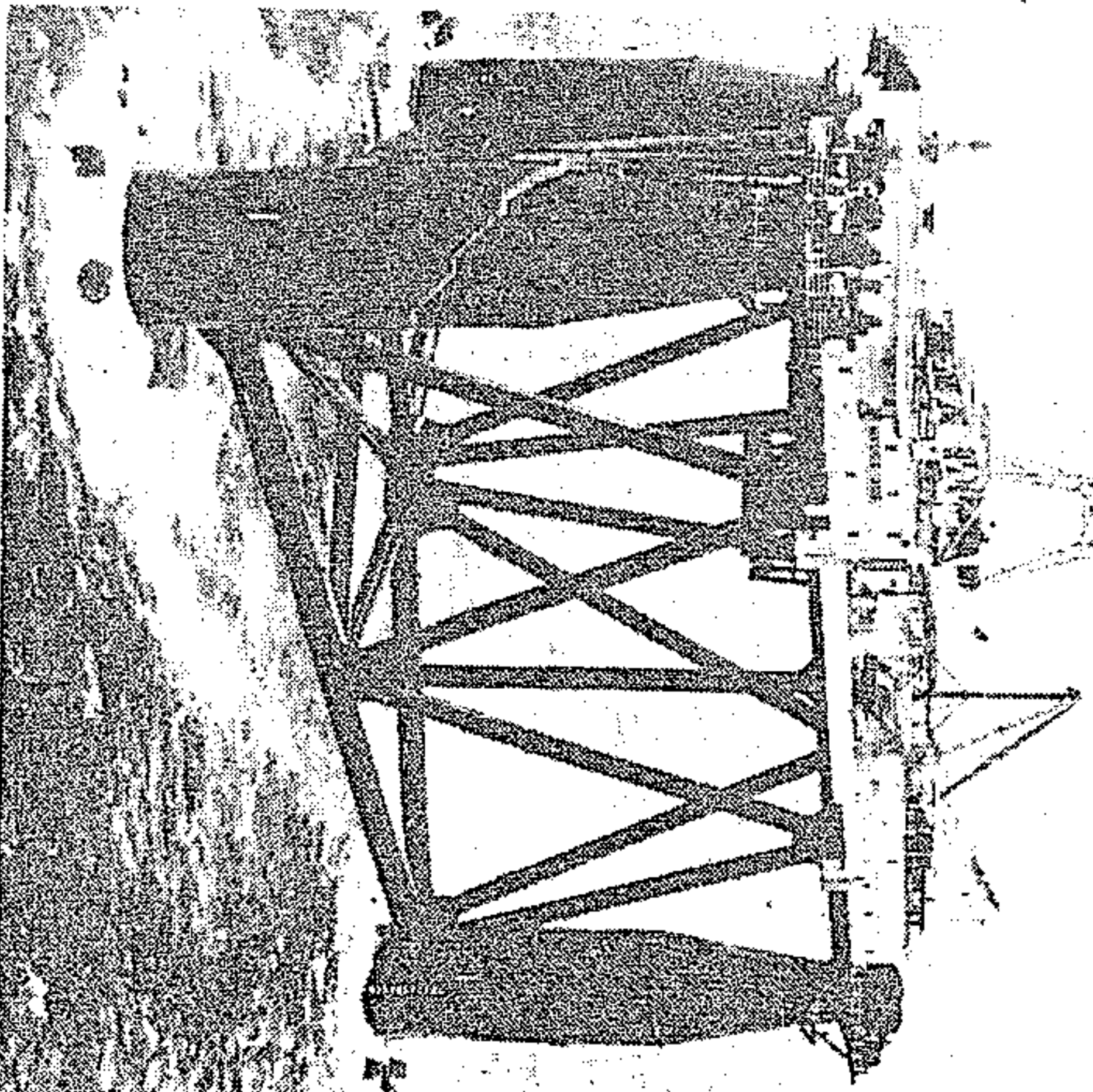
been fulfilled, we are paused to make Armadah a profit-earner."

This was, however, before the bottom really fell out of the oil market. The subsequent drop in oil prices and the failure of the world's economies to start pulling out of recession at the end of last year, as expected by many, will have been largely responsible for the decision to revalue Armadah's assets.

By the end of the last financial year, Armadah had lost about R10 million — the loss was, however, shared by Murray and Roberts and Gencor.

But the directors of Murray and Roberts have taken a realistic view on the possible earnings from Armadah. They warned as far back as April last year that the subsidiary still had a rough passage ahead.

Gencor will, however, be pleased it decided not to go along for the ride.



A world oversupply of oil drilling rigs such as the one pictured above is taking its toll on the profits of several South African-controlled companies.

Anger at Koeberg blast smear

Staff Reporter

A FRENCH magazine subsidized by the South African Government has been slammed for "intimating" that Koeberg Alert might have been responsible for the explosions at the Koeberg nuclear power station last December.

Issue of "Courrier Austral Parlementaire"

The article stated, without naming the group, that "a vicious anti-nuke group" had emerged in South Africa, "protesting at possible health hazards and the alleged risk of a major disaster".

Mr John Malcomess, Opposition spokesman on energy, yesterday called on the Deputy Minister of Foreign Affairs and Information, Mr Barend du Plessis, to dissociate the government from this suggestion, made in an article on Koeberg in the latest

day, Mr Malcomess said he rejected "with absolute contempt the implication that Koeberg Alert could have had anything to do with it".

"Furthermore, the ANC have actually claimed responsibility," he said.

"Here it might be worth mentioning that it is not impossible that the attack on the nuclear plant, generally attributed to the ANC, may have been carried out by this particular brand of white extremist," the article said.

In a statement released yesterday, Mr Malcomess called on Mr Du Plessis "to stop paying taxpayers' money into the coffers of this news bulletin which appears to have the South African taxpayer as its only source of funding".

"Finally we must ask the Deputy Minister a question — who

wrote this article? It would appear likely it was written by a South African. Could it have been written by a civil servant or even a Member of Parliament?" he asked.

Mr Du Plessis could not be reached for comment yesterday.

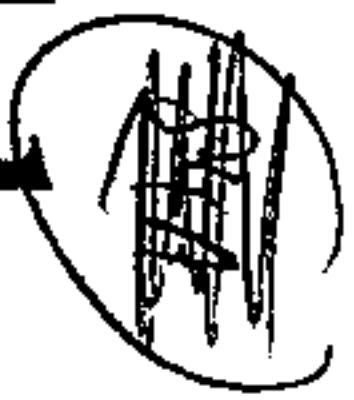
Dr Arnold Abramowitz, acting chairman of Koeberg Alert, said that to link Koeberg Alert, a "small local citizens' information group", with the bomb blasts, would be laughable were it not for the "lamentable ignorance" of some sections of the public on nuclear matters.

"There is a real risk that simple-minded people will actually believe this kind of gutter speculation," he said.

He called on the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, to repudiate this "totally ludicrous hypothesis".

A spokesman for the Department of Mineral and Energy Affairs said the department would not comment on the matter since it was *sub judice*.

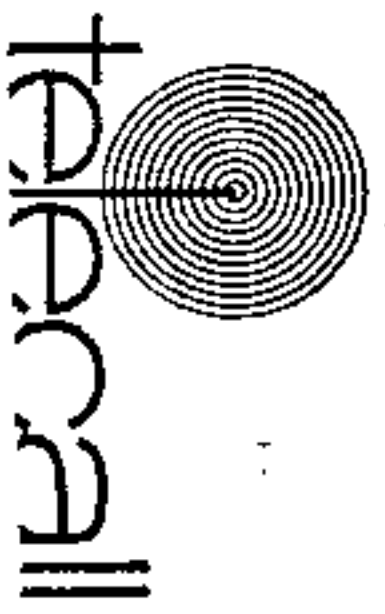
Police said the incident was still under investigation and declined to comment.



55

**TELECALL:
INSTANT
VOICE
CONTACT**

- Telecall keeps you in voice contact 24 hrs a day, all year round.
- Widest range: 70 km from Table Mountain.
- Most compact paging unit in South Africa.
- Service cost from R27.50 per month.



Star (55) * * *

Water engineers sweat over emergency supply plans

Blackouts threaten as dams sink to crisis level

By Stephen McQuillan

Three multi-million rand emergency projects were today being studied by South Africa's water chiefs in a race against time to avert the power blackouts which threaten the country.

As dam water sinks to critical levels, water engineers are meeting in Pretoria to decide if they have enough time left to launch one of the schemes. A massive engineering operation will be started if they decide a plan is viable.

Engineers would build a pipeline about 100 km long to supply the country's vast and most vital electricity complex in the Eastern Transvaal.

The Electricity Supply Commission (Escom) warned today that without more water for power stations electricity cuts may hit the country by August. It was vital to maintain a supply of water to the eight coal-fired power stations which provide 75 percent of South Africa's electricity.

SAME SUPPLY

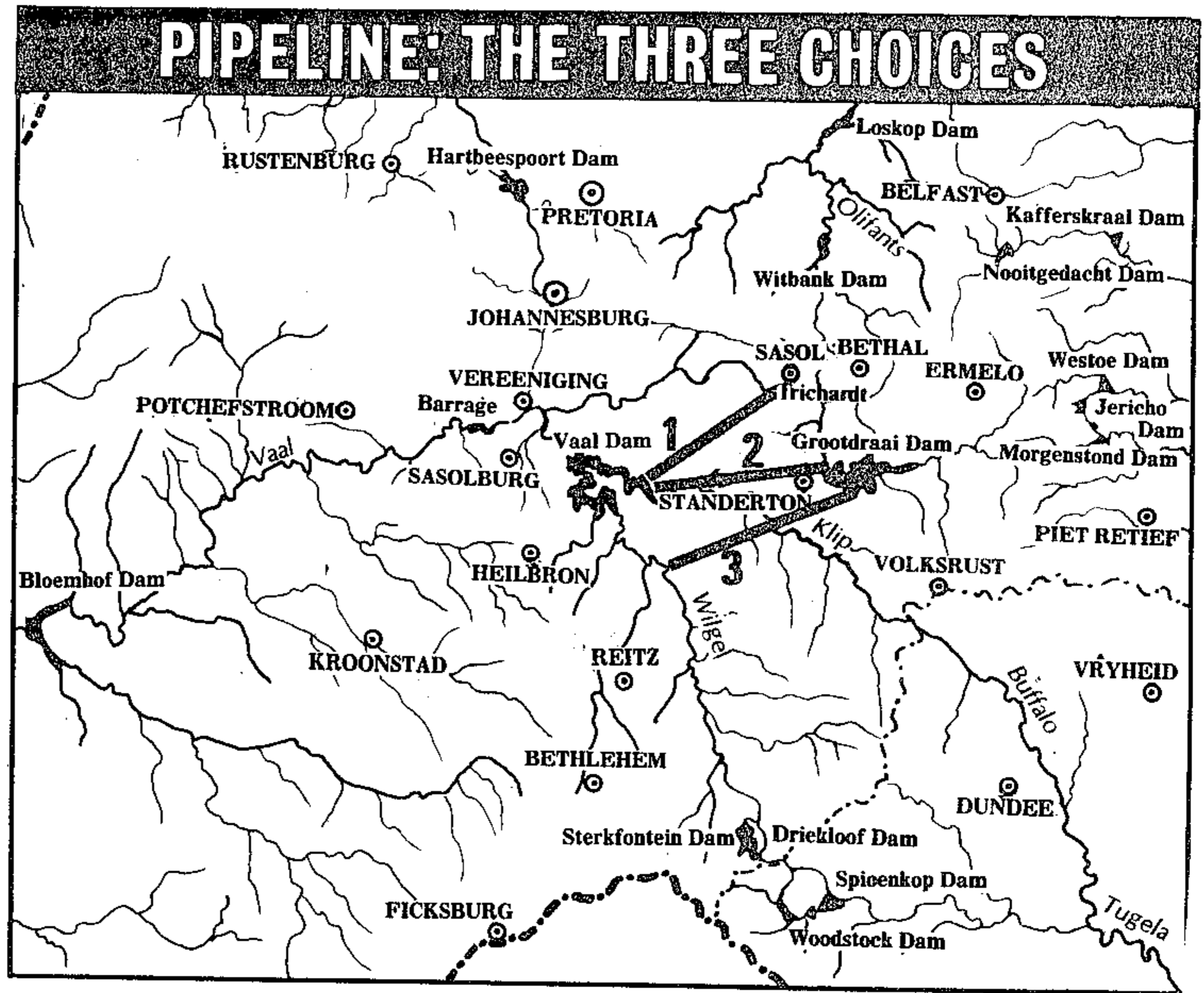
The giant Sasol plants depend on the same supply for their water.

The plans under consideration are:

- Pumping water directly from Vaaldam to a weir/balancing dam at Trichardt, by-passing Grootdraai Dam, — one of the most important in a chain of eight serving the power stations.
- Diverting water from the Orange River in the Free State to Grootdraai Dam.
- Pumping water directly from Vaaldam — main supply for the Reef — to Grootdraai Dam.

The Vaaldam is being considered because it has a higher level of water than other dams and is the most convenient for a re-supply operation to the Eastern Transvaal.

If water is taken from the



WINTER OF '83

Vaaldam, another emergency plan would then be launched — the re-supply of that dam.

Water would be released from the Sterkfontein mountain dam, but at heavy cost. The mountain water costs nearly three times as much as water which has not been pumped.

The water level of this dam is slowly rising as water is pumped from the Tugela River for storage. It is now about 69 percent full.

The dam contains emergency reserves which have never been used before. It has taken about six years to stock the dam to its present capacity of about 800 million cu m.

Each pipeline scheme appears to involve the same distance — 100 km.

Full details of the plan are being kept under wraps and if a decision is taken today, it is unlikely there will be an official announcement.

A spokesman for the Directorate of Water Affairs said the Minister of Environment Affairs, Mr Sarel Hayward, would

probably formally announce the plan in Cape Town.

"It seems that the planning is entering its final stages now," said Mr Bert Boonzaier, liaison officer with the Department of Environment Affairs.

"The emergency planning committee is meeting today and there may be a decision taken on which plan should be employed. It would then be submitted for the Minister's approval.

"We are talking about millions of rands. I can't say exactly how much, but the cost of the scheme will not be the main consideration. The main thing is whether there is still enough time for the scheme to make sense."

He said the scheme would probably involve a pipeline, broken at intervals by a balancing dam — a small reservoir — and pumping stations.

It would probably take three or four months to complete the scheme.

● See Page 1 of the Metro section.

Soekor abandons borehole

SOEKOR has abandoned the EG-3 borehole off Mossel Bay after tests showed disappointing volumes of available gas, the company announced in a statement in Johannesburg yesterday.

The tests, conducted at depths of 3458m to 3494,5m, indicated that only 14 160 cubic metres of gas a day could be obtained. This borehole will now be plugged and the rig will move to a new site, F-AF1, 97km south of Mossel Bay.

The borehole off the east

coast, north of Durban, the first in the current programme in the area, has been completed to a depth of 3169m, Soekor announced. No significant hydrocarbon shows were found and, after plugging the borehole, the rig will now move to a site approximately 40km north-east of its present position.

A Soekor spokesman said sites being explored off the east coast were aimed more at gathering geological information about the little-known area than at striking oil. — Sapa.

55
RAM
3/3/83

1:40

Natal sea oil site abandoned

(55) Mercury 31/3/83

Shipping Reporter

SOEKOR has abandoned the well north-east of Durban and the Japanese-built oil rig, Actinia, will now move further northwards to the second scheduled drilling site close to Richards Bay.

In a statement released in Johannesburg yesterday, the company said the

first borehole in the present programme along the east coast had been completed to a depth of 3 169 m.

'No significant hydrocarbon shows were found and after plugging the borehole the rig will move about 40 km north-east of its current position,' the statement said.

The first well was drilled some 28 km north-east of Durban and about 20 km off-shore.

The first drilling site, which failed to produce any oil, produced however a vast wealth of geological information.

'These sites being explored along the east coast are aimed more at gathering this geological information about the little-known area than at striking oil,' a Soekor spokesman said.

'The new drilling site will explore another prospective reservoir not linked to the one at the first site from where we are now moving,' he added.

Towed

The 93 m, semi-submersible rig will be towed to her new position by two supply vessels, Voortrekker and Werdetor.

When a Mercury reporter visited the Actinia last week, a company geologist explained that drilling for oil could be a hit-and-miss affair taking up to 15 years to find a large enough field economical to draw from.

'However, if no large traces of oil or gas are

found in the two programmes it won't mean the east coast is a total write-off and preclude the rig from returning,' said geologist Mr Steve Mills.

Soekor have also announced that the borehole off Mossel Bay has been abandoned after tests showed that insufficient gas could be obtained.

The borehole is to be plugged and the rig will move to a new site 97 km south of Mossel Bay.

and dealings of SA's oil 'fixer'

By ANGELA GILCHRIST

THE R10-million 'fixer' in the Salem oil transaction, Mr Johan Christiaan Janse van Vuuren, left a string of individuals and companies out of pocket after setting up a number of elaborate business schemes during the past few years.

He also had a criminal record of conviction on two counts of fraud and one of theft by false pretences, the Minister of Justice, Mr Kobie Coetzee, disclosed in Parliament this week.

The State Fuel Fund Association credited Mr van Vuuren's bank account with more than R10-million intended for the international conspirators of the Salem oil fraud, two years after these convictions.

The Minister for Mineral and Energy Affairs, Mr P du Plessis, explained to Parliament during the Salem debate last month why Mr van Vuuren's background was not discovered before he was entrusted with the important transaction: "If you are embarrassed and have only so many days' supply of oil left, you don't check a man's credentials back to his grandmother and great-grandmother."

In August 1977 the Rand Daily Mail disclosed that Mr van Vuuren was a director of Multi-Tours and Motor Services (MTM), an organisation that claimed to be an automobile association for blacks.

An investigation showed many black members of MTM had lost thousands of rands and that MTM owed considerable amounts of money to several organisations.

In another elaborate scheme, Mr van Vuuren tried to convince the Thailand Government he could build them a town and harbour which would include an oil refinery, according to the Sunday Tribune in October last year.

It was alleged Mr van Vuuren had also tried to involve Bophuthatswana in a series of deals, including plans for a housing development, an airport, a kibbutz-type farming scheme for blacks and a factory.

These came to an abrupt end when a senior Bophuthatswana official learnt that Mr van Vuuren, who was posing as an advocate, was not one.

The investigation also revealed that Mr van Vuuren had charged Soweto businessmen R3 200 for liquor licences they never received.

Mr van Vuuren's estate was sequestered after his cheque for R20 000 to Indojet, a travel agency, was returned.

Two years after his account received the R10-million from SFF, his crude oil purchasing company, Safoil, went into liquidation.

S
Z
b

SA man's solar pump ideal for Third World

By J Manuel Correia

A solar-powered water pump designed and produced under conditions of almost total secrecy over the past four years at a cost of R1 million has been unveiled in Johannesburg.

Initial reaction from farmers has been enthusiastic. The pump — dubbed the Camel — has been patented in more than 30 countries including the US, Canada, Brazil, Argentina, Australia, New Zealand, India, Japan and the whole of Europe.

Its impact on the national market is likely to be considerable but it could even be of greater import to the Third World as a whole.

An executive of the Grinaker Equipment Company, the manufacturers, said: "The World Bank is aware of what we are doing and we may gain access to the Third World through the bank."

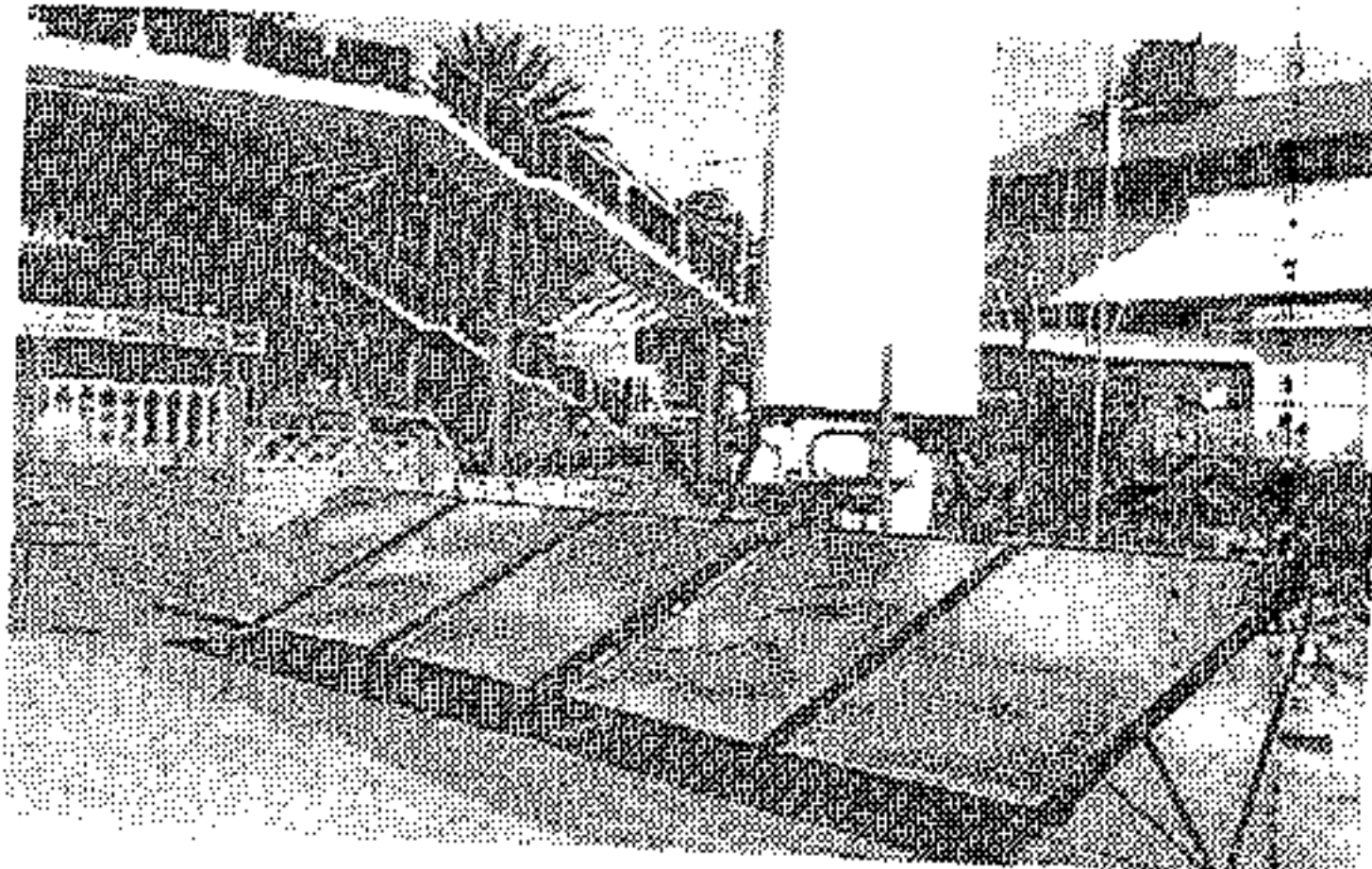
The Camel, selling at about R5 000 excluding underground equipment, is regarded as ideal for South Africa, with its 300 days of sunlight a year.

It could be particularly valuable in the Karoo and the Northern and Western Transvaal.

It is not designed to replace the windmill and has no tangible urban application at this stage.

From a shallow hole the pump can deliver up to 20 000 litres a day and from a 30 m head it can deliver 8 000 litres a day. The Camel needs no attention other than the occasional cleaning of the solar collectors. Farmers can assemble the equipment without difficulty.

The pump is not meant for irrigation purposes



The Camel solar pump, invented by a South African, at the Rand Show. The pump is ideal for national use and in sunny Third World countries.

but for stock and game farmers and for remote villages.

Pumping water consistently by sunshine, the pump can provide water for herds of up to 400 cattle.

Grinaker is geared to sell 1 000 units immediately and has a target of 1 600 units for its July to June financial year.

The Camel is the brainchild of innovator and inventor Mr Arnie de Beer, who used to live on a plot north of Pretoria.

His invention came to the attention of Grinaker which invited him to join the company and bought the idea. Mr de Beer will receive royalties on every pump sold.

The Camel is on display at the Rand Show.

R80-m crisis plan to avoid cuts in power

By Stephen McQuillan

Electricity bosses are preparing an elaborate R80 million emergency plan to ensure an extra five weeks of uninterrupted power supply as water-dependent generating plants approach crisis levels.

The plan is to shift electricity generation from the hi-tech, cheap-to-run, modern power stations to older, expensive-to-run plants which have access to better water supplies, some of which are on the coast. The plan would work out at about R2 million for every extra day of uninterrupted supply.

Much of the cost would be attributed to transportation of coal — from fields like the Eastern Transvaal — to older stations.

The scheme, which has not been finalised, could be implemented at any time, according to the Electricity Supply Commission (Escom).

The commission believes the emergency plan could be all that is needed to tide the country over until the next rainy season.

As dam water reaches critical levels, Escom warns that power backouts could occur by next spring. The latest move is designed to avert what would be a major disaster for the South African economy.

He said the plan was constantly being reviewed as experts monitored falling dam levels and the prospects of more rain.

7/4/83 (53)
The vast Eastern Transvaal complex, which supplied about 80 percent of the country's electricity needs, would still generate power, but output would be reduced to conserve water.

Some older power stations, which usually operated only at peak periods or when a modern plant had to be shut down, would be geared up for full output, he said.

They were unable to produce the country's required output by themselves. Output from these stations was small compared with modern plants.

"These stations have not been in mothballs," said the spokesman. "They have always been operational with a full staff."

"But their output has been limited because they are so expensive to run."

Many of the older stations were on or near the coast, and generation would also be shifted to areas in the Transvaal or Orange Free State where water was more readily available.

The scheme — if it was approved — would be gradually phased in. "We will not wait for Doomsday," the spokesman said.

On the question of cost, he said Escom provided its own funds, though the scheme would absorb much of the reserves. Escom had about 25 power stations, of which about 15 were classed as older, less efficient stations.

The Escom plan would be in conjunction with a big campaign to save electricity.

SS

Jo'burg could escape worst of power cuts

By Stephen McQuillan

Johannesburg may escape many of the crippling power cuts which threaten to sweep South Africa by spring, it was disclosed today.

The city is likely to be the least effected part of the country if the Electricity Supply Commission (Escom) cannot maintain a continued supply of power.

Four other cities — Port Elizabeth, Pretoria, Cape Town and Bloemfontein — may also be cushioned from a breakdown in supply.

The five cities are capable of generating much of their own electricity.

Johannesburg municipality, which operates three power stations — Orlando and Kelvin A and B at Kempton Park — would be able to keep disruption down to a minimum.

And city electrical engineer, Mr Wessel Barnard, is taking steps to ensure maximum supply is available when it is most needed.

Essential maintenance is being re-scheduled to allow maximum output from power stations if the threat of a crisis becomes real.

"We are reviewing our overhaul programme, including the servicing of high-pressure boilers, to enable as much plant as possible to be available during the critical period," said Mr Barnard.

"The time we will be most at risk will be during a peak load and if we have made careful preparations, disruption should be limited to an absolute minimum.

WINTER OF '83

"If we are required to cut our power consumption from Escom, I believe it will not have a major effect on Johannesburg."

At peak periods during winter the city needs only about 40 percent of its total supply from Escom. The city is currently buying a mere 25 percent of its requirement.

Mr Barnard said cut-backs, if necessary, would be made in stages. They would be:

- The switching off of all non-essential power.
- A reduction in voltage, which would cause a dimmer glow from a light-bulb.
- The use of emergency generating plants.
- Power cuts, affecting selected suburbs alternately.

Mr Barnard said many people did not appreciate the problems they would face if power cuts occurred and he appealed to consumers to cut consumption.

He called on industry to increase productivity to make more efficient use of electricity and said

substantial savings could also be made in the home. He asked consumers to:

- Switch off all appliances not being used.
- Use cold water instead of hot when possible.
- Reduce thermostat temperature settings on water heaters.
- Switch off water heaters when they are not needed.
- Moderate temperature demands on heating and air-conditioning systems.
- Cut the use of air-conditioning systems in non-work areas, like corridors in large buildings.

"Power cuts can cause tremendous problems. Suburbs may be without electricity for an hour or two at a time."

But, he said, power cuts in built-up areas like the centres of the city, where people depended on lifts and air conditioning systems, would be avoided.

Essential services — hospitals, broadcasting, industry and services — some of which had their own emergency supply, would be given priority, he said.

S-Times
10/4/83

55

Lesotho and SA ready to launch water colossus

By BRIAN POTTINGER

SOUTH AFRICA and Lesotho are poised to take a major step towards starting the long-awaited Highlands hydro-electric project.

The R1,2-billion enterprise in the mountain kingdom is on the cards despite an all-time low in relations between the countries.

Agreement on launching a R12-million feasibility study is within grasp after nearly 20 years of talks and mounting political difficulties.

Minor financing and security issues are apparently the only obstacles.

The completed project would supply Lesotho with all its energy needs and the Reef with desperately needed industrial water by the year 2004.

It will be one of the largest development projects in Africa.

Dogged

In recent years it has been dogged by claims that it might become a political bargaining counter between the two countries.

This week spokesmen for both sides confirmed that agreement on the feasibility study was imminent.

They rejected claims that international politicking was involved.

Lesotho's Minister of Water, Energy and Mining, Chief Madede Majara, said this week that negotiations had progressed smoothly without any suggestion of political involvement.

"The discussions have been at a purely economic level — politics have not entered the issue," he said.

South Africa's Director-General of Environment Affairs, Mr J F Otto, denied knowledge of any political conditions tied to the project.

There had been speculation that South Africa was making tougher action by Lesotho against the African National Congress a condition.

In South African right-wing political circles, conversely, it is claimed that Lesotho is using the project to advance its land claims against South Africa and halt



SAREL HAYWOOD
Smooth progress

cross-border military activities.

Chief Majara this week rejected both suggestions.

The study for the Highlands project, also known as the Oxbow scheme, was scheduled to begin last June.

But Lesotho's difficulties in arranging financing — the United Nations is involved — delayed the start.

Guarantees

One of the key issues under discussion is guarantees of performance from Lesotho once the scheme is in operation.

South Africa is apparently pressing for tight guarantees.

It has become wary after problems with the Ruacana project on the Angolan border and Cabora Bassa in Mozambique following change of governments.

Mr Sarel Haywood, Minister of Environment Affairs, told Parliament recently that South Africa had to be assured of smooth progress before the scheme could be started.

"We are hopeful the investigation will be completed by the end of the year," he said.

Observers believe the increasing economic importance of the project will ensure its survival.

The Highlands Scheme, when completed, would consist of five storage dams, three power stations and a pumping station in Lesotho.

South Africa's contribution would be a tunnel through the mountain.

Power blackouts pose major new threat to drought-hit South Africa

Jobs in danger

When the lights go out

By Stephen McQuillan

South Africa is facing a major crisis... and there is hardly a thing anyone can do to avert it. As the water nightmare intensifies the threat of a new but associated problem becomes more apparent — power blackouts.

The picture is gloomy. It is hard to say whether cuts in electricity supply will become a reality, though the Electricity Supply Commission (Escom) appears pessimistic and the Government is preparing for the worst.

Escom predicts power cuts by August or September — the end of the dry season — unless it can get more water to provide cooling at power stations.

Water levels in dams supplying stations are dropping rapidly. The Directorate of Water Affairs at Pretoria is considering building a pipeline to keep water flowing to stations in the Eastern Transvaal which supply about 80 percent of the country's needs.

Escom is suggesting an R80 million project to shift generation to older stations which are more expensive to run but have ready access to water, such as those on the coast.

But what happens if the lights go out? South Africa could be facing a disaster — especially for industry.

No doubt businesses would receive priority from Escom and from the Government. But it seems they would escape power cuts completely only if the crisis were short-lived.

The Chamber of Mines would rather not think so far ahead — the prospects are depressing.

Gold mining, which consumes about 27 percent of Escom's power output, would be one of the last areas to be hit.

But if the current stopped, so would the mines.

'If there was a serious power failure it would certainly throw the cat among the pigeons.'

"Obviously, if there were extensive power cuts it would affect gold mining very seriously indeed," said a spokesman.

Mines have emergency generating plants, but they would be used only to recover miners underground if the normal sup-

ply failed. Mines could not be operated on stand-by generators.

Parts of the South African banking system would face total collapse.

The world of finance becomes more and more dependent on computers as the years pass. When the computers stop, so does the banking operation.

Many banks have back-up power supplies. Some have not.

Banks would not cash cheques if they were unable to check computer records to see if an account was still in the black.

Mr Bill Jones, general manager of operations with the Standard Bank, said that although his bank was well protected others could not rely on an uninterrupted power supply.

"If there were a serious power failure it would certainly put the cat among the pigeons," he said. "Banks with little or no protection would have to come up with something in a hurry."

"Power is vital to our industry. If the supply collapses, so does much of the banking system. There is no way we can go back to pen and ink."

Mr Jones said Escom had always been co-operative in the past, warning banks in plenty of time about impending cuts.



He said any bank would not have uninterrupted supply now must surely find it for the future though the cost would over R1 million.

Mr John Nelson, acting director of the Steel and Engineering Industries' Federation South Africa, said if power occurred industry would be a "gigantic problem".

The federation, which sends mainly the steel, aluminium industries, fees would hardly be a factor in the country that would be avoid laying off work-



All answer books must be numbered. Number of books taken: [] Number of this book: []

Surname..... LO

First Name(s)..... E

Date..... 20

Degree/Diploma/Certificate you are registered for.....

Subject..... E (to be copied from.....)

Paper No..... (to be copied from.....)

NOTE CAREFULLY

1. Enter at the top of the block on question you are answering.
2. Blue or black ink answers. The use of red or green underlining, erasing or pencil marks is not acceptable.
3. Names must be written in full (e.g. graph paper examination booklet).

Any dishonesty will be dealt with severely.

South Africa

oly failed Mines could not be operated on stand-by generators

Parts of the South African banking system would face total collapse

The world of finance becomes more and more dependent on computers as the years pass. When the computers stop, so does the banking operation.

Many banks have back-up power supplies. Some have not.

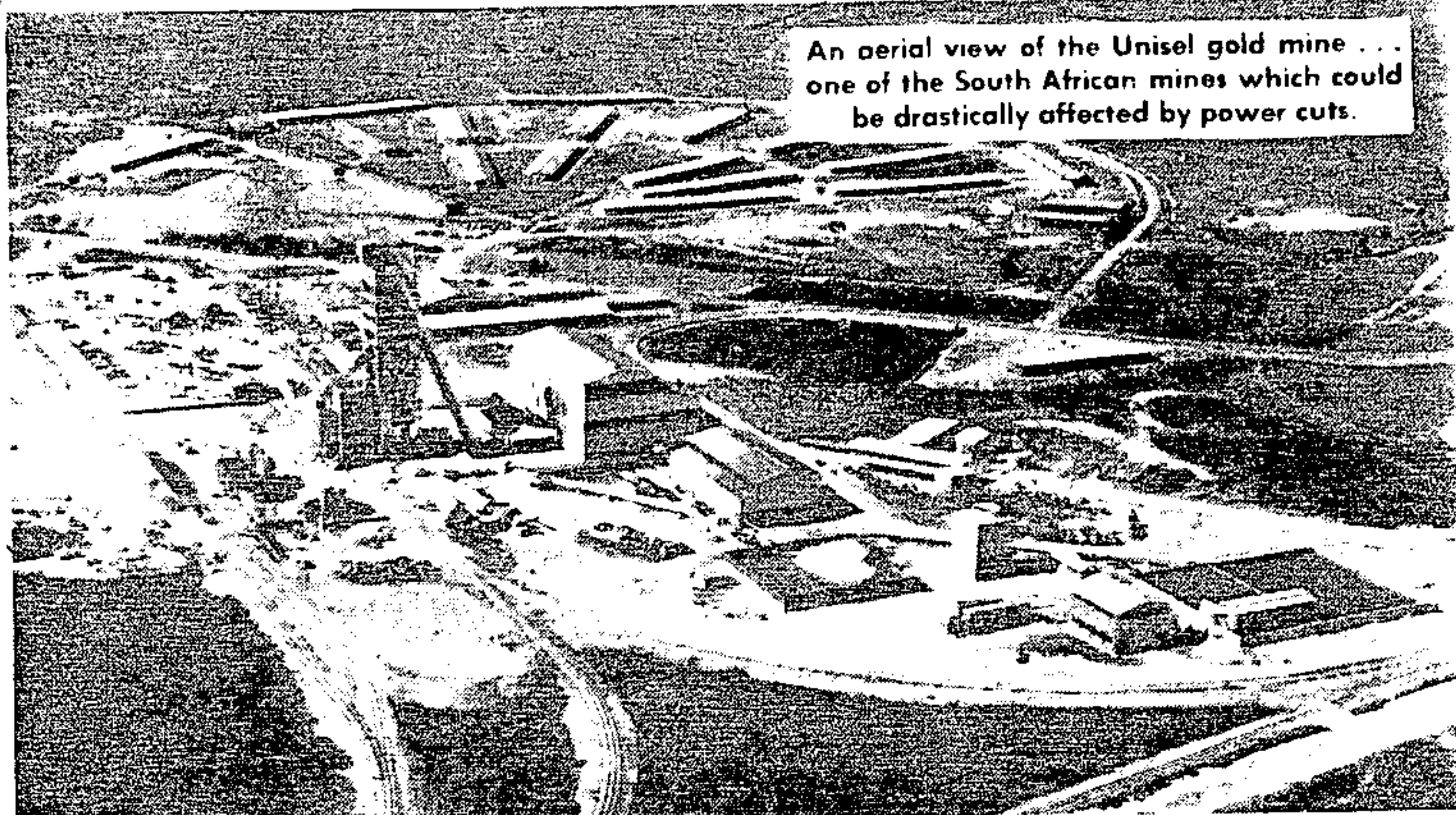
Banks would not cash cheques if they were unable to check computer records to see if an account was still in the black.

Mr Bill Jones, general manager of operations with the Standard Bank, said that although his bank was well protected others could not rely on an uninterrupted power supply.

"If there were a serious power failure it would certainly put the cat among the pigeons," he said. "Banks with little or no protection would have to come up with something in a hurry."

"Power is vital to our industry. If the supply collapses, so does much of the banking system. There is no way we can go back to pen and ink."

Mr Jones said Escom had always been co-operative in the past, warning banks in plenty of time about impending cuts.



An aerial view of the Unisel gold mine . . . one of the South African mines which could be drastically affected by power cuts.

He said any bank which did not have uninterrupted power supply now must surely be planning it for the future, even though the cost would be well over R1 million.

Mr John Nelson, acting president of the Steel and Engineering Industries' Federation of South Africa, said if power cuts occurred industry would face a "gigantic problem".

The federation, which represents mainly the steel and aluminium industries, feels there would hardly be a factory in the country that would be able to avoid laying off workers if

power cuts were both widespread and lasting.

Mr Nelson said it was essential to prevent molten metal solidifying in giant electrically-powered furnaces.

"Furnaces could be destroyed or at least put out of action for a long time," he said.

"My opinion is that industry would be given priority. In no circumstances would power supply be cut until this became unavoidable."

Industries represented by the federation were major users of electricity.

Mr Nelson said it was impos-

sible to keep furnaces operating without the normal power supply. They needed about 30 Mw to operate and back-up systems could not provide that amount of power.

"If power cuts occur on a big scale, industry will grind to a halt," said Mr Nelson.

Mechanised industry would be badly affected as plants fell idle.

Mr Nelson said the South African Iron and Steel Industrial Corporation (Iscom) could be badly hit by widespread black-outs.

Managing director of Iscom Mr Floors Kotzee said he was concerned because he did not know what to expect.

Iscom had already launched contingency plans to keep its supply of water flowing. It was using effluent from local authorities for cooling, re-cycling water and drilling boreholes.

Only one plant, the Newcastle works with an output of 2 million tons a year, was facing problems with water supply and Mr Kotzee believed they would soon be overcome.

No plans had been made to deal with widespread power cuts in spring, though temporary interruptions in supply had been taken into account.

"We can only hope this situation does not arise," he said. "We have limited back-up power supplies to keep furnaces 'ticking-over' but if power to a particular works were cut, men would have to be laid off."

"You must bear in mind that steel is a basic industry. I think the idea would be that this industry would not be the first to be hit."

"It is a vital industry which contributes substantially to the country's exports."

Mr Kotzee said that if power cuts spread to Iscom it would have to come to an arrangement with Escom on how to limit the use of electricity by cutting back some operations.

Escom believes it is not over-

1. Enter at the top of the block on question you are
2. Blue or black ink answers. The use of red or green ink for underlining, erasing or pencil marks is not allowed. Names must be written in blue or black ink on graph paper (e.g. examination booklet)
- 3.

Any dishonesty will

Made in South Africa

not cash cheques
 able to check
 ds to see if an
 in the black.
 s. general man-
 tions with the
 , said that al-
 s was well pro-
 ould not rely on
 d power supply.
 ere a serious
 would certainly
 ong the pigeons,"
 with little or no
 d have to come
 ng in a hurry.
 tal to our indus-
 ply collapses, so
 the banking sys-
 o way we can go
 link."
 d Escom had al-
 operative in the
 banks in plenty of
 pending cuts.



He said any bank which did not have uninterrupted power supply now must surely be planning it for the future, even though the cost would be well over R1 million.
 Mr John Nelson, acting president of the Steel and Engineering Industries' Federation of South Africa, said if power cuts occurred industry would face a "gigantic problem".
 The federation, which represents mainly the steel and aluminium industries, feels there would hardly be a factory in the country that would be able to avoid laying off workers if

power cuts were both widespread and lasting.
 Mr Nelson said it was essential to prevent molten metal solidifying in giant electrically-powered furnaces.
 "Furnaces could be destroyed or at least put out of action for a long time," he said.
 "My opinion is that industry would be given priority. In no circumstances would power supply be cut until this became unavoidable."
 Industries represented by the federation were major users of electricity.
 Mr Nelson said it was impos-

sible to keep furnaces operating without the normal power supply. They needed about 30 Mw to operate and back-up systems could not provide that amount of power.
 "If power cuts occur on a big scale, industry will grind to a halt," said Mr Nelson.
 Mechanised industry would be badly affected as plants fell idle.
 Mr Nelson said the South African Iron and Steel Industrial Corporation (Isacor) could be badly hit by widespread blackouts.

able. Red or gre
 underlining, er
 which pencil ma
 3. Names must be i
 (e.g. graph pape
 examination boo

Any dishonesty will

Made in South Africa

Managing director of Isacor Mr Floors Kotzee said he was concerned because he did not know what to expect.
 Isacor had already launched contingency plans to keep its supply of water flowing. It was using effluent from local authorities for cooling, re-cycling water and drilling boreholes.
 Only one plant, the Newcastle works with an output of 2 million tons a year, was facing problems with water supply and Mr Kotzee believed they would soon be overcome.
 No plans had been made to deal with widespread power cuts in spring, though temporary interruptions in supply had been taken into account.
 "We can only hope this situation does not arise," he said.
 "We have limited back-up power supplies to keep furnaces 'ticking-over' but if power to a particular works were cut, men would have to be laid off.
 "You must bear in mind that steel is a basic industry. I think the idea would be that this industry would not be the first to be hit.
 "It is a vital industry which contributes substantially to the country's exports."
 Mr Kotzee said that if power cuts spread to Isacor it would have to come to an arrangement with Escom on how to limit the use of electricity by cutting back some operations.
 Escom believes it is not overstating the threat. The commission saw the threat of power cuts emerging as early as August 1982 and feels justified in warning of possible cuts in spring.
 But even Escom is unable to predict what will happen.
 Heavy rain could bring a reprieve, though it would have to be unprecedentedly heavy to change the picture drastically.
 "We are still trying to get the full story, in consultation with Government, on what is happening around the country in order to establish just how serious the problem is," said a spokesman.

New water curbs force closure of power station

Gar 11/4/83

By Sheryl Raine, Pretoria Bureau

Tough new water restrictions affecting the Vaal River and the two major industrial towns of Newcastle and Dundee in Natal have forced Escom to close one of its power stations.

The restrictions announced by the Department of Environment Affairs in Pretoria today include:

- Banning of all storage of water by privately built weirs on the Vaal River.
- The suspension of all applications for private water storage in the Vaal River bed until further notice.
- A two-thirds cut in the amount of water for urban and industrial use drawn from the Ngagane River in Northern Natal.
- A 50 percent cut in irrigation water drawn from the Pongola and Bivane rivers and their tributaries in the districts of Wakkerstroom and Piet Retief in the Transvaal and Utrecht and Paul Pietersburg in Natal.

A spokesman for Escom said that water cuts involving the Ngagane River would mean that the Ngagane power station, near Newcastle, would be closed.

"The 500 megawatt power station is not being decommissioned but will be closed until water becomes available," the spokesman said.

Power cuts unlikely

The Chelmsford Dam on the Ngagane River, which supplies the power station, is only six percent full. The spokesman believed that the closing of the power station would not result in power cuts.

About 250 Escom workers will be employed in maintenance work while the station is dormant and will be on standby should an emergency cause the station to be brought back into operation.

The mining and steel industries in Newcastle and Dundee will also be hit by the new restrictions and will be allowed to use only about 40 percent of their normal water supply.

A spokesman for Iscor in Newcastle said the steel industry had been preparing for water cuts since July last year.

"We have started recycling water and have launched a borehole project.

"The new restrictions will not affect production and we are prepared even if the drought gets worse and restrictions

Show contract signed

by Shirley Woodgate

The contract for the construction of the Rand Show's new premises at Crown Mines has been signed.

The chairman of LTA Building Ltd, Mr Ian Robinson, the president of the Witwa-



Wanted... Mr Sammy Nyundu without his beard. Office workers have been warned to be on the lookout for him.

By Trevor Jones, Crime Staff

Women working in Johannesburg office blocks have been warned to be on the lookout for "very dangerous" escaped prisoner who is believed to have preyed on women on their own.

Police believe they wanted man, who has escaped five times, is still in the central Johannesburg area.

The man should not be approached under any circumstances and anyone seeing him is asked to contact the police immediately.

The wanted man, Mr Sammy Nyundu alias E.C.



Giddy-up, Dad... Nick (2) and Joe (6) get a ride with the

Rickshaw Fred amazes horses

Own Correspondent

DURBAN — The farm animals in Camperdown near here stop chewing the cud to stare at marathon runner Fred Carter on his daily jog.

Fred trains for the Comrades Marathon by pulling his two children rickshaw style.

For a year he has been training for the Comrades by carting his two sons behind him, much to the curiosity of villagers, motorists and animals.

A herd of horses once stopped in mid-chew to

challenge

As the water crisis continues, one man's judgment begins to take on a new importance in our lives. He is Mr Dale Hobbs, chairman of the Rand Water Board.

The boss of the country's largest and oldest water board, Mr Hobbs is a key figure in the decisions to limit or altogether cut our water supply.

He is the man in the hot seat and he quietly admits to enjoying the challenge of the crisis. See Page 4.



Sister Gillanders

Living to save lives

Pain and death are part of an ambulance officer's life, says Sister Genne Gillanders.

Every day she must exercise her nursing and paramedic skills to get the sick to hospital in a stable condition.

Whether the patient has had a heart attack, is the victim of an attempted suicide, or just has a broken leg, she must know how to treat him. Often this is in conditions far from ideal — in unlit roads and with inadequate equipment.

Yet there is no challenge more exciting or important than that of saving a life, says Sister Gillanders. See Page 7.



A survivor

Hope for the Sun?

Bob Hane is one of the

the Vaal River and the two major industrial towns of Newcastle and Dundee in Natal have forced Escom to close one of its power stations.

The restrictions announced by the Department of Environment Affairs in Pretoria today include:

- Banning of all storage of water by privately built weirs on the Vaal River.
- The suspension of all applications for private water storage in the Vaal River bed until further notice.
- A two-thirds cut in the amount of water for urban and industrial use drawn from the Ngagane River in Northern Natal.
- A 50 percent cut in irrigation water drawn from the Pongola and Bivane rivers and their tributaries in the districts of Wakkerstroom and Piet Retief in the Transvaal and Utrecht and Paul Pietersburg in Natal.

A spokesman for Escom said that water cuts involving the Ngagane River would mean that the Ngagane power station, near Newcastle, would be closed.

"The 500 megawatt power station is not being decommissioned but will be closed until water becomes available," the spokesman said.

Power cuts unlikely

The Chelmsford Dam on the Ngagane River, which supplies the power station, is only six percent full. The spokesman believed that the closing of the power station would not result in power cuts.

About 250 Escom workers will be employed in maintenance work while the station is dormant and will be on standby should an emergency cause the station to be brought back into operation.

The mining and steel industries in Newcastle and Dundee will also be hit by the new restrictions and will be allowed to use only about 40 percent of their normal water supply.

A spokesman for Iscor in Newcastle said the steel industry had been preparing for water cuts since July last year.

"We have started recycling water and have launched a borehole project.

"The new restrictions will not affect production and we are prepared even if the drought gets worse and restrictions become even tougher."

No problems

The Escom spokesman said there were no power supply problems at the moment and the closure of more power stations was not contemplated.

But, he said, there could be problems during the two-month peak power period.

Earlier this month Escom said it was preparing a R80 million emergency plan to avoid blackouts by using the older, more expensive power plants. — See Page 2.

Show contract signed

by Shirley Woodgate

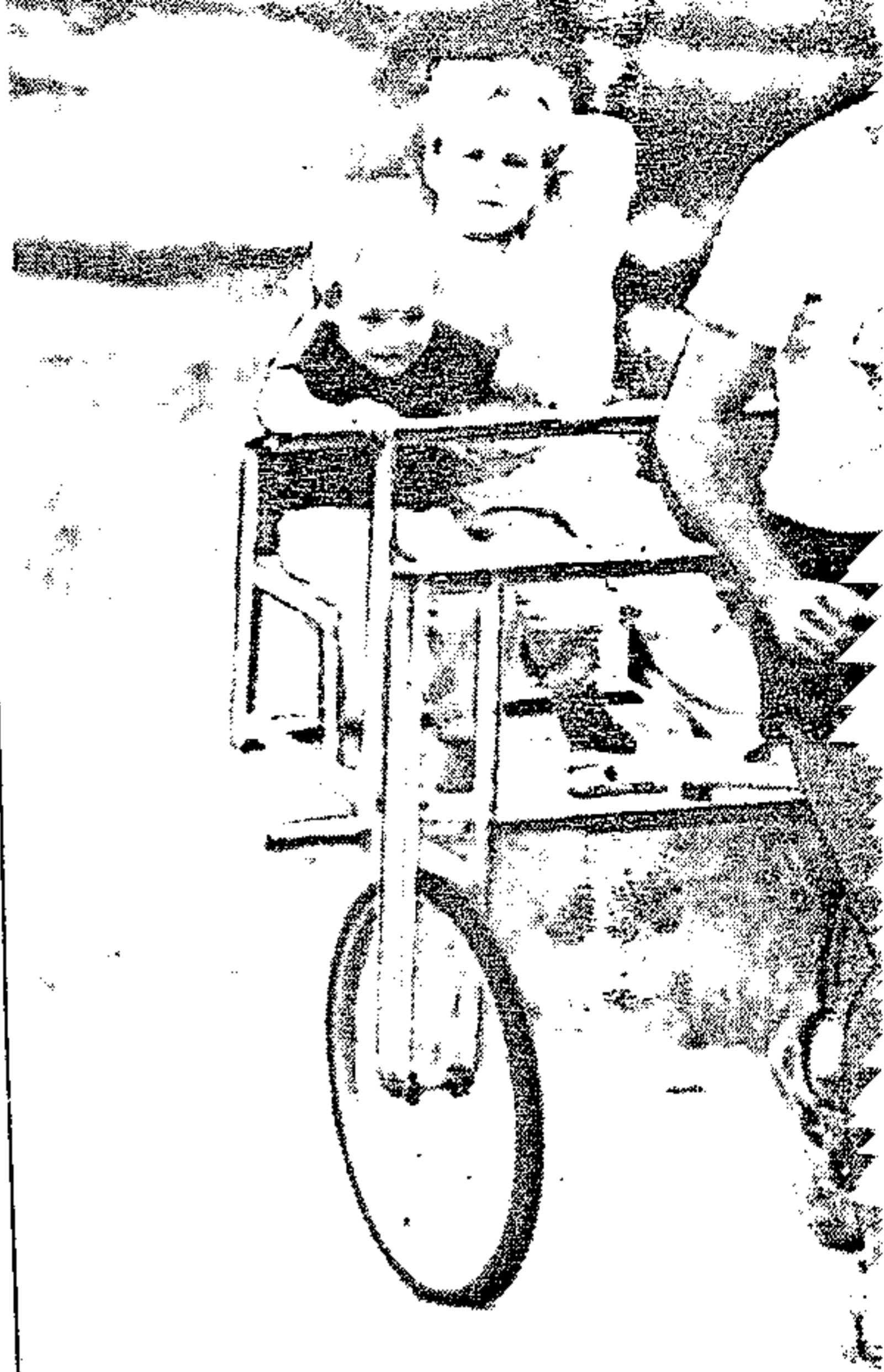
The contract for the construction of the Rand Show's new premises at Crown Mines has been signed.

The chairman of LTA Building Ltd, Mr Ian Robinson, the president of the Witwatersrand Agricultural Society (WAS), Mr Nick Nicholson, the general manager of the Rand Show, Mr Jan Kleynhans, and WAS officials this morning put their names to the R44 million contract for the first phase of the operation.

Construction has already begun and this phase is expected to be complete by September 1984.

● The attendance figure for the first 10 days of the show stands at 641 129, only 1 645 higher than the 1982 figure, which appears to put the hoped-for million mark out of reach this year.

● See Page 4.



Giddy-up, Dad . . . Nick

Rickshaw Free amazes horses

Own Correspondent

DURBAN — The farm animals in Camperdown here stop chewing the cud to stare at marathon runner Fred Carter on his daily jog.

Fred trains for the Comrades Marathon by pulling his two children rickshaw style.

For a year he has been training for the Comrades by carting his two sons behind him, much to the consternation of villagers, motorists and animals.

A herd of horses once stopped in mid-chew, he calls, and stared as he trotted down the road, aghast perhaps at being outdone by two-legged horsepower.

WHOOPS AND SHOUTS

Joe (6) and Nick (2), on a revamped blue farm-rickshaw whoop and shout at their father labouring up the hill. Family dog Shep barks from the sidelines.

"My children are very enthusiastic and egg on when I don't feel like running," says Fred, who is Camperdown's town engineer. It was because of his children that the novel idea came to him.

"Little Joseph wanted to come with me on my jogs and I hit on this way to keep up my training and at the same time spend time with the children. It also gives his wife, the local receiver of revenue, a break from the children.

There are other perks. "I'm a hit at parties," says Fred. His cart is hired by neighbourhood mothers to operate for a novel way to keep birthday boys entertained (donkey rides were never like this). He hasn't run up against any traffic regulations that can spoil his training. He does have a rickshaw licence attached to his cart, but it is dated 1967.

55 ~~260~~ *Hammond* *Q. 61.927*
Sasol II/Sasol III
1/14/83

608. Mr. T. ARONSON asked the Minister of Mineral and Energy Affairs:

- (1) What is the (a) latest estimate of the total cost and (b) anticipated completion date of (i) Sasol II and (ii) Sasol III;
- (2) what is the total number of persons employed in respect of these projects?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) (a) Sasol Two has been completed within the original 1975 budget of R2 500 million and Sasol Three within the original 1979 budget of R3 300 million.
(b) The construction of both Sasol Two and Sasol Three is completed. The commissioning is on schedule and both plants should be in full operation according to plan by the second half of 1984.
- (2) Including the Secunda mines, 23 000 persons are employed by Sasol Two and Sasol Three.

Soweto pupils face technical 'black-outs'

By Carolyn Dempster, Education Reporter

Star 21/11/83

The progress of technical education in Soweto is being severely hampered by the lack of an adequate electricity supply.

Since the beginning of last year, when 12 Soweto schools introduced a technical curriculum, their pupils have been taught theory but with little practical experience.

The reason given by Mr John Knoetze, West Rand Administration Board chairman, is that until all the circuitry in Soweto is completed at the end of this year, the additional electricity required by the schools for technical equipment will not be available.

"At this stage we have about 70 000 houses wired but only 6 000 connected which gives you some idea of the situation," he said.

Wrab fell behind in the reticulation schedule last year which pushed forward the completion date to the end of 1983, beginning of 1984.

As it stands, the situation in the comprehensive schools is not regarded as serious by the Regional Director of the Department of Education and Training, Mr Philip Engelbrecht.

Up until now it is only the Standard 6 and 7 pupils that have been affected — the advance guard of the technical education revolution that is now sweeping through black education.

Faced with the same problem this year, plans were made to ferry the pupils

to and from Soweto's technical centres and colleges. In addition to having an adequate electricity supply, the colleges and centres have all the equipment to cater for the pupils' needs.

Because of the high cost of the equipment, many of the schools have not yet received all of their required apparatus.

The introduction of comprehensive education in Soweto at the 12 schools is a pilot project by DET in an attempt to lower the cost of developing technical education. It will also give pupils the opportunity to see the advantages and disadvantages of technical education.

● See Page 4.

By MONO BADELA

WITH the serious drought threatening electricity supplies, black families in the townships can enjoy electricity benefits by using new generators now available in all furniture stores.

This was said by Mr Nel McDaniel, a director of the Black Community Training Centre yesterday. The centre specialises in teaching domestic workers improve household skills at no charge.

Mr McDaniels told The SOWETAN that be-

Generate your own power

55

~~55~~

SOWETAN, Wednesday, April 13, 1983

Page 7

cause of the serious drought now facing the country there had been fears that electricity supplies would be badly affected.

Mr McDaniels said R3-million emergency projects were now being studied by South African water chiefs in a race against time to avert power blackouts.

The Electricity Supply Commission (Escom)

warned last month that without more water for power stations electricity cuts may hit the country by August.

One case in point is the Standerton Power Station which is in se-

rious trouble with low water supplies for its cooling towers.

He said several townships in Soweto were promised electricity in their homes in June last year but have not as yet

got it. These families may still wait much longer.

"How much longer must householders wait?" he asked.

He said the directors of his centre contacted

leading generator distributors to ask them for their assistance. The distributors did not only respond with the idea of a generator cheap enough, but also taught black instructors at the

centre how to use the appliance.

The generators are seven different sizes. Some are easy to carry and others are big enough to provide the necessary power supplies for the entire household needs. These can be bought at furniture stores on higher purchase agreement.

EAST LONDON — The Electricity Supply Commission (Escom) has prepared plans for the development of an office and parkland complex on a 13 ha site in Beacon Bay, Escom's regional manager for the Eastern Cape, Mr E. F. Otten, said yesterday.

Mr Otten said that Escom would "outgrow the existing building in Buffalo Street in the near future", and that the Beacon Bay site would "enable Escom to develop its requirements fully for many years to come."

Escom would be lodging its application for the development this week with national, provincial, and municipal authorities.

The site, on the northern boundary of Beacon Bay flanked by the extension to Bonza Bay Road and the national road, was planned to be developed in stages over a period of approximately 35 years.

The first stage would cater for overflow from the existing East London building. Construction of the later stages would be timed according to the

Escom plans complex in Beacon Bay

rate of growth of Escom's operations here.

In its final form, the complex would include a four-part, modular office complex, a test and telecommunications building, trainee instruction halls and living quarters, an assembly hall, covered parking, tennis courts, and a squash court, all in a rolling, park setting.

Initial plans call only for the construction of the office complex, Mr Otten said.

Estimates were not yet available for the cost of the buildings or the land. Purchase of the site, made up of four privately owned plots and two plots owned by the Beacon Bay municipality, was under negotiation, Mr Otten said.

Mr Otten estimated

that the application process for the development could be completed by the end of the year, and that planning for actual construction on the site could begin in 1984.

The Town Clerk of Beacon Bay, Mr Peter Gerber, said the town was "tremendously excited by the Escom proposal."

"It indicates confidence in the Beacon Bay area," he said.

He said that the development, if it went ahead as planned, would give a boost to the real estate "semi-boom" now in effect in Beacon Bay.

He expected no difficulties in negotiations between the municipality and Escom over the development. — DDR

D. Dip. Arch
13/4/83
55



OUT OF MONEY: Mr A P Khumalo.

Power plan in balance

MZIKAYISE EDOM ^{3/4/83}

Sowetan
THE electrification master plan in Katlehong, near Germiston, may come to a halt as a result of the Katlehong Community Council's financial problems.

According to council chairman, Mr A P Khumalo, the council has R5,2-m for the project which will cost about R17-m when completed.

The scheme is in its third phase now.

When the project started about two years ago, the residents paid R2 for the first phase

and the amount was increased to R3,50 in the second phase and R5 for the third.

When the project moves into the fourth phase in October, the amount will be increased to R7,50 and finally to R10,50 next year.

Mr Khumalo said: "The council has called an urgent meeting on Thursday, which will be attended by the executive committee of Erab and the Electrification Masterplan Consulting Engineers.

WINTER OF '83

Recession delays electricity cuts

By Stephen McQuillan

Power cuts would be sweeping South Africa today had it not been for the recession, say electricity experts.

The depressed economy has bought more time for the country, but has postponed the threat only until August or September.

The Electricity Supply Commission (Escom) warns the deadline could be brought forward if there is an unexpected early revival in the economy.

"There's only so much electricity available," said a spokesman for Escom. "If it had not been for the recession, we would probably have been experiencing cuts in supply now."

"With the recession we do not have to generate as much electricity as we have in the past."

The R80 million Escom plan to shift generation to older, more expensive power stations on the coast in an effort to save water would also have been in jeopardy. The plan is being considered this week by the Government.

"We would still have been able to shift generation, but we would not have had as much flexibility," said the spokesman.

If the economy picked up before the end of the year, the electricity supply might be stretched to breaking point.

A mild winter would ease the crisis.

The latest electricity supply analysis by Central Statistical Services (CSS) in Pretoria confirms the fall-off in demand.

Power supplied after March 1982 dipped, breaking the steady upward trend apparent since 1978.

Step 13/4/83

(S)

*13/4/83
SMB
NCL*

55 14/4/83

SOUTH AFRICAN

Industrial

14 April 1983

A Thomson newspaper

80c (INCL GST) Registered at the Post Office as a newspaper

Turn to . . .

VW cash boost for PE . . . Page 2

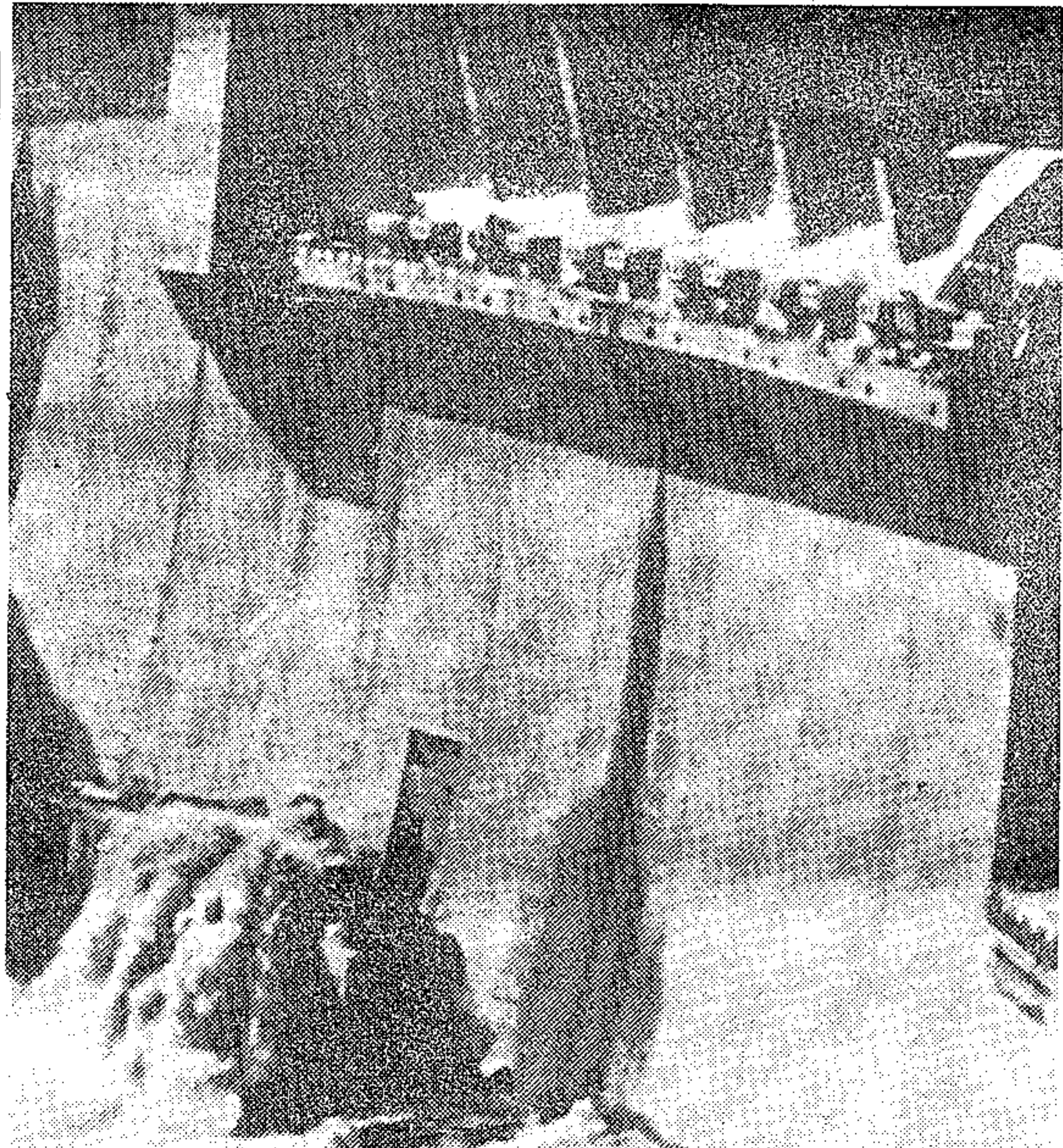
Chrome exports on the increase Page 3

Nationwide news Page 5

Computers Pages 8 to 10

Materials Handling Pages 11 to 13

Plant Hire Pages 14 to 16



The P K Le Roux Dam, part of the Orange River project . . . under serious threat as drought takes grip?

55 Industrial Week 14/4/83

WATER PANIC GROWS

By Lynn Carlisle

ELABORATE emergency plans to ensure extra water supplies for all requirements this year are expected to be announced as "top priority" this month.

Faced with the country's fast-dwindling dams drying up sooner than expected, the chances of more rain are being written off in many quarters and Escom's power stations, the giant Sasol plants, industrial areas and all Natal are seriously threatened.

Making new appeals through Industrial Week, water authorities and provincial leaders want the management of all businesses to become personally involved in reducing consumption at business premises - or face the toughest water cuts they have ever experienced.

A call for "action stations" could be sounded this week as the need for top level meetings on how to fund and implement massive emergency schemes accelerates.

Emergency plans have already been worked out by Escom and the Department of Water Affairs for the Transvaal while another one at least is already in the pipeline for Natal. But they will each cost scores of millions to implement.

Long power blackouts can be avoided by an elaborate R80-million plan to shift electricity generation from the modern and cheap-to-run power stations to the older but less economic power plants - mainly in the Eastern Transvaal.

Stressing that this is "just part of a much bigger problem," an Escom official said the scheme had not been finalised and would involve gearing up the older stations while reducing the output at the bigger stations which required considerable amounts of water to run at peak.

Part of the "bigger problem" appears to be that Natal's main dams are only 17% full according to Ray Haslam, Provincial MEC for Water Affairs, Durban and Pietermaritzburg only have (at present reduced consumption level) enough water to last until August - unless good rains fall over April and May - the last two months of Natal's rainy season.

"At the present usage level it would mean four months without any water after August. We will meet within a week to decide whether to introduce strict rationing," said Haslam, who is chairman of Natal's Drought Contingency Committee.

He pointed out that in northern Natal (Dundee) and Zululand (Matatiele) all potable water had to be obtained by hand and in buckets, and they were "in dire straits".

He appealed to management of all businesses to "get involved" in saving significant amounts of water at their premises.

Businesses could go without water but people could not.

Natal's rainy season.

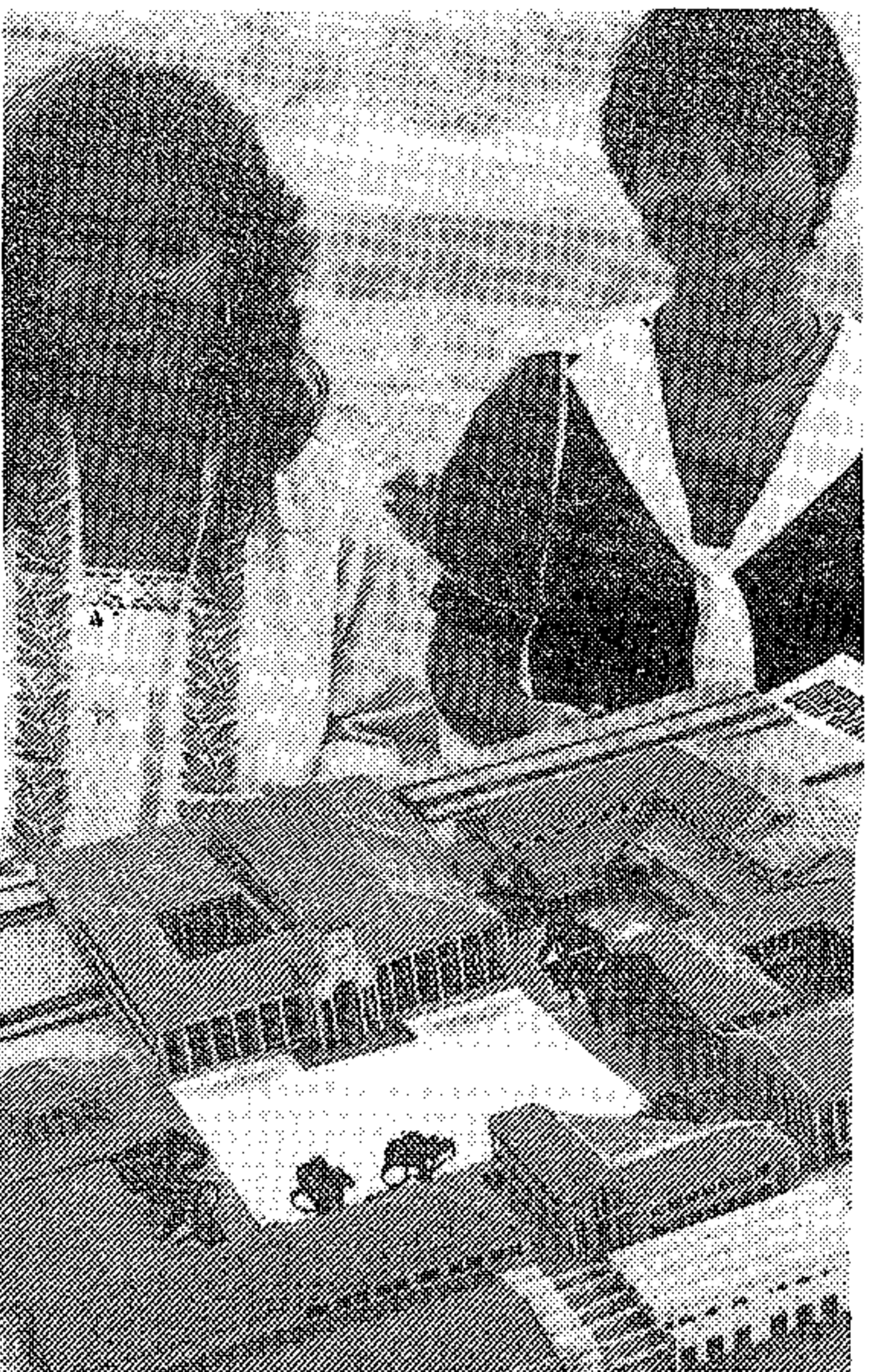
chairman Dale Hobbs said it may be that the suburban dweller was carrying the load when it came to water rationing. The present daily consumption of 2 1000 ml/day had to immediately drop to 1 900 ml/day.

"If we don't get the required saving we may be forced to do something else," he warned.

Hobbs is concerned that emergency plans to divert water to power stations might further drain the PWV resources - the Vaal Dam was at only 34% capacity and the Sterkfontein, which replenishes it, at 69% - but said it was vital for the power stations to avoid power blackout to homes, industry and commerce.

A senior Department of Water Affairs spokesman said a top level decision would be made this week on the laying of a pipeline to re-supply water reser-

Finalists



Two of the finalists of the University of Port Elizabeth School of Architecture, Lydia Fouche (left) and Ansie Muller with models of their entries for the Des Baker Awards competition.

AECI awards boiler contract

AECI has awarded an R11-million contract to Babcock Engineering Contractors for the construction of a fluidised bed boiler.

This is a major advance in low grade fuel and coal utilisation says the company.

The boiler will be designed to burn carbon rich flyash which arises from AECI's coal based ammonia plant at Modderfontein and will supply about 60 t of steam an hour for downstream nitrogen plants at the factory complex.

This will be among the largest fluidised bed boilers of its type in the world and the first to burn waste byproduct of this kind.

A special feature will be its ability to switch from flyash to coal should the flyash supply from the ammonia plant be interrupted.

To Page 2

... and sabotage scotches hopes of saving water

ARGUS 15/4/83

55 15/4/83

Argus Staff Reporter
SABOTAGE at Koeberg nuclear power station in December has rocked electricity chiefs' hopes of using the station to make a major contribution to the water saving effort.

Had the first nuclear generator set been commissioned on schedule at the end of 1982, South Africa's first giant new A-station could by now have saved 50-million litres of fresh water daily, or some 30-billion litres of water a year.

The new nuclear station, unlike conventional coal-fired

power plants in the Transvaal, will use sea water for cooling the super-heated steam used to drive its generator turbines.

In the case of a nuclear power station the steam is generated by the action of nuclear fission.

"We are pushing to complete Koeberg because had it gone on stream as scheduled at the end of 1982 it could have made a major contribution to the water saving effort — something like 50 million litres of freshwater a day," said the spokesman.

"The first Koeberg unit should have started in December but with sabotage there have been delays."

Instead, Escom bosses have had to make other plans to shift operations from the "hi-tech", cheap-to-run, modern power stations to older, expensive-to-run plants which have access to better water supplies, some of which are on the coast.

The plan would work out at about R2 million for every extra day of uninterrupted supply.

Handwritten notes:
15/4/83
15/4/83

Handwritten notes:
15/4/83
15/4/83

Accident may delay Koeberg's schedule

Science Reporter CHRIS ERASMUS weighs up the prospects

A RECENT accident involving vital parts for Koeberg's nuclear reactors may frustrate Escom's plans to have at least one of the plant's two reactors commissioned by the end of 1983.

A spokesman for the South African Transport Services, Mr Dirk Beukes, said the Railways Police knew of an incident at DF Malan Airport in which equipment designed for use in the power station's reactors was damaged during the unloading of crates when a part shifted about inside one crate causing it to fall.

Sent back

Initial reports indicated that Security Police were investigating a possible case of sabotage, but both Mr Beukes and Escom have denied that any such investigation was taking place.

The parts have since had to be sent back to the French manufacturer for checking to ensure their reliability.

Escom have said the parts

were the responsibility of the contractors until they were delivered to the site.

Despite reliable reports that the accident is likely to further delay commissioning of the plant's reactors, an Escom spokesman has said the incident will not result in any postponement.

ANC attack

Earlier this week Escom indicated that both Number One and Number Two reactors were expected to be completed by the end of the year, saying that the completion of the power station was now a matter of urgency. One of the reactors would be commissioned at that time to be followed "some months" later by the other.

In a subsequent development, the Escom spokesman declined to comment on a report that the Number Two reactor would be the first to be commissioned, possibly because of severe damage caused to the Number One re-

actor during last December's ANC attack on the plant.

The spokesman referred to the Commission's earlier statement, repeating that both reactors would be completed by the year's end. He refused to comment on any aspect of bomb damage sustained by the reactors during the attack.

The Koeberg site was closed to all but essential personnel from March 30 until April 7 for a re-investigation of industrial safety systems on the site, according to the Escom spokesman.

Safety

He said the safety systems were the same as those employed by any large industrial concern and were aimed at accident prevention.

These procedures were designed to ensure the physical safety of construction workers and operators at the plant and had nothing to do with radiation or any nuclear-related matter, he said.

... helped me dis-
... three batmen, I
... drink after the
... took the wickets
... a while tried to
... is promise, but
... that same even-
... aid there were
... misconceptions
... Christianity which
... ne time had also
... l.
... now he says he is
... ing more and
... ware of what Je-
... rist could do for
... the beginning of
... ceptance of God
... s life he had not
... his friends to
... out this change.
... three months I
... ay anything but I
... in spreading the
... anyone asks me
... I certainly don't
... in standing on a
... orner and preach-
... ut it," he said.

... achieved many things in
... life — he was a success-
... ful businessman, he
... writes a newspaper col-
... umn on cricket and
... rugby, he has a wealth of
... anecdotes and experien-
... ces and has played just
... about every sport at pro-
... vincial level or higher.

"But my achievements
... did nothing for me - I
... learned a lot, but my life
... was empty."

He said there were
... many other sportsmen
... who had also been con-
... verted. Henry Hauser,
... ex-Springbok soccer
... player, was involved in
... his being converted and
... they have become very
... good friends.

Snowy Sooter, ex-
... Springbok rugby captain,
... Trevor Goddard and
... many others had also
... committed themselves.

"Daily there are more
... and more sportsmen. I
... think that's all in. His
... plan and perhaps he did
... not intend me to find him
... before. "Christianity is
... great fun, it's full of
... smiles, full of joy and a
... whole new world of
... peace."

Every hour that a one-bar electrical heater
... burns 2½ litres of water are used.

Blackouts in a thirsty land

April 1983

Weekend Argus Reporters

BY August or September
... this year, the drought
... wilting South Africa's ag-
... riculture could be shut-
... ting down industrial pro-
... duction and switching off
... domestic lights.

blackouts, but unless sub-
... stantial rainfall im-
... proves the situation in
... the north, the likelihood
... will be probability by the
... end of the north's dry
... winter.

Were the Koeberg nu-
... clear-powered station on
... stream and generating to
... its full capacity. Escom
... could be exporting its ex-
... cess to the north.

The Highveld power
... stations use about
... 2½ litres of water to gen-
... erate one kilowatt hour
... of electricity, and Escom
... is stressing the need for
... consumers to save elec-
... tricity: every hour that a
... one-bar electrical heater
... burns uses 2½ litres of
... water.

In Johannesburg this
... week, Mr John Nelson,
... acting president of the
... Steel and Engineering In-
... dustries' Federation of
... South Africa, said power
... cuts would inflict a "gi-
... gantic problem" on in-
... dustry. "If power cuts oc-
... cur on a big scale,
... industry will grind to a
... halt," he said.

And inside that gloom
... more jobs could be
... threatened — in a coun-
... try where recession has
... already stretched the un-
... employment queues.

Protected

Industry, by far the
... major consumer of elec-
... tricity, will undoubtedly
... be protected as far as
... possible from damaging
... power cuts, but a criti-
... cal shortage of power
... could be disastrous.

"Obviously, if there
... were extensive power
... cuts, it would affect gold
... mining very seriously in-
... deed," said a spokesman
... for the Chamber of
... Mines in Johannesburg.
... Some industrialists be-
... lieve most factories in
... the country would be lay-
... ing off workers if power
... cuts were widespread
... and lasting.

"This is one of the
... things that Escom is tre-
... mendously worried about
... at the moment," Escom
... regional public relations
... officer Mr Andre van
... Heerden said in Cape
... Town this week. In the
... event of serious black-
... outs, "mines and industry
... are liable to be hit the
... hardest".

Computers

Banking, reliant on
... computers, will also be
... hit hard. "If there were a
... serious power failure, it
... would certainly set the
... cat amongst the pi-
... geons," said Mr Bill
... Jones, general manager
... of operations for the
... Standard Bank.

"Power is vital to our
... industry. If the supply
... collapses, so does much
... of the banking system."

Blackouts would seri-
... ously disrupt the South
... African Iron and Steel
... Corporation (IsCOR). Man-
... aging director Mr Floors
... Kotzee said: "We can
... only hope this situation
... does not arise. We have
... limited back-up supplies
... to keep furnaces ticking
... over, but if power to a
... particular works were
... cut, men would have to
... be laid off."

Cutbacks

Cape Town City Elec-
... trical Engineer Mr D C
... Palser believes the city
... could run up its Athlone
... power station to make up
... a cutback on Escom
... power from the north,
... and that only towns with-
... out their own generating
... ability would feel full
... blackouts.

Escom, the major pro-
... ducer of electricity, be-
... lieves it has sufficient
... water available to its
... crucial Highveld power
... stations to keep generat-
... ing fully through the
... winter.

Selectives

But, come spring, se-
... lective blackouts could
... be introduced. And the
... Western Cape, dependent
... on Highveld power sta-
... tions for up to 80 percent
... of its electricity, will be
... hit as hard as northern
... consumers.

Early next week, re-
... presentatives of the Cape
... Chamber of Industries
... are scheduled to meet re-
... gional officials of Escom
... to discuss the implica-
... tions of possible black-
... outs in the region.

Drought has emptied
... the country's major riv-
... ers and storage reser-
... voirs, and dams supply-
... ing water for power
... stations' cooling systems
... are dropping so rapidly
... that emergency mea-
... sures are being consid-
... ered to keep water flow-
... ing to the utilities.

Escom officials talk of
... the "possibility" rather
... than "probability" of

Repercussions

The effect on the West-
... ern Cape would be felt in
... "pretty much the same
... way" as in the north of
... the country. "You can
... imagine the sort of re-
... percussions if we were in
... the position of not having
... water to produce power.
... It affects production, and
... jobs."

COUNTRY



DOWN

1. Few people give much thought to the problems typical — has to face WAITER/WRITER
2. Consumes EATS
4. Desires WANTS
5. One — often clashes with another REBEL/REVEL
8. It would be unusual if people show no response at all to a — JEST/PEST
10. It's particularly the sensitive person who is repelled by acquaintance with — in his temperament ICE/IRE
11. Persons who — would obviously benefit from a firm but sympathetic discipline MOPE/TOPE
12. To — someone is an obvious act of hostility SMEAR/SPEAR
13. — might be none too pleased if work is required in haste PAINTER/PRINTER
14. Short winter days could be a handicap to — ROVERS/ROWERS
16. Vessel that is — is hardly going to make rapid progress ROWED/TOWED
17. Illuminated — might glow with colour PAGE/PANE
18. Festivity GALA
19. One tends to think of a — as long and narrow SLIT/SLOT
21. All sorts of questions may come into one's mind as one prepares to — an exam SET/SIT

**SURPLUS CONCRETE MIXERS
AND PLYWOOD —
FOR SALE**

BY PRIVATE TREATY

**TUESDAY 19th APRIL from 9.30 am
to 3.30 pm**

258 LOWER MAIN RD, SALT RIVER
(opposite Palace Cinema)

JULIUS BUCHINSKY "The Organisation with the Reputation" is instructed TO LIQUIDATE the stock of a reputable manufacturer.

did nothing for me - I learned a lot, but my life was empty."

He said there were many other sportsmen who had also been converted. Henry Hauser, ex-Springbok soccer player, was involved in his being converted and they have become very good friends.

Snowy Sooter, ex-Springbok rugby captain, Trevor Goddard and many others had also committed themselves.

"Daily there are more and more sportsmen. I think that's all in. His plan and perhaps he did not intend me to find him before. "Christianity is great fun, it's full of smiles, full of joy and a whole new world of peace."

a thirsty land

Weekend Argus Reporters

BY August or September this year, the drought wilting South Africa's agriculture could be shutting down industrial production and switching off domestic lights.

And inside that gloom more jobs could be threatened — in a country where recession has already stretched the unemployment queues.

Escom, the major producer of electricity, believes it has sufficient water available to its crucial Highveld power stations to keep generating fully through the winter.

Selectives

But, come spring, selective blackouts could be introduced. And the Western Cape, dependent on Highveld power stations for up to 80 percent of its electricity, will be hit as hard as northern consumers.

Early next week, representatives of the Cape Chamber of Industries are scheduled to meet regional officials of Escom to discuss the implications of possible blackouts in the region.

Drought has emptied the country's major rivers and storage reservoirs, and dams supplying water for power stations' cooling systems are dropping so rapidly that emergency measures are being considered to keep water flowing to the utilities.

Escom officials talk of the "possibility" rather than "probability" of

blackouts, but unless substantial rainfall improves the situation in the north, the likelihood will be probability by the end of the north's dry winter.

Protected

Industry, by far the major consumer of electricity, will undoubtedly be protected as far as possible from damaging power cuts, but a critical shortage of power could be disastrous.

"Obviously, if there were extensive power cuts, it would affect gold mining very seriously indeed," said a spokesman from the Chamber of Mines in Johannesburg. Some industrialists believe most factories in the country would be laying off workers if power cuts were widespread and lasting.

"This is one of the things that Escom is tremendously worried about at the moment," Escom regional public relations officer Mr Andre van Heerden said in Cape Town this week. In the event of serious blackouts, "mines and industry are liable to be hit the hardest".

Repercussions

The effect on the Western Cape would be felt in "pretty much the same way" as in the north of the country. "You can imagine the sort of repercussions if we were in the position of not having water to produce power. It affects production, and jobs."

Were the Koeberg nuclear-powered station on stream and generating to its full capacity, Escom could be exporting its excess to the north.

The Highveld power stations use about 2½ litres of water to generate one kilowatt hour of electricity, and Escom is stressing the need for consumers to save electricity: every hour that a one-bar electrical heater burns uses 2½ litres of water.

In Johannesburg this week, Mr John Nelson, acting president of the Steel and Engineering Industries' Federation of South Africa, said power cuts would inflict a "gigantic problem" on industry. "If power cuts occur on a big scale, industry will grind to a halt," he said.

Computers

Banking, reliant on computers, will also be hit hard. "If there were a serious power failure, it would certainly set the cat amongst the pigeons," said Mr Bill Jones, general manager of operations for the Standard Bank.

"Power is vital to our industry. If the supply collapses, so does much of the banking system."

Blackouts would seriously disrupt the South African Iron and Steel Corporation (Iskor). Managing director Mr Floors Kotzee said: "We can only hope this situation does not arise. We have limited back-up supplies to keep furnaces ticking over, but if power to a particular works were cut, men would have to be laid off."

Cutbacks

Cape Town City Electrical Engineer Mr D C Palsler believes the city could run up its Athlone power station to make up a cutback on Escom power from the north, and that only towns without their own generating ability would feel full blackouts.

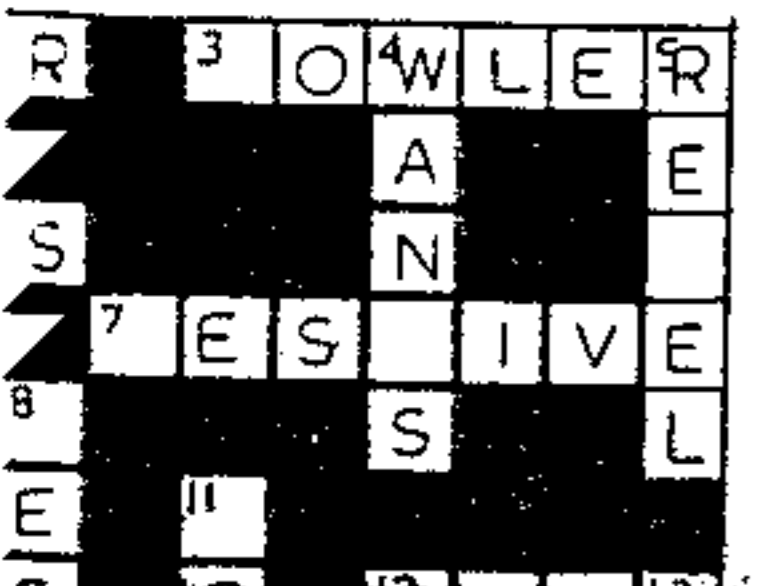
Table Bay power station, which the City Council has decided to shut down, is unlikely to be retained as a standby. "I can not see that we would get into such dire straits that that we would have to run Table Bay," he said.



DOWN

People give much thought to problems typical — has to face
WRITER
as EATS
WANTS
often clashes with another
EVEL
be unusual if people show
use at all to a — JEST/PEST
cularly the sensitive person
repelled by acquaintance
in his temperament ICE/IRE
who — would obviously
rom a firm but sympathetic
a MOPE/TOPE
meone is an obvious act of
SMEAR/SPEAR
t be none too pleased if
required in haste PAINTER/
nter days could be a handi-
— ROVERS/ROWERS
at is — is hardly going to
apid progress ROWED/
ed — might glow with
AGE/PANE
GALA
Is to think of a — as long
ow SLIT/SLOT
of questions may come into
nd as one prepares to — an
ET/SIT

No. 481



SURPLUS CONCRETE MIXERS AND PLYWOOD—
FOR SALE
 BY PRIVATE TREATY
TUESDAY 19th APRIL from 9.30 am to 3.30 pm
258 LOWER MAIN RD, SALT RIVER
 (opposite Palace Cinema)
 JULIUS BUCHINSKY "The Organisation with the Reputation" is instructed TO LIQUIDATE the stock of a reputable manufacturer.

55
Q. 61.978-981
*6. Mr. J. J. B. VAN ZYL asked the Minister of Industries, Commerce and Tourism:

- Escom 15/4/83
- (1) Whether the Board of Trade and Industries was instructed in 1977 to investigate the affairs of Escom; if so, (a) what were the terms of the instruction, (b) by whom was the instruction issued and (c) who were the members of the investigating team:

979

FRIDAY, 15 APRIL 1983

980

981

FRIDAY, 15

(2) whether a report has been published on the matter; if so, (a) when and (b) what recommendations were made in respect of (i) tariffs and (ii) the financing of Escom's requirements;

(3) whether the report has been considered by the Government; if so,

(4) whether all the recommendations have been (a) considered and (b) implemented; if not, (i) which recommendations have not been accepted and (ii) why not?

The DEPUTY MINISTER OF INDUSTRIES, COMMERCE AND TOURISM (Reply laid upon the Table with leave of House):

(1) Yes, on 7 March 1977.

(a) To investigate and report upon the suitability or otherwise of the present tariff policy and tariff structure in respect of the supply of electricity in the Republic, with due regard to the following:

(i) The influence thereof upon the economic growth and development of the country;

(ii) the effect of uniformity of, or differentiation in tariffs on different areas and groups of electricity consumers;

(iii) the interrelationship between the tariff policy and tariff structure of ESCOM and of those of the municipalities; and

(iv) the adequacy of existing legal provisions affecting the tariff policy and tariff structure in respect of the supply of electricity.

(1) (b) The then Minister of Economic Affairs.

(c) At the time of the investigation the Board of Trade and Industries consisted of:

Dr. S. J. Kleu (Chairman);
Mr. H. S. Mabin (Deputy Chairman);
Dr. D. J. Mouton (member);
Mr. H. J. P. L. Kruger (member); and
Mr. M. R. Heyns (member).

Two temporary Board members were appointed specifically with a view to the investigation, namely Prof. W. D. Hamman and Prof. I. J. Lambrecht.

(2) Yes.

(a) 11 December 1978 and the report (No. 1889) was Tabled in Parliament on 4 April 1979.

(b) (i) and (ii) The report of the Board of Trade and Industries contains 25 recommendations, most of which have a direct or indirect bearing on the tariffs or financing of ESCOM.

(3) Yes.

(4) (a) Yes.

(b) No.

(i) Recommendations 2, 4, 7, 10, 13 and 25.

(ii) Recommendations 2 and 4 rejected. It was decided that the existing system in regard to redemption funds and capital reserves be retained.

Recommendation 7: Accepted.

ed in principle, provided that the pooling of costs should take place over a period of two years instead of three years.

Recommendation 10: rejected as not being feasible for a utility company such as ESCOM.

Recommendation 13: Rejected. A similar body already exists in the Department of Finance.

Recommendation 25: Rejected. It was decided that a limit of 25% be placed on the surcharge and discount system in regard to tariffs.

Salem: ^{CAPL Times} Nearly a ^{18/4/83} ⁵⁵ ³²² ³³² ²⁸⁶ R12m loss

Political Correspondent

MR FREDERICK Soudan, one of the alleged chief conspirators in the Salem fraud, nearly lost both the \$12-million (about R12,5m) tanker and the company to which it belonged.

Mr Soudan fought successfully in the New York courts in January 1980 to prevent his partner, Mr Anton Reidel, acquiring the Oxford Shipping Company, whose sole asset was the Salem.

The record of the case in the New York Supreme Court shows that Mr Soudan purchased the Salem for \$12,3-million and registered it in the name of Oxford Shipping.

'Agreed to pay'

He agreed to pay \$300 000 (about R310 000) for Oxford provided the Salem arrived off Durban on or about December 27, 1979 — the exact date the tanker subsequently began discharging oil there under the assumed name Lema.

If the oil deal fell through, Mr Soudan was to pay \$25 000 (about R26 000) for the company.

According to a book freely available in South Africa, "The Piracy Business" by Barbara Conway, another tanker named Lima was due off Durban at the time Salem/Lima was contracted to arrive at the port.

However, once the Salem had successfully off-loaded, but before Mr Soudan's purchase of Oxford Shipping was complete, the company owners threatened to sell it to Mr Reidel instead.

Mr Soudan brought an urgent action in the New York courts seeking to prevent what he said was an illegal action which could lose him \$12,3-million.

His lawyers said in papers before the court that "two dramatic and serious events" had led to the action.

Mr Soudan had sought to pay \$300 000 as agreed for Oxford on December 28, 1979. He had been told by one of the sellers, Mr Andrew Triandafilou, to contact him again on December 31. Between then and January 4 he had been told Mr Triandafilou was "not available" while Mr Soudan's lawyers had been told "it is too late".

Mr Soudan was told by Mr Reidel that Mr Reidel was about to purchase Oxford — and with it the tanker Salem — for \$300 000. Mr Soudan sought to stop the sale, which he said would lose him a vessel "purchased with his money".

Out of court

The New York action began on January 4, 1980 and was settled out of court with Mr Soudan retaining Oxford Shipping Company.

The Salem, however, was lost. It sank on January 16 off West Africa in suspicious circumstances.

Investigations by insurance companies and police, and information put before British courts, led to Mr Soudan and Mr Reidel being among those for whom arrest warrants were issued on charges of conspiracy to defraud.

Putting Koeberg into perspective

This is the first of two articles by Mr G F HELLSTROM, Regional Manager of Escom

NUCLEAR power — is it a precursor to disaster, or the peaceful and inevitable development of the most benign energy source known?

Individual views are often coloured, on the one hand, by Rousseauesque visions of the noble savage living the good and simple life, on the other by Hobbs' view of the short and brutal life of primitive man, a life to be avoided by whatever means science has made available.

More recently the well-known scientist and novelist, C P Snow, has talked of the two cultures — and their distrust of and inability to communicate with each other. In the nuclear field, scientists in the industry have perhaps been guilty of not explaining what they are doing — anti-nuclear lobbyists guilty of sowing suspicion, distrust and fear.

The dilemma of the man in the street is that he must choose between divergent views of the need, desirability and safety of nuclear power. In short, the Capetonian must ask — Is Koeberg needed? Is it correctly sited? Is it safe?

The Need

Although there is a dip at present, Escom estimates that the growth in the demand for electricity in South Africa will be about 7% a year between now and the end of the century. Measures to conserve energy could have some effect, but would be more than offset by the rise in the number of black consumers, who in the past have not always enjoyed the benefits of domestic electricity, and the need for industrial growth to provide jobs for our growing population.

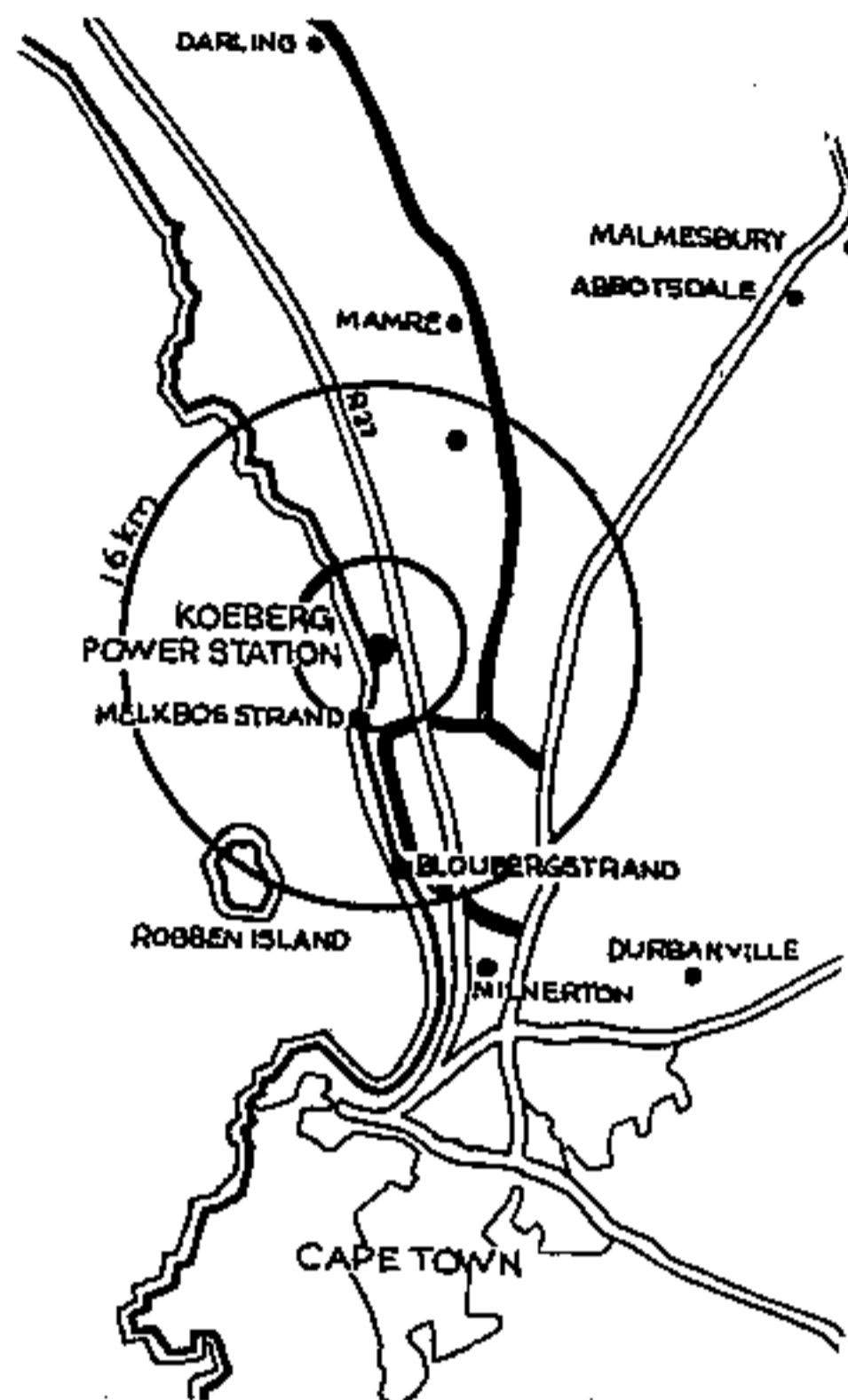
South Africa has been fortunate in having massive reserves of cheap coal, at present enough to last us into the next century, but these reserves are not unlimited. Coal too, is becoming increasingly useful as the raw material for products such as fuel, oil and plastics, and may become too valuable to burn for power generation.

Planning and implementing new generating technologies takes decades, and it is becoming imperative that South Africa develops its viable energy resources now.

What options?

Climatically and geographically the potential for hydro-electric power in South Africa is limited. Our average rainfall is only 55% of the world average and the daily river flow 7 000 litres per capita, compared with 9 000 litres per capita for Egypt, a desert country.

While pump-storage schemes such as the Drakensberg and Palmiet power stations are useful in supplying power at peak hours, they can never provide continuous



bulk power. Oil and natural gas, should we be so fortunate to discover viable supplies, could become useful, but we have no guarantee that this will happen. Tidal power is of limited use in South Africa with its small tidal range.

Solar power has been strongly recommended by anti-nuclear groups. It is an attractive option, but requires a great deal of development before it can supply our needs. At present it has applications in domestic water heating, as self-supporting power units for communications links and even as a possible supply for small isolated communities.

Impracticable

However, a solar station equivalent to Koeberg would require some 130 square kilometres of land, which is clearly impracticable and its economic viability and safety would still need to be proven. The environmental impact would be immense. Finally — the problem of storing bulk electricity for supplies at night is still to be solved satisfactorily.

The only viable option remaining is nuclear power, for which we have fuel for thousands of years, and which its protagonists claim is safe, clean and dependable.

The decision to be taken is whether we develop nuclear power now, or wait for possible alternative sources of energy, bearing in mind that the country's future development depends on this decision. Sensibly, South Africa should keep its options open and develop all its energy resources to their maximum potential.

Some 88% of South Africa's power is generated on the Transvaal coalfields, necessitating long and easily damaged transmission lines to the coast. Cape Town has had two major power failures this year, lasting a few hours, a fraction of one percent of the time power was available. The disruption

and inconvenience caused were obvious.

In addition some 5% to 7% of the power generated is lost in transmission to the Western Cape increasing costs in an area already worried about economic stagnation. Local generating capacity is essential.

A coal-fired power station equivalent to Koeberg would require about 16 000 tons of coal a day — 15 trainloads of 30 trucks each. Thousands of tons of ash and flue gasses would create major pollution hazards. (In the Transvaal this ash can be returned to the mines and re-covered by the original overburden — in the Cape every 100 tons of coal leaves approximately 40 tons of ash to be disposed of).

High costs

With skyrocketing transport costs, electricity would cost even more than that generated in the north. Coal costs approximately R10 per ton at Transvaal power stations and over R40 per ton in the Cape. Power stations require large amounts of cold cooling water, which coupled to the need for local power generation, made the west coast an obvious first choice for the siting of a nuclear station.

In the present drought, inland power stations face the possibility of serious problems. Additional requirements are short transmission lines to minimise energy loss, easy access to transport and harbour facilities for the delivery of heavy equipment, the availability of trained labour, and that the station be connected into the existing national grid efficiently. These factors all have major cost implications, which would be reflected eventually in the cost of electricity for the consumer.

After intensive investigation the Koeberg site was found to be geologically suitable. Formations to the north, as far as Saldanha Bay, were unstable. (Koeberg has also been designed with seismic protection of advanced design, enabling it to withstand shocks of similar magnitude to those of the great Los Angeles earthquake).

Finally, by international standards, Koeberg is sufficiently distant from major population centres to satisfy most standards. Present international estimates of the necessary distance vary from 10 km to 16 km. In some American cities older stations are within 4 km of central business districts. The newest studies, including the Sandia Laboratories report, suggest that 16 km is a very conservative estimate for a safe distance. Koeberg is 26 km from central Cape Town and 12,5 km from the nearest residential areas of Atlantis.

Tomorrow: How safe is it?

Power cuts may have to be introduced within weeks

20 APR 1983

Ad (55)

By Stephen McQuillan

Power blackouts may sweep the country within weeks, the Electricity Supply Commission disclosed today.

Top-level meetings are to be held later this week and next with major electricity consumers to work out an electricity rationing rota.

No details of the rota are yet available.

Electricity cuts may be introduced as early as June — only six weeks away — Escom's chief Press spokesman, Mr Etienne du Plessis has warned.

"We will have to make the cuts on the basis that essential services are continued," he said.

The cuts rota would be planned in conjunction with municipalities.

"All consumers will be affected, but at this stage we can't say which industries will be hit," said Mr du Plessis.

"This is something that will obviously affect every part of the country and many details have to be worked out.

"We have to ration our electricity to make water supplies stretch."

Water is needed mainly for cooling at power stations and for steam to drive turbines.

Mr du Plessis said electricity cuts may come sooner than predicted. Escom had warned in August and September last year that this could happen.

Escom had foreseen the problem as far back as August 1982 and, as a result of their planning, were able to announce a R80 million plan to buy an extra five weeks of electricity supply.

The plan involves shifting generation from modern, cheap-to-run stations in the Eastern Transvaal to older, more expen-

sive-to-run stations on the coast and others in the Transvaal.

The shift in generation to these two areas is costing R40 million each.

"The shift in generation is now going ahead," said Mr du Plessis.

About a week ago the small, 500 megawatt Ingagane power station near Newcastle was shut down. Generation was switched to Colenso on the Tugela River.

Generation at Camden in the Eastern Transvaal was also cut back. More changes will follow.

Johannesburg may escape many of the cuts.

Four other cities — Port Elizabeth, Pretoria, Cape Town and Bloemfontein — would also be cushioned from a breakdown in supply.

The five cities are capable of generating much of their own electricity.

Johannesburg Municipality, which operates three power stations — Orlando and Kelvin A and B at Kempton Park — would be able to keep disruption down to a minimum.

And City Electrical Engineer Mr Wessel Barnard is taking steps to ensure maximum supply is available when it is most needed.

Essential maintenance is being re-scheduled to allow maximum output from power stations when the crisis arrives.

● See Page 11 of the World section.

E. Poyt
Copter to
21/4/83
assist

Tesco

55

surveys

THE Transkei Electricity Supply Corporation (Tescor), has bought a R95 000 helicopter to assist in surveying mountainous terrain in which part of a proposed R14-million expansion programme is envisaged.

The three-year programme to introduce electricity to areas currently relying on diesel-generated power will involve the laying of some 300 kilometres of power lines — much of it in remote and mountainous areas.

Consequently the corporation has invested in a Bell 47 three-seater helicopter "which will save months of surveying and speed up operations considerably," says Mr Steve Collins, chief executive officer of Tescor.

In addition to the survey work the helicopter will be used for transporting engineers and technicians to Transkei's three hydro-power stations and other power distribution points in outlying areas during breakdowns; and also for routine inspection of power lines.

Tescor is also currently in the process of constructing a R5-million power line to Port St Johns, the Magwa tea estate and Lusikisiki and engineers will now be able to survey the construction from the air.

Mr Collins said the helicopter will also be available for charter — for which there is a big demand in Transkei.

Problems with power supply

CAPE Times 21/4/83 (212/350) 55

Municipal Reporter

A SPECIAL committee of the United Municipal Executive was making progress with its investigation into Escom supply problems experienced by local authorities, especially those in the Eastern Cape, the Cape Municipal Executive congress was told yesterday. The lack of a uniform electricity tariff, among other problems, poses special hardships for the Cape which has long pleaded with Escom to drop the existing system of differentiation on a regional basis.

This policy adversely affects the less populated areas.

According to a motion submitted by Cradock and adopted at last year's congress, tariffs in the East Cape Undertaking were 50 percent higher than other undertaking areas

"when the cost of power in the Cape is measured against that of the other provinces".

The East Cape Undertaking used a fraction of the power of the other areas, Cradock representatives said. A fractional increase in the price for other areas would result in a big reduction in the cost of electricity in the Eastern Cape.

A point of information at yesterday's congress was that the recently increased Escom electricity tariffs showed a lower percentage increase for the Cape than for other areas.

While it was not specifically mentioned, it would appear that by applying a differentiated percentage increase, Escom could eventually reach a uniform tariff if this practice (lower Cape increases) was continued.

(55) M M 21/4/83

Court told of R12,5m building loss

By TONI REYNEKE
Court Reporter

AN ALLEGED misrepresentation by the principle contractors of the Koeberg Nuclear Power Station near Cape Town cost a sub-contracting company at least R12 500 000.

M & R Projects of Woodstock, Cape Town, a joint venture between Murray and Roberts Mechanical (Pty) of Cape Town and Murray and Roberts of Bedfordview, said in papers before the Rand Supreme Court this week that Koeberg Civil Contractors had misrepresented or concealed certain terms and specifications in a sub-contract signed between the two companies.

M & R Projects had as a result of the misrepresentation or concealment suffered damages totaling

R12 565 857.

Mr Acting Justice W Phillips ordered M & R Projects to serve affidavits by May 31 on Koeberg Civil Contractors, a joint venture between Spie Batignolles Societe Anonyme of France, LTA of Braamfontein and Murray and Roberts Holdings of Bedfordview.

The court heard that Koeberg Civil Contractors gave M & R Projects numerous documents, which contained the terms and specifications of the proposed contract, prior to the contract being signed on December 22, 1978 in Johannesburg.

M & R Projects undertook to build structural steel works and cladding for the turbine generating house of the power station in terms of the sub-contract.

Prior to the signing of the

sub-contract — on December 17 and 18, 1978 in Koeberg — a Mr Moodie of the principle contractors gave the sub-contract to a Mr Cooper of M & R Projects to initial.

Mr Moodie "expressly or impliedly represented" to Mr Cooper that the terms and specifications contained in the sub-contract were those agreed upon, the court heard.

Mr Moodie was aware that Mr Cooper had had no opportunity to read and did not read the contract.

M & R Projects claim Koeberg Civil Contractors made the false representation to induce it to initial and sign the contract which differed from the terms agreed upon.

Koeberg Civil Contractors neglected its duty to point out, and concealed, the differences in the sub-contract prior to the signing of the con-

tract, it was claimed.

The court heard the amount claimed was the difference between the actual cost of the work done in terms of the sub-contract and the costs which would have been incurred had the contracts contained the terms and specifications, plus the profits M & R Projects would have earned elsewhere during the period of sub-contract.

M & R Projects does not even know whether it would have participated in the project at all had the truth been known to it, the court heard.

Koeberg Civil Contractors deny the misrepresentation and the claim.

It allegedly paid M & R Projects R400 000 during August, 1979, as final settlement of all claims against it, the court heard.

55

~~260~~

Electricity 22/4/83

Thousand G. Col. 1084

755. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

(a) What was the consumption of electricity generated by Escom in each of the latest specified 10 years for which figures are available and (b) what was the peak demand on Escom in each of these years?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

	GWh sent out (a)	Maximum demand MW (b)
1973	49 770	7 350
1974	56 259	8 552
1975	61 533	9 185
1976	67 414	10 085
1977	71 264	10 735
1978	77 774	11 490
1979	85 979	12 855
1980	92 950	13 668
1981	99 713	14 674
1982	102 516	15 532

55 Hansard
Power stations: water

Q. 61. 1071 22/4/83

*20. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

What is Escom's annual consumption of water used for the purposes of cooling at coal-fired power stations?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

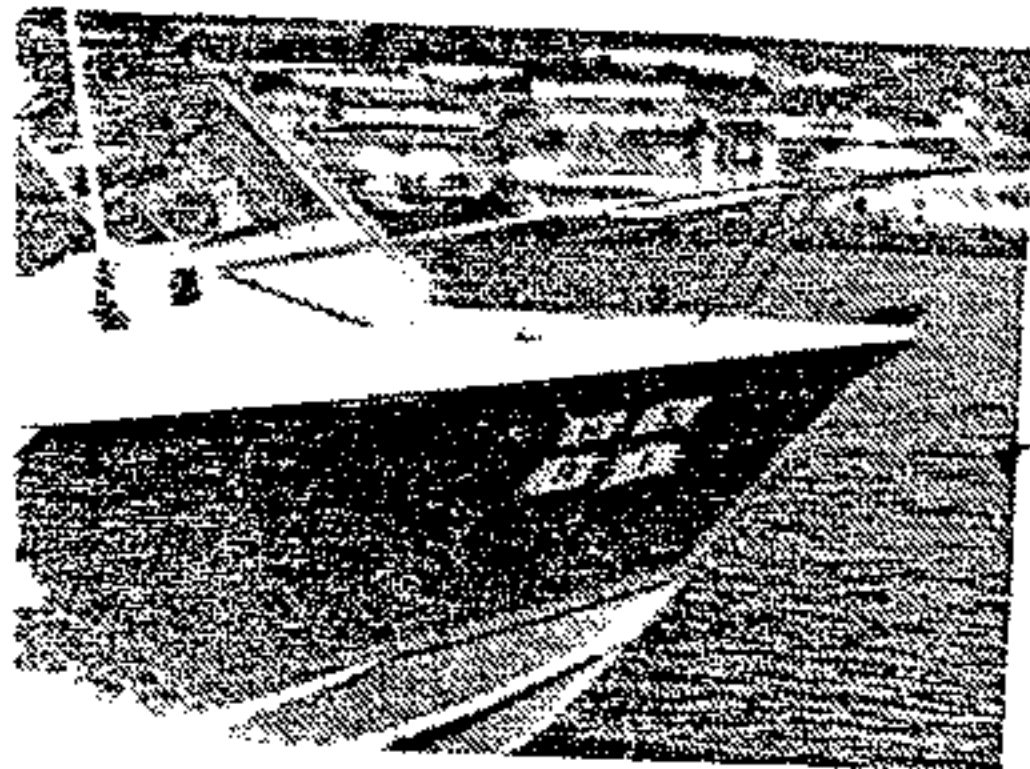
The total water consumed at Escom's coal-fired power stations in 1982 was 251.5 million cubic metres which is equal to 2.51 litre per kWh sent out.

*21. Mr. R. R. HULLEY.—Defence—
Reply standing over.



d of the 1983 Cape Town Festival today, the
n Coote, Helmut Otto and John Hargreaves,
The four men are all members of the Capab

the NSRI



station at Bakoven. It is the sec-
pany has given to the institute.
ned and constructed by Acecraft
and modified to NSRI requir-
a beam, weighs about 800 kg and
of 200 l.

xplicable'

our, used to deal with squat-
ould ters and the problems of
cing squatting?" said Mr Dall-
ame ing.

Justice Minister Mr
Kobie Coetsee, who intro-
duced the Bill, said it
was intended to protect
national key points. When
Mr Dalling argued that a
specific Act had been
passed already for this
purpose, Mr Coetsee said
there were hundreds of
key points not covered by
that Act.

SAAF crew responsible for collision

PRETORIA. — A board of inquiry has found the crew of an Air Force Merlin aircraft responsible for the mid-air collision with a private aircraft above Erasmia, near Pretoria last year, in which 13 people died.

SABC radio news reports that the accident was found to have been caused by negligence on the part of the Merlin's crew.

The board found that the crew, under the command of Captain JIT de Villiers, could and must have seen the Piper Navajo with its five occupants, particularly as they had approached from the starboard side and therefore had right-of-way.

According to the findings, the Navajo's pilot, Mr Charles Marais, was not guilty of any offence.

The board said it was well known that flight control in the airspace where the accident occurred was difficult.

Planning for the blackout

W/E Argus 23/4/83

blackout

By SYLVIA VOLLENHOVEN
Weekend Argus
Reporter

SOUTH AFRICA could be given details next week of selective power blackouts forced on the country by a scarcity of water at Highveld power stations.

The Minister of Mineral and Energy Affairs, Mr PTC du Plessis, will deal with the vital issue during Parliamentary debate next week, according to a Government source.

The move follows a recent Escom warning that electricity power cuts could sweep the country within weeks, in an effort to make water supplies at power stations stretch further.

Drought

The crippling drought has forced agriculture, commerce and industry to consider drastic water saving measures.

Top-level meetings with the major power consumers will continue for the next two weeks, according to Escom's chief Press spokesman, Mr Etienne du Plessis.

Escom — the country's major producer of electricity — has warned that power cuts could be introduced as early as June.

Water is needed mainly for cooling at power stations and for steam to drive turbines.

Alternative

Cape Town's City Electrical Engineer, Mr DC Palsler, says the city could run up its Athlone power station to increase its capacity and make up for cutbacks on Escom power from the north.

Towns without their own generating ability will hit hardest by the proposed blackouts.

Weekend Argus Parliamentary Staff reports that power stations account for about 20 per cent of the total consumption of metered and unmetered water in South Africa.

Koeberg: Western Cape Masad

Autumn racing

THE KOEBERG nuclear power station hit the news last week in a two-part series of newspaper articles by Escom's regional manager for the Western Cape, Mr G F Hellstrom.

Mr Hellstrom's piece of special pleading on the need and desirability of nuclear power in general and Koeberg in particular was unfortunately publicized his view of nuclear waste disposal as "technically one of the easier problems to solve", the United States Supreme Court banned the construction of all future nuclear power stations on the grounds that there is no safe method for waste disposal.

This poses the question: If a technologically-advanced nation such as the US can't solve the problem, what chance has Escom?

Working on the assumption that where there are droppings there has to be a horse, this column took another look at the Hellstrom chronicle. The main points were:

Coal

South Africa has only enough coal to last into the next century.

Another unfortunately-timed statement. Scienteae, the CSIR journal, has just reported that the Republic mines 127 607-million tons annually from total estimated re-



serves of 60 000-million tons. This means that on present consumption, including the annual export of more than 29-million tons, we have enough coal to last for 469 years. Even if we doubled our consumption overnight, the Republic would still have more than 200 years' supply — without sinking a single cent into the search for further supplies which are most certainly available.

Radiation

How much radiation can we take safely?

Mr Hellstrom says the radioactivity level at Paarl Rock is 40 times higher than that at the boundary of Koeberg. By implication, people are living there quite safely.

The fact is that people breathe air, not granite. Koeberg, by Escom's own admission, will emit radioactive particles into the air. Paarl Rock emits rays which can be nullified by a few feet of distance or by ordinary clothing. Free-floating particles could enter human lungs and lodge in human tissue.

The argument is that radioactive emissions will be dissipated in large volumes of air. The nub of the matter is that the smallest source or particle of radioactivity remains radioactive no matter how much the matter is diluted. It needs only one of these to lodge in the human

lung to cause tissue damage.

When the victim dies of lung cancer 20 or 30 years later in some other city or some other country, Escom can hold up clean hands to the world and cry "No contest".

As any medical authority will tell you, there is no safe level of radioactivity.

Cost

Distance from the pith-head, loss of power in transmission lines and cost of transporting 15 trainloads of coal a day to a coal-fired station are all cited as major factors in the choice of nuclear power as the most economic option in the Western Cape.

Nobody thought to point out that it would be our trains, our coal, our jobs that would be created in an area traditionally regarded as industrially depressed. The money would go into our pockets. At the moment it is pouring into very grateful French pockets.

As for the length of transmission lines, it was an astute Israeli politician who warned the Egyptians it was just as far from Tel Aviv to Cai-

ro as it was from Cairo to Tel Aviv.

Whether Koeberg generates electricity by nuclear, coal, solar, hydro means or plain magic, it will still be connected by long transmission lines to the national grid.

It was also hinted that we could be at a strategic disadvantage in leaving ourselves dependent on either long-distance transmission of power or long-distance transport of coal. How much more strategically disadvantageous then to be dependent on long-distance French goodwill for nuclear fuel supplies?

Future

Almost a decade in May 1974, Times article berg, I wrote:

"No response, no parent, their child's bling steps, sional man nor engineer and certainly representative of either for or use of atomic he or she has sought out the

What happened history. Bi politics saw everybody know build a bicycle will stand up each aspect tion. More and costly ve as a nuke rubberstamp

What of the genuine fear by the anti-tion is that K well become Masada, a vi achieved "... rock in a w sert beside sea".

Far-fetched were. I wis strom's artic more factual tual.

I wish the had never he

been fobbed other budgets

By RECONDITE

WHILE autumn racing lacks the quality and drama of the high season its placid afternoons provide entertainment of a different sort: an opportunity to ponder over the ironies of the turf which in more hectic times would be overlooked.

The appearance of Plum Line in the Graduation I 500 m and Stormy in the Progress 1 000 m provided just such an opportunity at Milnerton on Saturday, and racegoers must have had a quiet smile when comparing the different backgrounds and price tags of the two horses with their achievements.

Plum Line swaggered into the sales ring at Germiston in 1981; he had everything going for him. He came from South Africa's leading stud, Vogelwei, and his sire Plum Bold, a son of eight-time American champion sire Bold Ruler, was spoken of with reverential awe by all and sundry — so much so, that it was rumoured that the TBA had considered

employing trumpeters to sound a fanfare each time Plum Bold's name was uttered by the auctioneer.

And Plum Line's dam, the Alan Adare mare Parly Line out of Parly Spirit, needed no introduction. She had been one of the top fillies of her year and her eight wins included the Natal Fillies Guineas, the Natal Oaks, the Garden Province Stakes and the Natalia Stakes.

It was not surprising therefore that bids for Plum Line chased each other to dizzy heights until he was knocked down finally to Mr Graham Beck for R191 000 — almost double the record price of the time for a yearling.

Meanwhile Stormy was living still in the relative obscurity of Pine Ranch Stud. Her sire Quarter-tone, a son of Atholl out of the Drum Beat mare Eastern Rhythm, was well performed, having won 13 races including the Diam division handicaps; but he had none of Plum Bold's charisma and his

yearlings were the hundreds the Nationa Sales at Germ There was r said of Sto Sands of Tim Veronese m Song; she ha placed in her a two-year-old managed one her ten runs year-old — record likely interest in l and have buy for their ch And yet D Rooyen felt something an her off the certainly not like R191 000!

Plum Lin began in N flourish; he race comfort next time we lengths as an vourite. Comp reassuring. W it said. But pl not, finishi back at each three starts. Saturday Saturday Line's sixth r

Seven-year-olds

them how in

By RECONDITE

TRAINERS JW McDonald should have been breed-

over the past decade and the good horses they should have been breed-

post two length My Son to wh conceding 3.5

MONDAY, 25 APRIL 1983

†Indicates translated version.

For written reply:

Hansard
Q. 61, 1085
25/4/83
Port Elizabeth: electricity

659. Mr. T. ARONSON asked the Minister of Co-operation and Development:

- (1) What was the total cost of providing the Black townships of Port Elizabeth with electricity;
- (2) (a) in what year is it anticipated that electrical reticulation and street lighting will be provided in each of these townships and (b) at what cost?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) During the period 1 January 1979 to date an amount of R1 747 161 has been expended on the provision of electricity to the Black townships of Port Elizabeth.
- (2) (a) In 1987, depending on the availability of funds.
(b) According to the latest estimate, approximately R59 million.

Police search

for killer device

Mercury
Crime Reporter

A DANGEROUS radioactive device was stolen from a bakkie parked near The Gables, on Durban's Victoria Embankment at the weekend, and police issued a warning last night that, opened, it could kill at a distance of 15 m.

Brig John van der Westhuizen, Divisional Detective Officer for Port Natal, said the device contained radioactive material and, if opened with an attached key, it could cause fatal radiation burns up to 15 m away.

Unopened, the device was safe and since it was useless to a layman, the thief might have thrown it away.

Brig van der Westhuizen warned people not to touch it but to contact the nearest police station if they saw it.

The officer in charge of the investigation, Capt C Erasmus, said the device had been in daily use with an engineering firm and had been locked in a bakkie.

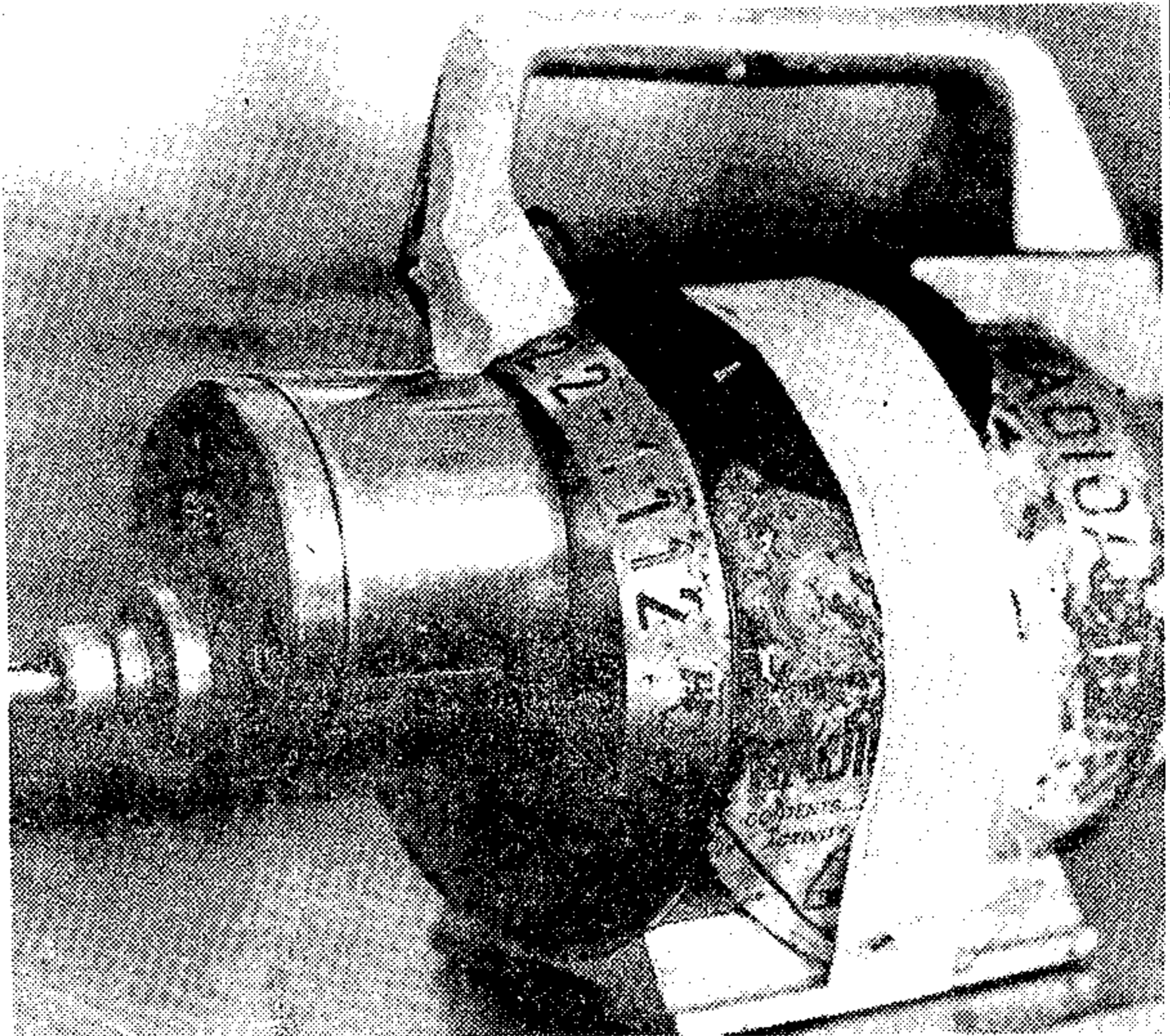
Use

The thieves broke into the bakkie and removed the device.

Nothing else had been stolen from the vehicle which belonged to Mr Steven Liversage, whose firm is listed as Engineering Inspection Company (Pty) Ltd: Government authorised inspectors.

'The device is apparently used to detect faults on certain machines,' Capt Erasmus said.

'The only reason I can think of for someone wanting to steal it, is that it looks a bit like a generator of some kind and could have been mistaken for one.'



What the device looks like. This one was given to the police for identification purposes.

Capt Erasmus believed there could be other firms in Durban who made use of these devices, which were about the size of a cricket telephone 'but slightly larger in height'.

'Inquiries will obviously be made as to why such a device was left in the vehicle but whether any regulation was being contravened, I can't say,' Capt Erasmus added.

SOWETO POWER SCHEME GOES AHEAD

27 APR 1983

By LEN MASEKO

THE crippling drought that is currently sweeping the country will not affect the R212-million electrification project in Soweto, Mr John Knoetze, chairman of the West Rand Administration Board (Wrab), assured residents yesterday.

Mr Knoetze was commenting on the speculation that the drought could lead to a delay in the scheme, which is expected to be completed in December this year or early in 1984.

"The scheme is progressing well with several thousand homes being connected with power every month. Speculation that the current water shortage may disrupt the programme is incorrect," Mr Knoetze said.

Power was at present provided in certain areas of Diepkloof, Orlando East, Meadowlands, Mofolo South, Mofolo Central, Orlando West and Mofolo North. The remaining areas were expected to switch on within the next eight months.

Just over 80 000 homes in the townships had so far been wired with most of them in the process of receiving electricity. About 30 000 houses in Greater Soweto will be supplied with electricity within the next three months.

Mr Knoetze said he foresaw no problems. "Contractors are speeding up their work to meet the deadline for the completion of the scheme," Mr Knoetze added.

A spokesman for the Electricity Supply Commission (Escom) told **The SOWETAN** yesterday that the current drought is threatening power supplies but he could not say whether this also applied to the ongoing multi-million rand electrification scheme in Soweto.

27 APR 1983

Work starts on R33-m plan to keep lights on

By Stephen McQuillan

SS
SNAR

Work has started on the Government's R33-million project to re-supply water to the vital power complex in the Eastern Transvaal.

Construction teams have moved in at three of the five sites where the 100 km link is to be built.

The scheme, which involves a series of weirs, will transfer water from Vaaldam to Grootdraai Dam near Standerton. From there it will go to Trichardt pumping station to be distributed to power stations at Camden, Kriel and Arnot and to Sasol 2 and 3 at Secunda.

Construction teams are making clearings and building roads along the route for their heavy equipment. About 400 people will eventually be working on the project.

A series of seven dams, pumping stations and short stretches of pipeline will be constructed in a race against time to avert power blackouts.

Power stations need water for cooling. Dams serving the stations are now at dangerously low levels.

Mr Bert Boonzaaier, liaison officer with the Department of Environment Affairs, said pumping stations could not be built until weirs were finished.

The first job for project planners was to construct two weirs within Vaaldam — one to prevent the water level dropping any further and threatening the project, and the second to help the water over a large sandbank. The work is being carried out in the Viliers area of the dam where the water will be tapped.

Mr Boonzaaier said one third of the R33 million would be spent on temporary measures. Other aspects of the project would be permanent.

The link between Grootdraai Dam and Trichardt, involving canals, would be permanent. "The canal system is big enough to accommodate the water but, unfortunately, our existing pipelines are not big enough."

The Electricity Supply Commission and Sasol were also making large contributions towards the scheme.

Despite the project Escom is still meeting local authorities and representatives of other large consumers of electricity to thrash out a power cuts programme.

Escom is using 2 pc, not 20 pc of water

Political Staff

CAPE TOWN — Escom, one of the biggest single users of water in the country, is doing everything possible to cut down on its consumption.

A spokesman for Escom pointed out yesterday that the utility did not use 20 percent of the country's metered and unmetered water as reported last week.

The report which arose out of questions asked in Parliament by members of the Progressive Federal Party on an alleged lack of progress towards using dry instead of wet cooling processes should have stated that Escom used almost two percent of metered and unmetered water.

The spokesman said: "Escom is aware of the need to conserve water. In 1950 it cost Escom 4,4 litres of water to produce a kilowatt of electricity.

"In 1971 the amount was reduced to 3,3 litres and last year to 2,5 litres."

Aggett was
people are
spoken of
found them
have become
confinement
shocks, in
sleep, abu
be an horr
and more t
956 people
have become
of repressi
Another mea

"We cannot
do not
of all
TASC Congres
most people
The Presiden
government h
worsening,
countries re
demonstratio
South Africa

period 1980
the numbers
1976 25 peop
lost their
the crisis ye
1963, 53 peop
Dr. Aggett w
learn from it
building - Jo
was found har
On February

HE IS B
N
WE

South Africa. Neil
al. Fifty three
ision. Many have
helpless. They have
cts on people. Detainees
Solitary
faced electrical
ogated, deprived of
981. Detention can
uth Africa in 1980,
ave increased with
urity legislation
, has been the increase

representatives
is that
tated:
motion passed at the
d for reform, and
gh introducing reforms.
The
Unemployment is
increase. Overseas,
Strikes, boycotts,

Since
detention. In
1969, 19 people
Someto unrest in
978. Since 1980,
ths over the
study. Since
detention. He
central security
his death, and



WEDNESDAY, APRIL 27, 1983

SOWETAN

S 4796



R5,00

84b VON BRANDIS ST.
JOHANNESBURG.
Telephone 37-7018

R258 000 for 'Dark City' electrification project

ALEXANDRA TOWNSHIP

ALEXANDRA TOWNSHIP is to be electrified at an estimated cost of R258 000.

This was announced yesterday by the chairman of the Liaison Committee, the Rev Sam Buti, who said work on the first phase of the project would begin on Monday.

He also told The SOWETAN that the committee has decided to increase the number of flats to be built for Phase One development families from 194 to 324.

Mr Buti said the installation of the electricity would be the first infrastructure project since Alexandra township got a reprieve from the Government in 1979. The first phase of the electrification project would cost the committee R40 000.

This power, he said, would be bought from the Johannesburg Electricity Department. This will be for Phases One and Two of the development.

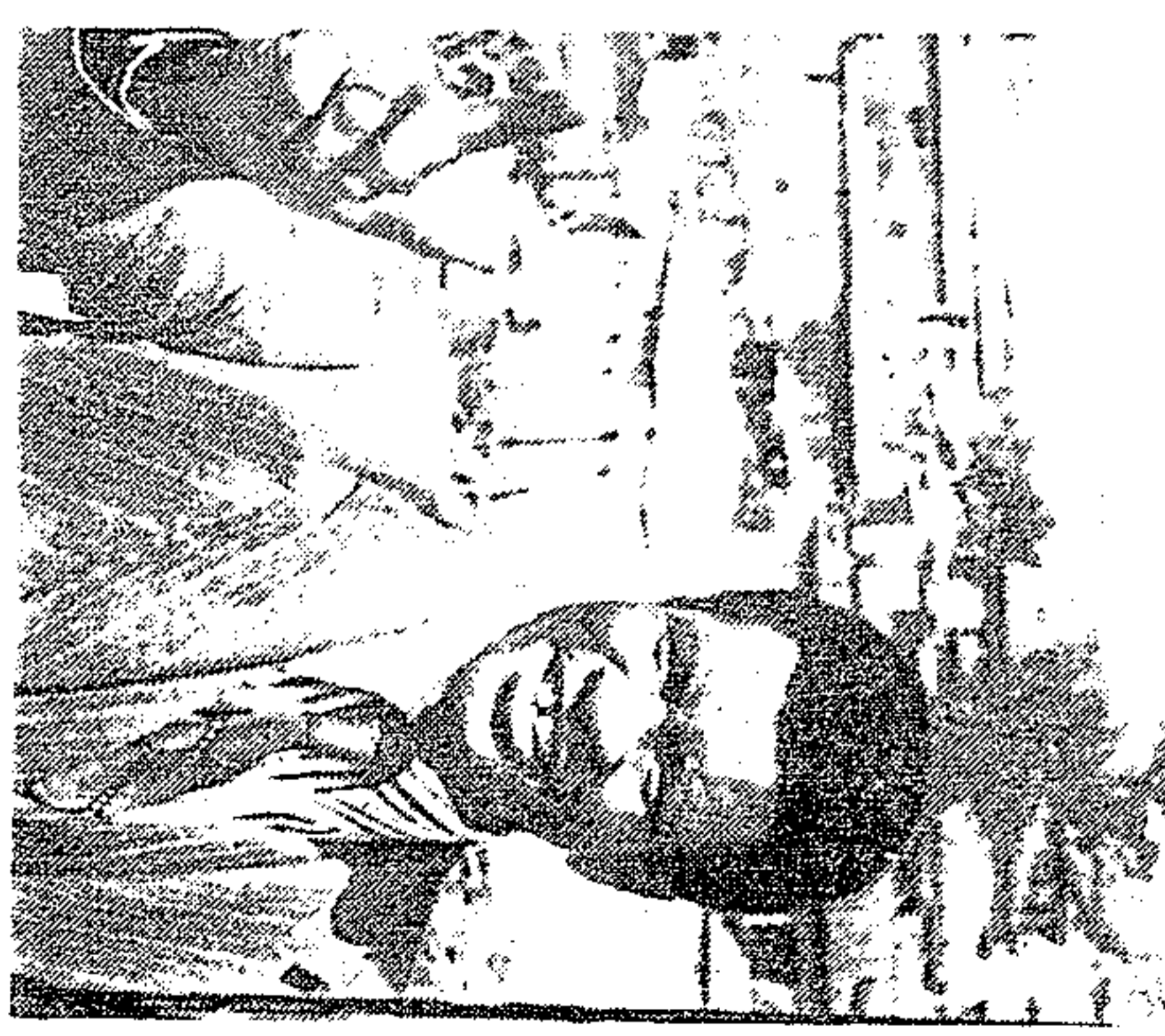
The short-term supply from the Johannesburg Electricity Department would help improve the

By MONO BADELA

existing electricity supply which he described as "very weak". The electricity in Alexandra will in future be integrated with that of the West Rand Administration Board's system.

Bulk electricity costing more than R258 000 for the total development would be bought from Escom. He urged Alexandra residents to come forward and apply for electricity. Street lighting would be improved and consultants were investigating the installation of highmast lights in the area to make the township more safe.

Earlier in the month the Government granted the Alexandra Liaison Committee R3,5-million for the redevelopment of the township. The committee had approached the Government to make certain funds available for the purpose of building low cost housing as part of Phases One and Two of the development. There will also be 15 additional houses and 324 flats at a cost of R3-million.



THE CHAIRMAN: Rev Sam Buti.

JOIN THE

WEET

NEOLO PARK FOR THE FESTIVAL!

MAKERS FESTIVAL!

27/4/83

SS Mercury

Probe into theft of device started

Crime Reporter

THE Nuclear Development Corporation of the Atomic Energy Board in Pretoria has started an investigation into the circumstances surrounding the theft of a radioactive device from the bakkie of a Durban firm at the weekend.

Mr P Haskins, assistant liaison and information officer of the Corporation, said yesterday that for the moment the matter was regarded as being sub-judice.

Asked if any special regulations had been contravened in leaving the device in the bakkie, he said that the corporation would not comment at this stage since it could prejudice the investigation. A statement would be made at a later stage, he said.

Report

In Durban Mr Charles Perry, branch manager of Engineering Inspection Company from whom the device had been stolen, said that a full report had been sent to the Atomic Energy Board in Pretoria.

He said that the device, known as a demo-radiography container, contained a radioactive isotope about the size of the head of a match and was used mainly to X-ray the internal quality of a weld.

'If it is not tampered with it is perfectly safe since there is no radiation from it whatsoever. It is only dangerous if it is opened and physically handled but it is an exaggeration to say that it could cause fatal radiation burns. It would cause radiation burns if physically handled but they would not be fatal,' he said.

The container, stolen from a locked bakkie which was broken into while parked on the Victoria Embankment, has danger warning signs all over it.

Handwritten marks: a circle with '0', a circled 'X', and the letters 'H' and 'J'.

Vertical text on the left margin: I... e... s... s... r... e... g... e... e... r... k... s... s... J... l... k... e... d.

Namaqualand area chosen as nuclear 'dump' ground

By J Manuel Correia

What were the criteria used by the Nuclear Development Corporation in the selection of a site for the storage of nuclear wastes?

The answers were given at a lecture in Johannesburg yesterday by the manager of the geology department of the corporation, Dr P D Toens.

Dr Toens pointed out that radioactive fission products undergo a complicated decay process.

They decay at different rates, with more rapid decay meaning more radiation or high radioactivity.

Eventually they all became non-radioactive — some in minutes, some in a few days, some in a few years, and a few over thousands of years.

These wastes have to be isolated from the environment until they decay to levels and concentrations that will pose no further threat to the biosphere.

In the case of low-level waste this is in the order of several hundreds of years and several thousand years in the case of high-level waste.

The storage of low-level waste, if buried under proper conditions, is completely safe and presents fewer problems than the disposal of many other forms of waste.

The storage of high-level wastes is the subject of much emotional debate.

It should be noted that at a plant like Koeberg about 2 000 drums of low-level waste, which may be safely manhandled and stored above ground, are produced annually.

The site eventually purchased after careful screening is situated in Namaqualand, on the farms Vaalputs and Bokputs, and is about 10 000 ha in extent.

A safety evaluation in accordance with accepted international norms is currently in progress.

"In the foreseeable future only intermediate to low-level waste will have to be accepted and therefore current investigations are not being directed primarily towards the acceptance of high-level waste.

"Such investigations are only due to commence in 1988," said Dr Toen.

Apart from the geological parameters the selection criteria which were needed to cover the safety requirements of both waste forms included rainfall and groundwater recharge, seismic hazard probability, mineral potential, agricultural production, population density, corrosion by groundwater, ecologically sensitive areas, surface and groundwater hydrology, growth potential and political boundaries.

Care taken in storage of wastes

Some nuclear wastes decay in only a few minutes while others take thousands of years. Because of the long-term nature of 'dumping', and concern for safety measures, many factors have to be taken into account before an area can be declared suitable for the storage of wastes.



The barren Namaqualand area . . . selected as a dumping ground for nuclear wastes.

The nearest population centres within a 100 km radius of Vaalputs are Nababeep, Concordia, Okiep, Springbok, Kamieskroon, Garies and Kliprand, none of which exceed 8 500 people.

The estimated population within this radius is about 15 000 people, concentrated in these towns.

Geological investigations indicates that there are no mineral deposits of economic value within a radius of 25 km of Vaalputs.

The only agricultural activity within that same radius is sheep farming, which is declining.

Vaalputs is sparsely vegetated and the paucity of vegetation and livestock limits the possible pathways of radioactivity to man via borehole water which is used only for drinking purposes.

Most of the site is covered by surficial sedimentary and in situ derived material to a depth of between five and 35 m.

TRENCHES

From pitting, drilling and seismic evidence this material would be readily rippable for the construction of the required trenches for low and intermediate level waste burial.

Several deposits of impure kaolinite and non-diamondiferous kimberlite are known in the districts, and these could be used as capping and sealing material for the trenches.

Underlying the surficial rocks are the Norabees granites and basement granite gneisses extending to an unknown depth. Indications at this stage are that these basement rocks are suitable for the emplacement of high-level wastes at depth.

Although some faults exist in the area they are in places at least one to two kilometres apart and hence several suitable sites exist which were devoid of major faults.

Extensive airborne and ground geophysical surveys have been carried out.

A detailed drilling programme was carried out to test the validity of the geophysical and other investigations. The programme is still in progress.

Lead emission hazard: MPs urge action

By MICHAEL ACOTT
Political Correspondent

HOUSE OF ASSEMBLY. — Two Opposition MPs called yesterday for urgent action to reduce the health threat of what they regard as dangerously high levels of lead in South African petrol.

Mr Roger Hulley (PFP Constantia) and Mr John Malcomess (PFP Port Elizabeth Central) raised the matter during the budget debate on the Department of Mineral and Energy affairs.

Both pointed to research showing lead was a dangerous pollutant, causing brain damage and reduced intelligence levels in children.

The United States Environment Protection Agency (EPA) believes motor-vehicle exhausts are responsible for 90 percent of the lead in the air and a significant proportion of lead in food.

Mr Hulley called for a two-stage plan to reduce the lead in South African petrol to the levels prescribed in other Western countries by 1985 and then to eliminate lead from petrol completely.

Mr Malcomess said official government figures showed that Cape Town had three times the acceptable EPA limit of air pollution by lead.

Mr Malcomess referred to a thesis by Miss Yamin von Schirnding, of the University of Cape Town. She found that a number of Cape Town children had lead levels in their blood which exceeded international safety limits.

Mr Malcomess said reducing lead levels in South African petrol would cost an estimated R50-million.

"This is a lot of money but it is a drop in the ocean compared with the health of our children."

He urged Mr Du Plessis to consider Miss Von Schirnding's recommendations, which included reducing petrol lead levels and siting schools and creches away from roads with heavy traffic.

Mr Hulley said Mr Du Plessis had promised to take action if petrol was proved to cause high levels of lead in blood.

● Mr Du Plessis said in Parliament last night that the government might be able to take a decision on reducing the lead content of petrol in the next few days.

CAPE Times 28/4/83 55 86 250

Koeberg sabotage 'a serious setback'

HOUSE OF ASSEMBLY. — The sabotage attempt at Koeberg power station last December had seriously set back its expected date of commissioning, the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, said yesterday.

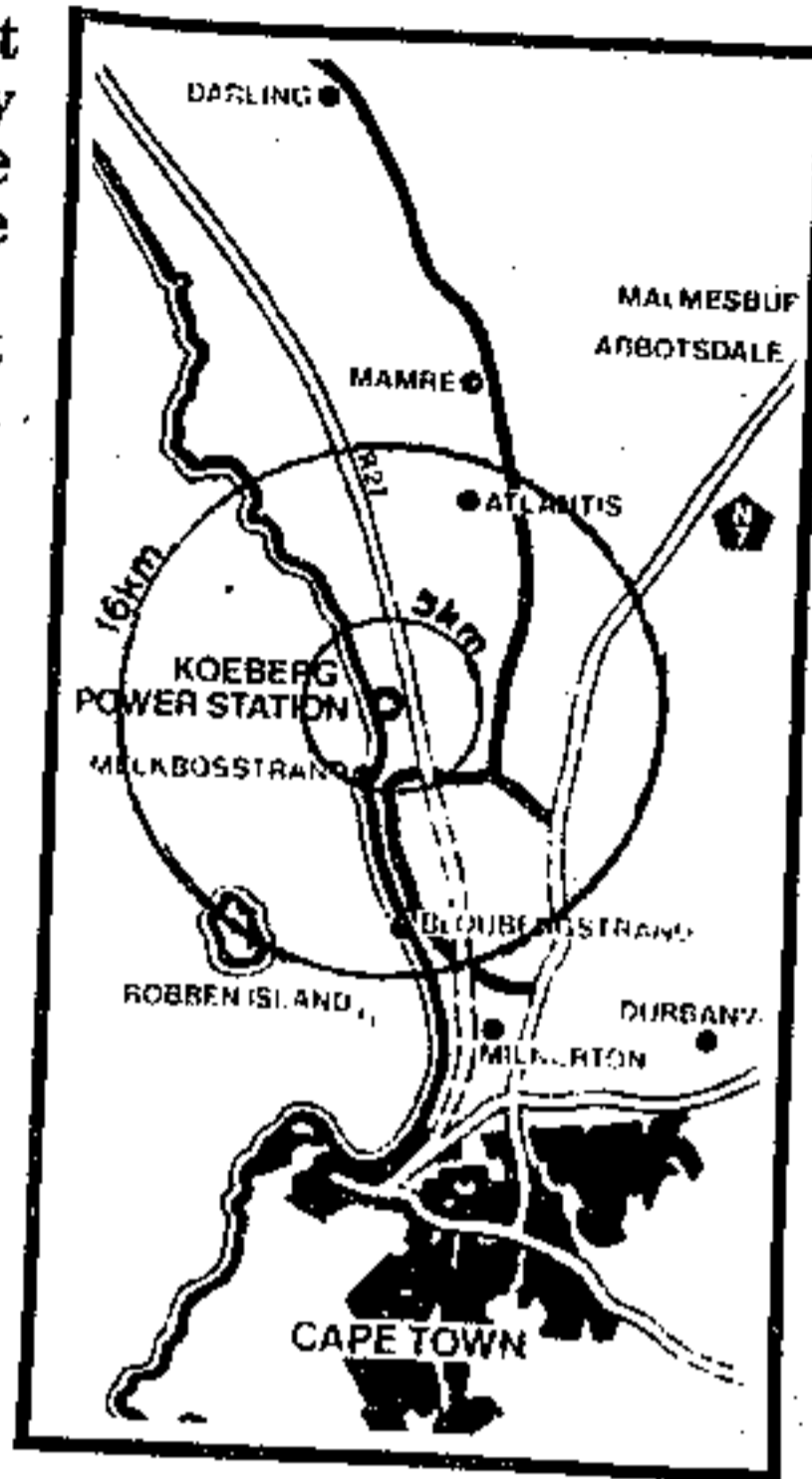
Speaking on his Budget vote he said the direct cost of the damage was relatively small compared with the consequential costs.

"The final report regarding the sabotage incident is not yet available but I have received a report from Escom."

According to the report nobody was injured as a result of the explosions, no radiological hazard arose and recovery work was well advanced.

"The direct cost of the damage is relatively small in comparison with the consequential costs, due to the delay in the commissioning of Koeberg, and is partly covered by insurance.

"Every effort is being made to minimize the consequential costs and the main objective of Escom's ongoing negotiations with the contractor and other parties concerned is to ensure the earliest practicable power generation.



"As far as security measures are concerned, Escom has drastically improved the original measures as foreseen in 1976 in the light of the present day world-wide increase in terrorist activities.

"It was therefore necessary to develop and add to the original concepts in the course of building and commissioning of the power station.

"I want to reiterate that neither of the two units will be commissioned at the expense of safety or before the licensing authorities and the government are convinced that the security measures have been brought to an acceptable standard and that Koeberg can be operated with safety."

The minister gave the assurance that before commissioning the reactors would be completed to such an extent that the construction workers would have left and only such staff of the contractor and Escom who would be involved with the commissioning would have access to the reactor building.

"It is not considered to be in the interest of security to disclose exact details regarding the financial losses incurred in the sabotage incident at this juncture," he said. — Sapa

Escom may shut down E Tvl power stations

Pretoria Correspondent

30 APR 1983

Escom could be forced to close down some Eastern Transvaal power stations temporarily due to the worsening water shortage in the area, an Escom spokesman has said.

The spokesman, Mr Iwan Basson, said some Eastern Transvaal stations' power output might also be reduced.

In Parliament this week, the Minister of Mineral and Energy Affairs, Mr Piet Du Plessis, said power stations could be shut down by August this year.

Mr Basson said the emergency project to divert water from the Vaal River to the Grootdraai Dam would help ensure uninterrupted power.

Should the capacity of some of the power stations be reduced, the output of others with better water supplies would be increased.

As a last resort Escom would probably consider rationing electricity, Mr Basson said.

Nuclear nightmares rear their heads in the Cape

55

STAR 30 APR 1983

Political Staff

CAPE TOWN — "Radiation Kills" is a very common bumper sticker in Cape Town at the moment, as concern grows about the opening of South Africa's first Nuclear Power station, Koeberg, about 40 km from the city centre.

And it is not a group of students looking for a cause who are making the noise and asking a multitude of questions about the power station.

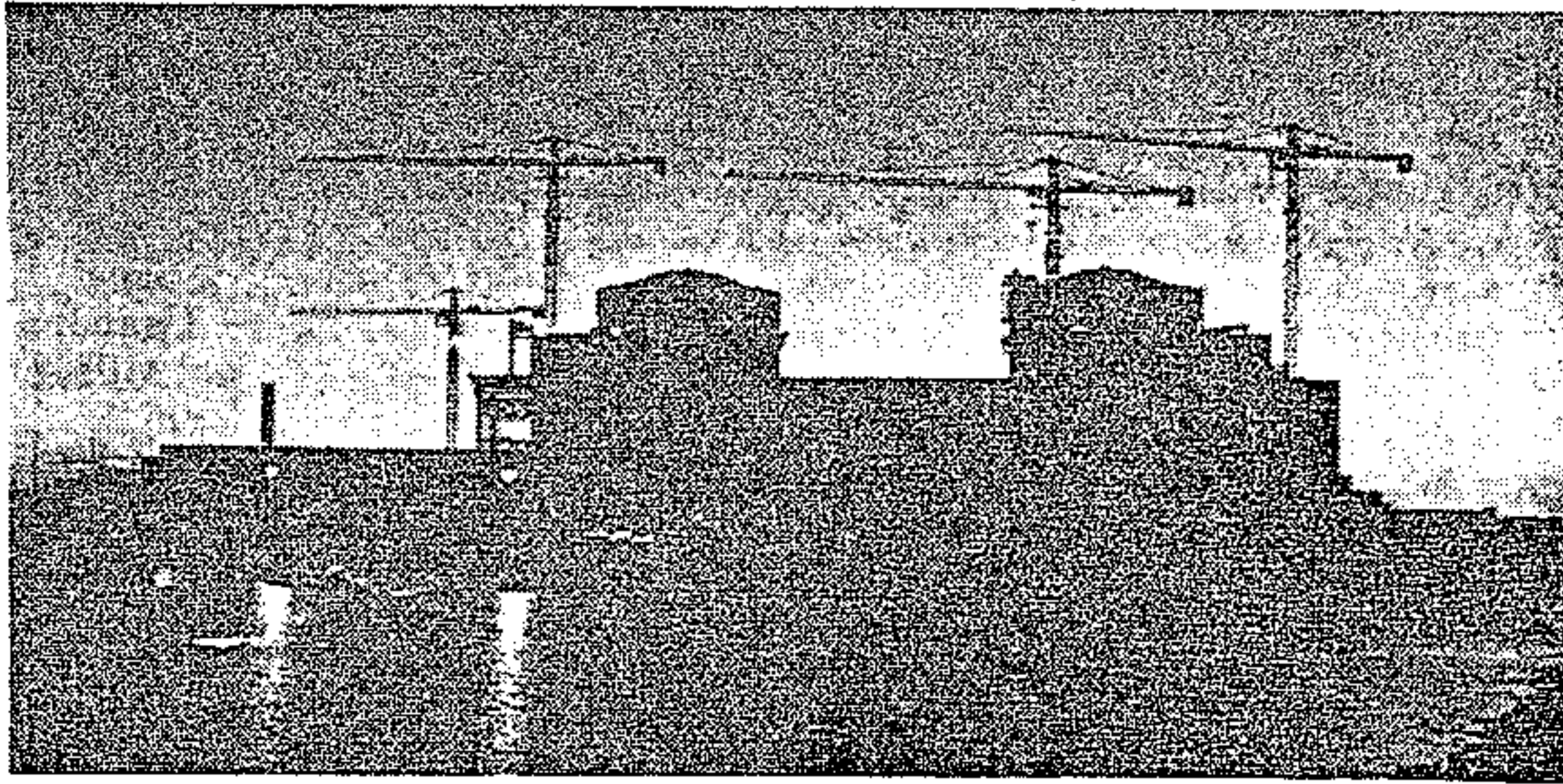
There is concern through all levels of society, including respected doctors, lawyers and well-known sportsmen and entertainers who have formed a body called Koeberg Alert.

The anti-lobby, which is growing in strength, will not be diverted from its position by the platitudes emanating from official quarters which range from calls to patriotism to patronising remarks about environmentalists.

An indication of the concern was a telephone poll conducted by a newspaper in December which established that 91 per cent thought security was not tight enough, 70 per cent said the power station was too close to the city and 55 per cent said Koeberg should never have been built.

Throughout the controversy there has been a distinct reluctance on the part of the authorities to answer questions, although in recent months as the pressure has grown there have more genuine attempts to inform and reassure the people of Cape Town.

But many aspects and details remain shrouded in secrecy.



Koeberg nuclear power station near Cape Town.

The so-called "anti-nuke" body, which in Cape Town does not walk around in gas masks and skeleton costumes, gained a tremendous boost by the ease with which insurgents recently entered the site and placed explosives which set back the opening date by an unknown but significant period.

The lobby has, howev-

swers from officialdom and the anti-lobby.

The more important questions are:

- "What happens if something goes seriously wrong?"
- "Is the power station not too close to Cape Town?"
- "What effect will emissions of radiation from the power station have on people in Cape Town?"

be seriously affected.

Escom and the atomic authorities say more radiation emits from the Paarl rock than will from Koeberg.

The reverse argument is that the Koeberg emission will consist of radioactive particles which can be absorbed and inhaled, whereas the Paarl Rock emits only rays which are cut out by nor-

An anti-nuclear body, Koeberg Alert, is voicing the fears of the Cape Town public — in the face of the brick wall of "we know better" bureaucracy. They feel the authorities have not taken enough precautions and that the public is being kept in the dark...

er, not had everything its way and there has been a healthy debate in the letters columns of the local newspapers about whether the R2 000 million project should be stopped or delayed.

There is also a growing suspicion — and among many, a total conviction — that Escom did not do its homework before it decided where to site Koeberg.

Ordinary people are asking questions and are receiving conflicting an-

Only now, months after the first reactor was supposed to be operational, are the authorities finalising emergency plans to meet any problems.

And the plans — which include sealing all ventilation holes and lying flat on the floor — are seen as somewhat ludicrous. There is now no doubt that the power station is too close to Cape Town, and that if there is that "one-in-a-million" chance that Escom talks about, Cape Town will definitely

mal clothes.

The effect of the particles cannot be predicted in the long term.

Escom says there is a one-in-a-million chance of something going wrong.

Why, then, argues the anti-lobby, have the authorities in the United States refused since the Three-mile Island incident to licence Nuclear Power stations near heavily populated areas.

There are also claims that Koeberg is built on a

geographic fault — claims that have not been explained to the satisfaction of the anti-lobby.

Only months before the explosions in December, the Cape Town City Council had a public row with Escom about safety measures with the city's medical officer, accusing Escom of reneging on assurances that the council would be involved in safety procedures.

In response Escom's regional manager, Mr G F Hellstrom, was reported as saying the Koeberg safety plan was "not the public's concern."

And there are hints that attempts have been made to use nuclear secrecy legislation to silence critics.

Mr Roger Hulley MP, the Progressive Federal Party spokesman on environmental matters, is one of a number of public representatives in Cape Town who have been expressing growing concern about safety precautions and the tardiness of Escom to answer well-founded questions.

"It is only the racial situation in South Africa that is preventing this issue from becoming as important as it is in Europe, where it is affecting the results of general elections.

"In all my experience I have never come across an issue in which I have personally had so much public reaction."

And to prove his point, he produces a thick file of letters from people of all walks of life.

He accuses the Government and Escom of mishandling the issue and of being "totally insensitive" to the concerns of the public.

Pedlar's

Four brothers in 5

Doctors

Y CAPL Times 2/15/83 Y

Mines prepare for drought emergency

By BRENDAN RYAN
JOHANNESBURG. — Measures taken by Escom to tailor generating capacity to water supplies, could have major effects on the collieries which supply the power stations with coal.

Export and Escom-tied coal mines are also presently evaluating the effects on their operations of possible Escom power cuts caused by the drought.

In addition they are examining the water situation and possible effects on the supplies needed for coal crushing and washing plants if the drought worsens.

Rand Mines coal division has already acted. The washing plant at Witbank Colliery's Albion section has been closed down and coal mined from the section will be treated through the new washing plant at Van Dyk's drift.

Rationalized

According to, Mr Roy MacGillivray, the deputy chairman of Rand Mines' coal division, operations throughout the group will be rationalized where possible to save power and water.

"We are preparing for power cuts and looking to see where we could reduce electricity consumption if faced with power rationing," he said.

The company's major revenue earner is Duvha colliery which supplies Escom's Duvha power station. The station is building up to full generating capacity of 3 600 MW by 1984.

"We don't think Duvha will be affected as the Duvha power station is more water efficient than many others and Escom should keep it going."

Mr J C Fritz, head of Gencor's mining operations said the group was concerned about the effects of possible power cuts and was assessing where power reductions could best be absorbed on the mines.

Power stations

"A major factor affecting the collieries could be decisions taken by Escom regarding which

rationing and output cuts from power stations must be done on a responsible basis to minimize the adverse effects on industry and the supplying collieries.

So far Escom has closed down two small stations, Ngagane and Umgeni, in Natal and reduced output by 60 percent from the Camden power station near Ermelo.

This has hit Trans-Natal's Usuthu colliery which supplies Camden and provided 3 900 000 tons of the 4 600 000 tons of coal burnt by the 1 600 MW capacity station in 1981.

Escom has also stepped up power generation from the older stations near the Vaal Dam which include the Vaal and Klip power stations.

Benefit

Extra demand for coal from these stations will be to the benefit of Amcoal's Cornelia colliery near Vereeniging which supplies them. It may also benefit Amcoal's Springfield colliery which supplies coal to Escom and is situated north of the Vaal Dam.

Mr David Rankin, managing director of Amcoal, declined to comment on how the drought may affect Amcoal's collieries.

These are small stations as Vaal has a generating capacity of 297 MW and Klip 396 MW.

The benefits of extra coal consumption from them would be small compared to lower demand from a, for example 10 percent, cut at a major station such as Kriel which has a generating capacity of 3 000 mW and gets its coal from Amcoal.

Kriel power station and the two 3 600 mW stations currently closest to completion, Duvha (supplied by Witbank Colliery) and Matla (supplied by Trans-Natal), are all situated in the Eastern Transvaal where yet more of these stations are being built.

Other large stations currently generating in this area are Arnot,

Own Correspondent

LONDON. — China is making its presence felt on the commodity markets through the recent increase in the amount of foreign currency at its disposal, according to traders in London.

They say the Chinese, who have traditionally kept themselves inconspicuous on the commodity markets, have shown a marked increase in their trading activities over the past two months and have taken advantage of wide price swings.

China has recently bought large quantities of copper, zinc, steel and rubber on the London and Singapore exchanges and traders see this as a sign that Peking is now planning the industrial expansion it has been aiming at for years.

China announced a record grain harvest and improved sugar and oilseed output in 1982.

Expansion

A foreign trade surplus of \$2,83 billion (about R3,08 billion) means China has the hard currency for purchases needed for industrial expansion, the traders say.

The price of copper on the London Metal Exchange has risen over the last two months partly because the Chinese have bought an estimated 200 000 tons. But traders say the market is somewhat nervous because, if prices rise too steeply, the Chinese could sell part of this back in order to reap profits.

Chinese buyers, however, have told merchants the copper is needed to meet expanded industrial demand and traders said shipping enquiries have been made to load copper from Rotterdam.

China has also recently bought Zinc, with estimates ranging widely from 40 000 to 150 000 tons, mainly direct from producers, traders said. Market talk is that the zinc is needed for stocking or industrial expansion rather than reselling at a later date.

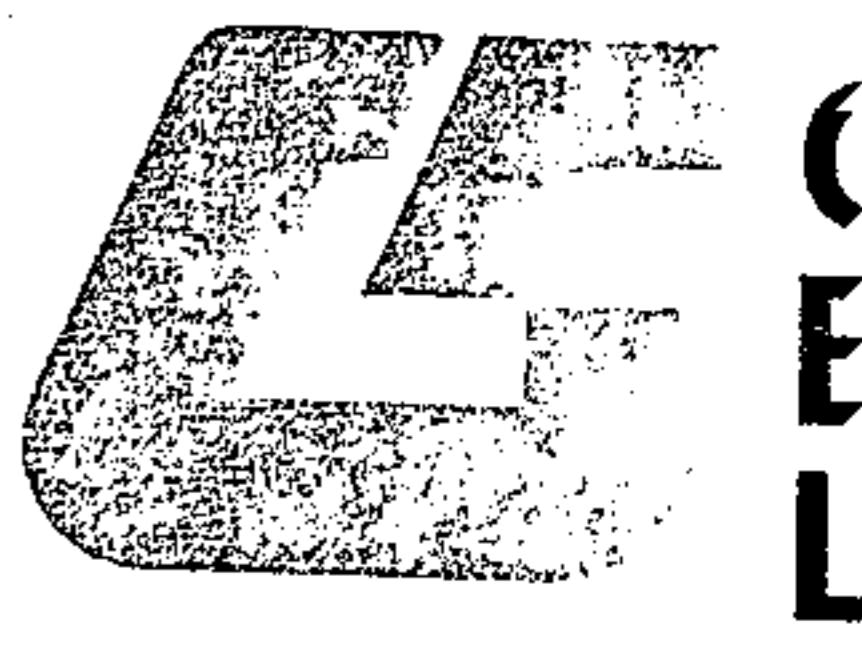
Rubber market

In the rubber market, traders report fairly substantial Chinese pur-

bitious industrial projects but after getting into financial difficulties, it embarked on a heavy economic retrenchment, cutting spending and investment.

But the cuts also led to a fast growth in China's foreign exchange holdings, which at the end of 1982 were estimated at \$9,23 billion (about R10 billion) — a remarkably high level compared with other de-

velop many operate cash. On t al from news a earlier China with co second shan st Shang clude ing r furnac plants.



In

The unaudited Group res below, together with the a.

Operating income before t Taxation

Outside shareholders' inte

Net income for the period

Earnings per share — cents

Dividend per share — cents

Comparative figures for th due to the fact that at that which distorts any comparis

The figures shown above a 1983 include the Decembe this period.

The company became a s shareholders on 26 Janua

L. B. Koch have joined the to 31 December 1983. As eigh-month financial year, be declared in respect of dividends will be declared in February 1984 payable in 1983, in addition to the divid

COMMENTS The Construction Division u at a satisfactory level althou and margins are lower. Wi



Vorton Glynn's Marius Diemont, who has handled the Cape Town end of Safmarine's PR account.

om Johannesburg on Friday when he told me that although the ingredient list on the package mentioned peanuts, which were the source of the aflatoxins in the yet unnamed cereal, one were in fact in it. Given the scare over the carcinogenic substance, it isn't surprising that Pronutro is believed not to have the defatted peanut meal in its cereal formula; but then why say it does contain peanuts?

Smith maintains Pronutro changes its formula from time to time and that it and other packages have a dispensation to use up old packaging, thus the incorrect ingredients list.

Frankly, I don't like it, especially since the product is specifically aimed at health-conscious consumers, many of whom take a real interest in what they eat. Who knows, maybe some Pronutro fans particularly like the idea of peanuts in their breakfast cereal and will be disappointed to find that they haven't been getting it.

So far, nobody is commenting seriously on the images of individual cereal brands following the scare, which was after all pretty limited, but some manufacturers are calling for brands to be named to clear the air for the rest.

As for the non-conforming ingredients lists, something should definitely be done to assure consumers that what is being touted as being in a product is really there.

Safmarine account

SAFMARINE'S plumb PR account has gone to Norton Glyn Communi-

cations' Cape Town office in conjunction with David Hilton Barber in Johannesburg.

Marius Diemont will be handling NG's end in the City. Commenting on the somewhat unusual arrangement — NG does have a Johannesburg office itself — Barber said it wasn't the first time the two had been in joint ventures and they shared offices up north.

The account, which was previously handled by Willie le Roux, has been hotly contested because of the rub-off in prestige associated with the client — SA's national carrier on the high seas.

Future booms

CARS, education and housing in South Africa offer booming growth prospects from now until the turn of the century, according to trends identified by the Unit for Futures Research at Stellenbosch University.

Selecting bits of UFR info for its in-house communique, "Intercom", Rightford Searle-Tripp & Makin notes that the motor vehicle "population" is scheduled to treble to 10-million by the year 2000. The number of black pupils is expected to leap from 5-million three years ago to 13-million, and the existing housing stock of some 6,2-million units should nearly double.

Turning to the physical environment, the UFR sounds a chilling note on the battle to beat insects which it says are becoming increasingly resistant to insecticides while the choice of remaining compounds for insecticides is limited.

5-metre hedge cut and stolen

Own Correspondent EAST LONDON. — The hedge at Mr Trevor Wigley's Gonubie house here was stolen this week.

"When I first found out about it I was angry,

but now I see the funny side of it," he said yesterday.

Mr Wigley noticed that his five-metre-high hedge was missing from his backyard when he came home from work on Friday.

MacGillivray, the deputy chairman of Rand Mines' coal division, operations throughout the group will be rationalized where possible to save power and water.

"We are preparing for power cuts and looking to see where we could reduce electricity consumption if faced with power rationing," he said.

The company's major revenue earner is Duvha colliery which supplies Escom's Duvha power station. The station is building up to full generating capacity of 3 600 MW by 1984.

"We don't think Duvha will be affected as the Duvha power station is more water efficient than many others and Escom should keep it going."

Mr J C Fritz, head of Gencor's mining operations said the group was concerned about the effects of possible power cuts and was assessing where power reductions could best be absorbed on the mines.

Power stations

"A major factor affecting the collieries could be decisions taken by Escom regarding which power stations could have their operations limited by lack of water," he said.

According to Escom spokesman Mr Etienne du Plessis, any power

Westplat output up 45%

By ADAM PAYNE

JOHANNESBURG. — Western Platinum mine, operated by Lonrho, after an expansion programme has increased production by 45 per cent but will not reap the full financial benefit for about six months because of the delay between the production of metal and its sale.

Because of the expansion and the higher milling rate, total costs in the six months to March 31 were 85 per cent higher at R24 186 000 (R13 101 000) but the revenue — due to the delay — was not equally higher at R 31 553 000 (R20 642 000).

Working profit was virtually unchanged at R7 367 000 (R7 541 000).

For the first time, production and development on the UG2 Reef is included in the results. Production from that reef started in January.

near Vereeniging which supplies them. It may also benefit Amcoal's Springfield colliery which supplies coal to Escom and is situated north of the Vaal Dam.

Mr David Rankin, managing director of Amcoal, declined to comment on how the drought may affect Amcoal's collieries.

These are small stations as Vaal has a generating capacity of 297 MW and Klip 396 MW.

The benefits of extra coal consumption from them would be small compared to lower demand from a, for example 10 per cent, cut at a major station such as Kriel which has a generating capacity of 3 000 mW and gets its coal from Amcoal.

Kriel power station and the two 3 600 mW stations currently closest to completion, Duvha (supplied by Witbank Colliery) and Matla (supplied by Trans-Natal), are all situated in the Eastern Transvaal where yet more of these stations are being built.

Other large stations currently generating in this area are Arnot, (2 100 mW) which is supplied by Amcoal and Hendrina (2 000 mW) which is supplied by Trans-Natal.

Dams

According to Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, the Escom dams in the Eastern Transvaal will begin to run dry by August this year if there are no further rains.

However, the emergency scheme being undertaken on the Vaal River to pump water to the Grootdraai dam and the other measures being taken by Escom mean the Commission could generate at full power until March 1984, if there is no more rain before then.

The construction scheme on the Vaal is expected to take five months which is cutting it fine if power cuts are to be avoided from August.

Announcements by Escom on possible rationing of power and possible cutbacks at power stations are expected within a month.

If they take place the result will be lower demand for coal from the affected collieries which must affect the earnings of the parent mining companies.

hard currency for purchases needed for industrial expansion, the traders say.

The price of copper on the London Metal Exchange has risen over the last two months partly because the Chinese have bought an estimated 200 000 tons. But traders say the market is somewhat nervous because, if prices rise too steeply, the Chinese could sell part of this back in order to reap profits.

Chinese buyers, however, have told merchants the copper is needed to meet expanded industrial demand and traders said shipping enquiries have been made to load copper from Rotterdam.

China has also recently bought Zinc, with estimates ranging widely from 40 000 to 150 000 tons, mainly direct from producers, traders said. Market talk is that the zinc is needed for stocking or industrial expansion rather than reselling at a later date.

Rubber market

In the rubber market, traders report fairly substantial Chinese purchases of Thai rubber over the last two months. These have put up the price on the Far East markets.

Prices have fallen in the past few days because some dealers realize they may have over-estimated the size of the Chinese purchases but traders in London estimate total Chinese buying is well above the depressed levels of a year ago.

According to Japanese steel industry sources, China last week bought 200 000 tons of steel pipe from Japan. This will bring total purchases from Japan so far this year to about 500 000 tons, already well above the 300 000 tons it bought in 1982.

In the late 1970s, China began several am-

Unless otherwise stated, all financial news in this issue was compiled by Paul Dold and sub-edited by Godfrey Haynes.

SMAL

A SIMP MANAGE

Power failure

440
55

draws E. Post criticism

7/5/23
Weekend Post Reporter

THE Government's decision to hand over responsibility for electricity supply in Port Elizabeth's black townships to the East Cape Administration Board was criticised today after parts of New Brighton had been without power throughout the night.

Last night the electricity supply to Ford Township, Thembaletu and Boast Village was cut off about 11pm after a power failure, and the problem had still not been rectified by the morning.

A New Brighton filling station owner, Mr Dan Qeqe, said he telephoned the East Cape Administration Board's emergency number and was told the problem would be attended to by a Mr Ferreira early today.

"Where are the emergency technicians? Why should we have to wait until morning?" he asked.

"This is a great inconvenience.

"This kind of thing would never be allowed to happen in the white areas of Port Elizabeth. When the municipality controlled these matters in the township, their officials were more prepared to deal with our problems," he said.

No official of the Administration Board could be contacted for comment

Escom works on ration plan

Power cuts almost certain to hit S Africa

55
Star
[9 MAY 1983

By Stephen McQuillan

Electricity blackouts will almost certainly hit South Africa this winter — despite a R33-million emergency plan to transfer water to drought-hit power stations.

The Electricity Supply Commission (Escom) said this afternoon that there was a 70 to 80 percent likelihood of breakdowns in power supply.

The warning comes on top of an earlier suggestion that power cuts would be introduced as part of an emergency rationing plan. Escom says rationing may follow as well, though no decisions have yet been made.

The commission says July and August are likely to be the worst months for blackouts.

The prediction has been calculated on a normal winter. If the weather is colder than normal — prompting higher demand — the threat of cuts in supply will be greater.

Chief Press officer Mr Etienne du Plessis said the high-risk times for power cuts would be between 7 am and 10 am, with a peak at 9 am, and between 6.30 pm and 9.30 pm, with a peak at 7.30 pm.

He said electricity could be cut for only minutes or up to about an hour. Cuts would be made on a rota throughout the country.

Escom had a generating capacity of 21 000 megawatts and expected demand was only about 16 000.

But, because of the drought, electricity generation was already temporarily cut by 1 600 megawatts and a bigger cutback was expected later. On top of this, engineers estimate several thousand megawatts may also be lost because of breakdowns and scheduled maintenance at power stations.

A combination of these factors could cut Escom's maximum output to less than the expected demand of 16 000 megawatts.

"It looks as though we are going to have a problem this winter," said Mr du Plessis. "We have already closed one power station and reduced the output from others because of the drought."

"There is a 70 to 80 percent likelihood we will not be able to meet the electricity demand because of the water shortage. A lack of generating capacity may be experienced during peak demand in the coldest months, July and August."

"We may be lucky and not have cuts at all. But the way things look at the moment we have to plan for the worst."

The Government, in co-operation with Sasol and Escom, last month announced a R33-million project to transfer water from the Vaaldam to the power stations in the Eastern Transvaal which generate about 80 percent of the country's electricity.

~~General~~ (55)

Water lack may shackle electricity

9 MAY 1983

By Stephen McQuillan

Dry-cooled power stations will have to be introduced before 1991 to enable South Africa's electricity generating complex to expand, according to an influential report.

The report, entitled "Co-operative Water Resources Development in Southern Africa", states that if dry-cooled power stations are not introduced before then the necessary expansion of coal-fired power stations will be shackled by lack of water.

The alternative to dry-cooled power stations was to import more water to wet-cooled stations on the Eastern Transvaal coalfields, which supply about 80 percent of the country's electricity.

The author of the report, Dr Philip van der Riet, said the Electricity Supply Commission (Escom) was reluctant to introduce dry-cooling at new power stations because it would never be cheaper than water-cooling — as long as water was available at reasonable cost.

COST INCREASE

A dry-cooling system would increase the building cost of a power station by 10 percent and its coal consumption by five percent.

"It could be argued that to continue indefinitely with wet-cooling would not only benefit Escom's consumers but also stimulate development of water resources that could later be diverted to irrigation after coal reserves have been exhausted," said the report, which was circulated to Government leaders.

"Such an argument may have merit were it not for the probability that the demand for cooling water will still be increasing when the potential supply in Southern Africa has been exhausted."

DEMAND TOO GREAT

Dr van der Riet said that even if all stations commissioned after 1985 were dry-cooled, water demand would still exceed limits of supply by about the year 2000.

This problem could be alleviated only if wet-cooled stations were closed or adapted to dry-cooling within 30 years of commissioning.

But Escom's first wholly dry-cooled station — being built near Ellisras — was expected to start full operation only towards the end of 1990.

Seawater cooling was not viable because stations would have to be on the coast and that would involve expensive transportation of coal from the major coalfields — hundreds of kilometres away, the report states.

(55) RDM
**Oil search extends
to Algoa Bay 9/1/83**

Mail Correspondent

PORT ELIZABETH. — South Africa's search for off-shore oil will be continued in Algoa Bay "early in June", a spokesman for Soekor has confirmed.

This follows a seismic survey carried out in November last year for oil off the Eastern Cape coast from Algoa Bay to Mossel Bay by a German marine geophysical survey vessel, the SV Explora.

Mr M L Leibbrandt, Soekor's public relations officer, said drilling would extend to Algoa Bay early in June if everything ran according to plan. This date would be confirmed in two weeks time.

He said they were planning to bring the Actinia oil rig, which is at present active north of Durban, to Algoa Bay as soon as the drilling operations there are completed.

The Actinia was built in Japan to Soekor's specifications at a cost of R80 million.

Last year it was towed to South Africa and has been active on the Natal coastline north of Durban.

It would have cost at least R3 million to move Soekor's rig from Mossel Bay.

The final costs of the Durban undertaking, including the rig, could be R100 million.

It was said that if nothing materialised the rig would be moved to Port Elizabeth.

Mr Leibbrandt was unable to say how many exploration boreholes are to be drilled in Algoa Bay, but said that about two-and-a-half months are needed before a borehole is completed and tested.

The Explora was commissioned by Soekor to carry out the seismic survey for oil off the East Coast and West Coast north of Cape Town. This was the vessel's second search for Soekor in two years. Her operation off the Eastern Cape coast was expected to take two months before she moved on.

The Sedco K is active in Mossel Bay at present. The multi-million-rand accident in December, where an essential part of the rig's drilling equipment fell overboard in Mossel Bay, caused a delay in Soekor's attempts to determine the site's oil-producing potential.

Last October oil and gas were found off Mossel Bay.

Power cuts now almost *STAR* certain

10 MAY 1983
By Stephen McQuillan

Electricity blackouts will almost certainly hit South Africa this winter despite a R33 million emergency plan to transfer water to drought-hit power stations.

The Electricity Supply Commission (Escom) said yesterday there was a 70 to 80 percent likelihood of breakdowns in power supply.

The warning follows an earlier suggestion that power cuts should be introduced as part of an emergency rationing plan. Escom now says rationing may follow as well, though no decisions have yet been made.

The commission says July and August are likely to be the worst months for blackouts.

ROTA BASIS

Chief Press officer Mr Etienne du Plessis said the high-risk times for power cuts would be between 7 am and 10 am, with a peak at 9 am, and between 6.30 pm and 9.30 pm, with a peak at 7.30 pm.

He said electricity could either be cut for only a few minutes or for up to about an hour. Cuts would be made on a rota basis throughout the country.

The Government, in cooperation with Sasol and Escom, last month announced a R33 million project to transfer water from the Vaaldam to the power stations in the Eastern Transvaal which generate about 80 percent of the country's electricity.

The flow of the Vaal River is being reversed by a series of weirs, pumps and pipelines in a bid to avert electricity rationing.

Escom is planning a rationing programme for its consumers in preparation for the worst, but a decision to introduce electricity rationing immediately has been delayed because of the severe economic repercussions on industry.

Koeberg takes a closer look at emergency plans

Own Correspondent

CAPE TOWN — The threatened closure of New York's nearest nuclear power station because of its poor emergency evacuation measures has forced local officials to take another look at Koeberg emergency plans.

Mr Pieter Carstens, deputy director of local government and chairman of the Koeberg emergency planning committee, said Koeberg would "very definitely" look into the implications of the US Nuclear Regulatory Commission's (NRC) warning to Indian Point that it would be closed in a month unless proper emergency plans were made.

The NRC reported that during a recent test evacuation drill no-one heard the warning sirens. And bus drivers, used to clearing out the 300 000 people within a 15 km radius of the station, could not be relied on because of the risk of exposure to radiation.

The sirens and the evacuation are crucial to the existing Koeberg emergency plan. Mr Carstens said authorities close to Koeberg were concerned with these vital early warnings.

"Fortunately, we don't have the same concentration of people within (the 16 km Koeberg radius) as exists within the Indian Point radius. Our heaviest concentration occurs in Cape Town, about 30 km from Koeberg. A six-man fact-finding team will visit the NRC soon," he said.

He said only those with adequate protection entered nuclear fall-out areas. "We also know that sealed shelters offer adequate protection. There should not be much chance of contamination as long as bus windows are kept closed," he said.

55
19/5/73
Sme

Bushmanland now nuclear

By J Manuel Correia

The ground may be "hot", but sheep can safely graze not too far from the tiny corner of Namaqualand earmarked for the disposal of South Africa's nuclear waste.

The authorities are convinced they have settled on possibly the safest site in the world for this purpose.

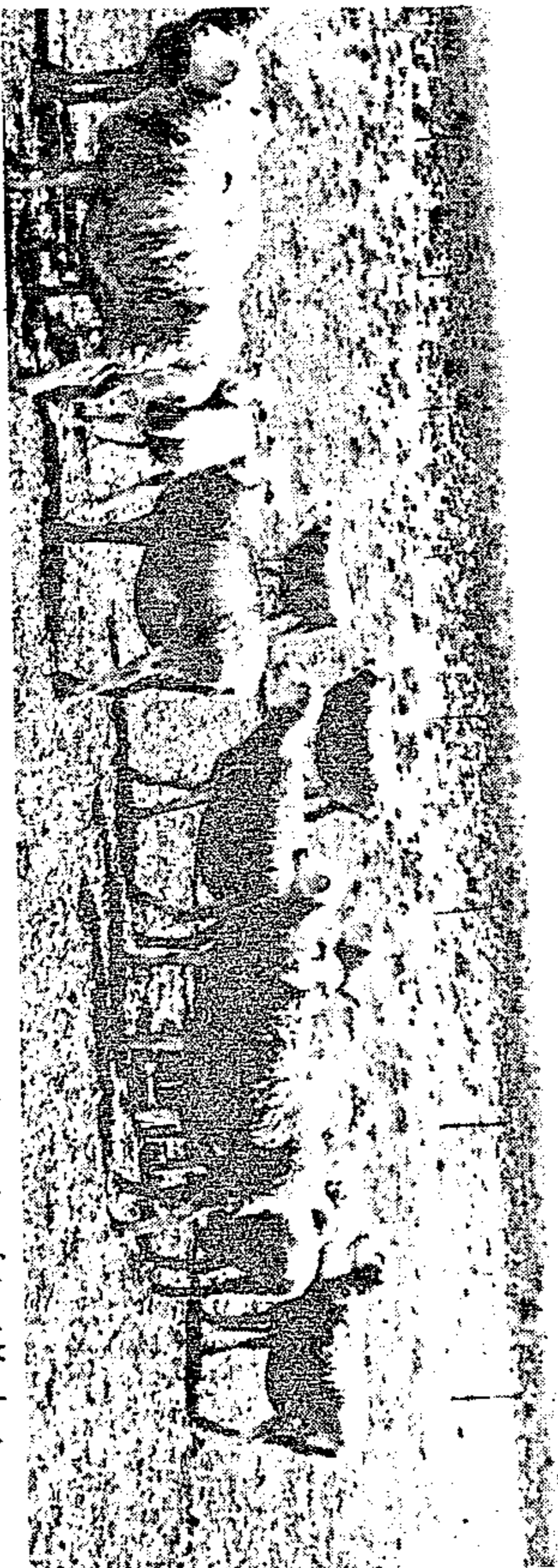
The area has not been seismically active for 100 million years. Even the underground water is about 6 000 years old. What little rain falls quickly evaporates so there is no danger of contamination spreading through underground drinking water.

There are only 500 people within a 25 km radius of the waste burial site, which is at Vaalputs, on the Bushmanland Plateau.

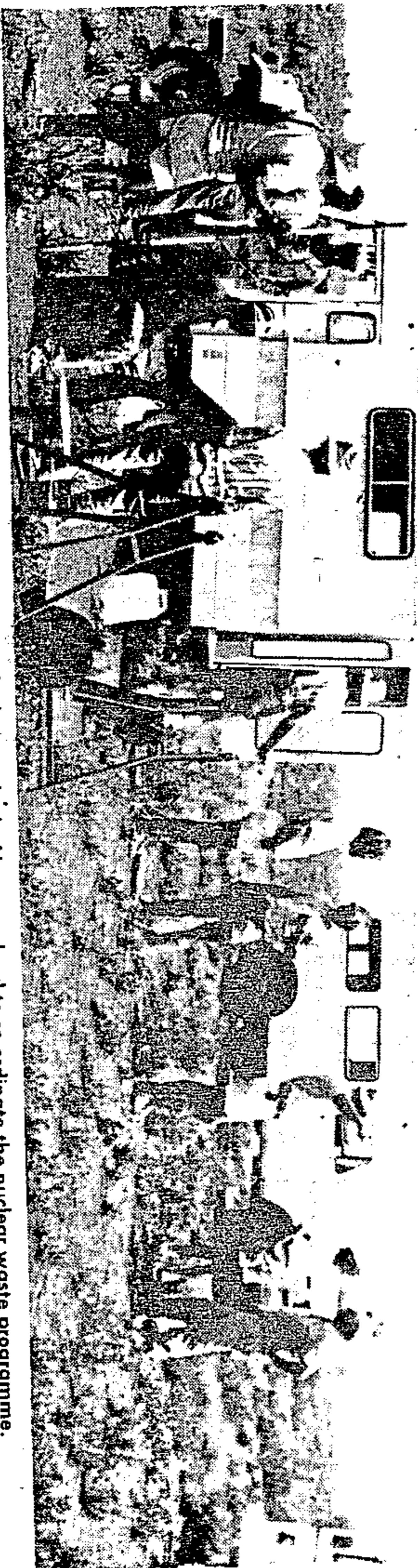
The area has been in the grip of drought for seven years. The only livestock remaining consists of sheep, which are free ranging.

Apart from taking care of nuclear wastes, the Nuclear Development Corporation of South Africa will be carrying out an environmental rehabilitation programme of the area it has bought.

Nucor has pointed out that the final burial site will measure only 1 sq km in the centre of the 10 000 ha area.



Though the ground below may be "hot" with nuclear waste, the sheep can still graze in safety at Vaalputs.



Geologists, geophysicists and geobotanists meet at the barren site in Namaqualand to co-ordinate the nuclear waste programme.

Power cuts won't threaten aluminium

By SIMON WILLSON
Industrial Editor

ALUMINIUM producers and manufacturers are confident that their industry will come through the winter with few, if any, problems from power cuts.

The aluminium industry is particularly vulnerable to interruptions in electricity supply, as smelting of the ore is a highly energy-intensive process entirely dependent on electricity.

The Electricity Supply Commission (Escom) has warned of possible power cuts this winter on a rota basis around the country because of shortages of water for cooling at power stations.

But Mr Fanie Malan, executive director of the Aluminium Federation of South Africa (AFSA), says the industry has not found it necessary to date to draw up any emergency plans to cope with power cuts later in the year.

"The smelters dealing with primary metal would obviously be seriously affected by any power interruptions, but there is only one primary smelter — at Richards Bay.

"If it can last the winter with a constant power supply, the rest of the industry should be relatively unaffected.

"This is because nearly most of the smelting of secondary metal (scrap) is done by gas," Mr Malan said.

AFSA represents 44 smelting, casting and fabrication plants in South Africa's R600-million a year aluminium indus-

try, which has an annual output of about 120 000 tons.

South Africa's only producer of primary aluminium — metal smelted from ore rather than scrap — is Alusaf, based at Richards Bay. The Industrial Development Corporation and Swiss Aluminium are its major shareholders.

By June this year a new smelting plant imported from Japan should be fully commissioned, with the goal of doubling Alusaf's production capacity to 170 000 tons a year.

But even with this huge increase in its installed plant, the company is confident that it will not have to shut down any capacity this year due to electricity shortages.

"We have been in touch with Escom about the power supply situation and the feedback so far has been that the probability of black-outs hitting us is not very large," said Alusaf's general manager, production, Mr Hans Kaiser.

"We reacted sharply to earlier reports of critical power shortages this year, but we have found that the position is not so black for us. There seems to be a large number of projects on hand to overcome Escom's water shortage."

Mr Kaiser said Alusaf was accustomed to cutting back its total power demand during the winter months, because the national grid was often unable to cope with seasonal consumption peaks.

"We regularly reduce our power demand in winter to what the system can handle. We can manage a 5-10% reduction in electricity demand without much

trouble, and our production is directly proportionate to the amperage available to us."

He pointed out, however, that the Richards Bay plant had yet to reach its peak electricity demand, which would only come after the commissioning of the new smelter next month.

The plant's full electricity consumption would then be more than 300MW. By comparison, a town the size of Witbank needs only 65MW, whereas Johannesburg needs 1 200MW.

Pietermaritzburg-based Hulett Aluminium, a subsidiary of the multinational Alcan group, is South Africa's biggest processor of secondary aluminium, doing most of the extruding and semi-fabricating of re-smelted scrap.

The company has spent more than R40-million over the past 10 years on new plant, but it too foresees no problems this year from power cuts.

"We have a very good working arrangement with the authorities. We have not suffered any power cuts in the past and we do not expect any this year," said Mr Gerhard Christiansen, general manager of Hulett's rolled products division.

"We are taking great care not to exceed our usual maximum electricity demand level of 17,5MW. We set this demand target ourselves, and we have very strict internal controls to ensure that it is maintained.

"These measures include switching off all our air-conditioners, and cutting out all office lights at night."

Hortor pays 14c final div

By JOHN MULCAHY

HORTORS Trio-Ra the Hortors group's listed subsidiary, is paying a final dividend of 14c for the 14 months ended February 28, for a total payment of 25c on earnings of 57c a share.

Comparisons are difficult cause the year end again been unchanged, the previous reporting period was 18 months December 1981, but spokesman for the group said a comparison of earnings 1982 with the previous year showed a marginal improvement.

Hortors' turnover was R1 million for the 14 months compared with R86-million for the 18 months ended December 1981, and its operating income amount to R9 304 000 compared with R9 419 000.

Interest and finance charges charged R4 481 000.

AT:

Industries

14 MAY 1983

cut water

STAR

53

consumption

The devastating drought, which has already brought misery to South Africa's rural areas, is now forcing industry to use less water to help prevent power cuts later in the year.

Industrial and mining spokesmen said they were trying to conserve water in line with official demands so that water-cooled power stations would not have to close or reduce output.

The Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, said in Parliament that power stations might be shut down in August if no rain fell before then.

Companies fear that if factories or mines have to close or are forced to work short-time as a result of power cuts, workers will have to be laid off. This could further depress the economy, they said.

The drought, described by meteorologists as the worst in the history of Southern Africa, has already cost the country millions of rands in lost food exports and has reduced demand for goods such as tractors and fertilisers.

VAAL RIVER

He said work should be completed by September on a R33 million scheme to reverse the flow of the Vaal River. The Vaal, one of the country's major waterways, feeds stations in the Eastern Transvaal which supply most of South Africa's electricity.

The Chamber of Mines, which groups South Africa's gold mining houses, has set up a committee to examine the effect power cuts could have.

Coal mines, which need huge amounts of water to crush and wash their produce, have already taken steps to reduce consumption by the officially requested 20 percent. One washing plant at a Rand Mines coal mine has already been closed.

Mr Roy MacGillivray, of Rand Mines' coal division, said water meters were being installed to keep a closer watch on results. — Reuter.

apata

11

SAFETY

THE

NEW-FACTOR

w/c Areas
14/5/83

ST
[Signature]

'No evacuation US plants face

From
**CHEETAH
HAYSOM**

Weekend Argus
Foreign Service

NEW YORK. — Nuclear power plants around the United States are threatened with forced shut-down because many local governments believe that no emergency evacuation in the event of an accident is possible.

The Federal Government requires that all operating plants have plans to evacuate residents in a 15 km radius of the facility. The regulation followed the most serious nuclear accident in the US, at the Three Mile Island plant in Pennsylvania in 1979. In that accident a "melt-down" was averted.

Until then there was no requirement for safety procedures to get large numbers of people out of a contaminated or threatened area quickly in a crisis.

Last week the Nuclear Regulatory Commission ordered the nuclear power plant at Indian Point, 30 km from New York City, to close down unless local authorities draw up

However, at Indian Point and elsewhere, local authorities are refusing to co-operate because they say proper evacuation is impossible — or its preparation too costly. Workable plans would often require roads, bridges or equipment that do not exist and that the local authorities cannot afford.

The firefighters near Indian Point, who are volunteers, argue that they do not have the training or equipment to put a proper evacuation into effect. Bus drivers in one of the local areas refused to participate, and could not be relied on to expose themselves to radiation to help transport people out of the area.

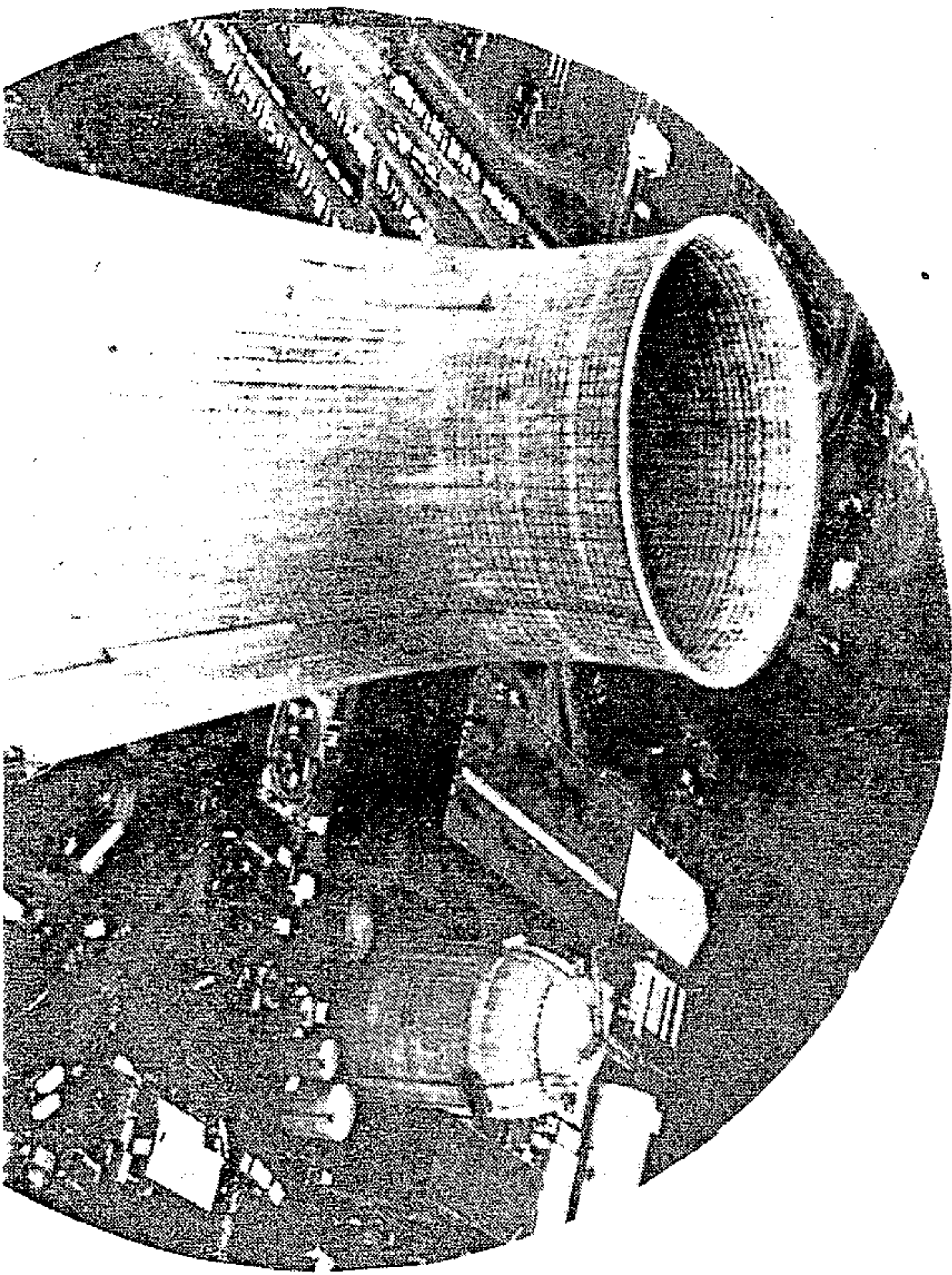
Some local authorities are using the threat of government-enforced shut-down to get the nuclear power plant operators themselves to contribute to the cost of emergency preparedness.

The United States Energy Secretary, Donald Hodel, said the problem of adequate safety planning threatened the nuclear power industry and had become an issue of national significance. Seven municipalities within 15 km of Sea-

At S Island, the nuclear power plant is not been to run county ed the on the they w
A FL is try Floric

Cape
team
will
watch
US
trial
run

By
**KEVIN
JACOBS**
Weekend



55
56

w/c arcs
14/11/83
55
56

'No evacuation possible' — US plants face shutdown

From
CHEETAH
HAYSOM
Weekend Argus
Foreign Service

NEW YORK. — Nuclear power plants around the United States are threatened with forced shut-down because many local governments believe that no emergency evacuation in the event of an accident is possible.

The Federal Government requires that all operating plants have plans to evacuate residents in a 15 km radius of the facility. The regulation followed the most serious nuclear accident in the U.S. at the Three Mile Island plant in Pennsylvania in 1979. In that accident a "melt-down" was averted.

Until then there was no requirement for safety procedures to get large numbers of people out of a contaminated or threatened area quickly in a crisis.

Last week the Nuclear Regulatory Commission ordered the nuclear power plant at Indian Point, 30 km from New York City, to close down unless local authorities draw up

However, at Indian Point and elsewhere, local authorities are refusing to co-operate because they say proper evacuation is impossible — or its preparation too costly. Workable plans would often require roads, bridges or equipment that do not exist and that the local authorities cannot afford.

The firefighters near Indian Point, who are volunteers, argue that they do not have the training or equipment to put a proper evacuation into effect. Bus drivers in one of the local areas refused to participate, and could not be relied on to expose themselves to radiation to help transport people out of the area.

Some local authorities are using the threat of government-enforced shut-down to get the nuclear power plant operators themselves to contribute to the cost of emergency preparedness.

The United States Energy Secretary, Donald Hodel, said the problem of adequate safety planning threatened the nuclear power industry and had become an issue of national significance. Seven municipalities

shire have refused to participate in evacuation planning because they say it would be futile.

At Shoreham on Long Island, near New York, the nuclear reactor has not been given a licence to run because the local county officials rejected the emergency plans on the grounds that they would not work.

A Florida community is trying to get the Florida Power and

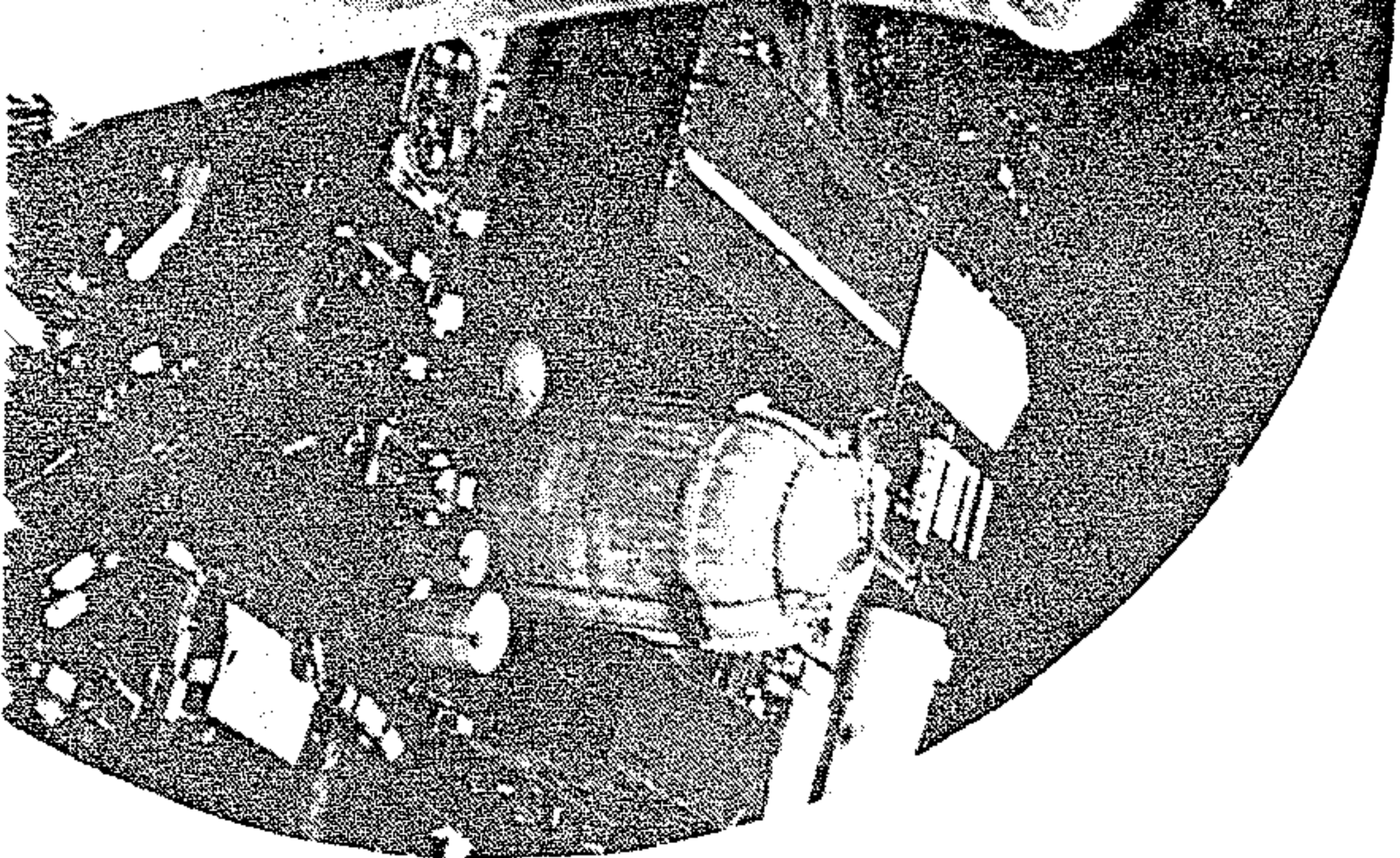
Light Company to pay the costs of building a bridge, installing sirens and setting up a communications centre.

The utility company running the Yankee atomic plant in Monroe, Massachusetts, was told to foot the bill to rebuild roads that would be used in an evacuation — or the authorities would not participate in the emergency drill.

Nuclear power companies in California

have been ordered by state law to pay \$300 000 to the state and \$100 000 per reactor to the local government, to pay for emergency plans.

So far only 16 of the 53 nuclear power sites have approved emergency plans covering evacuation procedures, communications, warning systems, shelter, medical emergencies, crop contamination and public education campaigns.



Watch

US

trial

run

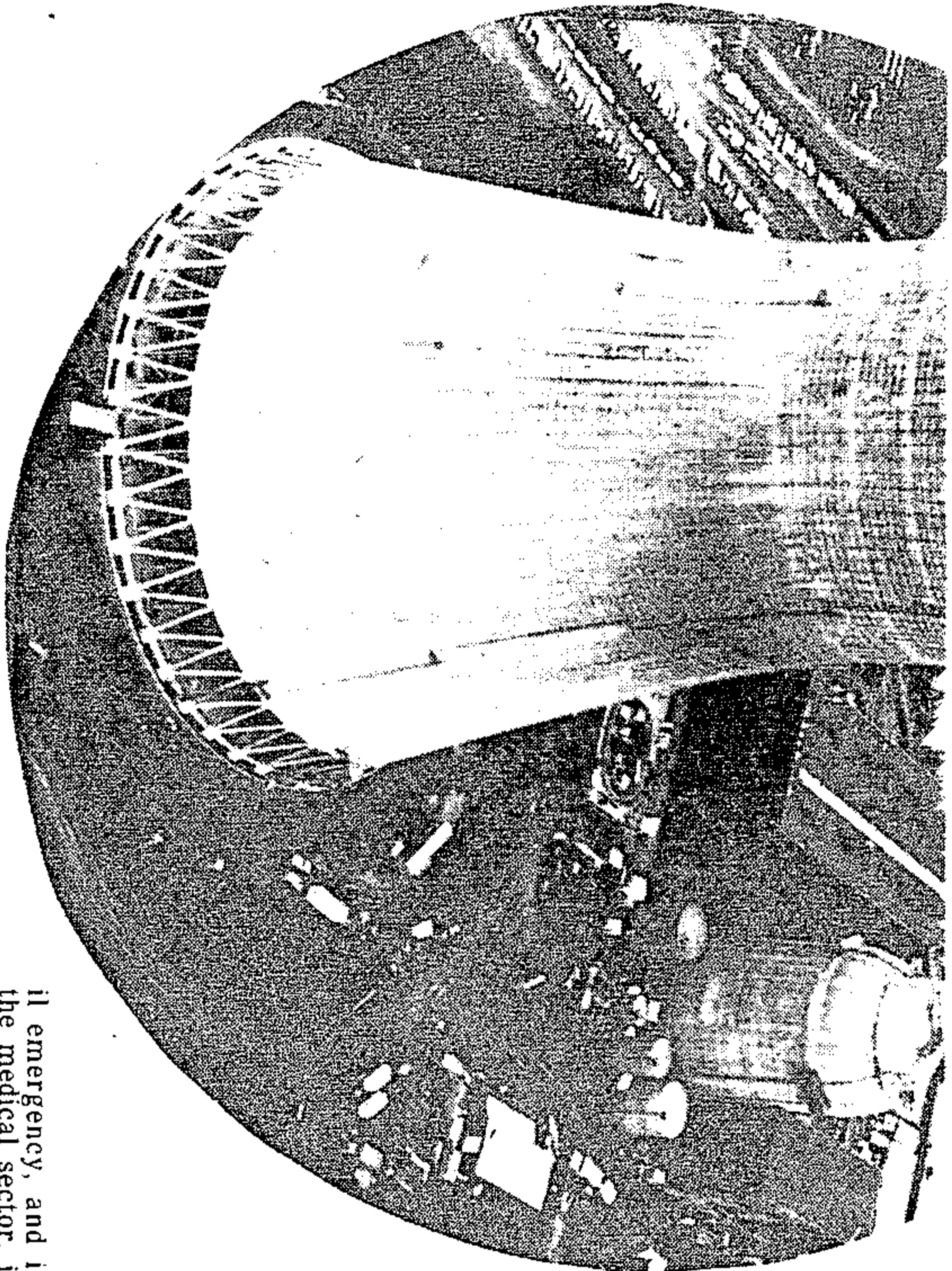
By
**KEVIN
JACOBS**
Weekend
Argus
Reporter

LOCAL government and Provincial officials from Cape Town will watch an emergency evacuation exercise at a nuclear power station near Miami later this month — and they hope they will learn from it.

The six-man delegation wants to be certain that Cape Town has the best possible emergency procedures in hand in the event of a radioactive leak at the Koeberg nuclear plant north of the city.

The officials — two each from the Provincial Administration, the City Council and the Divisional Council — left Cape Town this week on a study tour in the United States and Western Europe of planning by local authorities who host nuclear plants and nuclear regulatory agencies.

At least one of the senior officials — Cape Town's Town Clerk, Dr Stan Evans — plans to meet representatives of



a West German group opposed to the development of nuclear power stations and the Union of Concerned Scientists, a New York-based organization which argues against proliferating nuclear technology.

Also included on the officials' itinerary is a visit to the notorious Three Mile Island nuclear power station on the Susquehanna River near Harrisburg in Pennsylvania — site of the world's worst known leak of radioactivity from a nuclear utility, in 1979.

That incident — hushed up at first by the owners and operators of the plant — eventually led Pennsylvania State authorities

to order a limited evacuation from the area, and to shut down the plant.

The Cape Town delegation which left the city yesterday, consists of Dr Evans and the city's medical chief, Dr Reg Coogan; Mr Pieter Carstens, Deputy Director of Local Government in the Provincial Administration; Dr Alan MacMahon, head of the Emergency Services Centre; Mr W Vivier, Secretary of the Divisional Council, and the Divco Health chief, Dr L R Tibbit.

Dr Evans — chief coordinator of the trip, which was initiated by the City Council before the Provincial and Divisional Council decided

it was a good idea — said before leaving: "We accept that Escrom will be doing certain things, in line with standards controlled by the Atomic Energy Corporation.

"Our job is on the planning and health side, so that we are ready for anything and that our planning is OK.

"We have to be able to satisfy the people in Cape Town — where there is a large urban concentration nearby a nuclear power station — that everything that could be done, has been done on our side."

Behind the study trip, he said, was the feeling that "we could for ourselves see how planning in civil defence and civ-

il emergency, and in the medical sector, is being undertaken".

"We want to see that our planning is up to those standards — at least up to those standards and better rather than worse."

Divisional Council secretary Mr Vivier said: "The council felt it could join in, so that all of us could see what overseas institutions have done, what practical (emergency planning) steps are being taken, and see that we have covered every aspect."

As Koeberg approaches its delayed start-up, emergency exercises are likely to be held at the power plant site, and the delegation will undoubtedly have this in mind when they watch the simulated

the Three Mile Island plant in Pennsylvania in 1979. In that accident a "melt-down" was averted.

Until then there was no requirement for safety procedures to get large numbers of people out of a contaminated or threatened area quickly in a crisis.

Last week the Nuclear Regulatory Commission ordered the nuclear power plant at Indian Point, 30 km from New York City, to close down unless local authorities draw up emergency plans by June 9.

Plans often require roads, bridges or equipment that do not exist and that local authorities cannot afford.

emergency near Miami. "We are very excited about the prospect of learning from that exercise," Mr Vivier said.

The group will meet officials of US federal nuclear agencies and emergency planning agencies in Washington, DC, radiological experts in Philadelphia, they will visit Three Mile Island and the governing local authority, officials in Chicago and Springfield, Illinois, and Florida, before flying to Europe.

They end their trip in Vienna, with a meeting with officials of the International Atomic Energy Agency.

Dr Evans said: "In Germany I hope to meet a group which has certain feelings against nuclear power stations and energy from nucle-

people out of the area. Some local authorities are using the threat of government-enforced shut-down to get the nuclear power plant operators themselves to contribute to the cost of emergency preparedness.

The United States Energy Secretary, Donald Hodel, said the problem of adequate safety planning threatened the nuclear power industry and had become an issue of national significance.

Seven municipalities within 15 km of Seabrook nuclear power facility in New Hamp-

ar sources. I have not been able to set this up yet in the US, but I hope to make contact with the Union of Concerned Scientists."

He said a report on the study trip "will become a document for anyone in South Africa who is interested — we will have been the first civic authority to have made such a trip."

Two by-products blamed

Sasol oil damage to cars

~~2/11~~ (55)
ROM 14/5/83

By NORMAN PATTERTON

THE engines of hundreds of cars in the Transvaal have been damaged by ethanol and alcohols found in all brands of petrol from Sasol.

And most cars with carburettors could break down anytime due to the corrosive Sasol additives, the Rand Daily Mail has been told.

Service stations in Pretoria receive up to 10 cars a day with clogged and damaged carburettors.

Four of four service stations in Pretoria and two out of three in Johannesburg contacted yesterday have encountered the corrosion.

The Sasol additives — of which there are 10% in all petrol sold at the "international" filling

stations in the Transvaal — corrode the aluminium and zinc alloy in carburettors, causing damage that can cost motorists hundreds of rands to have repaired.

The carburettors of many brands of cars — from Rolls Royces to Volkswagens — have already been damaged by the ethanol and alcohols added to petrol, motor spokesmen said.

However, cars with electronic fuel injection systems and stainless steel components seem to be unaffected.

But in ordinary cars, irreparably corroded carburettors, costing up to R1 000, have had to be replaced at the car owner's cost, a spokesman for a German luxury car manufacturer said.

The spokesman said the additives had caused considerable damage to their cars, but said it was up to organisations like Sasol to announce the problem.

Individual motor manufacturers could not announce that their products were being damaged because their sales would be affected, he said.

But a Sasol spokesman reacted yesterday: "Motor manufacturers were asked to test the additives. If they failed to pick up the problem it is unlucky for the motorist."

The additives, by-products from Sasol oil-from-coal refineries, were added to petrol in the Witwatersrand area in 1980 and to the rest of the Transvaal this year.

Best-known of the problems caused by the additives are rust and water, carried into the engine with the petrol, causing fuel flow problems.

But the corrosion of metal alloys in the carburettors is the most serious effect detected so far.

Motor industry organisations said they were unaware of the extent of the problem and had done little research into it.

The SA Bureau of Standards, the Motor Industries Federation and the Automobile Association said they knew little about the phenomenon.

However, a spokesman for the National Association of Automobile Manufacturers of South Africa said they were aware that "certain carburettor and timing problems may be attributed to ethanol and alcohol in petrol".

A Pretoria scientist said the damage was caused when the aluminium and zinc alloy in carburettors was oxidised — or rusted — by the ethanol and alcohol.

"The crux of the problem is that aluminium can be corroded away until nothing remains.

"It is no use if motorists take meticulous care of their cars. The cars are in danger of breaking down anywhere," he said.

Most car mechanics confirmed that they have found carburettors in advanced stages of decomposition, sometimes necessitating their replacement.

Crisis talks begin tomorrow

Power to cost more as cuts loom

55

8700

16 MAY 1983

By Lawrie Bedford and Stephen McQuillan

Electricity price increases are unavoidable — partly because of the drought, the chairman of the Electricity Supply Commission (Escom), Mr Jan Smith, warned today.

In his annual report, just released, Mr Smith said inadequate supplies of water to power stations would lead to increased costs and the risk of power cuts this winter.

Escom was spending R80 million just to generate power in areas where adequate water was available. This would provide an extra 35 days of electricity supply for the country.

The warning about price increases comes as leaders of local authorities, industry and community prepare for crisis talks in Johannesburg tomorrow on electricity rationing.

The meeting will thrash out a plan for a rota of power cuts, which could eventually threaten South Africa's economy, but Escom stresses the plan would be introduced only as a last resort and no decision has yet been made.

In the annual report, Escom's senior general manager, Mr I D van der Walt, said: "A shortage of water supplies to power stations poses serious problems for Escom; it may lead to uneconomic operation with significant cost increases."

Mr Smith said increased electricity prices were inevitable because of Escom's accumulated deficit of R154 million (1982: R58 million) and higher interest and finance charges.

Tomorrow's meeting will look at ways of introducing power cuts in the least disruptive way. Escom announced last week that unplanned power cuts were likely this winter because of a cutback in generating capacity.

But if the drought continued a planned ration rota would have to be seriously considered.

"Hopefully, we will not have to introduce rationing, but we must make plans and be ready," said Mr Etienne du Plessis, chief Press officer for Escom. "We will also discuss ways of cutting back without introducing rationing."

The report says sales of electricity last year were the lowest for 35 years. As a result, income did not cover all supply costs.

Mr Smith says Escom's results reflect many of the problems which the rest of South Africa's economy experiences.

Industries supplied directly by Escom — and these are mainly related to the export market — showed a negative growth rate of 0,4 percent in their electricity usage (as opposed to a growth rate of 5,8 percent the year before). Sales to the mining sector grew by only 0,9 percent (4,8 percent in 1981).

Sales to municipal and other authorities increased by 8 percent — also lower than the 11,3 percent growth in 1981.

1937 Industrial Conciliation Commission appointed.

1935 Industrial Conciliation Amendment Act.

1933 Native Economic Commission.

1932 Native Service Contract Act 24 of 1932 (applicable to Transvaal and the Orange Free State) dealt with mobility and conditions of farm workers. The penalties for breaches of the Master and Servants Ordinance applying to labour tenants were increased by this Act.

1931 Factories Amendment Act provided for a 48 hour working week. It excluded mines and office workers, farming and construction and railways.

Escom deficit reaches R154m

JOHANNESBURG. — Escom's accumulated deficit has reached R154-million, according to the 1982 annual report released here yesterday.

Electricity sales for 1982 grew by 2,4 percent compared to 1981.

The chairman, Mr Jan Smith, said in the report that the figure should be viewed in terms of the average annual growth rate of 8,6 percent in Escom sales dur-

ing the past 30 years.

During 1982 there was a decline in electricity sales to industry and the railways, while the average annual growth rate of the mining sector was also lower.

"The unexpected decline in electricity sales and the major cost increases, which may be attributed largely to high inflation, resulted in a deficit of R58 million. The accumulated deficit of R154 million

will, however, have to be recovered.

"Escom's major cost components are coal and interest. In 1982 coal costs increased by an average of 21 percent as compared to the previous year.

"Interest charged to the supply account increased by 16,8 percent on an average cents per kW/h sold basis.

"Escom's biggest total cost increase arose due to high interest rates. Interest and finance charges increased by R406 million (45,1 percent above the 1981 amount).

"Escom has endeavoured since the Seventies to increase the level of internal financing to enable it to use either internal or external financing at any given stage, wherever the lower interest rate applies.

"More than 95 percent of Escom's electricity in 1982 was generated by means of coal, and 55,2 million tons of coal was burnt for this purpose.

Water usage

"During the past five years overall specific water consumption in Escom's coal-fired power stations has decreased by more than 16 percent to 2,51 litres per kW/h sent out in 1982. This was achieved mainly as a result of the recirculation of cooling water," Mr Smith said.

"In 1982, 102 769 million kW/h of electricity were sent out by Escom power stations while only 2 151 million kW/h (two percent of the total) were imported from Cabora Bassa and other sources.

"As regards rural electrification, Escom continues to be inundated with applications. Escom provided 4 400 new farm supplies during 1982, an increase of 8,6 percent over the 1981 figure." — Sapa

Experts fear economic ruin through rationing



Mining leaders warn of complete shut-down

Power cuts a threat

By Stephen McQuillan and Lawrie Bedford

The South African economy will face a major challenge and possible ruin if electricity rationing is introduced because of the drought.

This was the consensus of leaders in industry, commerce and local government who were interviewed after high level crisis talks in Johannesburg yesterday.

According to the bleakest predictions the country could be plunged R2 000 million into the red in just six months.

Exports, mine production, commuter transport, manufacturing industry and food production could all be halted, throwing thousands out of work and the country into darkness.

Leaders of the mining industry — the mainspring of South Africa's wealth and the largest user of electricity — fear any rationing would lead a huge setback for the economy.

Chamber of Mines technical adviser Mr Gordon Grange said the mining industry would lose R90 million a month with only a 10 percent cut in production — representing roughly a 10 percent cutback in power.

Mines could also be lost forever through serious flooding as a result of the failure of electrically-powered pumps.

"I cannot impress upon the public and Government enough the effect that rationing would have on the industry on which the whole of the national economy is balanced," said Mr Grange.

Mining should be treated as a special case by Government because of its strategic importance.



'I cannot impress upon the public and Government enough the effect that rationing would have on the industry on which the whole of the national economy is balanced,'

— Gordon

SMC

555 / [Signature]

Mines could also be lost forever through serious flooding as a result of the failure of electrically-powered pumps.

"I cannot impress upon the public and Government enough the effect that rationing would have on the industry on which the whole of the national economy is balanced," said Mr Grange.

Mining should be treated as a special case by Government because of its strategic importance to the whole economy.

"We are the crutch, more so than any other industry, of this country's wealth. Any cutback in mining will have a multiple knock-on effect. We cannot reduce our consumption of electricity by any considerable amount without damaging the economy of the country."

About 35 percent of South Africa's Gross National Product (GNP) could be attributed to gold mining. The mining industry consumed 28 percent of total electricity output.

"I believe there will be rationing. And I believe we, as an industry, must be affected," said Mr Grange. "If some mines were flooded because of electricity cuts, they may never re-open."

He said cuts in electricity would ultimately lead to a wave of redundancies. The legacy of this would be millions of rands spent on re-training after the crisis.

The gloomy forecast was presented during a conference on the effects of electricity rationing, organised by the Electricity Supply Commission (Escom).

The meeting of about 50 representatives of major electricity consumers decided to establish an ad-hoc committee, headed by



I cannot impress upon the public and Government enough the effect that rationing would have on the industry on which the whole of the national economy is balanced.

— Mr Gordon Grange.

Dr Rudolph Fockema of the Federated Chamber of Industries, to examine the repercussions and make recommendations to Government.

They are to establish a steering committee and will meet again on June 1.

South African Transport Services are considering an emergency plan to keep the trains running.

Mr G.D. van der Veer, assistant general manager (operations), said the only way savings could be made was by cuts in services or by using diesel powered locomotives, if they were available.

Mr van der Veer said he would prefer less severe electricity cuts over a longer period.

Urgent appeal

Mr W.F. Stockenstrom, of the Afrikaanse Handelsinstituut, made an urgent appeal to the private sector to act now and cut unnecessary use of water and power rather than risk losing the country's export potential.

Mr Len te Groen, general manager of Escom's finance, said it faced a deficit of R154 million by the end of this year.

A 15 percent cutback from July 1 to December 31 would cut Escom's income by R260 million and its costs by R60 million, leaving a net deficit of R200 million.

Mrs Jean Tatham, of the Housewives League of South Africa, said retrenchment and short-time working in drought-hit industry could land thousands of people, particularly blacks, in a poverty trap.

By Lawrie Bedford and Stephen McQuillan

At 5.30 pm on August 17 a shift of 275 miners were working 3 000 m underground at a Reef mine.

Seconds later the main electricity supply was cut. Immediately, the mine's emergency stand-by generators were triggered into life.

The men were hoisted to safety in a pre-planned emergency procedure.

Lives were saved.

But the real drama was only beginning. Engineers were looking at ways to save the mine in a race against time to prevent flooding.

Power rationing could pose crippling threat to mining industry

Emergency generators provided enough power to close the watertight underground doors.

Despite quick thinking and built-in safety features of the mine, its future viability was jeopardised.

The crippling drought means it may no longer be economical to pump water from the underground roadways to save future production.

Forty percent of a mine's electricity consumption is used for pumping water. No emergency generator system in the country could sustain this huge requirement over a long period.

A Chamber of Mines technical adviser, Mr Gordon Grange, responding to suggestions that electricity would be rationed by the end of the year, said: "Some mines would run the risk of flooding and some would never re-open."

"Repercussions would be enormous. The effect of power rationing on the mining industry would be extremely serious.

"We have emergency generators but we cannot run mines on these systems."

He went on to say platinum mines

would be particularly hard hit by rationing. They needed a huge amount of electricity to operate furnaces.

Gold mines would not be affected so badly.

The mines had to cope with vast amounts of water and if pumps stopped for any length of time they could be flooded.

For this reason the mining industry should be treated as a special case when considering electricity rationing, he said.

The industry uses 28 percent of the country's electricity supply and a 10

percent cutback would cost the gold mining industry alone about R90-million a month.

"We are a growth industry, using roughly the same amount of power 24 hours a day," said Mr Grange.

"There are about four new mines in the Welkom area coming into production at the end of this year which will need a tremendous amount of power and their contribution to the economy cannot be jeopardised."

Mr Grange told leaders of industry, commerce and local government at an emergency meeting on the drought



Mrs Jean Tatham, representing the Housewives League of South Africa (front) and other worried electricity consumers hear the effects of rationing during a top level meeting organised in Johannesburg by

Power rationing could pose crippling threat to mining industry

Emergency generators provided enough power to close the watertight underground doors.

Despite quick thinking and built-in safety features of the mine, its future viability was jeopardised.

The crippling drought means it may no longer be economical to pump water from the underground roadways to save future production.

Forty percent of a mine's electricity consumption is used for pumping water. No emergency generator system in the country could sustain this huge requirement over a long period.

A Chamber of Mines technical adviser, Mr Gordon Grange, responding to suggestions that electricity would be rationed by the end of the year, said: "Some mines would run the risk of flooding and some would never re-open."

"Repercussions would be enormous. The effect of power rationing on the mining industry would be extremely serious."

"We have emergency generators but we cannot run mines on these systems."

He went on to say platinum mines

would be particularly hard hit by rationing. They needed a huge amount of electricity to operate furnaces.

Gold mines would not be affected so badly.

The mines had to cope with vast amounts of water and if pumps stopped for any length of time they could be flooded.

For this reason the mining industry should be treated as a special case when considering electricity rationing.

The industry uses 28 percent of the country's electricity supply and a 10

percent cutback would cost the gold mining industry alone about R90-million a month.

"We are a growth industry, using roughly the same amount of power 24 hours a day," said Mr Grange.

"There are about four new mines in the Welkom area coming into production at the end of this year which will need a tremendous amount of power and their contribution to the economy cannot be jeopardised."

Mr Grange told leaders of industry, commerce and local government at an emergency meeting on the drought

called in Johannesburg by the Electricity Supply Commission (Eskom) it was of grave necessity for them to know about power rationing.

He referred to the possibility of using millions of litres of water from mines in the Vaal catchment area to supplement supplies.

Mr Grange said mine water "exported" to users such as agriculture and manufacturing could, provided appropriate decisions were taken, be diverted to the Vaal Dam.

But there was a snag -- the water was contaminated by fluoride.

"Perhaps in view of the situation we will have to accept lower standards of water," said Mr Grange.



Mrs Jean Tatham, representing the Housewives League of South Africa (front) and other worried electricity consumers hear the effects of rationing during a top level meeting organised in Johannesburg by the Electricity Supply Commission.

RDM 2115/83

UN is urged to sue 'sanctions busting' Shell

Mall Correspondent

THE HAGUE. — The United Nations should take the Shell Oil Company before the International Court of Justice on charges of sanctions busting, Nobel peace prize winner Mr Sean Macbride said yesterday.

Joining Dutch anti-apartheid activists in a now traditional protest at Shell's annual general meeting, Mr Macbride said South Africa's occupation of South West Africa was illegal and intolerable.

"The South African occupation of Namibia is illegal.

"It is not a political question as Shell suggests, but purely a question of the rule of law," he said.

"The occupation of Namibia is illegal and Shell must simply abide by the law and cease its trade with South Africa," Mr Macbride said.

It was the 10th year in a row that anti-apartheid campaigners had used a token one-share holding in the oil multinational to claim the right to speak out against the company's presence in South Africa.

The mood turned bitter at times as the protesters pressed their questions on Shell practices, forcing an unusual admission from the company president, Mr L C van Wachem, that the oil supply line between the group and the South African subsid-

iary had been broken.

The Royal Netherlands-Shell group no longer directly supplies Shell South Africa, Mr Van Wachem said.

He refused to say specifically where or how the South African subsidiary acquires its oil, but acknowledged that purchases were made on the international spot market, which currently has an excess of supplies that make purchasing easier and cheaper.

Mr Macbride, a former UN commissioner for South West Africa, urged the Anglo-Dutch oil giant to set an example.

"As Dutchmen, you must repudiate the genocide in South Africa and withdraw your investments," he said.

He said South Africa's presence in South West Africa had been condemned and declared unlawful by every organ of the UN, including the International Court of Justice.

Mr Van Wachem said Shell deplored the practice of apartheid, but believed it would serve no positive purpose by withdrawing from the country and taking on a political role.

He said there was no hint of apartheid in Shell's company practice in South Africa and stressed that black and white had equal rights and equal opportunities in the company.

Registration:

Founded:

Area of Operation: Bloemfontein

Officials: Secretary: C. Jackson

Telephone:

9300

Bloemfontein

P.O. Box 288

Address: c/o Department of Coloured Affairs

BLOEMFONTEIN MUNISIPALE WERKNEMERSVERENIGING

C. Herald 2/15/88

(55)

POLICE CONFISCATE BANNERS FROM PROTESTERS

UNIFORMED police confiscated banners and placards, and dispersed more than 200 Hout Bay residents at an electricity protest march last week, while Security Police kept a close watch.

The residents, mostly women who work in the harbour fishing industry, had gone to the local housing office at about eight o'clock on Friday morning to hand over a memorandum outlining their problems with electricity.

**BY
Ryland
Fisher**

He asked if they wanted to spend the weekend in the cells at Wynberg. They replied "You can't take all of us. We will just go to the rent office."

When a policeman tried to confiscate some of their placards, the women continued their march in the rain, using placards to cover their heads.

COMPLAINED

Security police kept a close watch on the proceedings while uniformed police guarded the entrance to the rent office, where the residents spoke to Divisional Cup-coller, Mr. Leonard Pothier.

In their memorandum,

handed to Mr Pothier, the residents complained of high electricity bills, burnt-out main boxes, inconvenient electricity due dates, faulty wiring and broken meter boxes. They demanded a response within a week.

Mr Pothier read the memorandum and the residents demanded that he walk with them through the area to inspect some of their problems.

After a while, the women made their way back to work and Mr Pothier left.

Police moved in on the women, grabbing banners and placards. Some women resisted and refused to hand over their placards.

Two police vans drove alongside the marching women while a police photographer took pictures of the protesters.



BEFORE the confrontation. Some of the 200 Hout Bay residents who marched to their local housing office last week to complain about their problems with electricity.

... and why

This action was decided upon at a recent mass meeting of the Hout Bay Action Committee an affiliate of the Cape Areas Housing Action Committee

SPEAK

A few minutes after they started the march through the harbour township to the rent office, the women -- many of them dressed in their work overalls -- were stopped by uniformed police who asked them to disperse.

A police officer asked to speak to their leader. The people responded: "We are all leaders."

... and why
they marched
in Hout Bay

ELECTRICITY accounts for many Hout Bay residents increased by more than 100 percent in one month.

This was said in a memorandum by the Hout Bay Action Committee to the Divisional Council at a protest march last week.

The memorandum was compiled through surveys and complaints raised at a recent mass meeting.

One of the residents, who showed her account to councillor Mr Leonard Pothier after the march to the local housing office, said her electricity bill had jumped from R35 a month to R71 last month.

Other problems were outlined by the residents in their memorandum.

They said at many houses main boxes, with a life-span of 10 years, were burnt out and needed to be replaced.

Many residents had their lights disconnected because they could not meet the monthly electricity due date. The action committee demanded that the due date be changed.

Some residents got paid after the due date and others received their accounts at too short a notice before the due date, the memorandum said.

REWIRING

Many houses needed rewiring and the one plug per house was inadequate, the memorandum said.

They demanded one plug per room and two plugs in the kitchen.

Meter boxes were not safe and could be opened by children. They demanded better locks on the boxes.

They said their meters were not regularly read which lead to their accounts being inaccurate.

The lack of lights at the outside toilets, on the staircases at the flats

and between all flats made the area dark and dangerous, they said.

Some residents bought electricity from the Cape Town City Council and others from the Divisional Council which was more expensive. The residents demanded that all should be allowed to buy from the City Council.

The memorandum included general demands like proper maintenance to houses and the cleaning up of the area and lower rents.

Residents complained about cracked and damp walls, cockroaches, leaking roofs, rotten ceilings and the lack of weatherboards.

firmly established itself as leader in the field of form-work and support systems.

The first move in the expansion plan is the acquisition of Hubco House opposite its existing headquarters in Wynberg. This will increase the company's manufacturing capacity by 4 000 sq m.

A planned rationalisation programme of the product range will mean longer production runs, which will reduce costs and selling prices.

General manager Helmut Peters says: "In spite of the economic slowdown, the group has continued to expand at a rapid pace both locally and overseas to such an extent that it has been necessary to expand production capacity and improve the distribution network."

FCI asks for probe into rising coal price

55
22/5/83
S.F. 10/2

WORLD ENERGY COSTS 'THREAT TO SA LONG-TERM DEVELOPMENT'

AN appeal to the Government to widen the scope of the commission of inquiry into Escom to include an investigation into South Africa's energy resources and the likely effect on many industries of steadily rising coal prices has been made by the Federated Chamber of Industries (FCI).

In a letter to the energy policy committee of the Department of Mineral and Energy Affairs, the FCI's executive director, Dr Johan van Zyl, draws attention to the fact that expected world trends in energy prices could radically affect South Africa's long-term

development.

High-energy-consuming industries in particular such as foundries and the chemical industry could be badly hit if they were to lose the competitive advantages they have enjoyed for so long due to the relatively low cost of coal compared with other energy sources.

"The most serious danger is that an additional area of uncertainty has been created which will affect the strategic investment decisions of the private sector and Government which would affect the long-term development pattern of the country," Dr van Zyl says.

By Julian Kraft

been countered by the better return in export markets.

"A significant differential exists between the market-related international coal price and the controlled internal price of coal. A substantial degree of de facto cross-subsidisation between the two markets exists.

"The chamber, however, sees a problem in that there is a need to allow the coal price to rise to levels which encourage investment in new mines to replace those whose reserves are being depleted, and to permit the exploitation of lower-grade deposits with the necessity of maintaining the competitiveness of the energy-dependent sectors of the South African economy, especially those producing primarily for export markets," says Dr van Zyl.

The need to reconcile these two conflicting objectives had been made even more necessary by the downward break in the international oil price, which many observers believed heralded a relatively prolonged period of structurally lower oil-base energy costs.

"Such a development would directly affect the competitiveness of the South African economy, and its energy-intensive sectors in particular."

While the energy price was only one component in the spectrum of factors affecting the final competitiveness of the economy, the chamber considered it of sufficient importance to be investigated in its own right.

The Government had encouraged the use of coal as a primary feedstock in industry, but the viability of many industries was now being affected by the upward movement in the coal price.

The Government's cheap energy policy had been successfully implemented by Escom.

"Escom's tariff policy led to the establishment of a number of energy-intensive export industries, the future of which is closely tied to the differential between the domestic and international energy price.

"Recent increases in Escom's tariff structure have already placed the viability of these and other industries at risk."

There was no doubt that in the past the South African economy enjoyed the benefits of a cheap energy based on a low coal price.

Since 1976 the internal coal price had risen by only 80% in relation to an increase in the Consumer Price Index of 110,57%.

The producer price of coal rose by 138% during this period and had to some extent

COMPUTERLAND

By Julian Kraft

whereby users could obtain guidance in its use; the "help" facility has been expanded on the S/36 with the provision of 2 800 guidance displays.

Burroughs breakthrough

STATE-of-the-art disc-storage technology developed by Memorex, the longest-established name in IBM plug-compatible peripherals, is likely to prove the single most important factor in bringing Burroughs Corporation rapidly among the leaders in this growing market in South Africa.

Burroughs, which took over Memorex two years ago, opened its Memorex division in this country this year.

It is one of the few companies which can boast a complete range of plug-compatible peripherals without any "missing links".

Close on the heels of IBM itself, Memorex has developed the new-generation thin-film read/write head which will be part of the new generation of disc-storage products launched recently.

The plug-compatible-peripherals market is currently estimated to be worth about R60-million a year and growing at the rate of 30% annually.

Memorex expects to get 5% by the end of next year, and Jose Loureiro, manager of the division, believes the new disc-storage equipment will account for about half of

the turnover by then.

The new read/write heads, combined with improved storage density on the new-generation discs and enhancements to the controllers, will have an average access time of 16 milliseconds compared with the 22 milliseconds average time of the current generation heads.

In essence, the new technology means that more data can be stored and that it can be accessed and transferred more quickly than before.

Memorex lays claim to several enhancements over the equivalent IBM new-generation equipment, one being what it calls maximum availability path selection (MAPS), which provides for simultaneous transfer of data from two actuators, thus overcoming the problem of information being "locked in" during access.

Streamlined survey

PERSONNEL consultancy CPL is preparing its 14th annual survey of the computer industry, and this time it will be more streamlined and more pertinent than previously, says the company's managing director, Peter Steyn.

The survey, due to be published in August, will be customised to users' needs according to industry, region or size of data-processing (DP) budget.

IBM's new system

IBM this week unveiled a new computer system with a built-in communications facility — and immediately signed on nine software suppliers eager to exploit the convenience of remote-software supply to customers.

The System 36, as it is called, provides a comfortable upgrade staging point from the established System 34, which with this launch has had its price cut by 20% to keep it in line with the new system, whose entry level, with four screens, is R60 000. It has double the memory of the S/34, 80% more disc storage and can accommodate almost twice as many local screens.

The machine is a "first" in IBM's range in two important respects:

- The above-mentioned communications facility is a built-in standard whereby software support can be provided remotely over telephone lines from the word go.
- Complete integration of data and text facilities (the S/36 in the US includes a third facility, graphics, which will reach this country later).

The combination of the two technologies of data and word processing within one system is a significant step. The text facility, for example, includes a 130 000-word dictionary as well as a thesaurus-like synonym dictionary.

Calling the launch of the S/36 "our most important announcement this year", Tony Bond, manager of IBM South Africa's information systems marketing division, emphasised the user-friendliness of the system: in the S/34 a "help" key was introduced

MAILING AGENTS

Gentle Heart of Cape Town

THERE'S A WARM WELCOME WAITING FOR YOU

ON THE SQUARE

Rates:
Single - R40
Double - R50

Evicted widow must pay up

By SAM MADE

THE 64-year-old Orlando East widow who was kicked out of her house for owing R1 000 for electricity last week, will not be allowed back into the house, unless she pays all she owes to the Soweto Council.

This is according to the Soweto Council's Director of Housing, Mr J J Oosthuizen who said the electricity at Mrs Getrude Matoni's house has been cut off because she could not pay her bill, but that power was illegally re-connected again.

Also, he said, illegal electricity connections had been made to an illegal shack in Mrs Matoni's yard.

Mr Oosthuizen added that his council's officials have handled many cases of a similar nature with leniency, "but our leniency has bred a lot of irresponsibility on the part of some residents, and we cannot tolerate this forever," he said.

Mrs Matoni was last week kicked out of her house together with her family of 20 which included her children, and grandchildren. She said she had been told she owed R1 000 in electricity.

She said yesterday that a man from the Orlando Power Station came to her at the weekend and informed her she owed R300 and not R1 000. This, was dismissed by Mr Oosthuizen as unfounded.

He said Mrs Matoni should have at least had the decency of taking her matter up with the Soweto Council rather than tell unfounded stories to the Press.

The current accounts that shock

24/5/83 By Michael Tissong

55
A construction worker who paid an unexplained R1 150 electricity bill in March, pending an inquiry, was shocked when he received two more totalling almost R800.

Mr Frank Hoffenberg, of Mid-Ennerdale, south of Johannesburg, said he felt forced to pay the first account, pending the inquiry, because the electricity to the prefabricated house he stays in was cut off by the peri-urban board. He shares the meter with a family next door.

He said he had been notified that if the new account of R798 was not paid by June 1, the electricity would be cut off again.

Mr Hoffenberg said a bare patch of ground was rented by his employers. The company put up two prefabricated units and connected electricity and water.

Mr Hoffenberg's family occupies one unit, and another employee, Mr Mike Ottino, the other.

When the company received an account of R1 150, it was handed over to Mr Hoffenberg and Mr Ottino to settle.

"We were shocked. I went to the local board offices and inquired about it. I was promised an inquiry and paid R100 pending the outcome. The inquiry was not held and our electricity was cut off.

"The prefab building is terribly cold at night, so we paid the outstanding R1 050 and

inquired again about the excessive account."

Mr Ottino said: "R2 000 is an impossible amount to pay for four months' electricity. I have handed in my resignation at work and will be leaving Johannesburg because of the electricity accounts."

Mr Colin Smith, of the Peri-Urban Board in Pretoria, said the electricity meter was not read for a long time.

"The estimated monthly accounts sent regularly to the household were low. Then when the meter readers did a reading, they found a high consumption for February.

"A mistake is possible, but doubtful. The household can ask for a test of the meter, but it will cost them R7."

Electricity Supply Commission

25/5/83
 55 Hansard Q. 61, 1379
 *10. Mr. P. G. SOAL asked the Minister of Mineral and Energy Affairs:

(a) Who are the members of the Electricity Supply Commission and (b) what qualifications do they have for serving on the Commission?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(a) and (b) Mr. J. H. Smith, Chairman—Pr. Eng, C. Eng. (U.K.), B.Sc. (Elec. Eng) (Cape Town), B.A. (Hons), M.A. and B.Sc (Oxon), Former General Manager of Escom.

Mr. D. J. Malan—M.A., M.Sc., Actuary, Director of Companies.

Mr. E. Pavitt—M.C., B.Sc., (M and M) (Rand), Director of Companies.

The Honourable J. F. W. Haak—B.A., LL.B., Attorney, Director of Companies, and former Minister of Economic Affairs and of Mines and Planning.

Mr. T. R. Castle—Stock Broker and Director of Companies.

Mr. J. Wilkens—B.Com., Farmer, President of the South African Agricultural Union and Director of Companies.

Mr. L. F. Rive—B.A., Director of Companies, Former Postmaster-General and Chairman of the Greater Soweto Planning Council.

The members are appointed by the State President in terms of Section 2(2) of the Electricity Act No. 40 of 1958 for their knowledge and experience in respect of business or administration and, in so far as the State President may deem expedient in electricity matters.

Mr. P. G. SOAL: Mr. Speaker, arising out of the hon. the Minister's reply regarding the academic qualifications of the members of the commission, can he tell us

whether, in view of the crisis that is facing the country as a result of the drought, any special consideration is being given to supplementing the knowledge and experience of those members with a view to dealing with this?

†The MINISTER: Mr. Speaker, firstly I can assure the hon. member that the execution of Escom's functions are not in the hands of the members of that organization. Secondly, Escom does not hesitate, and it is in fact already being done, to obtain expertise from outside on a contract basis to advise it in regard to the threatening water shortage. In the third place, I can tell the hon. member that the commission of inquiry which has been appointed is already functioning and is also looking into this matter.

To sum up, I just want to say that all available expertise from outside—we also get the full co-operation of the Department of Environment Affairs and Fisheries—is being utilized in this regard.

*11. Mr. F. J. le Roux.—Community Development—[Withdrawn.]

*12. Mr. F. J. le Roux.—Community Development—[Withdrawn.]

(3) whether his Department has received any complaints and/or representations regarding motor-car engine problems resulting from the use of such fuel; if so, (a) what is the (i) nature and (ii) extent of the problems and (b) what steps are being taken to eliminate them;

(4) whether his Department accepts any responsibility for damage to motor-car engines which can be attributed to the use of such fuel; if not, who is responsible for it;

(5) whether alcohol is added to (a) diesel and (b) aviation fuel sold to the public; if so,

(6) whether his Department has received any complaints and/or representations regarding problems experienced with the use of such types of fuel; if so, (a) what is the (i) nature and (ii) extent of the problems and (b) what steps are being taken to eliminate them?

THE MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) Yes.

(a) (i) and (ii) Since October 1980.

(b) In the Witwatersrand, Pretoria and Vaal Triangle areas.

(c) (i) Sasol supplies petrol and alcohol separately to the distribution depots of the oil companies where it is mixed before delivery to service stations.

(ii) 10 per cent on average with plus minus 2 per cent variance.

(2) Yes, to the Pretoria and Vaal Triangle areas.

(3) Yes.

(a) (i) Blocked petrol filters and

certain carburettors which are damaged by the alcohol/petrol fuel mixture.

(ii) The problem of blocked petrol filters occurs mainly when the alcohol mixture is marketed in a new area and is mostly a unique event. The carburettor problem occurs mainly in two car models.

(b) In the case of one model a special additive is used to treat the carburettor which solves the problem permanently. The special additive is not as efficient for the other model and the motor manufacturer concerned and Sasol is still seeking a permanent solution.

(4) No. The motor vehicle owner and/or the motor manufacturer and/or the fuel supplier depending on the circumstances.

(5) (a) No.

(b) No.

(6) (a) (i) and (ii) Complaints regarding diesel fuel have been received. During the summer months when extraordinary high temperatures were prevalent, hot starting problems were experienced with certain smaller diesel engines equipped with rotor injection pumps. The problem may have arisen because the viscosity of diesel manufactured from coal is towards the lower end of the South African Bureau of Standards specification and at abnormal high temperatures these diesel engine pumps are not able to maintain the required injection pressure.

Diesel manufactured from coal, however, still meets in all respects South African Bureau of Standards and international standards. Apart from this, be-

fore this diesel was marketed, diesel engine manufacturers, the South African Bureau of Standards and the University of Natal, amongst others, were requested to test the fuel and all have indicated that it is suitable for existing equipment.

(b) The matter is investigated by the oil companies and pump manufacturers and until an answer to the problem is found the viscosity of this diesel is increased to ensure constant feeding by diesel engine pumps.

Long-life plutonium/uranium elements
55 Howard R. Col. 1377-1378
8. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

(a) Whether long-life plutonium and (b) other trans-uranium elements produced by reprocessing fuel from the Koeberg nuclear power installation will be returned to South Africa for storage; if so, (i) what approximate volume per annum in each case and (ii)(aa) where and (bb) how will these elements be stored?

THE MINISTER OF MINERAL AND ENERGY AFFAIRS:

(a) and (b) No.

(i) and (ii) Fall away.

In explanation it may be mentioned that in the reprocessing process, which in terms of agreement will be undertaken overseas, the plutonium and other trans-uranium elements, that is, those radioactive elements with the longest half-life, are separated. Only the high level waste, consisting of fission products will be sent back to South Africa for storage should this be required in terms of the future reprocessing contract. The volume of the high level waste will be approximately 4 cubic metres per year. Although everything is indicative that the Vaalputs site in Namaqualand will be suitable for the storage of the high level waste, a final decision has not yet been taken.

Mr. D. J. N. MALCOMESS: Mr. Speaker, arising out of the hon. the Minister's reply, may I ask why he informed the House on 27 April this year that long-life plutonium and other trans-uranium elements would have to be stored outside South Africa in terms of an international agreement?

THE MINISTER: Mr. Speaker, if the hon. member had listened intelligently to the reply, he would have realized that only highly active waste consisting of fission products will be sent back to South Africa if it is required in terms of the future reprocessing contract. The hon. member is wasting the time of the House now. At the beginning of my reply I clearly said that the plutonium and other trans-uranium elements, that is, those radio-active elements with the longest half-lives, are being separated. Only the fission products are returned to South Africa. This is clear, is it not?

Petrol

*9. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

(1) Whether there have been any changes in the properties of petrol marketed in South Africa over the past five years; if so,

(2) whether such changes have resulted in the petrol becoming (a) more explosive and (b) more easily inflammable; if so, (i) what is the nature of these changes and (ii) why were they introduced?

THE MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) Yes, by the addition of alcohol to petrol which is marketed in certain areas of the country.

(2) (a) No.

(b) No.

(i) and (ii) Fall away.

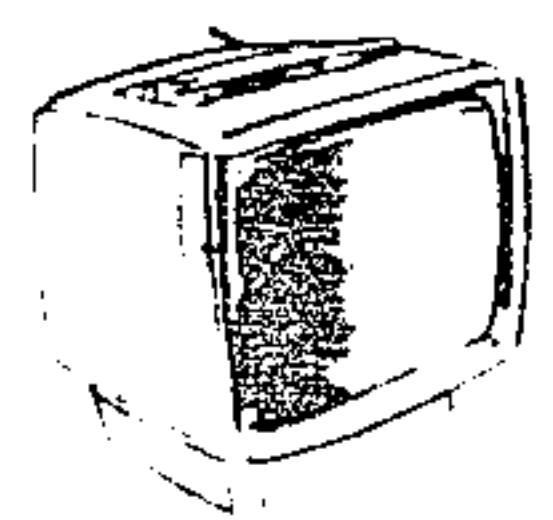
FOOTWEAR SAVINGS
BLANKET SAVINGS
PER SAVINGS
Use Your Account to take advantage of these Prices
LADIESWEAR SAVINGS
MENSWEAR SAVINGS
GIRLSWEAR SAVINGS
BOYSWEAR SAVINGS
FOOTWEAR SAVINGS
BLANKET SAVINGS
UPER SAVINGS
LADIESWEAR


SALES HOUSE

GET IT ON... PAY IT OFF
 S.T. EXCLUDED

KOUU UUU for water re- by the re-routing of traf- cluded.

FURNITURE GALORE
IN ONE STORE
SPECIAL FOR THIS WEEK ONLY
UNTIL MAY 30
BLAUPUNKT PORTABLE TV



Plays with motor car battery and mains
R279⁹⁹
 STOCKS LIMITED

3/4 (107 cm) GOLD DOLLER BED
 with mattress
R79⁹⁹
 Sleeps two people

 Other beds from R39,99

WARDROBE
 Dep R12,00
 12 payments of R6,50 pm
 Shelves with plenty of hanging space
R79⁹⁹


GENUINE SINGER 15n SEWING MACHINE
 Easy, fast sewing on this classic model
R89,99
 LONG GUARANTEE
 LIMITED STOCKS


6-PIECE DININGROOM SUITE
 (with display sideboard, table and four chairs)
R299⁹⁹
 LIMITED STOCKS


BRAD'S
 PHONE 834-8491/2/3
 GST included
 S 5336
 112 President Street (between Von Wielligh and Delvers Streets)
 92 President Street (between Kruis and Smal Streets)
 22 Plain Street (between Rissik and Joubert Streets)
 141 Jeppe Street (between Loveday and Hamson Streets)
 39 Troye Street (between Commissioner and Market Streets)
 19a Von Wielligh St (bet. Frederick and Albert Streets)
 3141 White City Jabavu (near W.R. Board Admin Offices)

Lights
by end
of year

By LEN MASEKO

ALL is geared for the completion of the R250-million electrification scheme in Soweto by the end of this year, with about 73 000 houses so far wired in the area.

Mr John Knoetze, chairman of the West Rand Administration Board (Wrab), told The SOWETAN that work on the project was proceeding ahead of schedule and "most satisfactory" progress was being made.

Slightly over 32 000 houses in the area were now receiving electricity under either the new or the old system, Mr Knoetze said. About 72 860 houses had already been wired and accepted by the local authority.

"For all practical purposes the project will be completed by the end of this year, with everything running according to schedule," Mr Knoetze added.

Construction of mini-substations, which will supply the black city with electricity, was nearing completion. About 800 mini-substations — of which 153 had been completed and commissioned — would soon distribute power in the townships.

500
 26/5/83

More Koebergs have to be built — but where? ^{Star} (55) 2nd 5/83

South Africa will have to decide within the next two years on a comprehensive programme for building nuclear power stations, but the problems to be faced, financial and otherwise, are daunting.

Energy experts agree that this country has no option but to build more nuclear power stations and that because of scarce inland water resources they will have to be sited at the coast.

They see the drought — and the power cuts possibly arising from it — as driving home forcefully to the authorities a greater awareness of energy problems and the need to plan for a nuclear future now.

But they also point out that building another nuclear power station now will be no panacea for any droughts that might come in the next decade.

Escom has, it is understood, investigated several coastal sites for nuclear stations. Understandably, nobody will say where.

If the Government decided tomorrow that it wanted another nuclear power station built as soon as possible Escom would be in a position to do so at Koeberg, because it owns

Experts agree that additional nuclear power stations are needed for this country in the near future, but there are many problems, says staff reporter J Manuel Correia

the land next to it.

There would be no engineering problems, but there are other factors to consider — including opposition by environmentalists and the panic button syndrome — in any possible Koeberg 2 option.

It is, therefore, logical to assume that the next nuclear plant will not be built at Koeberg and unlikely that another nuclear power station will be built within the next four years.

Because of the exacting construction and technology involved it would not be operational for another decade or so.

What is bedevilling the country's nuclear programme is cost. The original contract price for Koeberg was R972 million.

Inflation and other factors had pushed this cost up to R1 800 million by this year.

The next power station could easily cost double this — a sum Escom would find an extremely heavy burden.

South African industry is itching to take a bite at the nuclear cherry, but the experts warn that a nuclear programme is not to be undertaken at the breakneck speed of putting up a 50-storey building.

Some years ago I discussed breeder reactors with a prominent nuclear scientist and he foresaw they would be built one day in this country.

However, experts today say that breeder reactors — reactors which manufacture their own fuel — available commercially are beyond the resources of this country.

They will be built, certainly, but probably only around 2050.

Handwritten notes: 27/5/83, Shale oil, 1419, Hansard Q. Col. 1418 - 1419

814. Mr. P. R. C. ROGERS asked the Minister of Mineral and Energy Affairs:

- (1) Whether the known deposits of shale oil in the Republic are being considered for exploitation;
- (2) (a) where are such deposits located and (b) what is the extent of each such deposit;
- (3) whether the State is the registered owner of the land on which such deposits occur; if not, what are the particulars of each such piece of land?

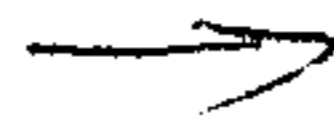
The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Yes.
- (2) (a) and (b) Particulars of the known deposits appear on pages 337 to 339 of the "Publication Mineral resources of the Republic of South Africa"—Handbook 7 obtainable from the Government Printer.
- (3) The Department of Mineral and Energy Affairs does not have particulars of registration at its disposal, but these may be obtained from the Registrar of Deeds.

Prospecting for oil/gas

843. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) What amount was spent in 1982 on prospecting for oil (a) on land and (b) at sea;
- (2) whether any (a) oil and (b) gas was discovered in that year; if so, what quantity in respect of each discovery?



The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) (a) None.
- (b) R64 190 862.
- (2) (a) and (b) Yes, oil and gas were found in two holes as follows:

Oil: Borehole F-AR 1 (84 km South of Mossel Bay), 750 barrels per day and borehole E-G 2 (136 km South-West of Mossel Bay) 902 barrels per day.

Gas: Borehole F-AR 1—552 000 cubic metres per day. Borehole E-G 2—90 600 cubic metres per day.

Electricity

892. Mr. G. B. D. McINTOSH asked the Minister of Mineral and Energy Affairs:

- (1) What estimated percentage of the total amount of electricity consumed in South Africa is used in heating water;
- (2) whether research is being conducted into finding alternative energy sources for heating water; if not, why not; if so, what energy sources are being researched;
- (3) whether funds have been made available for such research; if not, why not; if so, what funds?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Sufficient data is not available to estimate total electricity consumption for water heating. For the domestic sector it is, however, estimated that approximately 43 per cent of the electricity consumption is used for the heating of water.
- (2) Yes. Solar energy.
- (3) Yes. Funds of the National Energy Research Programme.



Council to investigate

SOWETAN

30/5/83

~~3~~

55

~~1~~

By TOM GWEBU
THE ATTERIDGEVILLE/Saulsville Community Council has promised to investigate electricity failures in the township.

This follows complaints by residents living between Seophela Street and Tau Street. Mr Ben Mabena (20), a student at Unisa, is among those affected. "This whole thing has

disrupted my study programme. Every evening between 6 pm and 9 pm for the past weeks I've had to endure this", said Mr Mabena.

He also added that, together with other students living in the affected area, they had circulated a petition and obtained signatures. The petition, he said, was sent to the superin-

tendents office.

Mr Sol Rammala, a spokesman for the community council, said the petition had not yet reached his desk. He was, however, informed by the local electricity department that there was a broken cable and that there were going to be power cuts while they repaired the cable. The council was not in-

formed which areas would be affected.

The spokesman also said the council was aware that residents were buying more electrical appliances and that the existing network was inadequate. However, he appealed to residents to exercise patience and try to understand the council's problems.

New electricity levy angers black community leaders

By Michael Tissong

Star 3/5/83

55

The new R12 a month levy on the availability of electricity in Greater Soweto, effective from tomorrow, has been strongly criticised by community leaders.

They said the levy amounted to exploitation.

The director of the West Rand Administration Board's electricity department, Mr M van der Spuy, said the money was to be used to repay the loan of about R150 million being used for the township's electrification project.

From June 1 1984, the availability charge would rise to R17 a month and to R23 a month in 1985. From June 1 1986, residents would be charged R29 a month.

This levy would be in addition to metered consumption. The loan was approved by the community councils of Soweto, Dobsonville and Diepsmeadow.

A spokesman for the Azanian People's Organisation (Azapo) said the chairman of the Soweto

council, Mr David Thebehali, did not have a mandate from the people to approve the loan in the first place.

"The decision to charge the levy is racist. The affluent communities receive electricity without having to pay a levy. This decision is likely to cause many people to lose their homes because if they cannot pay for the electricity, they will be kicked out," the spokesman said.

Dr Nthato Motlana, of the Soweto Civic Association, said it had already been proved that Wrab charged Soweto higher electricity tariffs than other local authorities.

"Since the Government owns the township and we are regarded as temporary sojourners there, it is incumbent on the Government to bear the responsibility of the cost," Dr Motlana said.

"The community councils approved of the availability charges because they have no minds of their own. They echo the voices of their masters," said a social worker, Mrs Ellen Khuzwayo.

ENERGY - 1983.

JUNE — DECEMBER

Funds are urgently needed to feed about two million people in South Africa in the hard, dry months that lie ahead.

Appeals are pouring in daily from churches, missions, schools and clinics from the country's poverty-stricken rural areas where hunger and disease are rife, says Mrs Ina Perlman, organiser of Operation Hunger.

Funds urgently needed to

feed 2 million in rural areas

is desperate this winter," she said. "Some people have resorted to boiling thorns to eat."

Operation Hunger had been feeding about 150 000 but South Africa's massive problem has been exacerbated by the



drought which has ravaged huge areas of the country. Doctors predict that thousands of hungry chil-

dren will die from disease as their undernourished bodies cannot fight back. Hardest hit this winter

are the unemployed who have little or no money to buy food.

"We are getting tragic reports from farming areas where large numbers of farm labourers are being laid off and desperately need aid."

said Mrs Perlman. She said although the public response had been extremely good, much more money was needed. "There will be no easing of the situation until the first batch of crops are harvested next summer," she said.

Anyone wishing to make a donation must send it to: Mrs I Perlman, c/o Operation Hunger, PO Box 97, Braamfontein 2017.

Power rationing unlikely if more water is saved

PE TOW
WER B

R130 000 raised to aid hungry

Food and cash aid worth more than R130 000 has been collected for the Checkers Drought Appeal since it was launched last month.

The appeal, aimed at the public and at private industry, provides relief to an estimated 1,5 million people battling starvation in rural areas.

Food convoys organised by Operation Hunger transported non-perishables to rural areas regularly, said a spokesman for the supermarket chain.

"Companies and organisations have given either money to purchase food or, where appropriate, their own products," the spokesman said.

Chamber of Mines technical adviser Mr Gordon Grange, who warned at an earlier meeting of Escom consumers that mines could not cut electricity without damage to the economy, said after last night's meeting that he saw no reason to change his view of the economic picture.

"But the imminence of electricity rationing was not there to the same extent as it was at the last meeting," he said.

Pleased

Mr Piet Botes, of the Association of Municipal Electricity Undertakings, said he was pleased with the outcome of the meeting because members faced with fixed costs could not have afforded rationing.

Electricity rationing may be avoided until late next year if more water can be saved.

Big water savings, summer rains — even if they are poor — and emergency measures to provide more water for power stations should allow minimum electricity needs to be met up to December 1984.

This was the opinion of major Electricity Supply Commission (Escom) users at the first meeting of a new water and energy crisis management group.

But unplanned power cuts, caused by lower voltages, are expected for short periods at peak load times in the next 18 months.

And it is now clear that electricity will cost more and that the drought will boost inflation.

The news that rationing is unlikely for the time being has come as a relief to municipal undertakings not yet ready to make their own emergency plans.

But they are being asked to shoulder the initiative for street-level "policing" of water consumption.

The chairman of the emergency group, Dr Rudolph Fockema, said the committee was counting on consumers, primarily those in the Rand Water Board (RWB) area, making an immediate 20 percent saving in water.

"With this, together with cuts in water to agriculture and a limited inflow of rain into Vaaldam in the next wet season, we should pull through," he said.

Initiative

Dr Fockema said it had been suggested that municipalities should now start consumer committees for certain water supply areas to "police" users.

This could save another 10 percent of water in the RWB area.

Professional officers from the South African Consumer Council, Mr Tom Senekal and Mr Lou van der Merwe, said that increased manufacturing costs would be passed on to the consumer and this would increase inflation. But the Government could regulate the situation.

Escom's general manager (operations), Mr Ian McRae, agreed that prices would inevitably increase but he could not say when.

YFZ

Anti-nukes no. 10 SABC

Staff Reporter

KOEBERG Alert, Cape Town's anti-nuclear power group, turned down three invitations to take part in an SATV Midweek programme, a spokesman for the SABC said last night.

Responding to allegations by the group that they had not been given enough notice of the TV panel discussion, Mr Eric van der Merwe, deputy head of public relations for SATV, said Midweek staffers had approached a group member, Dr Derek Yach, on three occasions but had received a negative answer each time.

However, SATV's feature programmes organizer, Mr Roger Metcalf, would still give any

requests by the group "serious consideration", he said.

The Midweek nuclear power programme will include members of the Atomic Energy Board and Escom. The date of the programme had not yet been set but should be within the next week or two.

Decision defended

A spokesman for Koeberg Alert said last night defended his group's decision by saying they intended bringing the debate to the public "in a medium that is appropriate to our aims."

The group had written to Escom and the Atomic Energy Commission "stating our position

and we await their reply before issuing further press statements".

● In a letter to the Cape Times yesterday, Mr Pietie du Plessis, Minister of Mineral and Energy Affairs, replied to a statement by chief Opposition spokesman on energy affairs, Mr John Malcomess, that confusion reigned over the proposed storage of long-life radio-active waste.

Mr Du Plessis said waste would not be returned to South Africa after removal by reprocessing.

Storage of the estimated four cubic metres per year of high level waste that may return would only be necessary after 1995, he said.

Star

By Michael Chester

While the country prepares for a wave of electricity blackouts, investigations by the University of the Witwatersrand have shown that 25 to 30 percent of energy supplies — equal to R600 million a year — is wasted.

The disclosures come from studies by the department of mechanical engineering which has initiated a programme of contacts with industrial and commercial companies to advise on how to tackle energy conservation.

Professor Neville Tully has put a team of stu-

Vast waste of energy uncovered by survey

dents and graduates on stand-by to advise companies on ways to slash power consumption — and energy bills — without cutting production.

The wastage of electricity, and most forms of energy supplies, has been uncovered in comparisons with patterns overseas.

Professor Tully and his

team are now trying to convince big and small businesses that massive cuts can be made in the combined R2 000 million annual energy consumption in factories and office blocks by better use of technology.

"The threat of Escorn load-shedding and blackouts can still be averted or, at least, minimised if

companies take fast action," Professor Tully said.

"But what is really needed is a continuing strategy to ensure that our present problems do not occur again."

One of the research engineers, Mr V Steed, has completed a detailed study showing how the gold mines alone could

save at least R27 million worth of energy by simple power control systems that would pay for themselves in little more than three years.

He has also suggested that Escorn consider special incentives for the installation of additional units to smooth out the bumps in peak demand periods which are at the

root of the crisis.

South Africa should follow examples set by the United States and Britain in providing incentives to cut power consumption — incentives that range from government subsidies on expert consultancy services to tax rebates on schemes to curb fuel guzzling.

"We have discovered that fuel savings as high as 25 to 30 percent are relatively easily secured if industry and commerce learn how to control the tremendous wastages that go on every day," Mr Steed said today.

"Modern technology can multiply the savings several times over. This can be achieved by the introduction of sophisticated systems such as computer programmes to switch lights on and off.

"Many of the items may appear to be trivial but, together, they assure enormous fuel and cost savings."

lecturer in psychology at the University of the Witwatersrand, was testifying before Mr Justice H van Dyk sitting with two assessors in the trial of Mr Malesela Benjamin Moloise of 220C, Sonny Boy's Plot, Stinkwater, who has pleaded not guilty to murdering Warrant/Officer Phillipus Selepe (50) at the front gate of his home in Mamelodi on November 7 last year.

Mr Cumes told the court he had conducted three tests on the accused in May this year and had concluded that Mr Moloise was also an impressionist, highly emotional and had feelings that people wanted to poison him. He had a low level of intelligence and would like to appear as if he had certain qualities which he did not have. "He is an actor

Row over lights levy

THE SOFASONKE Party, led by Soweto businessman Mr Ephraim Tshabalala, intends taking the Soweto Council to court to challenge the R12 levy charged to residents to pay off the R230-million electrification loan.

overseas to pay for the electrification project was taken, the council did not consult residents to inform them of all the implications thereof.

had originally decided that each household in Soweto would be liable for a R20 monthly levy for the repayment of the loan which will be paid up over 25 years.

"We view this matter in the most serious light.

"It is obvious that anybody who is asked whether they would like to have electricity would say yes. But it was important for residents to be told that besides getting the money to electrify Soweto from abroad, they would have to settle the bill themselves.

At the council's monthly meeting last week, it was decided that the levy be reduced to R12 and increased in stages until it came to R29 a month in 1986.

Residents who installed their own electricity without making use of the council's scheme will pay R4 and those who used it to upgrade their electricity will pay R8.

The Soweto Council

This was revealed yesterday by an executive official of the party, Mr Ambition Brown, who said the party's lawyers had already been briefed about the matter.

Mr Brown accused the Soweto Council of using "unfair and fraudulent" methods to fleece Soweto residents of their money.

He told The SOWETAN that when the decision to raise a loan

Chicken Farm folk on the move again

THE NOMADS of Chicken Farm and "Mochaeneng" are on the move again. Yesterday the thirty odd families were relocated to the property of the Salvation Army across the Old Potchefstroom Road.

Late yesterday the families moved into the four by three metre wood and iron homes built by the West Rand Administration Board. Their nomadic life dates back some two months.

First the shacks where they lived as squatters in "Mochaeneng" were demolished two months ago by Wrab.

They then started to sleep outside in the open veld until the Witwatersrand Council of Churches (WCC) donated ten tents to them follow-

ing a special meeting with Wrab about their plight. Then, after weeks of staying in those tents, Wrab moved them to Chicken Farm where it was said they would have access to better sanitary facilities than at "Mochaeneng."

Once they had occupied those prefab huts and tents they were asked to pay rent of R40 a month. However, the WCC took up the rent matter with Wrab but, according to a spokesman for the WCC, the issue had not yet been finalised.

People interviewed at random said they would prefer better homes than the ones allocated to them. They were not yet sure whether they would have to pay rent for the new houses.

Thebehali hearing

THE CASE against Mr David Thebehali, chairman of the Soweto Council, was yesterday postponed to June 27 in the Johannesburg District Court because the presiding magistrate was ill.

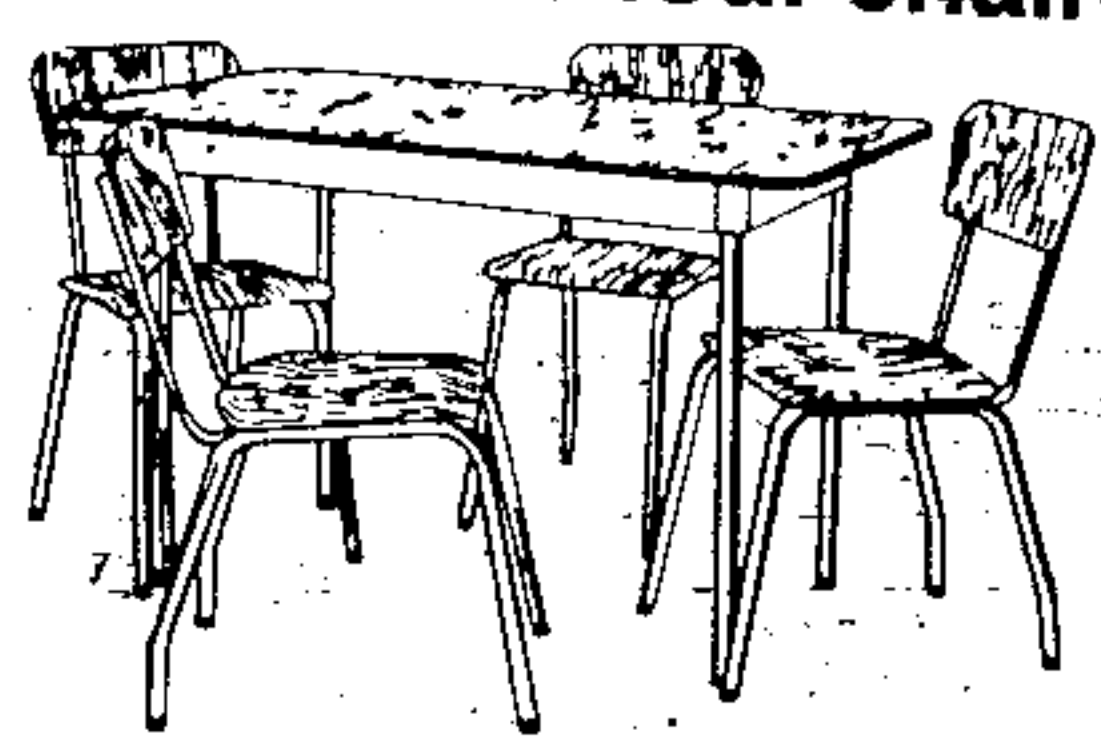
Mr Thebehali was to have appeared before Mr P. D. ...

nection with a charge of obstructing and defeating the cause of justice.

He has pleaded not guilty to the charge that he released two of his makgotla men from a police van on January 30 this year after they were arrested at Mavis Isaacson Hall in White City

FURNITURE GALORE IN 1 STORE

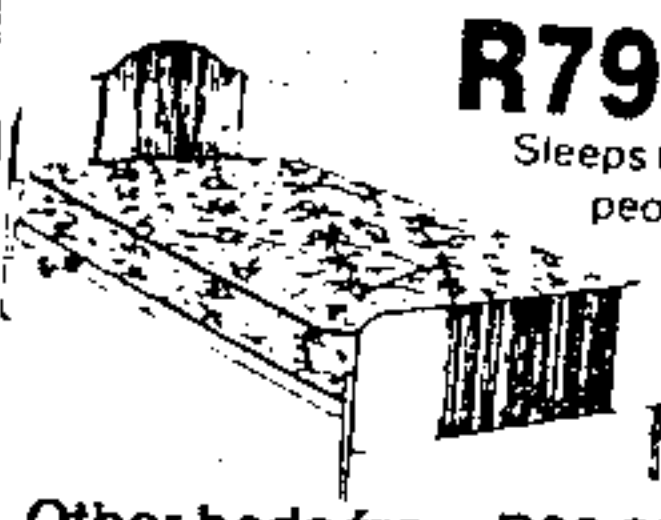
THIS WEEK SPECIAL TILL 7-6-83
Panelyte Kitchen Table
and four chairs



R59⁹⁹

LIMITED STOCK

3/4 (107 cm) GOLD DOLLER BED
with mattress



R79⁹⁹
Sleeps two people

Other beds from R39,99

WARDROBE

Dep R12,00
12 payments of R6,50 pm

Shelves with plenty of hanging space

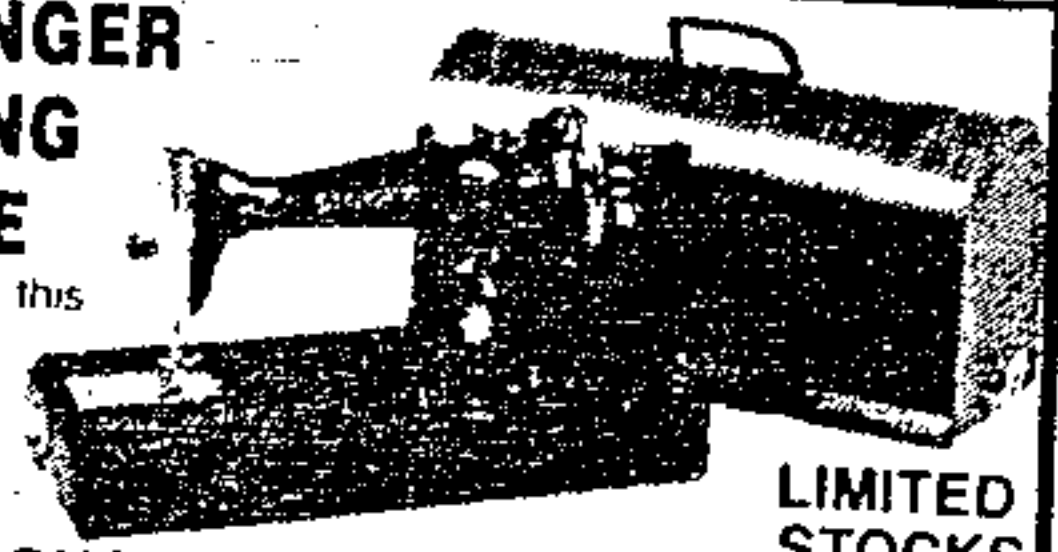
R79⁹⁹



GENUINE SINGER 15n SEWING MACHINE

Easy, fast sewing on this classic model

R89,99



LONG GUARANTEE

LIMITED STOCKS



6-PIECE DINING ROOM SUITE

(with display sideboard, table and four chairs)

R299⁹⁹

LIMITED STOCKS



BRAD'S



PHONE 834-8491/2/3

112 President Street (between Von Wielligh and Delvers Streets)

92 President Street (between Krus and Smaal Streets)

22 Plain Street

GST included

141 Jeppe Street (between Loveday and Hamson Streets)

39 Troye Street (between Commissioner and Market Streets)

19a Von Wielligh St (bet. Frederck and Albert Streets)

3141 White City

C. HERALD
4/6/83

~~124~~

Plans to discuss light bills

THE DIVISIONAL Council plans to meet with the Hout Bay Action Committee soon to discuss problems tenants have with electricity in their sub-economic houses.

This follows a recent march by about 200 Hout Bay residents to the harbour township's housing office to hand in a memorandum with their complaints.

In their memorandum, handed to a councillor, Mr Leonard Pothier, the residents complained of high electricity bills, burnt-out main boxes, inconvenient electricity due dates, faulty wiring and broken meter boxes.

Mr Pothier reported the matter to a special meeting of the council's housing and finance committees.

The meeting decided to meet with a limited delegation of the Action Committee to further discuss the matters in the memorandum. They asked that the Action Committee give them an advanced copy of a detailed memorandum of points for discussion.

They decided to draft a written reply which would be sent to all tenants and a copy of this reply would be "prominently displayed" at the local housing office.

The council's acting secretary, Mr C Mocke, said in his report to the meeting, that residents' had high electricity accounts because they "abused the supply".

He said it would be difficult for the council to change the electricity due date to suit all tenants.

The complaints from tenants about the lack of power plugs in their houses were "fully justified," he said.

Mr Mocke recommended that the council consider upgrading the electrical system.

Escom may up tariff by 20%

55 300
V. 10/1
4/6/83

By NORMAN PATTERTON

THE water shortage may cause an Escom tariff increase of between 20% and 35%.

An Escom spokesman, Mr Etienne du Plessis, explained how a drought could make people pay more for electricity.

He said the power stations in the Eastern Transvaal, being the most cost-effective, generated about 75% of Escom's power.

"They use less coal and water per unit of electricity," he said.

Because the area had been hit by drought, however, less electricity was being generated there and more electricity at less economic stations in the coastal and Midvaal areas, where there was more water available.

Extra fuel costs at these generators, over a six-month period, added R70-million to R80-million to Escom's annual coal bill of R500-million plus, Mr Du Plessis said.

In addition, the emergency Grootdraai scheme would also cost Escom between R7-million and R11-million, he said.

"The scheme will convey water from the Vaal Dam to the Grootdraai Dam near Standerton, and from there to the Eastern Transvaal power stations and Sasol."

He said the Eastern Transvaal stations weren't badly situated — there was normally a good water supply for them.

The stations were built there to be near the coal mines as they used 36 000 to 40 000 tons of coal per station per day.

To transport coal to other stations would be very costly, requiring 30 trains a day to feed each power station.

"Escom, by law, must recover its costs. The only way is through the tariff," Mr Du Plessis said.

An Assocom spokesman asked if the electricity tariffs would be decreased once the drought was over.

Mr Du Plessis said he was not in a position to answer that. No decision had been taken yet as to when tariffs would be increased or by how much, he said.



MASKED Koeberg Alert anti-nuclear protesters march on to Greenmarket Square with a coffin in today's demonstration.

9 hooded demos held in city

w/c Argus 4/6/83
(55) (46)

Weekend Argus Reporter

POLICE today arrested nine people taking part in a midday anti-nuclear protest on Greenmarket Square.

The protest was organised by Koeberg Alert, Cape Town's anti-nuclear group, to publicise the nuclear debate before World Environment Day tomorrow.

The nine people arrested are being held in police cells at Caledon Square until they can be brought before a magistrate on Monday. They will be charged under the Internal Security Act.

Wearing masks and black shrouds, protesters marched on to Greenmarket Square carrying posters and a coffin emblazoned with anti-nuclear emblems, while one rang a bell.

The protesters lay on the ground before being arrested by about 40 policemen who arrived in vans and a microbus.

A member of Koeberg Alert who did not wish to

be named said that 20 minutes after the arrests she was talking to a friend who handed out pamphlets. A police officer told them they were loitering.

When she replied that Greenmarket Square was a public place, the officer gave her three minutes to move off.

She said that by this time a small group had gathered.

The policeman fetched an aerosol can from his car, pointed it at her friend's face and sprayed her with teargas.

Police liaison officer Captain Gerhard van Rooyen said later that the group of six masked men and three masked women who were carrying posters constituted an unlawful gathering in terms of the Internal Security Act of 1983.

"At 11.50 am the commanding officer, Captain Dolf Odendaal, told them

(Turn to Page 3, col 1)

Demos
w/c Argus 4/6/83
(Contd from Page 1)

to leave Greenmarket Square. They neglected to do so and they were arrested," Captain van Rooyen said.

"Twenty minutes later another group of 10 people gathered at the same place and one of them began provoking the police.

"They were given three minutes to disperse and when they refused to do so, the police were forced to use a small bit of aerosol teargas."

Captain van Rooyen said the investigating officer had not yet decided whether the group of nine people arrested would be charged or whether they would be allowed to pay admission-of-guilt fines.

See I

Drought adds R100-m to Escom's power bill

PreTORIA Correspondent

Electricity consumers face a R100 million bill because the drought has forced Escom to switch its generation away from the Eastern Transvaal.

A critical shortage of water has forced Escom to close some power stations in Natal and shut down some generators at stations in the Eastern Transvaal.

A spokesman for Escom confirmed it would cost about R100 million to switch generation to parts of the country not as hard hit by the drought — and electricity consumers would eventually have to foot the bill.

"Of this, R80 million will be spent transporting coal to these power stations during the drought months ahead," the spokesman said.

(55) Star 4/1/83
"A further R7 million represents Escom's share of the giant Grootdraai scheme which will bring water from the Tugela River to the Eastern Transvaal.


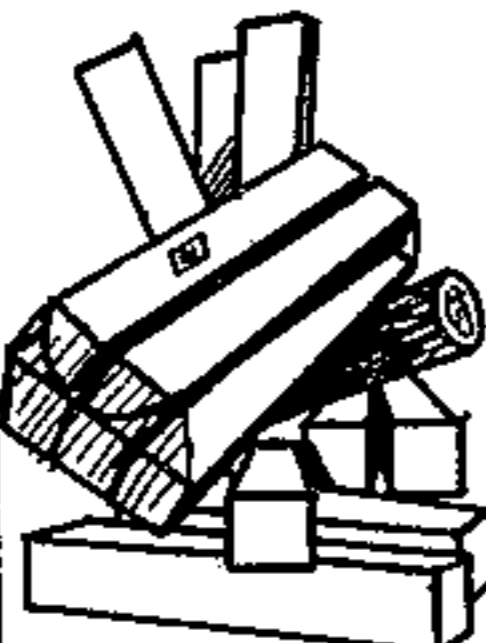

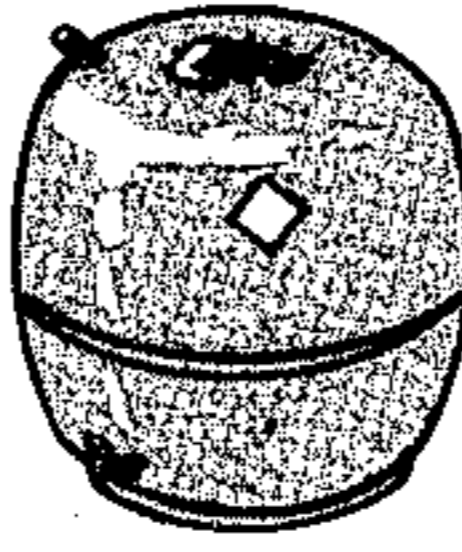
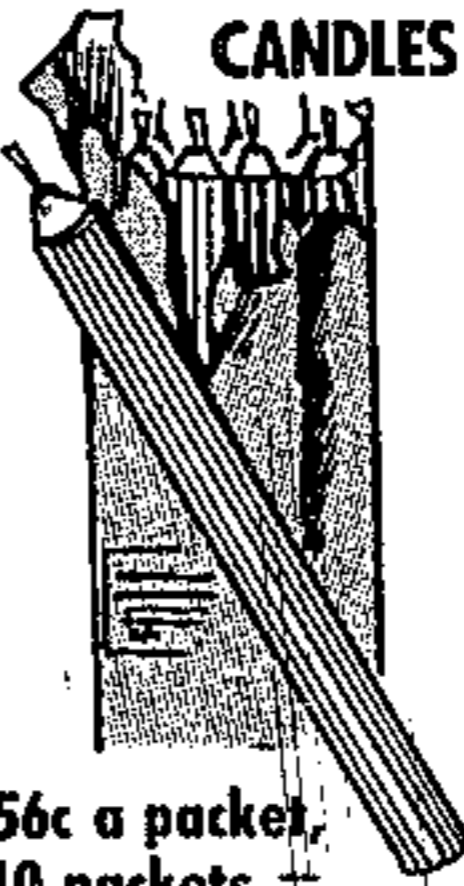

"The balance will be spent on new power lines to supply the Grootdraai water pumps."

The spokesman said Escom could not use up the last drops of water in the Eastern Transvaal and Natal and stake its hope on rain later in the year.

Instead it had decided to switch generation, even if to less efficient power stations, and at great cost.

But once the Grootdraai scheme was completed the efficient power stations in the Eastern Transvaal would be able to generate at full capacity again, supplying power through the national grid to Natal.

THE AVERAGE MONTHLY ENERGY EXPENDITURE FOR SOWETANS

COAL	WOOD	PARAFFIN	GAS	CANDLES	OTHER
					
6,95 a bag. 7 =	R1 a bag 7 bags =	5 litre bottle at R3,20 20 litres =		56c a packet, 10 packets =	
R48,65	R7,00	R12,80	0,51c	R5,60	32c (?)
TOTAL = R74,10					<i>Nicky Taylor</i>

The switching on of Greater Soweto

Greater Soweto — a conglomeration of the three administrative units of Soweto, Diepmeadow and Dobsonville — is the country's largest and most progressive black area.

About 300 500 Soweto residents stream into Johannesburg daily to work.

Although it is only a stone's throw away from Johannesburg, Soweto remains a mystery to most whites. Few visit it and to many it is a tempestuous, unpredictable source of political disturbance and a breeding ground of crime.

However the South African Government, through its appendages — the three community councils of Diepmeadow, Dobsonville and Soweto and the West Rand Administration Board (Wrab) — is determined to turn this "black city" into a showpiece and an oasis in the black urban areas.

Money has been poured into various developments in the townships — notably the upgrading of roads, sewerage and a huge electrification project.

For decades some of Soweto's people, whose numbers total about two million, have known light

only from candles and paraffin lamps, heat from coal or gas and warmth from sunshine.

The beginning of the end to this primitive life began six years ago.

Dissatisfied with the life of the people and dismayed at the lack of Government efforts to improve it, the community councils of Soweto, Dobsonville and Diepmeadow clubbed together to confront the authorities. They lobbied and agitated ... and even went to the private sector for support.

Finally, this led to the development of a consortium by the country's leading engineering and planning firms to identify the needs of the black city.

Ecoplan, commissioned by the three community councils to define the townships' infrastructure and requirements, was established.

Among other things, Ecoplan found that fewer than 20 percent of the houses in Greater Soweto — there are about 110 000 units — had electricity, and even these were poorly wired and served by an overloaded system.

The three councils chose electrification as the priority from the

overwhelming list of essentials.

On August 29 1980, after four years of talking, politicking and manoeuvring, the great electrification programme swung into gear.

With a preliminary

they were filled with water and mud and had to be cleared out before cables could be laid.

Few people turned up for jobs offered by the contracting companies and work started late and proceeded slowly until enough labour could be

For decades parts of the "shadow city", home of an estimated 2 million blacks, were without electrical power. A scheme to rectify this has been plagued with problems. In the articles on this and the facing page, Sol Makgabutlane examines the situation.

loan of R20 million acquired from several banks, including Volkskas Merchant Bank, National Merchant Bank, Standard Merchant Bank and Union Acceptances, the first phase was fully subscribed immediately.

A second phase of R80 million, the loan clinched from the Post Office, was equally successful. So was the third of R50 million from the banking consortium.

From the outset progress was plagued by setbacks. No sooner were the trenches dug than

found from sources other than Greater Soweto itself.

Much of Soweto's ground is solid rock which could not be removed with picks. Blasting could not be done because of the unstable foundations of houses, which could collapse from the shock of the explosion.

But despite this, about 27 000 houses were wired and ready for the switch-on by December 1981, and work gathered momentum in a bid to meet the December 1983 deadline.

veto's light s loan hunt

Mr van der Spuy said that from June the availability fee of R12 a month would be charged for housing units and trading sites where electricity was available or would be available.

From June 1 1984 the availability charge will be increased to R17 a month. The following year the charge will be R23 and in 1986 it will go up to R29 a month.

The availability charge will be in addition to the metered cost of electricity consumed.

Mr van der Spuy said people who had wired their houses privately would pay R8 less a month in availability charges.

Why will those who do not want electricity be charged the availability fee?

Mr Van der Spuy said: "It's like a road. A person cannot say he won't pay for its costs because he does not own a car.

"Everyone who stays along that road must pay because they may buy cars later."

What price the benefit of power?

Many Sowetans want electricity in their homes, but fear they won't manage to afford the levy — which will rise each year — and the monthly accounts.

This is the conclusion reached from results of a snap survey of 50 Soweto residents last week.

EXORBITANT

Questions asked were:

- Are you in favour of electricity being installed in your house?
- If so, why?
- If not, why not?

All 50 replied "yes" without hesitation to the first question, and 80 percent added that their reply should not be misconstrued as agreeing to pay the "high levy and exorbitant monthly accounts".

All those interviewed said electricity would improve the quality of life in the township complex,

and the consensus was that it would save them money on basic consumer goods such as paraffin, candles and coal.

Several public figures and political organisations in Soweto last week expressed opposition to the electrification project because it entailed "huge" levies and monthly instalments.

Apart from this opposition, it seems all recognise the important role electricity will play in the lives of the more than one million Sowetans.

EDUCATED

Mrs Polly Modiko, public relations officer of the Berda Electricity Bureau, a body that was formed to advise Sowetans on different aspects of electricity, said: "The people realise they will lead a completely different life after electricity has been installed. For

example, there won't be hassles like chopping wood and making a fire when tired parents return from work."

She added that since the electrification project township complex began a few years ago, the bureau had been receiving a steady flow of Soweto residents eager to be educated about the pros and cons of electricity.

The bureau advised householders on how to deal with lightning and power cuts, which electrical appliances to buy, how to save electricity and how to deal with a person shocked by electricity.

"For example, we advise them to buy only appliances approved by the South African Bureau of Standards."

But inquiries at leading Johannesburg furniture stores indicated that the electrification had not

had much bearing on sales.

The director of one company said: "Although there has been a slight increase in the sale of such goods, it was not as substantial as we hoped. I don't think the electrification of Soweto has affected our sales."

COAL STOVES

But another said: "There has been a marked difference in the sale of electric utensils, especially television sets, in the past two months. It was probably because of the electrification."

A spokesman for a third company said: "We noticed in our Benoni branch after the electrification of Daveyton that blacks still preferred old-fashioned coal stoves, even when they had current in their homes. Because of that we do not

expect any rise in sales in Johannesburg."

But one great relief for Soweto residents, when the Greater Soweto electrification project is completed next March, will be the end of the cable-trench menace.

Named "progress holes" by Wrab, the trenches, often left unfilled for several weeks, have claimed at least five lives and have left scores of unwary residents injured after falling into them.

RELIEF

Wrab maintains that trenches are marked and that planks are provided to be used when crossing the ditches. It also claims that these are always stolen or destroyed. But when the final trench is filled in early next year residents will heave a sigh of relief.



The huge wheels of progress. Soweto children play among the reels of electric cable.

are liable to disqualification and to possible exclusion from the University

(12) SS 8 Jul 8/8

Cost of Soweto's light sparks loan hunt

Soweto's mammoth electrification scheme took an auspicious turn last week when the West Rand Administration Board (Wrab) electricity department's director said all Sowetans, including those in privately owned houses, would be drawing power by March 1984.

Mr M van der Spuy said 32 109 Soweto houses, including those that had previously had electricity, were already switched on and about 72 862 had been wired for power. At the end of this year another 70 000 houses would be connected.

The project gained pace with the near-completion of 663 of the 960 mini-substations which will serve the township.

Mr van der Spuy said: "The wiring of houses is slightly ahead of schedule, while the infrastructure is a bit behind, but the contractor has indicated it will be completed to meet next year's deadline.

"It means the main job will be complete by the end of the year and the first quarter of next year will be spent on tidying up."

When completed, the Greater Soweto electrification project will have produced some interesting statistics.

Contractors will have dug 3 000 km of trenches (a return trip from Johannesburg to Cape Town); more than 300 km of piping will have been used (a distance from Johannesburg to Welkom); and more than 12 000 km of cables will have been laid (Johannesburg to Moscow).

It was also the first time such a scheme had

been undertaken in a township.

However, Wrab has a problem which could hinder the project's progress: escalating costs.

The price of the project was set at R150 million when the scheme was launched five years ago but a Soweto Community Council report said last week it had rocketed to R250 million — R100 million more than the original budget.

The council's acting chairman, Mr T J Makhaya, said at the meeting a loan of R56 million was urgently needed to keep pace with the rising costs.

It was then agreed that Wrab's finance director be authorised to seek the money from a consortium of banks.

Mr Makhaya said loans available for the scheme now amounted to only R194 million though it needed at least R250-million.

Mr van der Spuy blamed the rise on the high inflation rate now running at 13 percent.

"The electrification cost has been climbing by about R22,5 million every year since 1977."

As the original loans did not meet the rising costs, the need to impose tariffs on residents had developed.

Through an availability charge all householders, whether they want electricity or not, will contribute in a bid to cover the loans.

Mr van der Spuy said that from June the availability fee of R12 a month would be charged for housing units and trading sites where electricity was available or would be available.

From June 1 1984 the availability charge will be increased to R17 a month. The following year the charge will be R23 and in 1986 it will go up to R29 a month.

The availability charge will be in addition to the metered cost of electricity consumed.

Mr van der Spuy said people who had wired their houses privately would pay R8 less a month in availability charges.

Why will those who do not want electricity be charged the availability fee?

Mr Van der Spuy said: "It's like a road. A person cannot say he won't pay for its costs because he does not own a car.

"Everyone who stays along that road must pay because they may buy cars later."

What price the be

Many Sowetans want electricity in their homes, but fear they won't manage to afford the levy — which will rise each year — and the monthly accounts.

This is the conclusion reached from results of a snap survey of 50 Soweto residents last week.

EXORBITANT

Questions asked were:

- Are you in favour of electricity being installed in your house?
- If so, why?
- If not, why not?

All 50 replied "yes" without hesitation to the first question, and 80 percent added that their reply should not be misconstrued as agreeing to pay the "high levy and exorbitant monthly accounts".

All those interviewed said electricity would improve the quality of life in the township complex,

and the consensus was that it would save them money on basic consumer goods such as paraffin, candles and coal.

Several public figures and political organisations in Soweto last week expressed opposition to the electrification project because it entailed "huge" levies and monthly instalments.

Apart from this opposition, it seems all recognise the important role electricity will play in the lives of the more than one million Sowetans.

EDUCATED

Mrs Polly Modiko, public relations officer of the Berda Electricity Bureau, a body that was formed to advise Sowetans on different aspects of electricity, said: "The people realise they will lead a completely different life after electricity has been installed. For

example, there won't be hassles like chopping wood and making a fire when tired parents return from work."

She added that the electrification project in the township complex is a few years ahead of the one in the other township. She said she had been receiving a steady flow of Soweto residents eager to be informed about the project and the prices of electricity.

The bureau advises householders on how to deal with lightning power cuts, which is a problem with electrical appliances. It also advises how to save electricity and how to deal with a person shocked by electricity.

"For example, we advise them to buy only electrical appliances approved by the South African Bureau of Standards."

But inquiries at the Johannesburg stores indicated that the electrification had



The huge wheels

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Komati River is flowing at twice expected capacity

Fluke rains may

stave off power cuts

By Stephen McQuinn
Sent 9/16/83

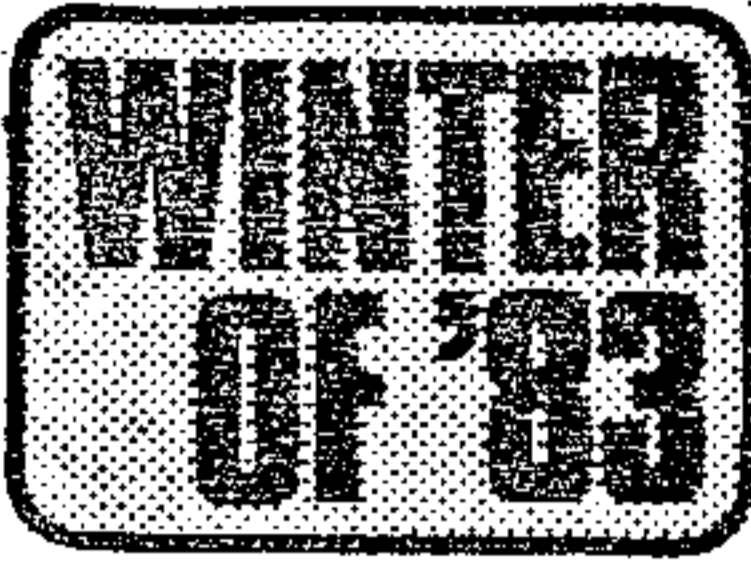
Electricity and water chiefs are celebrating a multi-million-rand "gift from the gods".

For one of three key rivers supplying water to the vital Eastern Transvaal power station complex, the Komati River, is running at twice the expected capacity because of unseasonable rains.

The value of the fluke rainfalls in the Eastern Transvaal can be estimated only in millions of rands.

In early April the Electricity Supply Commission (Escom) announced an R80 million plan to shift generation from the drought-hit Eastern Transvaal power complex to coastal and Vaaldam area power stations to stretch precious water supplies.

The scheme was launched to buy an extra five weeks of uninterrupted electricity supply for the water-dependent stations.



Unseasonable rainfall last month is estimated to have stretched water supplies to four of the eight huge Eastern Transvaal power stations for six to eight weeks.

The above-average rainfall occurred in two periods at the end of May, said a spokesman for the Weather Bureau. Some areas had twice the average rainfall, with one town reporting up to 23 mm on each occasion.

The Komati River bonus is one of the factors influencing Escom's delicate side-stepping of the electricity rationing issue, according to Mr Bert Boonzaaier, liaison officer for the Directorate of Water Affairs.

"The increased flow of the Komati River will take the pressure off a little," he said. "It is providing substantially more water than we expected at the moment — about double the expected flow."

"The increased flow of the Komati is one of the factors that appears to have put Escom's minds at ease on electricity rationing — for the time being at least."

Other key rivers, the Vaal and Usutu, are running at the expected flow.

Escom has to manage on its present supplies in the Eastern Transvaal until the end of September, when the Government's R33 million scheme to reverse the flow of the Vaal River should be complete.

Project engineers are on schedule, with three of the seven weirs completed and the fourth expected to be finished before the end of the week.

Work on weirs five and six began last weekend, and on the seventh on Monday.

Work has also started on the new pipeline link from Grootdraai Dam — key to the emergency scheme — and Trichardt, from where water will be distributed to power stations.

Pipe link

A new pipe link is being built alongside an existing pipeline, doubling the capacity.

Mr Boonzaaier said only one minor problem had been encountered so far — working through hard rock on the first weir. But it was unlikely there would be any serious delays.

If some hidden obstacle delayed the scheme seriously, water engineers could fall back on another plan to buy more time for the drought-hit power stations.

Mr Boonzaaier said Water Affairs officials had had talks with representatives of Witbank municipality on the use of its reservoir.

It is possible to transfer water from the reservoir to the power stations if the weir scheme is delayed.

Escom starts R2-m changes

Pretoria Correspondent

Escom has started modifications costing R2 million to the giant Kriel power station's water treatment plant so that it will be able to use the "lower quality" water from the Vaal systems.

This is part of Escom's strategy to extend the available water supply to its vital Eastern Transvaal power stations as long as possible.

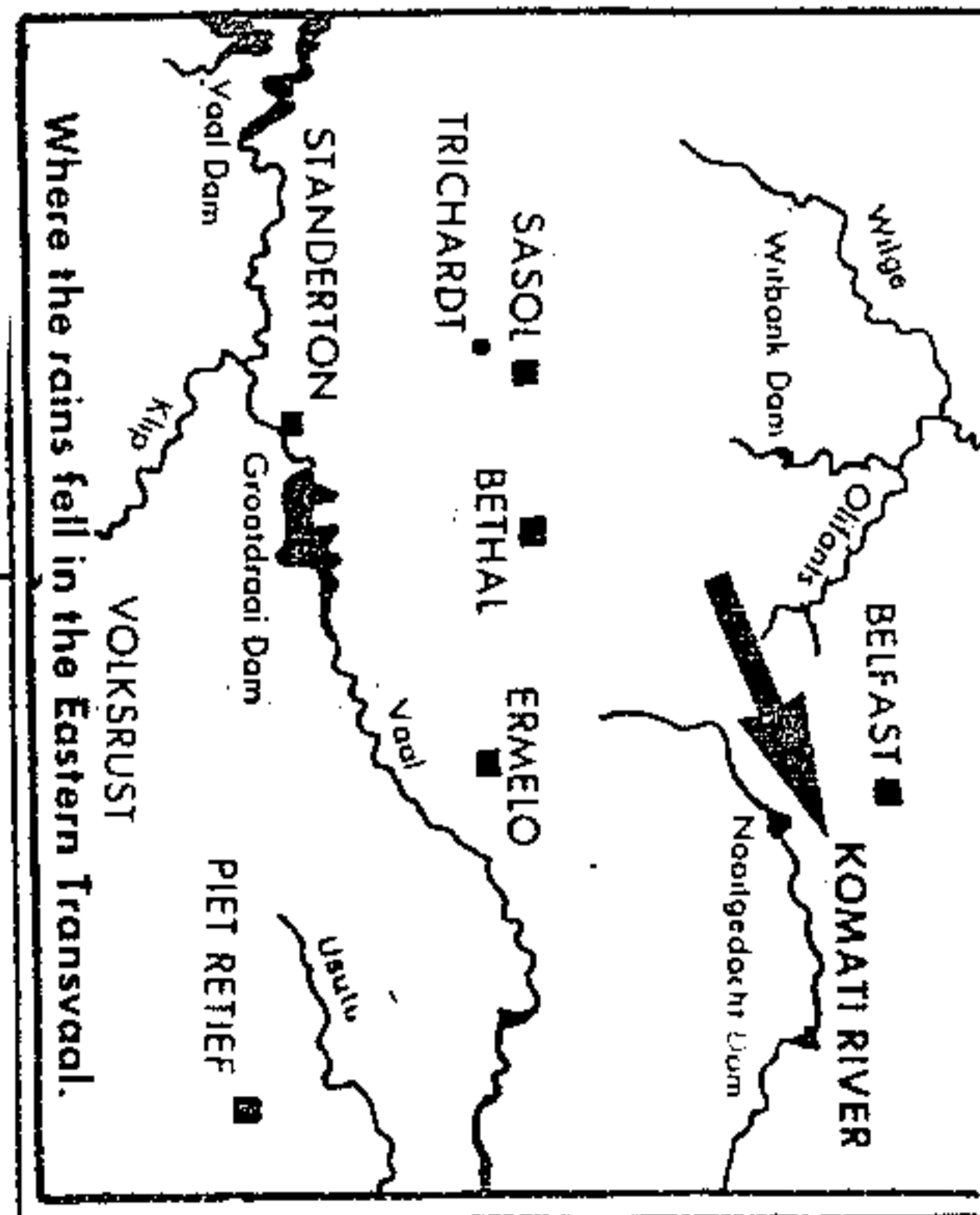
The R33 million projects to divert water from the Vaal River system to the Eastern Transvaal is planned to be finished by September.

Vaal River water will be pumped to Grootdraai Dam near Standerton, and some from there to Witbank Dam.

Escom's public relations chief, Mr Etienne du Plessis, said the Duvha power station's water supply network had already been switched from the Komati system to Witbank.

The giant Matla power station will also receive water from the Vaal after September.

Mr du Plessis said that with this water supply Escom hoped to keep at least the Kriel and Matla power stations — joint generating capacity of 6 200 megawatts — running at full capacity until October 1984.



Is Sasol up-to-date?

55

FM 10/6/83

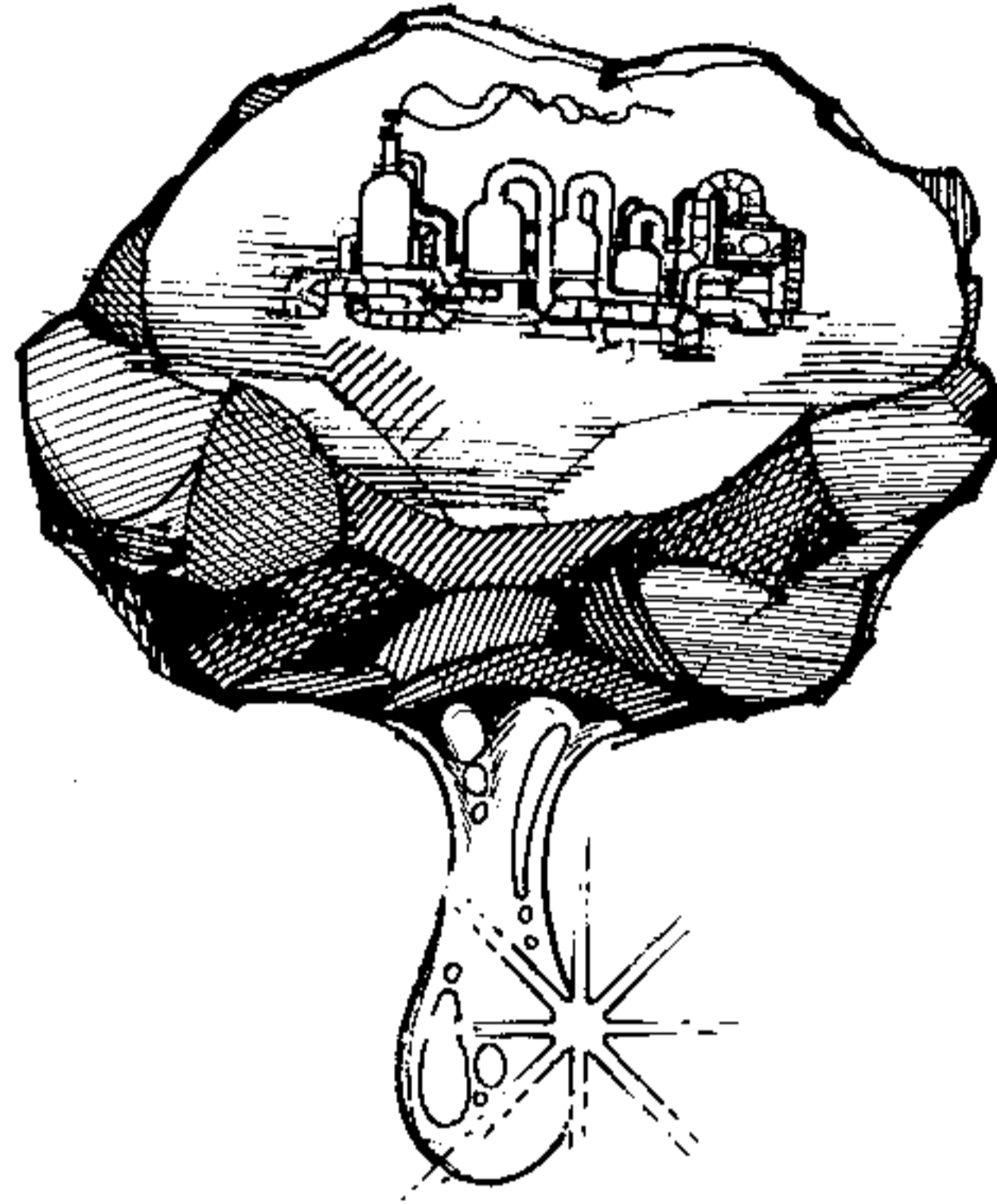
According to the highly respected US journal "Synfuels Week," the chances of improving the yield and reducing the cost of petrol and diesel made from coal by the Sasol process are much greater than previously thought.

This is the conclusion of a study by the American MITRE Corporation on the merits of replacing Sasol's Lurgi gasification and the Fischer-Tropsch (F-T) "Synthol" synthesis with other techniques.

The Lurgi process could be replaced with Shell, Westinghouse or British Gas processes for conversion of coal to synthesis gas (a mixture of hydrogen and carbon monoxide). And F-T synthesis could be replaced with a slurry-phase reactor based on the Kolbel system developed in pre-war Germany.

If these processes were to be used, the undesirably high yield of methane produced by Lurgi — and the bane of the Sasol process — would be significantly

reduced. The high methane yield (which requires recycling) reduces the thermal



efficiency of Sasol plant and gives a low yield of petrol and diesel compared with direct liquefaction methods. However, it has not been established if this would be commercially viable with SA coal.

Replacing both the Lurgi system and the Synthol process — with one of the advanced gasifiers plus Kolbel — could increase fuel output per unit of capital cost by as much as 36% and reduce petrol production cost by up to 33%.

If MITRE's report is to be relied upon, each pass of synthesis gas through a Kolbel reactor produces 90% conversion compared with about 50% for Synthol, and a Shell-Kolbel plant would produce 57% more petrol and diesel than the current Sasol plant.

Both Mobil Corporation and Air Products are working on slurry-phase reactors akin to the Kolbel system for liquid fuels synthesis. The US Department of Energy is supporting the Air Products research.

Sasol says . . .

It is aware of these developments and agrees that improvements in yield may be possible as new developments become commercialised.

The company adds: "But we doubt that the dramatic improvements indicated in the US journal Synfuels Week are currently attainable on a commercial scale. Most will need a development period of at least 5-10 years before final commercialisation.

"Sasol itself is active in developing new gasification and synthesis processes and operates a pilot slurry bed F-T

reactor in its research facility. A fluid bed F-T demonstration reactor will be commissioned towards the middle of this year. Sasol has for 10 years also operated a direct liquefaction pilot plant.

"All these processes, however, are still in a development stage at Sasol as well as worldwide. This also applies to the Shell, Texaco, British Gas and Westinghouse gasification processes. Sasol and Westinghouse will jointly erect the first commercial-sized coal fines gasification unit.

"Earlier this year Ruhrchemie in Germany decided to erect a commercial-size gasification unit and developments are being closely followed by Sasol. Sasol is also in contact with Mobil and Air Products regarding their slurry phase F-T processes and is aware of the work in progress. Most processes for gasification and liquefaction are selective as to coal quality. Sasol's present Lurgi gasification and synthol FD process have a great advantage in that they are completely suited for most SA low-grade coal."

Steel (55)

If long power cuts do come, this is how to handle

By Zenaide Vendeiro

The announcement by the Johannesburg Municipality recently that power cuts of up to three hours may become necessary should not cause panic, says City Electrical Engineer Mr Wessel Barnard.

Such power cuts, called load-shedding, have become likely because of the lack of generating capacity at Escom power stations.

Mr Barnard said the council might not have to resort to load-shedding, but consumers should prepare themselves in case.

"The cuts, generally, will affect only residential areas, and it is the housewife who will be most inconvenienced," he said.

Here are some points to remember:

- The supply will be interrupted for two minutes, then switched on again for 10 minutes before the main power cut — which could last up to three hours.

"This will enable people at hairdressers, for example, to dry their hair, dental patients to get a temporary filling, and give people time to boil water," said Mr Barnard.

● It is unnecessary to stock up with candles, gas cookers and lamps, because the power cuts will not occur in the evenings. "Cuts will occur during peak hours — early in the mornings when businesses are using heaters and air-conditioners, and when factories are beginning their production," said Mr Barnard.

● The council will not switch off the power in areas where there are hospitals and nursing homes.

● Areas where there are large shopping centres, such as Rosebank, are unlikely to have cuts. "It would cause tremendous disruption: lifts, lights and tills would not work."

● High-density areas such as Hillbrow, with many high-rise buildings with lifts, will not be affected. "A power failure there could have

disastrous effects," said Mr Barnard.

● The municipality does not supply power to the Transport Services, so trains would run normally. "We will try not to switch off the power to the trolley bus system, which is limited anyway," said Mr Barnard.

● Petrol pumps in affected areas will not work so motorists might have to drive some distance for fuel.

● Traffic lights will not work during a power failure, and motorists are asked to regard every intersection as a four-way stop street. The Traffic Department will put pointsmen on duty at busy intersections.

● Security systems do not rely on one source of power and are backed up by a second source of energy such as a battery, said the spokesman for the South African Intruder Detection Association, Mr A E J Johnson.

● If you are in a lift when a power failure occurs, do not panic. Try to attract attention

by shouting and banging on the doors. Do not attempt to open the doors or interfere with other apparatus because such action could cause the lift to fail to run normally when the power is restored.

Most large buildings have their own emergency power plant which supplies lighting and enough power to drive one lift at a time. The elevator will go to the ground floor, open the doors to allow people out and then remain there.

Other municipalities on the Rand do not have their own power stations. All their electricity needs are supplied by Escom.

A few weeks ago Escom warned consumers of the possibility of power cuts.

"We have had to reduce generation at an Eastern Transvaal power station," said an Escom spokesman.

Electricity peak hours were from 7 am to 10 am, and 6 pm to 8 pm, he said, with a crisis

Former

AWB 2

found

guilty of

murder

Steel 13/6/83



Stev (55)

Power cuts do come, this is how to handle them

"This will enable people at hairdressers, for example, to dry their hair, dental patients to get a temporary filling, and give people time to boil water," said Mr Barnard.

● It is unnecessary to stock up with candles, gas cookers and lamps, because the power cuts will not occur in the evenings. "Cuts will occur during peak hours — early in the mornings when businesses are using heaters and air-conditioners, and when factories are beginning their production," said Mr Barnard.

● The council will not switch off the power in areas where there are hospitals and nursing homes.

● Areas where there are large shopping centres, such as Rosebank, are unlikely to have cuts. "It would cause tremendous disruption: lifts, lights and tills would not work."

● High-density areas such as Hillbrow, with many high-rise buildings with lifts, will not be affected. "A power failure there could have

disastrous effects," said Mr Barnard.

● The municipality does not supply power to the Transport Services, so trains would run normally. "We will try not to switch off the power to the trolley bus system, which is limited anyway," said Mr Barnard.

● Petrol pumps in affected areas will not work so motorists might have to drive some distance for fuel.

● Traffic lights will not work during a power failure, and motorists are asked to regard every intersection as a four-way stop street. The Traffic Department will put pointsmen on duty at busy intersections.

● Security systems do not rely on one source of power and are backed up by a second source of energy such as a battery, said the spokesman for the South African Intruder Detection Association, Mr A E J Johnson.

● If you are in a lift when a power failure occurs, do not panic. Try to attract attention

by shouting and banging on the doors. Do not attempt to open the doors or interfere with other apparatus because such action could cause the lift to fail to run normally when the power is restored.

Most large buildings have their own emergency power plant which supplies lighting and enough power to drive one lift at a time. The elevator will go to the ground floor, open the doors to allow people out and then remain there.

Other municipalities on the Rand do not have their own power stations. All their electricity needs are supplied by Eskom.

A few weeks ago Eskom warned consumers of the possibility of power cuts.

"We have had to reduce generation at an Eastern Transvaal power station," said an Eskom spokesman.

Electricity peak hours were from 7 am to 10 am, and 6 pm to 8 pm, he said, with a crisis

period at 9 am known as the "industrial peak".

"A national control system constantly monitors the demand for electricity in South Africa. We know how much electricity is wanted in every area of the country.

"If generation falls below demand we don't switch off entire municipalities in South Africa. We ask regional controls to reduce their demands by a certain percentage. It is then up to each municipality to decide how to reduce the demand for electricity, and which consumers would be affected by power cuts. They control their own electricity distribution."

The Eskom spokesman said municipalities would probably follow the same procedure as Johannesburg, but did not think it likely they would have a warning system.

"If we know in advance that demand will exceed supply, we will warn consumers of power cuts through the SABC's regional services," he said.



Towrope swim ends in tragedy

Own Correspondent

CAPE TOWN — A 32-year-old Cape Town crewman on the 18 m Durban-registered catamaran Wahini has been lost while taking a swim behind the moving yacht.

A Port Shepstone radio ham picked up a call from the skipper of the craft, Mr Eric Schoeman, saying that Mr Tony Jackson had been swept away while being towed at the end of a piece of rope about 320 miles north-west of Walvis Bay. Mr Jackson was not wearing safety harness.

Power sets SA back in time

By Stephen McQuillan

South Africans are slipping behind the times because of the drought.

The country is falling into a time-warp — with clocks losing or sometimes gaining time, according to the weather.

Electric clocks connected to the mains supply are behaving haphazardly because of fluctuating frequency in the current.

The mains current is supposed to run at a frequency of 50 cycles a second, but during peak load times — when the weather is cold — the frequency is upset.

The Electricity Supply Commission (Escom) is struggling to meet the demand because its capacity has been cut by 1 600 megawatts as a result of the drought. Generation has been switched from drought-hit power stations to stations with a more plentiful water supply.

On Monday clocks were running seven minutes and 47 seconds slow. By lunchtime yesterday they were running three minutes behind — despite a fresh start.

"This occurs when the frequency of the electric current does not run at 50 cycles, to which all electrical appliances are geared," said Mr Etienne du Plessis, Escom's chief Press officer.

He said if the frequency fell too much electric motors would also start running slow, but the change would not be noticeable on anything else. Industry would not be affected.

By Stephen McQuillan

Electricity supplies are back to normal today after the system neared breakdown yesterday because of plant shutdowns.

The problem was caused partly by sabotage months ago at two key electricity generating schemes. These are believed to have cut more than 2 300 megawatts from the Electricity Supply Commission (Escom) capacity.

Thousands of homes were in danger of being plunged into darkness yesterday morning at the breakfast-time peak period. Escom had to produce 15 093 megawatts — the highest demand this year. Generating units at Camden, Kriel and Matla power stations in the

Wide power cuts narrowly averted

Eastern Transvaal were out of commission and large municipalities, with their own supplies, boosted output to prevent power cuts.

Ungeni power station, near Durban, closed recently to save water, was fired-up as well as the station at Colenso. The two stations were operating at full capacity for at least two days.

The expensive-to-run gas turbine Acacia power

station in Cape Town and Drakensberg hydro-electric scheme also joined the scramble to meet demand.

Suspected sabotage in Mozambique cut supply lines from the massive Cahora Bassa hydro-electric scheme, stripping a potential 1 373 megawatts from South Africa's national electricity grid.

Four bombs which ripped through the top-

security Koeberg nuclear plant in December have delayed generation from this source by more than a year. It should have been generating electricity from early this year.

One of Koeberg's reactors is now scheduled to reach full output by the middle of next year. When it is fully operational it will produce 920 megawatts.

"I don't think we would be facing power cuts if

we were getting electricity from Cahora Bassa and Koeberg. We would have made up for the generating losses suffered because of the drought," said a spokesman for Escom.

He said the generating units at Camden, Kriel and Matla were now re-paired and generating capacity could probably be increased to 16 000 megawatts if it became necessary.

A new capacity peak was reached early this morning. Escom reported an output of about 15 100 megawatts which was expected to increase.

Escom has cut about 1 600 megawatts from its capacity by plant shutdowns because of the drought. Generation has been moved to stations with more plentiful water supplies but Escom has warned of possible power cuts at peak demand periods.

● A technical hitch at the SABC last night prevented titles from being shown on "Police File". An SABC spokesman said at first it was thought the problem had been caused by a power cut but engineers discovered it was a technical failure.

- (3) whether he will furnish the House with the names of these companies;
- (4) whether he will make a statement on the matter?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) (a) Yes.
- (b) No.
- (c) No.
- (d) No.
- (i) The total purchase price was R4 million of which R2 million is still held in trust.
- (ii) (aa) The purpose of the transaction was to ensure the timely manufacture of certain high precision and critical equipment for the AEC and its subsidiaries.

(bb) The main terms and conditions were that the AEC obtain total financial control and management of the group at minimum cost to the AEC. The R2 million which has been paid thusfar, has not been paid to the seller directly but has been used on his behalf to finance the group of companies.

- (2) and (3) The original chief shareholder was given an option, which will expire within 5 years, to repurchase the shares at the purchase price paid by the AEC plus interest calculated at prime bank overdraft rates. If the option is not exercised the AEC can dispose of the assets as it sees fit.
- As in the case of any other supplier to the AEC, it is not considered to be

559 Hours and 15/6/83
Atomic Energy Corporation
Q. 61.1545 - 1547
*7. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether the Atomic Energy Corporation or any subsidiary of this Corporation (a) acquired shares in, (b) loaned money to, (c) made payments in advance to or (d) transferred money in any other manner to certain companies, the names of which have been furnished to the Minister's Department for the purpose of his reply; if so, (i) what total amount of money was involved and (ii) what (aa) was the purpose and (bb) were the terms and conditions of these transactions;
- (2) whether any repurchase option was given to the original owner or principal shareholder in each case; if so, who are these persons;

in the interest of the country to divulge any further information about the transaction.

- (4) No.

Mr. D. J. N. MALCOMESS: Mr. Speaker, arising out of the hon. the Minister's answer, can he tell us whether he is quite satisfied that no other commercial enterprise can supply the same goods to the Atomic Energy Corporation or its subsidiaries in the foreseeable future?

Cape Times 17/6/83

Koeberg Alert slates N-power TV feature

Staff Reporter

KOEBERG ALERT, the nuclear-awareness group, has criticized Wednesday night's Midweek television programme on nuclear power.

In a statement, Koeberg Alert said the organization had given SATV reasons for not participating which were not mentioned on Midweek.

It believed TV was not an appropriate medium for a debate on nuclear power. Koeberg Alert had invited Escom and the Atomic Energy Commission to an open debate and was still waiting for replies.

In Midweek, the question of whether nuclear power was needed had not been asked. Escom had committed to Koeberg billions in capital that could be paid off only by increasing consumption. A co-ordinated energy-conservation programme could have brought a 25-30 percent saving.

Evidence against references to "safe levels of radiation" included increases in leukaemia, various cancers and genetic changes.

Also, no country had found a safe method of disposal of nuclear waste.

The statement concluded that it was a political decision to build Koeberg.

CAPE TIMES 22/6/83

Escom man fields nuclear questions

Staff Reporter

SMOKE tests at Koeberg nuclear power station had shown that the concentration of smoke reaching Sea Point was one 100 000th of the smoke concentration measured one kilometre from the fire, according to Escom.

Much of the smoke dispersed within the

first kilometre, the senior Escom information officer in the Western Cape, Mr André van Heerden, said during a seminar at Brackenfell last night.

The seminar was organized by the Tygerberg Chamber of Commerce and Industrial Association. Mr Van Heerden showed a film on the operation of a nuclear power plant, and then answered questions for 1½ hours.

"Background radiation in the atmosphere before nuclear power stations are built is of the order of 100 millirems," he said. "The amount of radiation to which one is exposed increases if one drinks a beer or eats a crayfish. It increases by about 17 millirems overnight if one sleeps beside another person."

Escom had set itself a maximum acceptable additional radiation level of 10 millirems at the boundary of the Koeberg site, he said. The legal maximum was 25 millirems.

The Koeberg station would have a life-span of 40 years, he said. During that time it would produce about a roomful of non-renewable radioactive waste which had to be disposed of.

City in
one Tests 22/6/83
path of
Koeberg
'fall-out'

Staff Reporter

A SHOCK picture showing how smoke from near the Koeberg nuclear power station can reach the City without dispersing has just been released by Cape Town's Medical Officer of Health, Dr R J Coogan.

Ash from the fire in the picture was found on cars on the Foreshore. The smoke reaches Cape Town in two hours.

The colour picture, taken late last year from the top of the Civic Centre, appears in his latest annual report.

Radioactive particles, like smoke, are carried by wind. The picture dramatically underscores the objection which Dr Coogan made in October against an emergency plan limited to the area within a 16km radius of the nuclear power station.

"The complex weather patterns of the area make it unlikely that radiation from the worst possible accident at Koeberg would stay within the 16km radius," Dr Coogan reported.

Tracer elements released later at Koeberg were collected at Green Point, confirming the air flow. Weather surveys showed that the wind conditions enabling the smoke to reach the City before dispersing prevailed 15 percent of the time.

No alternative emergency plan has yet been released, but the Atomic Energy Corporation has noted the objection and "a more comprehensive and demonstrable plan will hopefully ensue from the objection," the report said.

DE DUMM in Cape

NUCLEAR CENTRE TO BE BUILT
Cape Times 22/6/83 (55)

Political Correspondent

THE Atomic Energy Corporation is to establish a new nuclear research centre on the Cape coast 45 km west of Mossel Bay.

This was announced last night by the chairman of the AEC, Dr J W L de Villiers.

He said the AEC was outgrowing its present Pelindaba/Valindaba site and had spent two years investigating alternative areas for expansion of its research and development programmes.

The final choice was a 2500ha site at Ystervarkpunt in the Riversdale district of the Cape south coast.

"This site offers an outstanding compromise between isolation, which is a great advantage for a nuclear research installation, and proximity to a centre of development, namely

the George-Mossel Bay area," he said.

The scheme would fit in with the government's decentralization policy and offered acceptable residential areas within reasonable travelling distance for the 300 people who would be employed there within the first five to 10 years.

Dr De Villiers also gave a detailed assurance that the environmental impact of the proposed development had been thoroughly studied and approved by the Department of Environmental Affairs.

The AEC had avoided areas with sensitive ecological characteristics, great natural beauty, unstable coastline or river mouths, and areas with high economic or social value or potential.

The largest portion of the site, which involved eight separate properties, would be managed as a natural area.

Dr De Villiers said five kilometers of the 18 km stretch from Ystervarkpunt to the Gouritz River mouth would be lost to anglers.

Comprehensive studies would be made to ensure a minimal impact on the marine ecology from the release of heat and construction of inlets and outlets for sea-water cooling.

Safety

Dr De Villiers said the centre would be commissioned only after a formal safety evaluation measuring all possible circumstances and radiation hazards against international criteria.

The development was welcomed yesterday by the chief opposition spokesman on energy, Mr John Malcomess (PFP Port Elizabeth Central).

He said the PFP supported research and development of the peaceful uses of nuclear energy.



This photograph, taken by the City MOH in about two hours with minimal disper

Swan catches wind to freedom

By CHRIS BATEMAN

A STRONG wind yesterday enabled a snow-white swan to soar for the first time — straight out of captivity at Hout Bay's World of Birds.

But her owner, Mr Walter Mangold, is worried that she may not survive on her own.

The swan circled the bay a number of times before landing in the swell at Flora Bay where strong westerly winds blew her farther out to sea.

"I'm desperately worried and frustrated. There's nothing we can do but hope she returns to her mate as it's almost breeding season," Mr Mangold said.

The swans at Hout Bay's World of Birds cannot escape normally, as the concrete "runway" in their open pen is too short.

He appealed to anyone who sighted the bird not to attempt to capture it but to contact him immediately at 70-8364.

"She is worth a lot of money. My big worry is that dogs may get hold of her. She is very tame."

Honey of indignation

Staff Reporter

BEEES and honey-lovers the world over will buzz with indignation at the news that honey has been pooh-pooed as a health aid.

According to a new book by the Reader's Digest, honey is only fruit-sugar, grape sugar and water, with vitamins present in such small amounts that they make no worthwhile contribution to the diet.

This blow to honey-eaters is one of the facts listed in a section on nutrition in the South African Family Adviser, a 624-page guide to family health.

Other sections cover abortion, drug problems with teenagers, and comprehensive medical advice on everything from pregnancy to keeping fit and sport.

Another myth exploded is that brown sugar is better than white. According to the book, white is 99,9 percent

Boy electrocuted

Staff Reporter

A 13-YEAR-OLD Sedgefield boy on Monday when he touched a live wire lying on the ground, police said.

A South-Western District policeman, Jacobus Windwaai of Smit in Blesbok Avenue when he found the boy. The Town Clerk, Mr R I Jacobs, had apparently been notified. Investigations were under way. It is not yet known how

Inquest on

Own Correspondent

JOHANNESBURG. — An inquest court here heard yesterday that the body of a man who disappeared from the Johannesburg Hospital was found two months later in the hospital ventilation duct.

Mr Carl Lensing, 50, was found dead on January 5 in the ducts between the seventh and eighth levels of the hospital in Parktown.

Mr Lensing was reported missing by the hospital on No-

vember 12 last year.

The cause of death was not ascertainable because of the body's composition.

Mr Lensing's wife, Mrs Carolina, holds the hospital responsible for the death because she believes the hospital personnel was to blame.

Mrs Lensing said she was admitted to hospital on November 9 after suffering from dizzy spells. She visited him the next

Pick 'n Pay

Discount Supermarkets

Quaker OATS
NATURAL
QUAKER Oats
89c

THICK VEGETABLE SOUP
NO NAME
Packet Soups - All varieties
20c

Cape atom centre: boom is expected

55

E Post

22/6/83

By CARLO MERCORIO

MOSSEL BAY, George and Riversdale today welcomed the Government's decision to establish a research centre for the Atomic Energy Corporation in the area, believing it will result in a mini boom for the South Western Cape.

The Government announced yesterday that it would buy 2 500 hectares of land 45 kilometres west of Mossel Bay, in the Riversdale Divisional Council area.

The land comprises eight properties — subdivisions of the original Buffelshoek farm — and stretches about five kilometres along the coast between Ystervark Point and Kanonstrand.

Civic leaders said the towns should all benefit from the project, which was also likely to attract other development to the area.

They said construction on the site would provide opportunities for local companies and employment. They did not believe there would be environmental problems.

The Deputy Mayor of Mossel Bay, Mr B Alheit, said the decision to build the centre in the area was probably strongly influenced by the well-established infrastructure in the town and the relatively undeveloped nature of the land itself. Much of the land was rocky coastline which had little potential as a holiday site.

"Electricity will be no problem and sea water is available for cooling purposes," he said.

"I do not foresee any environmental problems as the land is not being utilised to its full potential, and the plan calls for a buffer zone which could serve as a nature reserve."

Mr Alheit said accommodation would be needed for 250 to 300 families. Here, again, an infrastructure existed because the Dana Bay development to the west of the town consisted of 1 700 plots, only 50 of which had been developed.

"The other plots have all been bought, so you can imagine what the project will do for the property market, which is already very healthy," he said.

He said the most positive advantage for the town was

● To Page 3

Apr 23/6/83

1 000 face blackout in Lenasia

~~10/8/83~~
55

By Yussuf Nazeer

Electricity supplies to another 400 Lenasia residents were cut yesterday and 400 more are expected to be cut off today.

By tonight more than 1 000 Lenasia householders under the Peri Urban Board's jurisdiction will be without hot water and lights.

The board has decided to discontinue the supply of electricity to residents who refuse to pay the new electricity tariff.

More than 3 000 residents who have lights and hot water pledged last night to switch off their power supplies from 7 pm to 9 pm for the next three nights.

They will hold a three-night candlelight vigil in protest against the Peri Urban Board and the Transvaal Provincial Administration which, they claim, have shown no interest in responding to the ratepayers' call for a meeting.

At a Press conference in Lenasia last night, the chairman of the Federation of Residents Associations, Dr Ram Salojee, read a letter from Transvaal MEC Mr Hein Kruger who said he fully appreciated the "unsatisfactory state of affairs which have prevailed in Lenasia for some time".

Mr Kruger said the disparity in water and electricity tariffs was "only one of the various problems arising from the dual control presently exercised over Lenasia".

He added that, over the years, his department had made representations to the authorities to have Lenasia placed under a single control but without success.

Escom has problems 'marketing' Koeberg

ARGUS 23/6/83

55

Staff Reporter

ALTHOUGH nuclear power is less of an emotional issue in South Africa than in other countries, marketing of Koeberg still faces big problems according to Mr Andre van Heerden, Escom's Western Cape information officer.

'Disclose costs of N-plan'

Staff Reporter

KOEBERG Alert, the anti-nuclear watchdog organisation, has called on the Atomic Energy Corporation to make public the full costs of its proposed nuclear research centre in the Southern Cape.

The organisation says in a statement that in June last year Dr A Roux, ex-chairman of the AEC, said the Pelindaba plant would cost in the region of R1-billion.

This, together with R2,3-billion already spent on Koeberg, and numerous unnamed costs, had already diverted billions of rands from developing alternative resources.

OPPOSED

"Koeberg Alert believes that the AEC's increasing commitment to nuclear power as highlighted in the statement by Dr J W L de Villiers (chairman of the AEC) must be opposed in the strongest possible manner.

"A decision to proceed with the Nuclear Research Centre on the Cape South Coast comes at a time when the international evidence for the health, economic, social, environment and military effects of nuclear power increasingly stresses its non-viability and hazards."

The statement says Koeberg Alert believes an equitable energy plan is urgently needed for all citizens.

Its basis should be an energy conservation programme and the development of a decentralised energy generation system that uses technology already available, to derive power from coal, urban waste and the sun.

At a seminar last night organised by the Institute of Marketing Management, Mr van Heerden said: "People are naturally frightened of radiation, but we are hoping that we can have them feeling happy about the situation."

He said he did not believe in hard sell methods to achieve this, but rather in a process of public education, beginning in schools and universities.

Criticised

Escom already had two education centres in the Western Cape — one at Koeberg and another in central Cape Town.

Escom had been criticised in the past for not keeping the public fully in the picture about Koeberg and this was partly due to the pressure since 1974 to hasten its construction.

He said the Koeberg plant could only be beneficial to the Western Cape which was lagging behind the rest of the country in economic development and living standards.

Development

Koeberg had provided jobs and boosted industrial development. Without it, the development of the country would be slowed down — because 78 per cent of Koeberg's power would go to industry.

He did not see any viable alternative to nuclear energy for the generation of electricity in South Africa.

"The most efficient solar power system is at present working at only 10 percent efficiency."

(55) RDM
27/6/83

Price of petrol may be reduced

By GERALD REILLY
Pretoria Bureau

ANOTHER decrease in the petrol price is expected by motor industry sources in October "at the latest".

They say with the rand-dollar rate hovering near parity, and the lowest international oil prices for years, the Government could be in a position now to grant a substantial decrease in the price.

Earlier this year the Minister of Mineral and Energy Affairs, Mr Piet du Plessis, said another fuel price decrease was possible before the end of the year.

According to Pretoria sources, while the Govern-

ment "is approaching the issue with caution", it was constantly under review. The price was decreased in April by 1,6c a litre.

Meanwhile there is a strong lobby urging the Government not to lower the fuel price further, but to channel any decrease which might be justified into the National Road Fund, which, it was learnt, is in dire need of a major financial boost. A levy for this was mooted last year.

Because of a lack of available funds, the Department of Transport has been unable to go ahead with new road construction contracts since January.

SUGAR CANE

Fuel of the future

Fm 24/6/83

55

Experiments in the manufacture of ethanol from sugar cane bagasse (the dry pulp remaining after extraction of sugar from cane) are yielding encouraging results. The Sugar Milling Research Institute's Brian Purchase admits there is a long way to go, but says there are signs that further economies could be achieved which would make ethanol production a commercial proposition.

The news should encourage the sugar industry, which has long argued that limited ethanol production should be permitted to enable more cane land to be planted.

Most research into production of ethanol from sugar cane has concentrated on using sucrose as the raw material. The process has not been viable on this basis, largely because production costs constitute up to 65% of the cost of sucrose. Now, through a process of acid or enzymic hydrolysis,

ethanol can be extracted from fermenting sugar cane bagasse at relatively low cost.

Purchase says initial tests show that the process could produce ethanol at around 40c/l at factory prices. The next step is a small process development unit. As hydrolysis is a relatively new science, he says, further research could reduce the cost of the end product further.

Ethanol can be made from various agricultural residues, like maize waste or forest trimmings. But bagasse is probably more suitable because it collects at central points where there are already manufac-

turing infrastructures. In addition, SA's cane has a high fibre content.

"The sugar industry has an advantage," says Purchase, "because it operates only 17 factories and the bagasse collects at relatively few points. In fact, about 48% is produced at eight factories concentrated within 100km of Stanger or Tongaat."

Boiler fuel

Bagasse has a limited market in SA anyway. A small amount is used by the paper industry and the balance is burnt as boiler fuel in the mills. Purchase estimates that if

the economic incentive were there, SA could save a third of its bagasse — about 1 Mt (dry) a year.

There are other problems. Owing to the high cost of removing bagasse, existing mills are designed to run in balance with their bagasse supply. If surpluses are to be accumulated the mills will have to be re-designed.

This, warns Purchase, is not likely to happen overnight. It could be 10 to 20 years, he says, before the sugar industry can create sufficient bagasse for economic ethanol production.

55

24/6/83

Escom prices 'prove effectiveness of free market' — chairman

57
E. Post
2-11-6-83

JOHANNESBURG — Incredible as it may seem, the price of electricity is a good example of how effective the free market system can be, Mr Jan Smith, chairman of Escom, said here last night.

In his seconder's address at the annual meeting of the United Building Society, Mr Smith said despite the popular belief that electricity is expensive today, it is in real terms cheaper than it was 20 years ago — and this includes the cost of self-financing, a factor which was not in use at that time.

"Although the price of electricity continues to rise, it is not rising as rapidly as that of some other commodities.

"Petrol, of course, comes to mind very quickly — but even the price of Sunday newspapers rises far more rapidly than that of electricity."

Mr Smith said he believes the free enterprise system can solve most of the country's economic problems.

"Such sentiments, coming from someone in an industry which is not only a virtual monopoly but also to some extent government controlled, could appear inappropriate.

"The fact is that Escom, although it is a monopoly and operates under con-

trols, has always believed in private enterprise principles and has applied them wherever appropriate."

In fact, Mr Smith said, "I believe that much of what we have achieved in providing this country with adequate supplies of electricity was because we were allowed relative freedom in assessing this country's electricity needs on free market lines.

"As a result, consumers pay today a market-related price for their electricity.

"Unpopular as the price of electricity sometimes may be, it is a true reflection of the cost of electricity and the inflationary economy in which we have to provide for this country's future electricity needs.

"This, in turn, discourages wrong perceptions about the future cost of electricity and wrong investments based on the wasteful use of electricity."

It is a characteristic of the modern consumer that he is far more aware of his democratic rights. He is far more outspoken in his criticism, which he often offers without attempting to understand the issues at stake.

"Organisations which are constantly in the public eye and which are perceived as being huge, powerful and even bureaucratic, are favourite targets.

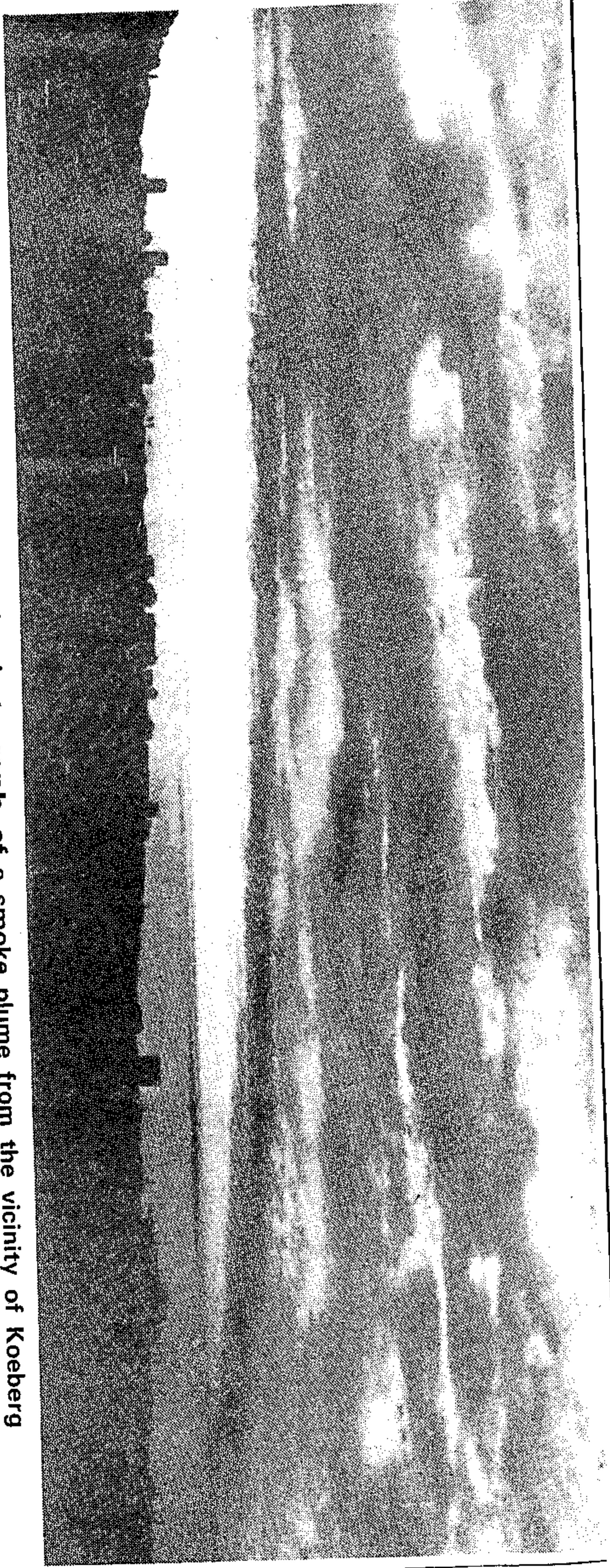
"Handling criticism has become a major task in organisations like ours. Perhaps we sometimes tend to forget that, in the end, our accountability is to the consumer. He wants to know about our triumphs and about our problems. Once he knows, he tries to understand — and his fears are allayed.

"Escom has learnt this the hard way.

"Escom has attained many achievements of which I am justifiably proud and which have kept the cost of electricity relatively low and have secured this country's electricity supply. But on some occasions we failed to communicate this correctly to the consumer. As a result, our actions were often misunderstood.

"Our more recent experiences are different. The drought has presented Escom with one of its biggest problems ever. We decided to communicate this fact to the consumer and alert him to what can happen if the drought should continue.

"The result has been overwhelming. A situation which could quite easily have led to misunderstanding has developed into one in which Escom, its consumers and the Government are joining forces to solve the problem." — Sapa



ILL winds . . . MoH Dr Reg Coogan's photograph of a smoke plume from the vicinity of Koeberg drifting towards Cape Town.

Koeberg and the wind — fears

By KEVIN JACOBS, Weekend Argus Reporter

CITY council officials back from an overseas study of nuclear emergency planning are likely to call soon for a closer look at preparation for weather conditions that could carry contaminated clouds from Koeberg over parts of Cape Town.

They may also suggest that the Government considers forming an emergency advisory agency to take the lead in response to crises. And advice they have from overseas authorities is: Play open cards with the public about planning for nuclear emergencies.

This week the Medical Officer of Health, Dr Reg Coogan — who made the trip to the US and Europe — provided a graphic indication that wind could carry radio-activity over parts of Cape Town within two hours of accidental leak from the Koeberg nuclear power plant.

Colour photograph

As a frontispiece to his annual report to the City Council he published a colour photograph of a smoke plume from a bushfire near Koeberg. It reached the city — with minimal dispersion — in about two hours, he said. And he pointed out that scientific observations have proved that similar currents occur about 15 percent of the time each year.

AK6US 25/6/83 (55)

It could lead to a proposal that the council set up a radiation monitor on Robben Island, in addition to an arc of council monitors already in position.

Dr Coogan also says Escom's emergency planning for coping with accidental release of radio-active gas or particles from the Koeberg reactor "in my opinion, did not take full cognisance of the meteorological aspects which could affect the large population centres of Cape Town and the metropolitan area."

More attention

Dr Stanley Evans, Cape Town Town Clerk and chief co-ordinator of the trip by council, provincial and divisional council representatives, said this week: "I think what will come out is that we do think meteorology must receive more attention, if it is not already receiving attention."

Dr Evans and Dr Coogan are preparing reports on the trip for submission to the city council. Similarly, the divisional council and provincial administration representatives will report to their respective authorities. Dr Evans hopes all their reflections will be combined into one report that could serve as a reference work for other local authorities or agencies.

An Escom official this week said the utility commission's meteorology section at Koeberg had been examining wind patterns in the region for a number of years, and Escom used its own tracer stations to monitor air currents.

Message from abroad is clear: Play open cards with the public

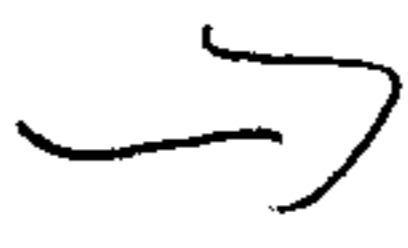
55 ~~270~~ Hansard Q Col. 1743
S.F.F. Association: Salem affair
29/6/83

27. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether any money paid out by the S.F.F. Association in connection with the Salem affair has been recovered; if not, why not; if so, what total amount has been recovered;
- (2) whether investigation into this matter has been completed; if not, (a) why not and (b) when is it anticipated that it will be completed; if so, what were the findings;
- (3) whether any any action has been taken as a result; if not, why not; if so, what action?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) No. The investigation is not yet completed.
- (2) No.

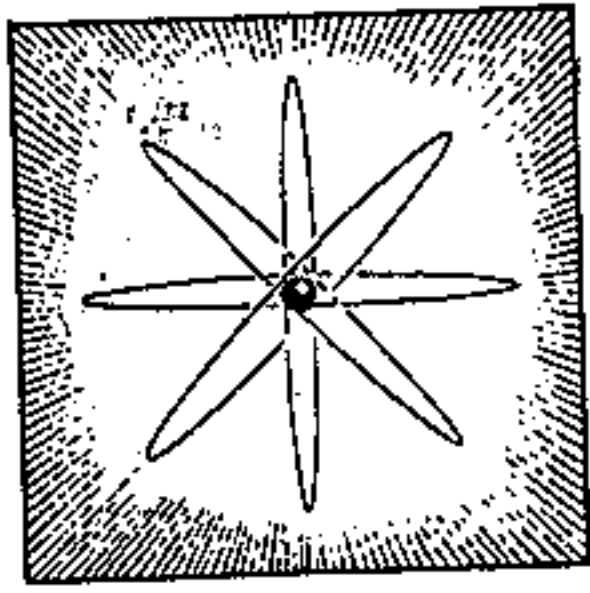


29 JUNE 1983 1744

- (a) This is an extremely complicated case with the main characters resident in different areas of the world and who have not all lent their assistance to the investigation.
- (b) The investigation may possibly be completed by the end of October 1983.

53

We must have Koeberg



Anything to do with Escom these days breeds controversy. Add to that the emotional issue of nuclear power, and rational public debate becomes almost impossible. So this is an

attempt to set the record straight about Koeberg and nuclear power generally, and to separate prudent concern about nuclear safety from ill-informed hysteria.

Let's start with the track record of nuclear energy as a safe, proven industrial technique which has been producing tens of thousands of megawatts of electricity for years and years on end in the major economic powers around the world — the United States, Britain, France, Germany, Japan and the Soviet Union.

It should be apparent to any well-informed schoolboy that nuclear power plants are potentially dangerous — just as coal-mining, off-shore oil-well drilling, chemical industry, flying in aircraft and motoring are all dangerous, to a greater or lesser degree. But society seems universally prepared to tolerate an outright casualty level and degree of pollution associated with each and every one of these non-nuclear activities which seems irresponsibly

Events have shown that SA must not only have reasonably cheap electricity, it must be from diversified power sources. These facts alone make nuclear power generation here inevitable.

high to those honestly and soberly concerned with safety and human welfare.

However, when it comes to nuclear energy, the balance swings the other way. If the same obsessively and irrationally high standards were to be applied to all these other activities as anti-nuclear activists seek to apply to nuclear power plants, then the whole of modern industrial activity would grind to a halt.

The decision to build a nuclear power plant near Cape Town was taken by Escom in the belief that the economics were, stated at their lowest, no worse than the economics of running additional power lines from additional coal-fired power plants to be constructed in the eastern Transvaal. Depending on assumptions made on the future cost of capital and future demand for electricity in the western Cape, nuclear power could turn out to be the cheaper regional source. But, even leaving aside the

unexpectedly higher cost of obtaining enriched uranium, the case for the cheapness of nuclear power is not as straightforward here as in Britain. This is because many more assumptions have to be made.

The decision was taken also in the knowledge that the nuclear power industry, worldwide, was building up a track record of safe, efficient production of electricity with negligible atmospheric pollution, while Western society continued to tolerate a menacing degree of pollution from coal- and oil-fired power plants.

The subsequent mishap at Three Mile Island proved a public relations disaster for the nuclear industry and a financial disaster for the utility whose employees' negligence was responsible. But it has not, contrary to the gleeful belief of anti-nuclear activists, done anything to advance their propositions about the hazards of nuclear power. The containment systems at Three Mile Island did their job more than adequately. There was no dangerous emission of radiation into the atmosphere, no meltdown, no "China Syndrome."

Meanwhile, all the other nuclear power plants around the world have carried on producing electricity and building up more and more thousands of reactor-hours without any mishaps or dangers to health.

And the construction of the Koeberg

'Positive . . . responsible'

The western Cape's business and industrial community has a "positive" attitude to Koeberg. So, too, have "responsible" environmental concern groups. A reading of the economic implications of coal-fired alternatives, or an increase in the carrying capacity of the national grid, explains why.

A coalburning equivalent of Koeberg's 1 842 MW capacity would need to be fed 16 000 t of coal a day. To get it to Cape Town would require 15 trains — every day. The landed cost of coal would be R40-R45/t, compared with the pithead price Escom pays of R11/t. Conveying coal by sea is not a proposition either because of extra handling and punitive port charges. By contrast, Koeberg will require only 24 t of fuel a year for each of its two reactors.

The other alternative, to increase the carrying capacity of transmission lines from the eastern Transvaal thermal stations, is not favoured either for a number of reasons: power loss (6% under normal circumstances) increases on long transmissions; the cost of installing additional capacity over 1 500 km is pro-

hibitive; and the risk of breakdown and failure increases relative to the length of the line.

The problem of efficiency loss will be overcome by the introduction of 800 kV extra high voltage transmission systems on the national grid. Over the next 10 years, Escom expects to build about 3 500 km of 800 kV lines to link new stations to the national grid. But this does not remove the need for additional generating capacity in the western Cape.

The question of water looms large in current power station economics. Water savings have improved a great deal in recent years, from 4l per kWh generated to 2,5l. New dry-cooled stations will reduce water consumption to 0,8l, but there is a loss of efficiency. Koeberg will save 75 Ml of water a day, and the icy Atlantic seawater it will consume will greatly increase efficiency.

The location of the station, 26 km from Cape Town as the crow flies, and in the teeth of the prevailing winter north-wester, is the main target of environmental activists. It was not like that before the Three Mile Island accident in

the US and the sabotage attack on Koeberg itself on December 18 last year. As Escom chief executive Jan Smith likes to point out, there was a great deal of pressure on Escom from Cape commerce, industry and the public in 1974 to commission the nuclear plant in advance of the then 1982 target date. Regional gdp of the western Cape was then in decline and it was thought that a R1 800m project would work wonders in lifting business activity.

Koeberg's location was selected because:

- It is geologically the most stable platform on which to construct a nuclear facility;
- It is near a major port. Had it been located farther away from the city it would have been impossible to transport imported high-tech plant and equipment to the site without major strengthening of road/bridge infrastructure;
- There is convenient access to the Escom national grid; and
- It is close to the zone that is expected to generate the highest increment in demand.

plant has been based upon the high safety standards and vast operating experience of the French consortium responsible for its erection. These safety standards, incidentally, are so stringent that the containment building has been designed to absorb the hypothetical impact produced by the crash of a jumbo jet.

Particular care was taken to earthquake-proof the "nuclear island" containing the reactors. The site for Koeberg was chosen so as to minimise seismic risks — if the anxieties of the anti-nuclear activists about proximity had been catered for, more remote but seismically less optimal sites would have had to be chosen.

It is true that Escom could probably have deferred its plunge into the nuclear age. But recent events have proved the wisdom of diversifying SA's sources of power supply. The interruption of hydro-electric power from Cahora Bassa and the unexpected toll now being taken by the drought on SA's coal-fired generating capacity have shown that no source of power supply is entirely immune to interruption by unexpected contingencies. In these circumstances it could be argued that the mere fact of diversifying energy sources justifies Koeberg.

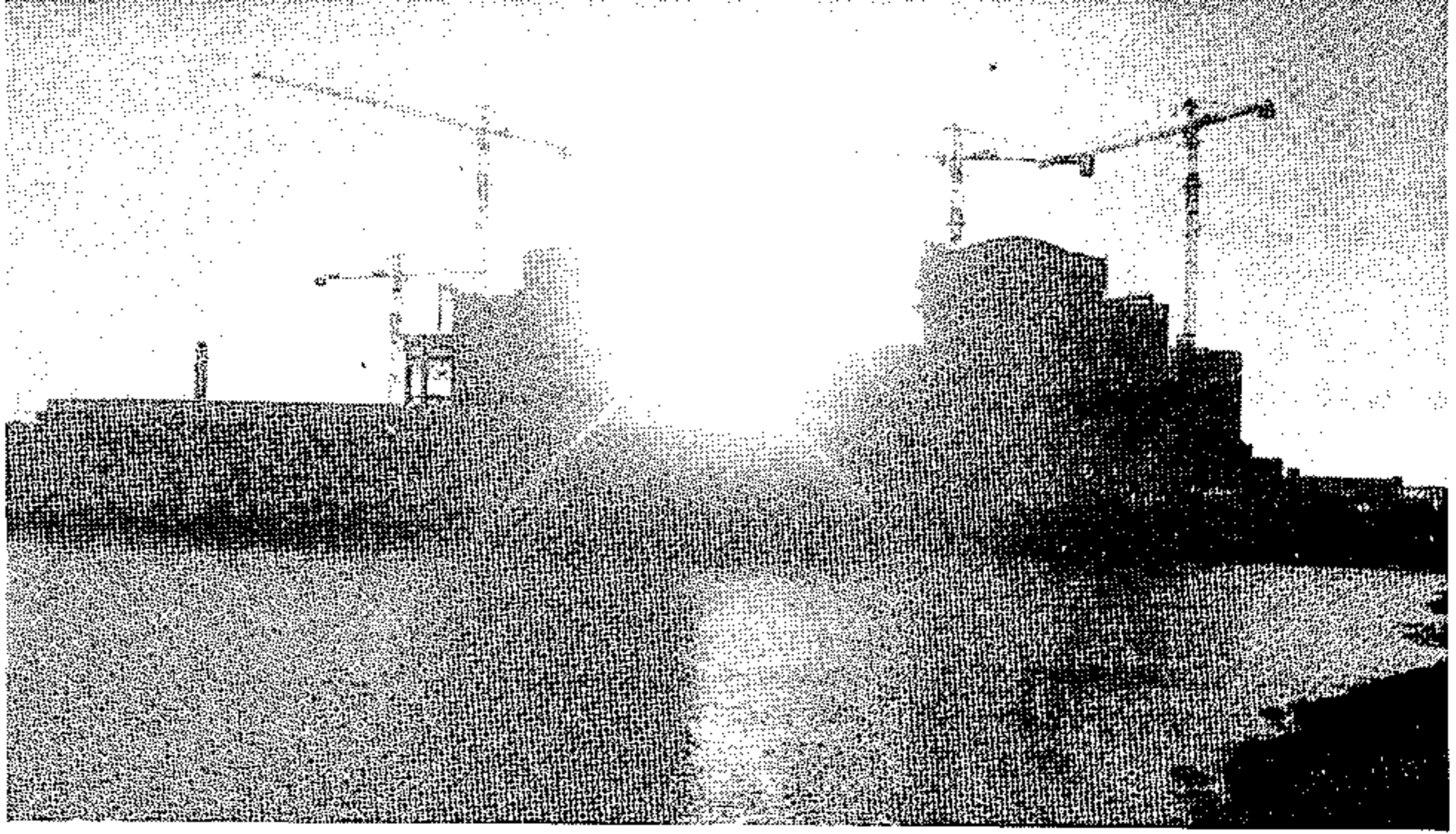
The decision to build Koeberg, notwithstanding problems in the supply of nuclear fuel and delays occasioned by sabotage to non-nuclear areas, has been vindicated. But it is also important to recognise that no further nuclear power plants will be built for their own sake — only if there is a sound case arising from the economics of power

Koeberg will come on stream in about June next year, commissioning having been delayed about a year because of the sabotage attack.

Cape Town City Council has asked Escom to carry out additional meteorological studies to survey worst case situations, the rate of fall-out dispersals at various wind velocities, and so on. Escom officials point out that, at 26 km, Cape Town has a safety location factor far in excess of the minimum demanded in contingency planning — 10 km.

French planners are working on a safe distance of less than 10 km, the United States on 16 km and the Japanese, the only people in the world with physical experience of the perils of nuclear radiation fall-out, on a factor of less than 5 km.

The attitude of coloured people to the new station is ambivalent. In Atlantis, 12 km from the station, there have been "Delay Koeberg" meetings which seem to have ended inconclusively. On the Cape Flats, coloured opinion seems to be that electric power is required, no matter where it comes from.



An unclear plan

One of the longest and most expensive public inquiries in Britain is currently underway to decide the fate of the country's nuclear power plants, writes our European editor. It has been running for 21 weeks and could last into next year.

At issue is the Central Electricity Generating Board's (CEGB) plan to build a 1 400 MW power station based around a US-designed pressurised water reactor (PWR), of the kind involved in the Three Mile Island accident in Pennsylvania and that built at Koeberg in the Cape. The station, Sizewell B, on the Suffolk coast, would be the first PWR in Britain. The existing 11 operating nuclear stations and five under construction are either of the old Magnox type or the British-bred advanced gas-cooled reactor (AGR).

In spite of two oil price shocks and matching increases in the cost of domestic coal — which fuels 83% of UK power — Britain's progress down the nuclear road has been an erratic, *ad hoc* affair. With proven reserves to last 300 years, coal, backed by a politically powerful lobby of miners and the National Coal Board, has been the chief alternative to oil.

It has been in marked contrast to the world's most nuclear nation: France. The French crash programme to reduce dependence on imported energy has seen the completion of 30 nuclear stations with another 28 under construction. This year France will overtake Finland (40% nuclear) on its way to deriving 46% of its electricity from uranium-fuelled reactors, mainly PWRs.

The nearest Britain came to a nuclear "programme" was in 1979 when, during the second oil price shock, the Tory government announced "as a basis for planning" 15 gigawatts (15 billion watts) of PWR-based generating capacity. Ten stations coming into operation at the rate of one a year from 1982 would

double the UK's nuclear capacity and increase its share of power generation from 13% to 20%.

The case for the PWR system put up by the CEGB at the Sizewell inquiry is strictly economic. Coal's old advantage of lower capital costs has now been totally eroded. A solid fuel 1,4 gigawatt station would cost £1,25 billion to build. An AGR unit (of the kind now under construction) would come out at £1,6 billion, while the American PWR, smaller and less complicated, is now priced at £1,15 billion.

With nuclear fuel charges down to roughly half that of coal or oil, the CEGB's preference for the PWR design crystallised into costs (in pence) per kilowatt hour over the lifetime of new stations: coal 3,88p; AGR 3,15p; and PWR 2,61p.

The reason why the first of the "planning basis" 10 PWR stations is only now facing an inquiry and will not be built before 1987 — five years "late" — is changed perceptions of demand. After the 1979-1982 recession during which power consumption fell 10%, the CEGB was left with original 10-year estimates which were 26% too high.

In addition, estimates of energy demand growth up to the year 2010 now embrace an annual range from minus 0,1% to plus 2,6%. So because of economic uncertainties, the old 1979 "planning basis" has been dropped in favour of a case-by-case progress. The Conservatives have said Sizewell — and presumably other PWR stations — will only be built if the independent inspector holding the inquiry and the government are satisfied it is safe. Predictably, the fiercest opposition comes from a host of environmentalist groups. But the National Coal Board has also chipped in with the argument that, not only is the CEGB over-estimating future coal price trends, but also power demand.

(55) FM 2/1/83

generation at the time a decision on additional capacity is demanded.

It seems that the next nuclear power plant is, for many economic reasons unconnected with the issue of nuclear safety, many years from construction. If and when more nuclear plants are to be built, Escom has said that they will be located at other sites remote from the Transvaal coalfields. In practice, this means the eastern Cape and then Natal.

If and when such a decision is taken, it can be predicted with some confidence that Koeberg will itself by then have established a long and unblemished track record for the safe and reliable production of electric power to assist in the necessary goal of industrial growth in the western Cape.

Unfortunately the rational and proven case for nuclear power does not end the matter. The vehemence and hysteria often expressed by anti-nuclear activists have themselves become an important political issue in many Western countries. As they are often immune to rational counter-argument, the rational observer is forced to question the motives of some anti-nuclear protagonists.

Deeper inquiry into anti-nuclear groups the world around suggests all sorts of covert or even unconscious sources of their passions. Undoubtedly a great deal of the concern is actually related to fears about nuclear bombs rather than about nuclear power reactors.

While it is true in principle that spent nuclear fuel can be diverted to make bombs, it is quite clear from the standards of inspection and spent fuel management that SA has accepted that the illicit diversion of spent fuel elements from Koeberg is entirely impracticable.

And if SA wanted to make nuclear weapons it could do so, using its own uranium enrichment process, even if Koeberg were closed down. There is no way that an advanced industrial power, even a modestly-sized one, can be kept from nuclear weapons if it has set its heart upon them. Closing down each and every power reactor worldwide would not affect this conclusion. It would not stop nuclear proliferation demands from Third World countries to the north if that is the direction they choose to take.

This comment is not to imply a view on

the political or strategic merits of SA developing nuclear weapons. But if anti-nuclear power groups want to address the issue of nuclear weapons (which is their democratic right), let them do so directly, and not irrelevantly interfere with the development of an economically important energy resource in a country particularly in need of rapid industrial growth to end the curse of poverty.

Mention of poverty brings up the issue that many anti-nuclear groups are actually opposed to industrialisation in general.

In a world of 4 billion people, only industrialisation can ensure even modest living standards, and to revert to cottage industries à la Gandhi would spell suicide.

Lastly, the anti-nuclear bandwagon attracts many people without even the rudiments of scientific education, who find it trendy to attack nuclear power in ways that are often irresponsible and destructive of human welfare. It is time for them to bring the searchlight of clear and informed thinking to bear on their own words and actions. This is an issue too important to be left to the whim of the radical chic.

WORLD OUTLOOK

Prosperity on a knife-edge

What the world needs most at present is a steadily increasing level of prosperity. And there are undeniable prospects that this could happen. What it needs least is a spurt in economic growth that is quickly snuffed out by high real interest rates, protectionism or renewed inflation. That would so undermine the credibility of the sound financial policies of the West, that real economic recovery in the foreseeable future could be reversed instead into economic disaster.

There are some very positive signs that the powerful industrial economies are be-

There are encouraging signs of an upsurge in economic growth in the industrial countries, especially the US. Question is: will it last through 1984?

ginning to stir and that in recent months the upturn has become more robust. This is especially true in the US, where investors are sending share prices soaring as they vie for a stake in future growth (see accompanying stories).

JAPAN HAS SOME PROBLEMS

Japan, the East's powerhouse, having averaged 3% growth during the last two years of the recession, does not offer a clear picture. Inflation has been almost eliminated with the help of cheaper oil. In the six months to April, prices have averaged a fall of 0.5% and the year-on-year rate is up only 2% (against 8% in 1980).

Yet government problems with a budget deficit (5% of gnp), weak domestic consumption and lower investment intentions are counter-balancing the expansion of exports.

While a reduced oil bill will help

double the current account surplus to \$14 billion, growth forecasts vary. Non-Japanese estimates range between 3.3% and 4% for 1983, with an improvement next year.

But the Japanese bank, Sumitomo, is looking for only 2.4%. While exports are expected to grow by 2.7% (against 0.5%), Sumitomo estimates capital spending will fall by 4% — the first decline in six years — while domestic consumer spending increases by just over half the 1982 rate and government expenditure growth is cut to under 1%.

In Europe, the prevailing view is less certain. There are fears that high real interest rates in the US will discourage the boost needed from consumer demand and corporate investment to sustain a recovery.

In particular, the high real interest rates are imposing a heavy burden on the debt-ridden Third World. Until it is lifted, it will be unable to contribute materially to a general economic recovery.

While cheaper oil and lower nominal US interest rates will help the non-oil developing countries which owe \$600 billion in debt, their painful adjustment processes — many under the thumb of the International Monetary Fund (IMF) — will restrict their capacity to import from the OECD, writes the FM's European Editor.

Oil incomes down

According to economists at London brokers Phillips and Drew, non-oil LDC imports, which were slashed by 8% in 1982, will not begin to recover before next year. As for Opec, facing a \$48 billion fall in oil incomes after a drop of \$59 billion last year, its imports are forecast to fall 8% and still leave the cartel with a \$30 billion current account deficit.

Intra-OECD trade (68% of world trade) is expected to grow by 2.5%, but the global total will still be fractionally lower than in 1982. Next year, on the back of 4% OECD trade growth, the world level is put at 2.2%

FOREIGN AFFAIRS

Wooing oil money?

There is strong evidence that some Arab businessmen have recently made clandestine visits to SA. Although it would be going too far to argue that such visits presage an influx of Arab investment they do indicate that the relationship between SA and the Arab world, particularly the Gulf states, is changing for the better.

For some years the Arab states, in a show of solidarity with black Africa that is more apparent than real, have spurned contact with SA because of apartheid. The most concrete expression of this is the oil boycott.

But the Arabs are nothing if not realists. Arab oil does get to SA, as the highly embarrassing Salem affair demonstrated. The

Financial Mail July 1 1983

Gulf states practise a type of benign capitalism and the oil-rich countries like Saudi Arabia and the United Arab Emirates (UAE) are developing their economies at a tremendous pace.

Of course the oil price has started to come back a little and the oil states find that their revenues are not rising as fast. But the oil wealth still exists and there is a limit to the money that can be poured into the development of local economies. Manpower constraints exist which not even money can dispel.

Investments

The Arabs, very sensibly, have invested in all manner of places — New York, Paris, London and Hong Kong. Some of the deals have been quite spectacular and have aroused anti-Arab feelings. The banks they have set up have lent throughout the world, a good chunk of it to the developing countries.

Now disenchantment is setting in. They have found that perhaps too much has been lent to, or invested in, Third World states and countries like Mexico and Brazil. In addition they have experienced recession-linked losses from some of their industrial investments in the developed world. Their loans and investments are in fact turning out to be a form of charity. As the Mexicos and Brazils struggle to reschedule their mountains of debts, the Arabs can only hope they will, someday, at least get their money back, if not any interest.

So some of them may be turning their eyes towards SA. Financial circles say that the occasional delegation from the Gulf states has recently found its way, under great secrecy, to this country. The moves are unlikely to come from the financial super-states of Saudi Arabia, Kuwait or the UAE.

More likely is a visit from top financial men in Oman or Dubai. Oman is probably the most pro-Western of the Gulf states, possessing a defence treaty with the US and hosting an American military base. Dubai is the trading centre of the region with much the most liberal traditions.

Leaving religious and political attitudes aside, SA could represent an excellent haven for investment funds. It is stable, even though the recent urban bombings sent a shudder down many spines. It always pays back the money it borrows and has achieved a remarkable growth record since World War 2.

The stock market here is buoyant. Property prices are rising. The balance of payments is in surplus. These are conditions the Arab investor likes to see before he commits his money. A good credit record has become very important in the light of the defaults and reschedulings elsewhere in the world.

The trouble is that religion and politics cannot be put totally aside. This means investments and deals have to be concluded with the utmost discretion. The Arabs al-

ready do a certain amount of business with SA, if only indirectly — via, for instance, the Zurich gold market.

One of the problems of developing commercial contacts with the Arab world lies in communication. Travellers with SA passports or other documents with SA stamps find it difficult to get into the Arab states, even on a pilgrimage to Mecca. In addition, direct telephone and telex links between the Gulf states and SA are difficult.

Some businessmen with interests here and in the Middle East own two passports. Others route deals through corporate shells registered in Switzerland.

Clearly, there are both economic and political advantages in encouraging Arabs to invest here. It is a process that will have to be nurtured. The xenophobia that has accompanied the inflow of fixed investment from Arabia in other Western economies is unlikely to be a problem in SA. But Pretoria needs to be pragmatic in its approach to clandestine involvement.

Financial Mail July 1 1983

- (2) (a) and (b) The discharge or dismissal of members of the Force convicted of offences is effected in accordance with the provisions of the Police Act, 1958 and the Regulations promulgated thereunder.

29/6/83
Flawood Detainees
 1062. Mr. P. H. P. GASTROW asked the Minister of Law and Order:

- (1) Whether (a) Ohaka Nyembe, (b) Cedric Bee Yuma, (c) Thulamli Dube and (d) Thabani Ngqobo have been detained by the South African Police; if so, (i) when, (ii) under what statutory provision, (iii) where are they being detained and (iv) what is the age of each of these persons;

- (2) whether they have been visited by (a) a magistrate, (b) an inspector of detainees and (c) a district surgeon; if not, why not; if so, on how many occasions in each case;

- (3) whether any members of their families have been allowed to visit them; if not, why not; if so, (a) which members of such families and (b) on how many occasions in each case;

- (4) whether they have been allowed to receive any articles while in detention; if not, why not; if so, what articles in each case?

The MINISTER OF LAW AND ORDER:

- (1) (a), (b), (c) and (d) Yes.

(i) O Nyemba (1983.01.22); C B Yuma (1983.01.21); T Dube (1983.01.20); T Ngqobo (1983.01.21)

(ii) Since detention to 1983.05.10 in terms of section 29 of Act No. 74 of 1982 and from 1983.05.11 in terms of section 31 of the said Act.

respect of both racial groups are also rendered by other State Departments. It is not possible to keep separate records of such services, which are rendered collectively, and it can thus not be identified for the purpose of this reply.

29/6/83
Atomic Energy Corporation
 1071. Mr. D. J. N. MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether he will furnish further information on any of the companies purchased by the Atomic Energy Corporation as referred to in his reply to Question No. 7 on 15 June 1983; if not, why not; if so.

- (2) whether the said Corporation or any of its subsidiaries have given additional work to any of these companies; if so.

- (3) whether this work was previously given to other companies; if so, (a) to which companies was it given and (b) why was it subsequently transferred to the companies purchased by the Corporation;

- (4) whether in terms of the purchase the Corporation or its subsidiaries have become the sole shareholders of these companies; if so, what were the balance sheet values of the shares at the time of purchase; if not, (a) what percentage of the shares was acquired, (b) what were the balance sheet values of these shares and (c) on what date or dates were they acquired;

- (5) whether an audit has been conducted in respect of these companies; if so, (a) on what date and (b) by whom;

- (6) whether all profits made by these companies while they are owned by the Corporation will be declared as dividends prior to any resale of the shares to the original owner in terms of the option given; if not.

- (7) whether this accumulated profit will

be taken into consideration in the sale price; if not, why not;

- (8) whether the interest payable by the original chief shareholder in terms of the option will be calculated on a monthly compound basis; if not, on what basis will it be calculated;

- (9) whether (a) pension liabilities and (b) leave pay due to the staff were taken into consideration in calculating the share value; if not, why not;

- (10) whether any of these companies were involved in any litigation, other than in the normal course of business, at the time of the take-over by the Corporation; if so, what was the nature of and (b) circumstances surrounding the litigation?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) In reply to the previous questions of the hon. member, I have indicated that it is not considered to be in the interest of the country to divulge further information on the transaction. However, to confirm that the transaction was negotiated on sound business and financial terms, I am prepared, with due regard to my previous statement, to answer those questions which are considered relevant.

- (2) No.

- (3) Falls away. However, it is the policy of the AEC to put out all contracts on tender and these companies will not receive any preferential consideration in awarding the contracts.

- (4) No.

- (a) 75%.

- (b) The value of the shares were calculated on the principle of yield on capital employed, which is lower than the balance sheet value.

(c) On 1 December 1982.

(5) Yes.

(a) 1 December 1982.

(b) The companies' own professional auditors.

(6) No.

(7) and (8) The sale price will be determined by the purchase price plus interest calculated annually at prime bank overdraft rates.

(9) (a) and (b). All the assets and liabilities of the companies involved were taken into account in establishing the value of the shares.

(10) No. (a) and (b). Fall away.

(55) 280 Star 2/7/83
Another SA oil row?

Another row may be brewing over the old issue of oil shipments to South Africa.

Allegations concerning Arab oil supplies are again making news in Holland. In terms of the Petroleum Products Act and/or the National

Supplies Procurement Act reports on this subject may not be published in South Africa.

	REPORT RESTRICTED
---	----------------------

3/7/83

Tests on
new oil
'strike'

By GARY DIXON

ANOTHER promising strike has been made by an oil rig off Mossel Bay.

Soekor's rig in the area, drilling well E-S1, located 82km south-south-west of Mossel Bay, made the strike during drilling operations this week.

But with the area's history of confirmed finds turning into damp squibs after viability studies, the Soekor hierarchy in Johannesburg was loathe to speculate on this one's potential.

Routine tests

The feeling that this well may be the first one to come up trumps in South Africa's multi-million rand search for oil was strengthened slightly when Soekor's liaison officer, Mr Mike Liebrandt, confirmed the strike.

"We are conducting routine tests and I can confirm that we have encountered gas."

He explained that the tests would take about a month to analyse.

Mr Liebrandt added that a statement could be made sooner if the well showed exciting prospects.

A Year of drought that will cost ⁵⁵Escom R100-m

By Julian Kraft

THE drought is to cost Escom R100-million this year and could lead directly to a further hike in electricity tariffs.

The general manager, operations, of Escom, Ian McRae, tells Business Times that the emergency scheme to bring Vaal water to the Eastern Transvaal power stations, power-stations shut-downs and the operation of uneconomic units due to water shortage would raise costs by R100-million this year.

This could imply higher electricity tariffs. Since power is used in the production of nearly every product, drought could thus give inflation another upward nudge.

Escom has estimated that rationing electricity by 15% for six months would cost the country R2 000-million, and is therefore determined to avoid rationing at all costs.

Consumer groups in the specially constituted ad hoc emergency committee on electricity and water supply are also anxious that Escom should not ration them. They would prefer water rationing.

Escom has based its R100-million emergency plans on the pessimistic assumption that the drought will go on for another 18 months, and is reasonably confident that it will stave off the need to ration.

5 Times 3/7/83

Further tariff rise looks probable

But the unavoidable additional cost of about R100-million amounts to almost 4% of Escom's total annual expenditure.

These costs will have to be passed on to consumers. The only questions still to be decided are when and how much.

At present Escom is operating at 10% below planned capacity, having reduced or stopped generation in some areas.

The power stations which have been brought to a halt are Umgeni in Pinetown and

Inagane in Newcastle, while output has been reduced from Camden near Ermelo.

The Department of Environmental Affairs, which is working closely with Escom on its main emergency scheme — the reverse piping scheme from Vaal Dam to Grootdraai Dam in the Eastern Transvaal — has other emergency water supply schemes in hand.

One is to divert water from the Buffalo River to Newcastle, and another — still under consideration — to similarly supply Durban from the Mool River.

While he is hopeful that rationing can be averted, Mr McRae points out that it may become necessary at times briefly to cut electricity supply to consumers during peak periods because of the current low generating reserves.

Most consumers have been warned of this, however, and have agreed to cut their own use voluntarily on such occasions.

"We believe it is our responsibility to develop plans to meet even the most pessimistic scenario," he said.

The R95-million Grootdraai scheme is expected to come into operation in September, when it will ensure continuity of water supply to the majority of the Eastern Transvaal power stations.

5 000 km of power cable laid in Soweto

No more trenches are to be dug in Soweto for the electrification scheme and all those that are still open are being filled, the West Rand Administration Board revealed today.

Wrab's electricity department's director, Mr W van der Spuy, said more than 5 000 km of cable had been laid and the trenches were being closed.

"A fairly major milestone is that all the electricity cable, just more than 5 000 km in length, has now been laid and all trenches are being closed.

All Sowetans would hopefully be drawing power by next March. At the moment, a little more than 32 000 housing units in Greater Soweto are connected to the electricity mainstream and a further 73 000 are wired for power. By December more than 70 000 of Greater Soweto's 110 000 homes will be using electricity.

He said the scheme would cost R250 million — R100 million more than the original 1977 budget. To secure the R56 million "urgently" needed, every Sowetan would be charged a monthly R17 availability levy from June, and this would rise to R29 a month in 1986.

Dutch need SA findings about Salem

55 The Star's Foreign
News Service

9/7/83
260
Stu
ROTTERDAM — A Dutch court is to ask the South African Government for details of its investigations into the sinking of the oil supertanker Salem.

These include a Sasol statement and results of parliamentary inquiries.

The request will be submitted through the two countries' Foreign Ministries.

The South African Government has in the past refused to provide information because it said it was bound by the Petroleum Products Act.

The judge's decision was made at the request of the defence counsel representing Dutch businessman Mr Anton Reidel who is being prosecuted for his alleged role in the Salem affair.

He is charged with fraud, forgery, embezzlement and theft of oil worth R61,6 million belonging to Shell International.

The case has now been adjourned.

Sasol diesel is under grade, farmers show

By Hannes Ferguson,
Farming Correspondent

The Sasol plant at Secunda has been selling undergrade and insufficiently tested diesel fuel since January.

The Eastern Transvaal District Agricultural Unions reported that diesel fuel being supplied to farmers and truck owners by the Secunda plant has proved to be of a quality much lower than the oil-based fuel sold to them before.

Tractors often failed to pull the implements designed for them.

A spokesman for the giant Eastern Transvaal Co-op at Bethal said the number of tractor fuel pumps sent in by members for repairs since January had risen by about 400 percent, and it had been established that the fault was in the fuel.

The ETC had tested a 110 kw tractor engine fitted with a non-rotary fuel pump and found that the new fuel caused a drop in power of almost 20 percent.

The co-op had then started to re-set fuel pumps but this caused a large increase in fuel consumption.

Sasol's fuel marketing manager, Mr SR Booth, has admitted that trouble had been caused by the low viscosity of its new coal-based diesel fuel — especially in the case of tractors fitted with the rotary type of fuel pump.

Sasol was taking steps to rectify the situation.

The SA Bureau of Standards commented that the diesel now sold by Sasol conformed to its specifications. These had been taken from overseas specifications, however, and had not been based on South African tests.

The Division of Agricultural Engineering of the Department of Agriculture in Pretoria said it had not been a member of the SABS committee approving the current SABS standard.

The specification "was in urgent need of revision" and a technical committee on which it was represented would now see to this.

The department had tested the Sasol coal-based diesel fuel in December 1981 and found no significant difference in heat energy values.

But it added that because of the different chemical composition of the new fuel, heat energy was no yardstick of its power value.

Sasol had confirmed this.

The department would now re-test the power value of the new fuel.

The Transvaal Agricultural Union said it was mounting an intensive investigation.

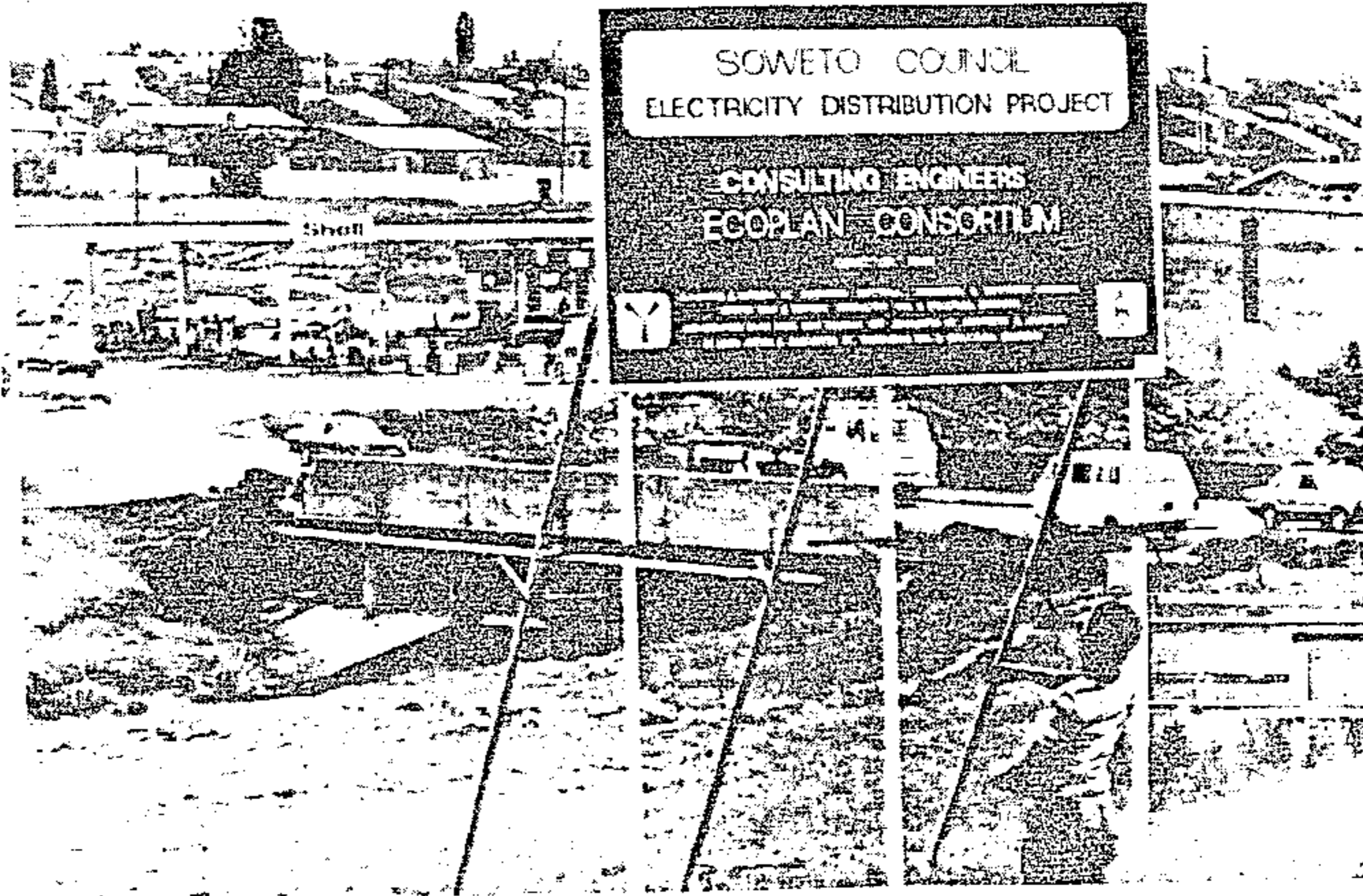
ELECTRIFICATION
Soweto on target

Fm 2/1/83
Soweto's R250m electrification project is "right on target," according to West Rand Administration Board (Wrab) chairman John Knoetze, and should be completed by the end of the year. To date, however, it has not led to the predicted boom in the sale of electrical appliances.

Wrab's electricity director, Melt van der Spuy, says: "The wiring of nearly 73 000 houses has been completed and 32 000 are already receiving power. Approximately 30 000 houses are still to be completed, but the programme is ahead of schedule."

So far the programme has had minimal impact on sales of electrical goods, according to industry sources. Tedelex joint MD Jack Cohen says: "Sales have picked up, although not dramatically. I think demand will rise progressively and constantly over the next few years."

Peter Broad, marketing manager of appliance manufacturer Berda, agrees. He says: "We haven't noticed a dramatic in-



Soweto electricity ... no consumer boom

Financial Mail July 8 1983

crease in sales yet. This is happening on a gradual basis. We do expect an increase, but not on an overnight basis; rather gradually over the next few years."

The Bureau of Market Research's forecast of retail sales for 1983 predicts that sales of television sets and radios, household appliances and foodstuffs are expected to show a relative increase in the year although total retail sales will be 2% lower, in real terms, than in 1982.

Berda has started a special advice bureau for new consumers of electricity. The bureau's Marie Louise Holliday says: "We received many complaints resulting purely from the misuse of appliances. So we started the bureau as a non-profit service to the

community. We receive about 200 letters of inquiry a month in addition to holding talks and demonstrations."

But Knoetze sounds a note of warning: "A lot of inferior equipment is being passed on to the consumer. I appeal to the trade to make suppliers aware of the need to encourage people to buy durable and simple equipment."

The electrification programme has not been without problems. Approximately 5 000 km of cable have been laid in Soweto and connections to the 950 sub-stations are still in progress. As a result, open trenches from both the civil and electrical projects have resulted in a number of deaths.

But, says Van der Spuy, "the open trench-

es have been of tremendous concern to us and we've done everything we could to prevent injuries."

Since the beginning of June, residents have been charged a R12 monthly levy to recover the capital costs involved in the project. All residents are charged the levy as soon as electricity is available, whether the house owner intends using electricity or not, and this has met with some opposition.

Van der Spuy explains that "the levy is being imposed as a municipal levy and is the equivalent of rates. The black community councils themselves decided to repay the loan in this manner by charging a separate levy rather than an amorphous sum levied through increased house rental."

Sunflower oil accepted by diesel-maker

By SIMON WILLSON

Industrial Editor

SUNFLOWER oil for diesel engines has come a step closer with a South African diesel-engine manufacturer's acceptance of its use.

Industry observers said the formal acceptance of sunflower oil made South Africa a world leader in the development of alternative diesel fuels.

Deutz Dieselpower makes diesel engines in Maritzburg in a venture with the Blue Circle group. Deutz is a subsidiary of Klockner-Humboldt-Deutz (KHD) of West Germany, the world's largest manufacturer of air-cooled diesel engines.

KHD said that full warranties would be recognised on Deutz indirect injection engines using sunflower oil instead of diesel fuel. It was the world's first major diesel-engine manufacturer to sanction sunflower oil in its products.

The acceptance of sunflower oil follows a three-year research programme by the Department of Agriculture and KHD's research and development centre in Cologne, West Germany.

Experiments found that conventional, direct-injection diesel engines developed an unacceptable carbon build-up when running on sunflower oil. Conventional engines would run only on a sunflower oil mixture containing 15% alcohol.

But indirect-injection diesel engines prevented the carbon build-up, making the

substitution of 100% sunflower oil economic.

The company said the 12 000 Deutz industrial diesel engines now used throughout South Africa would run on sunflower oil with no modification, and would retain the manufacturer's warranty.

The 8 000 Deutz-Fahr tractors in operation in South Africa used engines which would need slight modification — "at insignificant cost".

Mr Chris Crosby, director of the Department of Agriculture's agricultural engineering division, said the oil glut made it unlikely that South African industry would convert to sunflower oil in diesel engines immediately.

"But at least that is now an option. Diesel fuel technology has made it possible for the Government to take a strategic or economic decision to use sunflower oil if necessary."

About 90% of South Africa's agricultural and industrial diesel engines used direct fuel injection and could run only on a sunflower-alcohol mixture.

Modifications to the engines to indirect-injection would enable them to run on sunflower oil.

"Research is being undertaken throughout the world with a variety of vegetable oils, but South Africa continues to be a world leader in

this field," Mr Crosby said.

Mr Kevin Clarke, Deutz's marketing director, said sunflower oil was 10% to 15% more expensive than diesel fuel, but diesel fuel's cost advantage would disappear if sunflower oil was produced on a large scale and the Government diesel fuel subsidy was withdrawn.

Deutz recently announced a R10-million expansion of its Maritzburg plant as part of a programme to increase local content of engines to 70%.

The company's tractor engines are still imported from Germany pending official approval of the installation of the SA unit.

The Minister of Mineral and Energy Affairs, Mr P T Du Plessis, said at a demonstration of sunflower-powered tractors in Pretoria that it was Government policy to reach a maximum 15% to 20% alcohol and plant-oil contribution to national liquid-fuel requirements.

Government incentives would encourage the private sector to replace diesel fuel. Duties would give petroleum substitutes an advantage of about 4c a litre over fuel made from imported crude oil.

Mr Bodo Liebe, Cologne-based chairman of KHD, said the sunflower research project with the Department of Agriculture was his company's most successful project to date.

"As we are involved in South Africa by holding an interest in the production of Deutz diesel engines and tractors, we feel obliged to transfer our know-how to our South African partners.

"I would be glad if my Government would play a bigger part in assisting South Africa than it has over the past 10 to 15 years."

KHD is also researching the use of fuels like woodgas, ethanol and methanol, and has a woodgas test programme under way at the Council for Scientific and Industrial Research in Pretoria.

Star 11/7/83

Pay deal by Escom

Labour Reporter

A wage agreement has been reached in talks between Escom and various trade unions, the Electricity Supply Commission said today.

Unions last month rejected offers of rises of 5 percent and 6 percent.

Escom had called on employees earlier to accept economic restraints because of the recession.

Exact details of the new agreement were not made available.



55



Insect threat to Matimba power station

By SIMON WILLSON

Industrial Editor

ONE OF the most urgent problems facing planners at Escom's R2 000-million Matimba power station is not security or the drought — but insects.

Matimba, Escom's first water-saving dry-cooled power station, due to start operating in 1986, is thought to be vulnerable to swarms of insects in the North-Western Transvaal.

Instead of the traditional cooling towers, Matimba will have giant radiators to cool

water from a sealed cooling system by heat exchange instead of wasteful evaporation.

But these radiators, covering an area of more than 900m², will need 48 electric fans to cool the water in the power station's system.

Planners fear that the fans' efficiency could be reduced, or the rotor blades even clogged, by insect swarms.

The delicate cooling fins on the radiators could also be damaged by insect deposits.

The 100 ha power-station site will have to be lit at night, and insects will be attracted from the surrounding bush by the lights.

Under Matimba's present construction specifications the fans, each with a diameter of 8,3m, will have no screens around the rotor blades.

"I fear this problem," said Matimba's manager-designate, Mr Dries Struwig.

"It's a major headache because you can't clean off insect deposits easily without damaging delicate installations like the radiator fins."

Matimba's susceptibility to insects is unique among Escom's power stations because of its location on the coalfields of the North-Western Transvaal, and its technology, which requires untried fans and radiators.

Site planners are only now realising the potential insect threat to the power station and are working on several possible solutions.

Mr Struwig said: "We must try to keep our outside lights to a minimum, and possibly try to lure insects away from the fan area by using other lights."

Matimba will be the world's biggest dry-cooled power station with an output capability of 3 600 mW.

Construction is on schedule

for the first generator set to be operational in September 1986.

Dry-cooled power stations use barely a third of the water used by conventional power stations.

Matimba expects to use only about 0,7 to 0,8 litres of water a kilowatt/hour of power generated compared with a wet-cooled station's 2,5 to 2,8 litres a kW/h.

Two other dry-cooled power stations are under construction — the Kendal plant in the Eastern Transvaal and the Majuba project in the South-Eastern Transvaal.

But because Matimba is the first dry-cooled station to be built on a large scale anywhere in the world, Escom officials say it will suffer from occasional problems simply because dry-cooling technology has never been applied to a project of this magnitude.

13/7/83

55
200

Fm 15/1/83

(55)

Another view on Koeberg

Sir — The *FM*'s recent article justifying the need for Koeberg (*Leaders*, July 1) contained several misrepresentations that need to be answered. Firstly, the sustained attack on opponents of nuclear power could not have been written in a more emotive and inaccurate manner. Not one example of the alleged "vehemence" and "hysteria" expressed by the opposition was given. Koeberg Alert is a democratically constituted organisation that includes responsible citizens who are concerned about the implications for SA of developing a nuclear industry.

While Koeberg Alert is comprised of people from a wide spectrum of the community, including chemical, civil and electrical engineers, medical doctors, environmental scientists, chemists, economists, librarians and psychologists, the international anti-nuclear groups include many Nobel prize winners and recognised nuclear experts — that is, people with rather more than just the "rudiments of a scientific education." Koeberg Alert has at all times attempted to present the evidence against nuclear power in as clear and unemotive fashion as possible.

Hidden costs

A second error in the *FM* article is the attempt to justify Koeberg on economic grounds. From the US a study of 47 nuclear and 137 coal stations (excluding Three Mile Island) showed that coal plants were, in fact, 50% cheaper to build and operate than nuclear plants. The escalating costs of nuclear power, due to the presence of so many hidden costs, has made it uneconomic to build and no new orders have been placed in the US since Three Mile Island.

The extensive list of hidden costs involved in using nuclear power are not characteristic of other energy generation sources and include the costs of waste disposal (a problem unsolved in all countries), decommissioning costs (which can approach the initial capital costs if leaks occur) and costs of evacuation services and security.

Koeberg Alert believes that Escom has not demonstrated a real need for nuclear power. It further believes that it is uneconomic and associated with unacceptable risks to the health of local citizens. Rather than developing an energy resource that is fraught with problems, many unsolved, there is a real need for a co-ordinated, decentralised energy plan for the western Cape. Such a plan would be based, firstly, on developing an overall energy conservation and improved energy efficiency programme for industry which could result in an immediate energy saving of up to 40%. The second aspect would be the continued

use of coal with improved pollution control, while the final and long-term option would involve developing alternative energy sources such as municipal waste, sun and wind power and fluidised bed combustion. All these systems are at present being researched by the CSIR and in use in many countries.

The article in the *FM*, far from "setting the record straight," has contributed little to a "rational public debate" on nuclear power.

*D Jander, Media-Admin Group,
Koeberg Alert.*

effectiveness.

The whole que
ed maize *vis-à-*
requires an i
statements th
at our port
at the coar

Firstly
apples
quoted
Unless
the f
linf
in
J

Pumps for SA, cash for apartheid victims

By Stephen McQuillan

Sweden — the ANC's biggest Western "sugar-daddy", according to a Pretoria academic — this year filled a vital gap in South Africa's R35 million emergency plan to keep the lights on.

Sweden was the only country in the world known to be able to deliver sophisticated engineering equipment to South Africa before the project deadline, according to the Electricity Supply Commission (Escom).

Without the crucial equipment, the seven-weir scheme to reverse the flow of Vaal River and channel water to the country's most important power complex in the Eastern Transvaal would have been vulnerable to breakdown.

The contract with the Swedish company was worth R2 million.

But, as the first batch of equipment was arriving in South Africa during May, another transfer of a different kind was being made from Sweden — R5 million for the banned African National Congress.

Sweden released the cash for "supportive victims of South African apartheid".

And, says Professor Mike Hough, director of the Institute of Strategic Studies at the University of Pretoria, Sweden's contribution to the ANC was the biggest from any Western country.

A spokesman for the Department of Foreign Affairs and Information said Sweden had a love-hate relationship with South Africa, though the countries had exchanged diplomatic envoys.

Despite Sweden's strong support for the ANC, trade links had been forged.

"Perhaps the value of the relationship is trade," said the spokesman.

Politics did not interfere with business.

What unfolded is seen by the engineering world as a masterpiece of organisational and logistical planning — against the clock — which prompted high-speed responses from contractors involved.

The weir scheme's planners

Sweden aids both ANC and Escom

needed sophisticated underwater pumps for the weirs to make sure the pumping operation from Vaal Dam to Grootdraai Dam near Standerton would continue even through surprise flooding.

Escom, responsible for installing the pumps, tried all over the world to secure a deal, including Japan, the United States and European countries.

A company called Flygt of Sweden was the only one which could supply the pumps in time.

The weir scheme had to be completed by the end of September, before the electricity rationing threat became real.

Escom raced against time to organise their side. Flygt won the R2 million contract.

A "few strings" were pulled in Sweden to ensure a rapid delivery, according to Flygt's Johannesburg agents, Hugh Mellor and Company Limited.

RUSH ORDER

Mr Nigel Macbeth, the product manager, said a cargo ship was about to leave port in Sweden when the order was made.

Flygt managed to secure space on the vessel.

If the space had not been made available, pumps would have been airlifted to South Africa — at considerable cost, Mr Macbeth said.

The company supplied 77 pumps. The first arrived on site within 1½ hours of the expected delivery time.

The factory order was placed on April 27 and the first batch was on site by May 28.

"That is exceptionally quick. We have never been involved in ordering anything which had such critical urgency," said Mr Macbeth.

Nothing similar to the Swed-

ish units were manufactured locally.

An Escom spokesman said normal pumps would not have been able to cope in a flood, rendering the scheme inoperable.

The Swedish pumps had to be fitted on weirs one to five (nearest to Vaal Dam) because of the risk of a surprise torrent rushing into Vaal River from Klip River.

"But where it was possible, we used South African pumps," he said.

Other, less controversial suppliers also pulled out all the stops.

The second of three pump suppliers involved was Johannesburg-based Mather and Platt (SA) (Pty), an Australian subsidiary company.

They agreed to supply seven pumps — the largest — for the final pumping operation from Vaal River into Grootdraai Dam. They won a R1 million contract. All the giant nine-ton pumps were built in South Africa, according to sales manager Mr John Sinfield, although mouldings had first to be flown in from Australia.

"As there was only one direct flight a week, we had to route the mouldings via Europe

"Normal delivery on this type of pump is nine months. We received the order on April 29. They are almost ready now," Mr Sinfield said. Mono Pumps (Africa) (Pty) Ltd made 12 other pumps within eight weeks, said product manager Mr Mike Shaw.

The Escom spokesman said: "Local people stopped production to do the work we needed. They have really done a tremendous job."

German Shepherd.

Designed in Germany.

Power shock

Sowetan
19/7/83
THERE is a shock in store for Soweto residents who want to buy their houses under the new mass sale of houses — they will have to pay an additional amount of up to R600 for electricity, which is not included in the purchase price.

As a result, the cost of some houses will double.

Even those people who have not bought their houses but are renting them, will not escape this payment as they will pay a monthly levy of R12 over 25 years.

These amounts will go towards the repayment of the R250-million loan the three councils re-

By **ZWELAKHE SISULU**

ceived and they do not include the monthly electricity bill, nor the R30 that is required as deposit.

People who buy their houses will pay between R400 and R620 for electricity.

The breakdown for the amounts that will be paid is for the electricity cubicle in the street, connecting electricity to the house and internal wiring.

This means that residents will have three electricity payments to make. The first is the monthly electricity bill, the lump sum or levy for

wiring and connection and the R30 deposit required against the account.

Those who connected electricity to their own homes and did their own wiring will be paid a monthly rebate of R8 which comprises R4 for internal wiring and R4 for the connection.

The rebates will also be paid over 25 years.

Further, the monthly levy of R12 is only applicable for the first year but is expected to escalate thereafter.

Besides being used to repay the loan, the money will also be utilised to make up for the interest that will accrue on the loan.

Thebehali takes on Wrab

By ZWELAKHE SISULU

THE West Rand Administration Board, Wrab, and the chairman of the Soweto Council, Mr David Thebehali, are locked in a wrangle on whether or not residents will be required to pay up to R600 for electrification.

Mr Thebehali insists that he knows nothing about the R600 outlay and Wrab's Chief Director, Mr C F Bezuidenhout, is equally adamant that the payment is required.

The dispute is a sequel to the revelation that people who buy their houses under the mass sale of houses will be required to pay a lump sum of up to R600

or monthly levies of R12 over 25 years.

People who buy or rent houses that have been electrified will be required to pay the money which will go towards repaying the R250-million loan for

the electrification project.

While Mr Thebehali roared his ignorance over the R600 payment, Mr Bezuidenhout made it clear that the money would have to be paid.

"The cost of the houses under the mass sale of houses does not include any provision for electricity," he said.

However, he said, residents would be given the option of paying a lump sum or in monthly levies of R12 over 25 years. The R12 levy is likely to escalate next year.

This means that when buying a house there will be three main categories of payment; the purchase of the house,

leasehold and electricity.

"The purchase price includes the electricity connection and internal wiring, it's a package deal," Mr Thebehali had said earlier.

Yesterday he said he had never heard of any lump sum that has to be paid: "Nobody is going to pay R600, whatever

Wrab says."

The monthly levy was all his council would require to repay the loan.

The connection and wiring charges are determined by the distance of the house from the supply point and these range from R420 to R600.

According to Wrab at least 31 000 houses have been electrified in Soweto and 52 000 will soon be connected.

When asked whether it would be advantageous to pay the huge amounts or the monthly levies, Mr Bezuidenhout said that would depend on the choice and resources of the individual.

"It may be difficult for many people to purchase the house and also find money for the electricity, so for many people it will be better to pay over a period," he said.

Lenasia group rejects claims

The Federation of Residents' Association yesterday accused the newly nominated South East Lenasia Consultative Committee of being "come-lately Johnnies desperately trying to buy credibility in the eyes of the people" by posing as their spokesman.

The federation, in a statement, rejected the Consultative Committee's claims in *The Star* this week that the committee

was responsible for stopping the Peri Urban Board cutting the electricity supply of several hundred south east Lenasia ratepayers.

The Consultative Committee's chairman, Mr W Dinky Pillay, had told *The Star* that his committee had persuaded the board to grant two reprieves to ratepayers with outstanding accounts; the federation had failed to obtain these be-

cause the board has refused to negotiate.

Yesterday's statement by the federation added: "The Consultative Committee's opportunism is clearly shown in that it has not mentioned the Peri Urban Board's intentions to increase electricity tariffs by 20 percent over and above the 40 percent increase imposed last February."

It pointed out that the Peri Urban Board had

announced on July 6 that a 20 percent tariff increase was coming.

It accused the Consultative Committee of misleading ratepayers with a Press claim this week that the committee had got the Peri Urban Board to reduce service charges from R8,65 to R7. The federation says that the board announced the decrease long before the Consultative Committee was born.

MAIL, Thursday, July 21, 1983

Escom needs 35% increase in income

By SIMON WILLSON

Industrial Editor

ESCOM'S revenue will have to rise by up to 35% to cover the costs of emergency measures to maintain electricity supplies in the drought.

Some of this shortfall would have to be met by increases in tariffs, said a spokesman for the commission yesterday.

The tariff structure was Escom's only mechanism for the recovery of increased costs.

However, part of the additional drought expense could be met by interest accruing to an internal Escom fund which was also maintained by tariffs.

Escom has yet to decide on the size of the tariff increase and whether it will fall more

heavily on domestic or industrial consumers.

All or part of any drought-based tariff increase might be a temporary surcharge which could be reversed once the drought was broken.

The emergency measures Escom is paying for to prevent a loss of power generation include the use of uneconomic power stations and the diversion of water supplies to the Eastern Transvaal.

Because the shortage of water, which power stations use for cooling, is most acute in the Eastern Transvaal, Escom has reduced generation at its modern plants in the area which normally provide about three-quarters of Escom's total supply.

Output from older and less efficient power stations in the mid-Vaal region and on the coast has been stepped up as they have sufficient water.

The old power stations are less efficient than the new ones and additional coal supplies have to be railed to them, increasing Escom's fuel costs by up to R80-million in the past six months.

A project to channel water from the Vaal Dam to the Grootdrai Dam near Standerton in the Eastern Transvaal will cost Escom almost R11-million.

● South African electricity prices rose by almost twice the annual inflation rate in the past year, a firm of international energy cost consultants has calculated.

In its annual international survey of electricity prices, United States-based National Utility Services found that the South African electricity price rose by 23,6% between mid-1982 and mid-1983 against an inflation rate of 13,6%.

However, the survey showed that this price increase brought South African

electricity prices into line with the world average price of 4,2c a kilowatt/hour.

The survey found Cape Town's electricity rates to be the highest in South Africa at 4,8c a kW/h and Pretoria's the cheapest at 3,1c.

Johannesburg's rate was 4c and Durban's 4,7c.

The most expensive electricity in the survey was Italy's at 7,4c a kW/h, and the cheapest was Sweden's at 3c.

55 ~~247~~ RDM
22/7/83
**Escom rise could
up home power bills**

Mail Reporter

HOUSEHOLDERS could be paying a maximum of R2,80 extra on their electricity bills if the predicted Escom increase becomes reality.

A spokesman for Escom said this week that electricity tariffs would have to increase by up to 35% to cover the costs of emergency measures to maintain electricity supplies during the drought.

However, Escom's chairman, Mr Jan Smith, yesterday issued a statement saying no decision had been made as to what the increase would be nor when it would be announced.

Mr R A Leigh, Senior Dep-

uty Electrical Engineer for the Johannesburg Municipality said the council tariffs were automatically adjusted to half of any Escom increase.

The rate per unit for electricity from Escom was 1,6c per unit, and at the maximum expected increase of 35%, householders would pay 0,28c more per unit.

The average to large household is estimated to use 1 000 units a month which would mean a monthly increase of R2,80 per household.

But Mr Leigh said the municipality had had no notification of any increase.

ARGUS 25/7/83

UCT to probe 'energy crisis' in rural areas

Education Reporter
THE Energy Research Institute at the University of Cape Town is to hold a conference on energy for underdeveloped areas early next year.

In a statement the institute says energy use and needs in these areas had received little attention although the consumption in rural areas constituted about 10 per cent of the total energy consumption in South Africa.

"The real 'energy crisis' for the people in underdeveloped rural regions is the growing scarcity of wood fuel, which is their principal source of energy for cooking and heating," it says.

"Each year every person consumes nearly one ton of fuelwood. Receding woodland has led to a

number of environmental, social and economic consequences, including soil erosion and increasingly arduous trips for fuelwood collection."

The growing commercialisation of fuelwood had also resulted in a drain on limited incomes, particularly evident in peri-urban areas which do not have access to electricity and are forced to consider alternative energy sources.

Papers will be presented at the conference by people involved in research, development and demonstration projects in South Africa and neighbouring countries.

Professor P D Dunn of Reading University, England will be one of the main speakers.

The conference will be held on February 9 and 10.

Durban

55

~~204~~
power

Mercury
price

23/7/83

shock

Mercury Reporter

AN ELECTRICITY price increase of almost twice the annual inflation rate was experienced by South African consumers in 1982/83.

This was revealed in a survey of prices in 12 countries carried out by the National Utility Services — international fuel and energy cost consultants.

The survey showed that the price hike was 23,6 percent, although the country's inflation rate was 13,6 percent.

Cape Town people paid the highest rates for electricity with Durban consumers filling second spot. Pretoria had the lowest rates in the country.

Of the 12 countries covered in the survey, Italy's electricity costs were the most expensive, while people in Sweden paid the least for their power.

National Utility Services has carried out the annual survey since 1975.

Mamelodi ⁽⁵⁵⁾ power boost

Sowetan 20/7/83

MORE than R3-million has been set aside for the upgrading of electricity supply network in Mamelodi.

The Mamelodi Community Council has approved the increase of the amount to be spent on this project from R3,1-million to R3,3-million.

In his report tabled at the council meeting at the weekend, Mr F Aab, Director of Technical Services of the Central Transvaal Administration, recommended that more money be spent on the upgrading of the township's power supply network in view of the recurring power failures in Mamelodi.

Mr Aab also said overloading of the existing system was the major cause of the township's power failure. More than R14-million

would be required to eliminate the danger of power failure in the township, he said.

"With one or two exceptions the cause of power failure in Mamelodi, between May 15 and June 15 this year was due to overloading. An earnest appeal should be made to the residents to guard against overloading in their homes," said Mr Aab.

"This problem of power failure could seriously delay the development of the new residential areas. But we cannot stop development. That is why I think something should be done immediately."

Mr Aab said his department was experiencing manpower problems. The existing staff was "hopelessly" inadequate, he said. — Sapa

Methanol preferred to ethanol

By SIMON WILLSON

Industrial Editor

METHANOL had more potential than ethanol of contributing to South Africa's diesel-fuel requirements, the annual transportation convention heard in Johannesburg yesterday.

Mr K F Bennett, of the Energy Research Institute, told the convention, organised by the Council for Scientific and Industrial Research, that methanol's advantage lay in its cost and availability.

"Since methanol can be manufactured on a large scale using low-grade coal as a feedstock, the economics favour it over ethanol produced by a fermentation process."

The fact that methanol could be introduced as an alternative to petrol at some time in the future was a further incentive for increased methanol research funding.

"However, ethanol could play a role in, for example, the sugar industry where the transport fleet could be adapted to use ethanol manufactured from waste products."

Sasol was producing large quantities of excess ethanol mixed with some higher alcohols which were blended into petrol sold in certain areas.

It would be feasible to market this ethanol either blended into diesel fuel or containing an ignition improver.

Farmers had shown some interest in distilling ethanol on a small scale for blending with diesel fuel.

"The problem of control of small-scale distillation plants to prevent the siphoning of quantities of ethanol for other purposes is likely to be a cause of concern for the

Department of Customs and Excise."

Mr Bennett acknowledged that vegetable oils, and especially sunflower-seed oil, had received a large amount of attention as the answer to South Africa's diesel-fuel problem.

"Certainly, the idea of growing one's own fuel requirements is attractive, especially when it seemed that all one had to do was squeeze the seeds to obtain the fuel.

"Unfortunately, two aspects were overlooked. First, the economics of small-scale production are not attractive; and secondly, some processing of the oil is required to overcome gumming and coking in the engine.

"Sunflower oil will, however, remain an attractive emergency fuel source."

Another constraint on the prospects of any alternative diesel fuel was the attitude of the motor industry.

"If it is required that engines designed specifically to run on crude-based diesel fuel are to be operated on an alternative fuel, agreement will have to be obtained from engine manufacturers if warranties are not to be jeopardised.

"However, since most major engine manufacturers are already involved in alternative fuels programmes, this is not expected to be a problem."

The pricing of diesel fuel and petrol was of prime im-

portance in determining the demand for these fuels. The authorities had considerable scope for adjusting prices, thereby providing incentives for the use of other fractions in preference to diesel fuel.

Mr Bennett said discussion on alternative fuels had centred on changing fuels to suit existing engines. But it was also possible to change the engines to suit prevailing fuels.

"At the moment, commercial transport in South Africa is almost totally reliant on compression-ignition engines. Consequently, the conversion of a portion of this fleet to spark-ignition engines would not only allow the use of petrol and thus cut the reliance on one fraction of the barrel, but it would also enable alcohol to be used in significant quantities by this sector."

There was a danger that the recent reduction in the price of crude oil was lulling planners into a false sense of security. The fragility of the situation in the Middle East and the reliance of the West on a friendly Government in Saudi Arabia were two factors which were often overlooked.

A change in this area, which could occur rapidly, would plunge the world's oil markets back into chaos.

"It is therefore imperative that South Africa's alternative fuels programme should continue at least at its present rate. Any cutback would

be short-sighted in the extreme."

MR A J Brink, general manager of research and development for Sasol Technology, told the convention that the motor industry should alter engine specifications to accommodate a wider range of alternative fuels.

"Engine manufacturers adjust their engines and auxiliary equipment for typical fuel properties and normally they do not cater for the extremes allowed by the specification."

This was especially true of diesel-engine auxiliary equipment, such as pumps and injector nozzles.

"It must also be kept in mind that many specifications are designed around what is available and do not necessarily take into account what is desirable from an engine designer's point of view.

"It can be expected, therefore, that some minor adjustments to engines and specifications may become necessary to allow for the slightly different properties of coal-derived petrol and diesel."

MR B H Winter, manager of technical services for Mobil Oil Southern Africa, said diesel-fuel specifications would soon have to be adjusted in Europe and the United States for the same reason.

Increased demands for transport fuels, coupled with an economic need to minimise crude-oil consumption, would demand relaxed specifications.

"Indications are that present automotive equipment will be able to handle these modified fuels without significant problems, but some engine modifications may become necessary to optimise their performance."

Tenants to see the light

C. Herald 30/7/83

(55)
[Signature]

GRASSY Park and Lotus River tenants who have been living in houses without ceilings are to have them fitted soon — and there is a very good chance that they may have electricity laid on to the houses in the very near future.

This assurance was given to a delegation from the Lotus River and Grassy Park Residents Association (Logra) when they met with top Divisional Council officials last week.

Council officials have also suggested to Logra that they get to see the Minister of Community Development, Mr Pen Kotze, in connection with their houses.

When the 15 member delegation met council officials last Thursday,

they handed the council a lengthy memorandum on the problems in their area.

PROBLEMS

High-up on the list of problems were the lack of electricity and ceilings in 700 houses, the provision of bathrooms in the houses and the provision of interleading doors.

The delegation handed council the results of a survey on the amount of money residents spend on candles, wood, paraffin and gas every month.

Council officials told residents that the National Housing Commission had a serious shortage of money. The available funds were being used to build houses, an official said.

They told the Logra delegation that the Minister of Community Development had provided funds for ceilings only after he had been requested to do so by the council's Medical Officer of Health.

Although officials asked Logra to make representations to the Mr Pen Kotze, they stated that the Divisional Council would also approach the Minister with regard to the electricity.

VICTIMISE

Council told the residents that they were planning to sell all houses, but they were not going to victimise tenants who chose not to buy their houses. Flats

would not be put up for sale.

Residents were also told that they did not have to pay for repairs to their homes if the damages had not been caused by them.

On the recent flooding of roads and houses, officials told the delegation that the Cape Flats was a low-lying area and had a high water-table, making it very difficult to solve the flooding problem.

The residents however, say they had not decided to live on the Cape Flats by free choice. They told officials that the Group Areas Act had forced them to the Flats.

ENERGY

Sunflower oil all set to bloom!

By Priscilla Whyte

SUNFLOWER oil is 20% more expensive than diesel but the latter's cost advantage is propped up 5% by the Government customs and excise subsidy on imported diesel.

This diesel subsidy has existed since the 1960s when the use of diesel was encouraged.

Kevin Clarke, marketing director of Deutz Diesel Power told *Industrial Week* that the 20% price disadvantage of sunflower compared to diesel is variable.

He said: "The market price of sunflower fuel as a diesel substitute depends on the extraction process the farmer uses.

"If a farmer can sell the byproducts of sunflower produced by the extraction process - glycerol used in soap manufacture, feedstock then sunflower becomes even more attractive."

Clarke said that Deutz Diesel Power are doing similar work collaboration with the CSIR on wood-gas "and hopefully we will be coming up with similar information on this alternative fuel in two to three months."

Piet du Plessis, the minister of Mineral and Energy Affairs said at a recent conference on sunflower that SA's primary energy source is coal and about 85% and 14% is supplied from imported oil.

He reiterated that excise and customs duties will be applied to any product which replaces petrol.

An additional incentive may be given in respect of efforts and actual contributions to the replacement of diesel fuel.

He said that the announcement by Klockner-Humboldt-Deutz that its normal factory warranty will be applied to their indirect engines running on

pure sunflower oil is a milestone in an extensive research programme by the Division of Agricultural Engineering, Dept of Agriculture.

"This remarkable achievement has been realised merely four years after the first announcement by the Government that sunflower oil is going to be seriously investigated as a possible replacement of diesel fuel.

"It is as far as is known the first diesel fuel alternative in the world to reach the status of carrying a well-known engine warranty."

He pointed out that although the economics of using sunflower oil is still being studied, new possibilities are now open for developing countries, who have undeveloped agricultural land on the one hand

and a shortage of external currencies to import petroleum fuel on the other.

Johann Fuls, senior engineer, division of agricultural engineering, Dept of Agriculture, said at a presentation to the SA Institute of Chemical Engineers:

"Conservative estimates are that 600 litres of sunflower seed oil can be produced per hectare.

"To produce 600 litres of sunflower seed oil, the on farm liquid fuel input is 60 litres, a favourable ratio of 10:1.

Fuls said that degummed sunflower oil (oil, which has been pressed from the seed, filtered, water-washed and centrifuged) is a technically viable alternative fuel for indirect combustion engines with favourable results achieved on two

Deutz F31912W engines.

According to Fuls: "Very inspiring results were obtained with a Perkins 4,236 engine in a Massey Ferguson tractor and running on an ethyl ester of sunflower oil.

"The engine completed 1500 true hours, while subjected to the engine manufacturer's endurance test cycle.

"The first major breakthrough came with the manufacture of ethyl esters, which have a shorter molecule and behave in almost all respects in the same way as diesel."

Chris Crosby, director of the Dept of Agriculture, agricultural engineering division, commented:

"The manufacture of the ester required a relatively simple technology, but the process must be well controlled if satisfactory results are to be achieved."

Using trans-esterified sunflower oil as a fuel offered a solution to the coking problem with direct injection diesel engines.

Nick Smith, director of Blue Circle, said at the sunflower conference: "It is strategically important that SA has an air-cooled engine especially in certain military applications. Every truck that went to Luanda powered with an air-cooled engine came back, which can not be said of other units."

Deutz diesel engines are air-cooled, whereas ADE engines are water-cooled.

Smith said a 70% local content with a R10-million investment will be achieved on the Deutz diesel engine in contrast to the "astronomical figures talked of at Atlantis."

The IDC-backed Atlantis Diesel Engine project was initiated in 1978 at a cost of R350-million. "The Government tells us it wants market forces to run the economy, although it is deeply concerned by the problems of Atlantis. Its volumes will recover in 2-3 years and it is important that there is a viable competitor to keep Atlantis efficient at that stage," said Smith.

Energy conservation plan could save R600m a year

By Stephen McQuillan

South Africa's annual energy bill could be cut by about R600 million — a 30 percent saving — with no loss in industrial production, according to a Johannesburg academic.

And about R300 million — 15 percent — could be saved in the first year, says Professor Neville Tully, of the school of mechanical engineering at the University of the Witwatersrand.

Although energy costs are rising faster than the rate of inflation, South Africa could still save as much as R600 million a year if a national conservation programme were to be implemented, says a Johannesburg academic.

Professor Tully, who is involved in energy conservation research, said it was opportune to launch a national energy conservation programme be-

cause efforts were already being made to save electricity and water.

He called on companies to:

- Appoint an outside energy consultant.
- Appoint an energy manager.
- Hold energy conservation meetings involving representatives from various departments.

A good energy manager could save 10 to 30 percent in the first year.

"In the last 10 years the cost of electricity has escalated at 15 percent a year and coal at 18 percent and both look set to jump next year. Energy costs are rising faster than the rate of inflation.

"At this point we can really merge the issues of water and energy conservation. In both cases a high-level management decision is required to take the issues seriously."

Professor Tully recommended that companies:

- Gather information on energy sources and prices and establish energy demand patterns.
- Trace sources of obvious waste.
- Take action with savings targets of between five and 15 percent.
- Determine which equipment may be cycled to control maximum demand.
- Establish a detailed energy flow audit and identify ineffi-

cient processes and recoverable waste heat.

● Prepare cases for investment in energy-saving equipment.

● Monitor savings associated with production, publishing results in the factory.

Oil, coal and uranium were limited energy resources, he said.

Demand for natural oil would peak by 1995 and then decline as rapidly as it had grown over the past 80 years.

South Africa could run out of coal by the year 2040, calculated on the industry's six percent annual growth.

The supply of uranium could also be exhausted by 2040, if used in conventional reactors.

Professor Tully said a viable alternative could be solar power which could meet between two and 10 percent of the world's energy needs by the end of the century.

But conservation was considered the most effective "alternative energy".

In the next few years conservation would become a dominant issue.

"Conservation makes sound business sense now, even in South Africa where energy prices are much lower than in most other countries," he said.

"Indeed, it is because this has always been the case that a large potential exists here, as recognised in the Petrick Commission Report on coal reserves in 1975."

South Africa used two and a half times more energy than it should and four times as much as the most efficient nations.

"Apart from oil, the South African Government appears not to have adopted any conservation policy," said Professor Tully.

55
Star 5/8/83

Koeberg to go 'live' by 1984?

Cape Times 5/8/83

Staff Reporter

KOEBERG, the controversial nuclear power station on the doorstep of the Cape Town, might be ready to "go live" by the end of the year, Escom officials said yesterday.

Full commercial operation was expected within the first few months of next year.

Fuel for the giant nuclear installation had been on site for more than 12 months, and loading was scheduled to begin as soon as a series of necessary testing had been completed.

Initial loading of the first unit was held up by a bomb blast at the plant last December.

Escom's chief spokesman on Koeberg, Mr A van Heerden, set out the steps that will lead to 100 percent operational capacity of South Africa's first nuclear power source.

"We are in the process of cold functional testing, which basically is to see that all the bits and pieces are working, and hot functional testing,

which is virtually a full dress-rehearsal," he said.

"Then comes the loading of the fuel into the reactor, which will take some weeks. Before we reach what is called 'criticality', or actual reactor function, we have to receive approval from the Atomic Energy Board, which means another series of stringent tests."

It would then take some months, he said, before Koeberg achieved full commercial operation.

A total of 264 rod-like fuel elements filled with pellets go into each assembly, and there are 157 assemblies in the reactor.

A number of "control rods" are an integral part of the fuelling system. These are lowered into the assemblies to slow down or stop the reaction, and lifted out to speed it up.

"We are going flat out, and barring any unforeseen incidents, Koeberg should be fully commercially operational before mid-1984."

55 S. Times 7/8/83

NOW, POLLUTION!

New disaster looms after tanker blaze drama

HUGE CLOUDS of smoke from the blazing oil tanker, *Castello de Bellver*, off the Atlantic west coast is threatening to wipe out the Swartland's wheat and waterblommetjie crop and affect the dairy and wool industry.

The oily clouds have combined with rain clouds, and Malmesbury, about 100 kms

from the coast, is experiencing an oily residue in the rain.

Farmers are worried this oily water will soon affect the wheat, waterblommetjie and sheep industry.

When the Sunday Times flew out to the blazing tanker yesterday, we saw billows of black smoke mixing

with rain clouds and drifting towards the land with the aid of the five-knot north-westerly wind.

Oily residues are being experienced in places such as Malmesbury, Darling and Moorreesburg.

Mr Eddie Pienaar, manager technical services of Western Pro-

vince Co-op — the biggest in the Cape Province — described the situation as a "crisis".

Mr Frans Aucamp, a local resident of Malmesbury, said yesterday the wheat industry, for one, would suffer the most.

Mr Pienaar said: "As you know, the Swartland area is the only place in

the country not to have been seriously affected by the drought — and South Africa is looking to it to provide wheat.

"Now, the wheat's growth will be stunted and the expected harvest may not be fulfilled," he said.

Mr Pienaar said the sludge was thick and the wheat crop could be destroyed by "suffocation".

"Only long and hard rain can save the wheat farmers," he said.

Mr Aucamp said the waterblommetjie industry would take a heavy knock as the oily water will prevent the tasty flower from blossoming.

Sheep farming will also be affected as it is shearing time in the area.

Mr Aucamp said sheep wool was being covered with the oily residue and wool grading could take a severe knock.

"It's raining oil everywhere," he said.

The black liquid which has rained down on the Malmesbury area has covered houses, cars, public buildings, and swimming pools in a layer of oil.

Black patches

Mr Aucamp said: "Houses with white walls have black streaks running down them.

"My car has black patches over it and private swimming pools can't be used anymore.

"If you go for a swim, you'll emerge with oil on your skin," he said.

The local dairy industry — there are up to 200 dairy farmers in the Swartland — could also be affected, said Mr Aucamp.

"The cattle might resist eating grass which has oil on it.

"The whole area seemed to be under a black umbrella," he said.

● More reports, pictures in Main Section.

Why we oppose the nuclear power station — Koeberg Alert

ARG 25
8/8/83

55

THE anti-nuclear-power-station lobby, Koeberg Alert, says in its latest statement that nuclear power in South Africa is unnecessary, uneconomical and unsafe.

Koeberg Alert, in answer to the basic question, Is Koeberg needed?, says: "Escom's claim that Koeberg is essential to the power supply in the Western Cape is unfounded.

"With assets of R13-billion and large foreign and local loans to repay, Escom continually needs to increase electricity consumption to improve its income. It therefore cannot afford to promote either energy conservation programmes or alternative energy sources.

"Although such programmes would be fatal to Escom, they would result in considerable savings to the consumer, both in energy consumption and overall costs. For example, in the United States and Canada, government-supported energy conservation programmes alone have brought about a 25 to 40 percent electricity saving.

Safer

"Yet, in South Africa, the many safer and cheaper options have not been fully explored. These include a conservation programme; the partial use of coal-powered stations with improved pollution controls, and the full development of renewable energy sources such as

the sun, wind, and biomass conversion.

"Decentralised energy production using a mix of the best locally available resources would lessen local dependence on the national grid and result in a more equitable distribution of energy in a country where 75 percent of the population are not connected to Escom but rely on wood and dung for their energy needs."

● Is Koeberg cheaper?

"A recent United States study of 137 coal stations and 47 nuclear stations (excluding Three Mile Island) showed coal stations to be up to 60 percent cheaper to build and operate. This estimate included the costs of newer pollution controls in coal stations. The claim that nuclear power is cheaper ignores the many hidden costs involved along the nuclear fuel chain.

"These include waste reprocessing and long-term disposal; plant decommissioning (which can approach the original capital cost); evacuation; security; and monitoring. A further cost relates to the inability of nuclear stations to approach planned capacity. In the USA, plants the size of Koeberg have only achieved a load factor of 55 percent. Long-term studies have also shown that, for over half the operating life of a nuclear reactor, it is not a net producer of electricity.

"This is due to the enormous electricity consumption in the



mining and enriching of uranium and during plant construction. When one adds the R1-billion already spent on Valindaba to the R2,3-billion spent on constructing Koeberg, it becomes evident that nuclear power will never be an economic option."

● Is Koeberg safe?

"Concern about nuclear safety in the mid-70s resulted in the resignation of several highly-placed nuclear engineers from the US Nuclear Regulatory Committee and from General Electric. Such concern was confirmed as recently as 1981 when the NRC was forced to suspend the operating licence of Diablo Canyon in California after building errors (which had remained undetected for four years) were discovered. An NRC investigation has since revealed many similar incidents.

"Here in South Africa, two factors in particular are causes for concern: the siting of Koeberg and the disposal of nuclear waste.

● Is Koeberg too near?

"We are told by Escom that Koeberg is a safe distance from urban areas. Rather than setting limits on the proximity of nuclear power plants to urban areas, the International Atomic Energy Agency advises that distances should be determined only after considering local meteorological and topographical conditions. Distances can range between 20 km for Switzerland, 30 km for California, and 100 km for Finland.

"The decision to place Koeberg 12,5 km from Atlantis and 26 km from Cape Town cannot be supported by the available meteorological data. Dr Coogan, Cape Town's MOH, has demonstrated graphically that particulate matter released at Koeberg reached Green Point, Sea Point, and even Newlands in two hours.

"This confirmed a study completed in 1977, when the radioisotope Indium released from Koeberg was found to be significant-

ly detectable in Parow, Durbanville, Green Point, and Sea Point, even with the wind blowing out to sea. That such studies were done only after the siting decision was taken and that further AEC and CSIR studies are classified, provides sound reason for citizens to question the siting of Koeberg.

"A major accident would present serious evacuation problems for the people of Cape Town and Atlantis. Assuming no panic or traffic jams occurred, a maximum of 37 000 people an hour could be evacuated from Greater Cape Town. Although the inhabitants would be at risk from two hours after the accident, it would take nearly two days to complete the evacuation. Such evacuation problems have already resulted in the closure of nuclear plants in the USA.

"If evacuation is impossible, the only remaining options are shelter and tablets. Shelter in a concrete basement provides 50

percent protection from radiation, while an ordinary house provides only 20 percent protection. Potassium iodate tablets provide protection only against radioactive iodine."

● What about the waste?

"No country has solved the problem of long-term waste disposal. A US Supreme Court decision on the matter this year has delayed plant operation in several states. Yet Mr Tattersall, assistant general manager of the AEC, claimed in December 1982 that waste disposal was a minor problem.

"Further contradictory statements by the AEC and Escom have exacerbated public concern. While it appears that low-level waste will be deposited in Namaqualand, it is not clear whether the high-level waste is going to France permanently or if it is to be returned to South Africa. A recent AEC statement maintained that it may also be buried in Namaqualand under 35 m of soil, and that sheep would be allowed to graze up to the site fence.

"Not only the waste disposal but all stages of the nuclear fuel chain — from mining through to the reprocessing of spent fuel — present the risks of an increase in a variety of cancers, as well as genetic changes that may only manifest in future generations.

"Health physicists agree that no safe level of radiation exists: therefore any increased dose is a potential dan-

ger. A commitment to nuclear power without a waste disposal solution is an irresponsible legacy to leave to future generations.

"A further problem relating to the question of safety remains that of human error. At no stage can human control be assumed infallible. Human error has resulted in many examples of operational errors such as the one which occurred at Brown's Ferry, and in construction errors such as the one discovered at San Onofre where a plant was installed backwards.

"As can be seen from this short overview, the problems presented by a nuclear power programme are immense. So much so that no new nuclear stations have been ordered in the United States since 1978. To repeat, Koeberg Alert believes that nuclear power is unnecessary, uneconomical, and unsafe.

"We further believe that viable alternatives exist and that some of them could be implemented immediately. An alternative energy path would not only be cheaper and safer but would promote employment, regional autonomy, and a more equitable distribution of energy.

"The option of refraining from a nuclear programme can be made ultimately only at Government level. But every citizen can and should play his role in ensuring that such an option becomes a reality."

~~137~~ ~~137~~
Escom's
~~260~~ 55
RW M
in wage
10/8/83
dispute

Labour Correspondent

AN "in-house" black union at Escom has declared a dispute over wages — which means that this year's black wage increase at Escom is likely to be decided by the Industrial Court.

The union, the Electricity Workers' Association (EWA), declared the dispute after rejecting an Escom wage offer of 7%. This followed a decision by unions representing white and coloured workers to accept a 6% offer.

Escom originally offered no wage increase at all, arguing that the state of the economy meant that wage rises should be deferred.

Its personnel manager, Dr G F Lindeque, yesterday confirmed that EWA had declared a dispute. He said Escom negotiated with both EWA and a liaison committee for black workers.

Normally the dispute would mean that the Minister of Manpower would be asked to appoint a conciliation board to settle the dispute. If this failed, the union would be entitled to conduct a legal strike ballot.

However, because Escom is an "essential service", its workers may not strike legally and labour law stipulates that wage disputes in "essential" industries must be referred to the Industrial Court, which must then make a wage award.

Dr Lindeque said yesterday that both sides had referred the dispute to the Minister with a request that he refer it immediately to the court for arbitration.

POLITICAL comment in this issue by Benjamin Pogrand, Peter Bunkell; newsbills by Michael Stent; headlines and sub-editing by Paul Holroyd; cartoons by David Anderson; all of 171 Main Street, Johannesburg.

Power failures anger residents

ATTERDIGEVILLE-
/Saulsville residents are up in arms against the daily electricity power cuts which they say has led to them losing thousands of rands through the amount of food they are forced to throw away.

Residents interviewed by **The SOWETAN** yesterday said there was a total electricity blackout everyday after 5pm. They blamed the authorities for not giving immediate attention to the problem.

Mrs S Mokone said for the past four months she had been throwing away food in large quantities. She said authorities did not seem to be concerned about the welfare of the com-

Sowetan 17/8/83
~~122~~ ~~123~~ ~~124~~ ~~125~~ ~~126~~ ~~127~~ ~~128~~ ~~129~~ ~~130~~
By ALINAH DUBE (35)

munity even though rents were being increased from time to time.

Another resident, Mr S Moremi, said power cuts created problems not only for adults, but for school children too. He said students were faced with a problem of studying by candlelight and that their progress was affected.

When similar complaints were brought to the local community council's attention earlier this year, it was said that a project was underway to install bigger transformers for the township. Residents were then asked to ex-

cercise patience as cuts were caused by overloading.

The council has since approved a total of

R350 000 to be used for an additional mini substation in an effort to curb the problems of overloading which result in constant blackouts in certain parts of the township.

Political Correspondent

THE Government would take steps to ensure that the benefits from the cuts in the petrol price were passed on to the public, the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, said today.

At a Press conference following the announcement of the petrol cuts by the Prime Minister last night, Mr du Plessis made it clear that the Government would be prepared to pressure commerce and industry to pass on the benefits to the public.

It emerged, however, that there was no way in which the Government could compel businesses to do so.



Mr du Plessis

Mr du Plessis said persuasion by the Government and pressure from the public and the Press would be the best means of ensuring that the benefits were passed on.

In his announcement, Mr P W Botha made a "friendly yet earnest appeal" to the private sector to put this significant price reduction into operation in a way that would ensure that every consumer received his legitimate benefit.

No definite date

Mr du Plessis said the price reductions would come into effect early in September but he could not give a definite date.

Reasons Mr du Plessis gave for the price cuts were a restructuring of the programme to obtain crude oil; a restructuring of the financing of the latest Sasol project; diversifying sources of supply; more favourable oil contracts; a strengthening of the exchange rate of the rand against the dollar; and a decrease in international oil prices.

One of the reasons why the price had not been decreased earlier was that oil companies had to be compensated for the R400-million loss they had suffered at an earlier stage.

Mr du Plessis declined to speculate about the possibility of further price reductions.

Lowest in world

He said South Africa's petrol prices would now be among the lowest in the Western world but it did not mean that the country had unlimited supplies. There was still the need to conserve fuel.

Another Sasol-type synthetic fuel project would have to be undertaken and there was also a need for an energy bank with a capital of up to R8 000-million.

The Minister said he also wanted to build up a stabilisation fund to cushion fuel prices against fluctuations in exchange rates.

Cuts welcomed

The Opposition today welcomed the fuel price cuts. The Progressive Federal Party's chief spokesman on mineral and energy affairs, Mr John Malcomess, said he wanted to echo Mr Botha's call to the private sector to pass the full benefit on to the consumer.

Food prices in particular needed to be kept as low as possible in this time of low employment.

Between February, the time of the last decrease, and now, the international oil markets had been relatively stable and for seven months petrol was overpriced.

If prices internationally continued to be stable, a further decrease should be possible at the stage when the funding for Sasol has been largely taken care of.

What you will save

ASSUMING a motorist does 1 200 km a month in a small car which uses eight litres a 100 km, he can expect to save R3.72 a month. A medium family car consuming 12 litres a 100 km will save its owner about R5.50. A heavy car using 16 litres a 100 km will be about R7.30 cheaper to run a month.

The fuel price cuts are (cents a litre):

- Petrol 93 and 87 octane..... 4 c.
- Petrol 98 octane 3,4 c.
- Diesel for non-road-users..... 4,4 c.
- Diesel retail at pumps..... 3,3 c.
- Diesel wholesale to road-users .. 3,1 c.
- Power-paraffin and jet fuel..... 3 c.
- Paraffin retail..... plus 5 c.

Bunker fuel for ships is excluded from this round of price cuts because it is coupled with the international price and not subject to direct control.

Prices for 93-octane fuel abroad, at current exchange rates, include: Britain—66,3 cents a litre; France—68,7; Germany—62,3; Italy—83,9; Portugal—70,2.

Date to be decided

Political Correspondent

THE new, lower oil and petrol prices will come into effect early in September but not necessarily on September 1.

The main reason why a definite date cannot be given now is that a "break even" stage has not yet been reached in financial arrangements between oil companies and the Government.

This is an on-going process in which oil companies are compensated for over-payment to the Government for oil supplies affected by minor price adjustments in the international markets.

The director general of Mineral and Energy Affairs, Mr S J P Du Plessis, said today that three or four days' notice would be given before the new prices came into effect.

Government insists benefits from fuel cuts be passed on to the consumer

NR645 11/8/83

55

284

HOUSE OF ASSEMBLY. — The price of petrol is to drop by about four cents a litre next month in a government effort to reduce the spiralling inflation rate.

The large decrease, which also affects diesel, power-paraffin, jet fuel and household paraffin, was announced last night by the Prime Minister, Mr P W Botha.

He said this would make South African petrol among the cheapest in the world. It would also mean a saving of millions of rand in the agricultural, mining and food distribution industries.

Mr Botha appealed to the private sector to ensure that consumers benefited from the price reduction.

He announced that 93- and 87-octane petrol would drop by "at least" four cents a litre from September 1, and 98-octane by 3,4 cents a litre.

This will bring the coastal price of 93-octane down from 58,3 cents a litre to at most 54,3 cents and 98-octane from 59,1 cents to 55,7 cents from September 1. Inland, 93-octane will drop to at most 59,6 cents and 87-octane to 59 cents a litre.

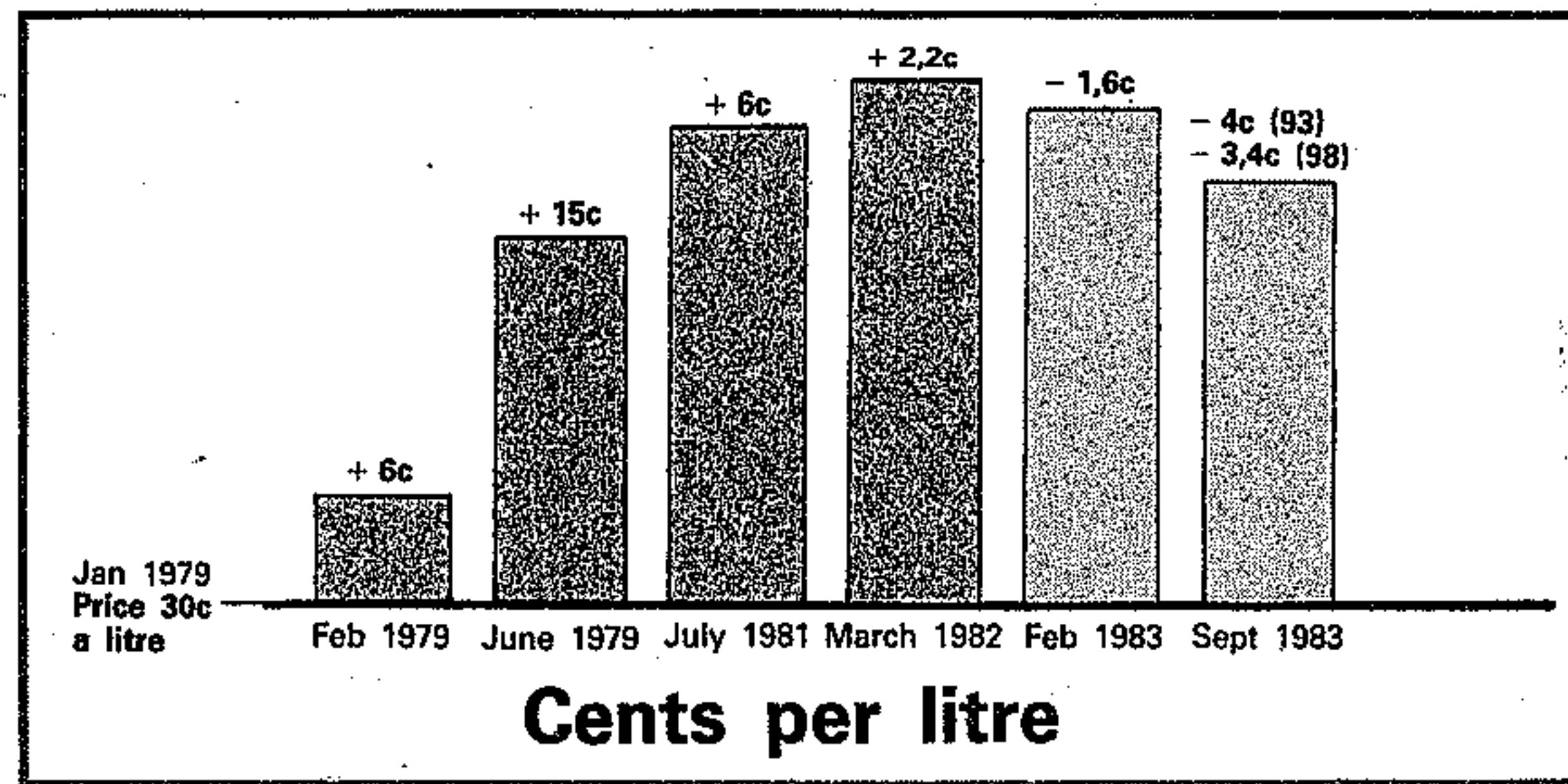
After years of sharp increases following the oil-price rises in the mid-1970s, this is the second drop in petrol prices this year. The possibility of further cuts was mentioned when petrol went down by 1,6 c/l in February.

The two price cuts follow an oil-price war as oil producers who formerly held the world to ransom fight to sell an oversupplied product. This has enabled South Africa, which used to pay a heavy premium for all oil supplies because of an official Arab embargo, to obtain oil at competitive prices.

'Must still save'

The Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, is expected to deal at a press conference today with the implications for speed limits and petrol-selling hours.

However, he warned last night that South Africans should not believe petrol was suddenly plentiful.



"We have not got more oil and we have not discovered oil. People should not have the impression that we can waste petrol.

"South Africa still has to conserve fuel," he said.

Government sources explained last night that the factors which enabled South Africa to take this step included a restructured oil-acquisition programme, a restructuring of the financing of Sasol, the expiry of some oil-supply contracts and the appreciation of the rand against the US dollar.

Mr Botha told Parliament last night that there were times towards the end of 1979 when South Africa had no more than a few days' commercial supply of crude oil.

Other cuts

Mr Botha announced that other reductions from September would be:

Diesel: Direct sales to non-road-users such as agricultural, forestry, fisheries and industrial consumers 4,4 cents a litre; retail 3,3 cents a litre; wholesale to road-users 3,1 cents a litre; power-paraffin and jet fuel 3,0 cents a litre; and retail paraffin by more than 5 cents a litre.

It is understood that the price of bunker fuel will not be affected as this is set by the world market.

PM's plea to fight inflation

Political Correspondent
HOUSE OF ASSEMBLY.

— The need to bring down inflation was stressed in last night's fuel price announcement by the Prime Minister, Mr P W Botha.

Appealing to the private sector to pass on savings from the lower price, Mr Botha said the government was seriously concerned at South Africa's relatively high inflation rate.

"The government is deeply conscious of the crippling effect of inflation on the economy in general and particularly of the erosion of the purchasing power of the pensioner, the wage-earner and others.

"Indeed it directly affects the welfare of every inhabitant of our country and results in our being less competitive on overseas markets.

"Since inflation is clearly one of the most important problems threatening the growth and stability of our economy, the government affords the highest priority to the combating of this evil," Mr Botha said.

High and continually rising costs, largely influenced by fuel prices, had been one of the most significant factors

in the inflationary process of the past decade.

Mr Botha said the price reductions could mean savings of R50-million for the South African agricultural sector and about R12-million for the mining sector, particularly open-cast mines.

"The cost of food distribution will also be favourably influenced since it is estimated that fuel costs account for 42 percent of the total delivery costs of bread and 15 percent in the case of milk," he stated.

● All three opposition leaders welcomed the petrol price reduction last night.

The Leader of the Opposition, Dr Van Zyl Slabbert, hoped the reduction would be passed on to consumers who were most affected by inflation. The Conservative Party leader, Dr Andries Treurnicht, said the step would benefit agriculture in particular.

The New Republic Party leader, Mr Vause Raw, said appeals were not enough and asked the government to consider "active steps" if the private sector did not voluntarily pass on the benefit to consumers.

11/8/83

55

244

11/8/83
By N
Politics

Petrol price to drop

ARGUS 11/18/83

55

Groceries may be cheaper after cut in petrol price

(Contd from Page 1)

Mr Bill Chambers, general manager, finance and control, of OK Bazaars, said fuel was a major component of the cost of goods supplied to supermarkets.

He said any price cuts would be passed to the consumer.

A spokesman for Cedar Taxis-in Cape Town, one of the taxi firms

granted a 30 percent fare increase by the Local Road Transportation Board last month, said it was highly unlikely that an application would be made to the board to reduce fares.

CITY TRAMWAYS

City Tramways, Cape Town's bus operator, is expected to release a statement shortly.

It has applied for an

8,5 percent fare increase. In May this year it was awarded a 12 percent increase by the National Transport Commission.

A spokesman for the Department of Mineral and Energy Affairs said the wholesale price of liquid petroleum gas (LPG) would go down by 6,8c a kg.

However the retail price reduction for gas contained in cylinders

sold to the public would be somewhat less, he added.

The Consumer Council has voiced the hope that the fuel price cut will stabilise or even lower the price of consumer goods.

The announced price reduction came at a most opportune moment in view of the average consumer's precarious position, the Council said.

State says public must get fuel price benefits

Star 55

11/8/83

Cape Town
 The Government will take steps to ensure that the benefits of cuts in the petrol price are passed on to the public, the Minister of Mineral and Energy Affairs, Mr P T C du Plessis, warned today.

He said at a Press conference after the announcement of the fuel cuts by the Prime Minister, Mr P W Botha, that the Government will be prepared to pressure commerce and industry to pass on the benefits.

But it emerged that there is no way the Government can compel businesses to do so at present.

Mr du Plessis said persuasion by the Government and pressure from the public and the Press would be the best way to see that the benefits are passed on.

The price reductions would come into effect early in September, he said, but he could not give a definite date.

He also made it clear that speed limits and selling hours would not be affected at this stage, though they were being looked at regularly.

Mr du Plessis declined to speculate on the possibility of further price reductions.

Announcing the cuts, the Prime Minister made a "friendly yet earnest appeal" to the private sector to put this significant move into operation in a way that would see consumers receiving the legitimate benefits.

One oil company spokesman said today that motorists should get the full benefit of the cuts in petrol and diesel prices. "We will definitely pass on the full cut to garages, who will in turn pass it on to motorists."

The latest cut makes the total drop for petrol this year 5,6c a litre. Experts had calculated that the last cut — 1,6c a litre — would save the average motorist about R30 a year.

On that basis the new reduction will save an extra R75 a year.

The effect of the fuel price drop on the inflation rate will be 0,1 percent, according to the Department of Agriculture. The ripple effect of the decrease should be felt throughout the economy.

Farmer savings

The new diesel price of 43,6c a litre to the farmers will mean they can save R41 million on a total diesel outlay of R450 million a year. On petrol they will save another R13 million.

A spokesman for the South African Transport Services ruled out a decrease in fares.

He said the price cut would mean a saving of about R25 million for the rest of the financial year. This was a drop in the ocean in relation to the whole 1983/4 budget of R3 800 million.

Of the R25 million, the airways' savings on internal services would be about R8 million.

Mr Rudolf Gouws, the senior economist at Nedbank, said the cuts should not be seen in isolation. They are part of the process in which the inflation rate is falling. He expects it to be about 10 percent by year-end.

"South Africa is starting to benefit from the low inflation abroad, particularly the weaker oil price. We can expect to see more benefits like this before the year is out."

Lower fuel price is widely welcomed

Leaders in commerce and industry and a spokesman for a consumer body welcomed the announcement that the price of fuel is to be cut next month.

The president of the Housewives' League of South Africa, Mrs Joy Hurwitz, today congratulated the Government on the move and said it would give hard-pressed consumers much-needed relief. It was a positive step to reduce inflation.

"Transport costs are basic to almost every enterprise and business in South Africa. The decreases in the prices of petrol, diesel and paraffin are expected to filter through the economy."

But, Mrs Hurwitz said, if the high rate of inflation was not reduced the decrease in the fuel prices would be in vain.




Mr Raymond Parsons, chief executive of Assocom, said: "Fuel costs have a ripple effect on the economy. The latest move will be helpful to businessmen in keeping down transport costs."

The Minister of Mineral and Energy Affairs, Mr P T C du Plessis, gave the following reasons for the cut in fuel prices:

- Restructuring of the programme to obtain crude oil.
- Restructuring of the financing of the latest Sasol project.
- Diversifying sources of supply.
- More favourable oil contracts.
- The decrease in international oil prices.

The Minister said South Africa's fuel price would be among the lowest in the Western world.

But the lower price did not mean that the country had limitless supplies. There still was the need to conserve fuel.

Down by ... (cents)		Savings per 1200km	
Petrol: 87-93 octane	4	for 	(8 litres per 100km) R3.72
98 "	3,4		
Diesel: farmers (off road)	4,4	for 	(12 litres per 100km) R5.50
" retail at pumps	3,3		
" wholesale	3,1		
Power-paraffin & jet fuel	3	for 	(16 litres per 100km) R7.30
Paraffin: retail	5		

Call for inquiry

~~24~~
Somerset
15/8/83
55

DOBSONVILLE householders owe thousands of rands in electricity bills, and unless the situation improves, this may have an adverse effect on the forthcoming community council elections.

Addressing a public meeting in Dobsonville on Saturday, local councillor Mr Steve Nkatlo said few residents — in the light of the Government's regulation disqualifying all those householders owing rent or electricity from voting — would go to the polls later this year.

Calling for a commission to look into electricity consumption in the township, the councillor said attempts to arrange a meeting with West Rand Administration Board officials to discuss the matter had been unsuccessful.

Residents told to expect power hike

~~2/23~~
55
15/8/83

By MONK NKOMO

ATTERIDGEVILLE/Saulsville residents should be prepared to pay increased rent tariffs in an effort to curb electricity power failures in the township, the local community council warned on Saturday.

In a statement issued at the weekend the council's head of the administration branch said the complete upgrading of the entire electrical network would involve a

great deal of money amounting to millions of rands. "Residents must be prepared to make a financial contribution by way of paying higher charges for the improved service," he said.

"It must be stressed however that the programme to strengthen and improve the network is being hampered by the reluctance of our residents to make a contribution via tariffs to essential services", the council's spokesman

said. The council also stated that after intensive investigation into the power black-outs, the local administration board's director of technical services established that overloading was caused by excessive use of electrical appliances, especially during winter. "And this is aggravated by the fact that some residents want to use more electricity than what is legally required for their unmetered homes".

in July 1983; if so, (a) on what date or dates and (b) why;

- (2) whether any (a) sjamboks, (b) dogs, (c) shotguns and (d) other specified fire-arms were used on this occasion; if so, why;
- (3) whether any persons were injured as a result; if so, (a) how many and (b) what was the nature of the injuries in each case;
- (4) whether any persons were detained on this occasion; if so, (a) how many, (b) why and (c) under what statutory provision;
- (5) whether any of these persons have been charged; if not, why not; if so, for what alleged offences in each case?

The MINISTER OF LAW AND ORDER:

- (1) (a) and (b) The Police were not sent to the Lethaba power station, but in co-operation with members of the Vaal Triangle Administration Board they conducted a crime combating operation at a compound of the power station on 13 July 1983.
- (2) (a), (b), (c) and (d) No.
- (3) Falls away.
- (4) Yes.
 - (a) 445.
 - (b) and (c) For contravention of the following statutory provisions:
 - sections 9, 10 and 12 of Act 25 of 1945;
 - section 15 of Act 67 of 1952;
 - section 1 of Act 6 of 1959;
 - section 2 of Act 41 of 1971;
 - section 36 of Act 62 of 1955;
 - section 165 of Act 87 of 1977.
- (5) Yes.
 - 219 for being in a prescribed area for longer than 72 hours;

211 for failing to produce identity documents;
 6 being foreign Blacks in a prescribed area;
 1 for entering a hostel illegally;
 2 for being in possession of dagga;
 3 for being in possession of suspected stolen goods;
 11 for trespassing;
 2 for being in possession of liquor on private property without the owner's consent.

NOTE: Ten of those arrested were charged with more than one offence.

Mrs. H. SUZMAN: Mr. Speaker, arising out of the reply given by the hon. the Minister, is he aware of the fact that as a result of this action the power station in question was brought to a standstill?

The MINISTER: No, Mr. Speaker, I am not aware of that. [Interjections.]

55 (204) (157) (257) (227)
 Lethaba power station
 Hansard Q. 601-1862
 43. Mrs. H. SUZMAN asked the Minister of Law and Order:

- (1) Whether any members of the South African Police were sent to the Lethaba power station near Viljoensdrif

17/8/83 →

→

PETROL PRICE CUT

Yes, we can afford it. And more?

SA can now provide for its liquid fuel needs better than most other oil-importing countries, despite the UN mandatory oil embargo. And government's reducing local retail fuel prices — already among the lowest in the world — shows that sanctions are not cutting significantly into the consumer's pocket.

Sanctions have also failed to prevent the build-up of strategic stockpiles, as, relative to the size of its economy, SA holds more crude oil than any other oil importer — enough to meet normal demand for several years. What is more, the investment in these reserves has brought the government huge book profits.

Stockpiling began after the 1967 Arab/Israeli war when oil cost less than \$2 a barrel. By 1974, when much of the stock had already been established, oil was still only US\$11/barrel compared to a price of around US\$30 a barrel today. But the prices actually paid by SA for some of its purchases were probably lower, as it is believed there was a long term supply contract with the Shah's government in Iran.

This probably helped to balance under-counter premiums paid to other sources. Last week's announcement of the petrol price reductions suggests that government must be satisfied that stockpiling is no longer a priority. Probably storage facilities are full. From the pump price of 59,6c/l for premium petrol on the Reef, government levies a mere 0,22c/l to pay for strategic stockpiling as against 2,354c for road construction. Clearly priorities have swung (see table).

By contrast, most other oil-consuming countries have allowed their inventories to run down in the last two years and must now restock for the economic upturn at

The present oil glut gives government a breathing space for planning the supply and pricing of fuels. It should use this time wisely.

prices which have already begun to firm.

SA is also the only country which operates a fuel from coal industry. At the end of next year when Sasols Two and Three are fully on stream, it will provide a large proportion of the country's liquid fuel needs. This compares well with western Europe and Japan, which together produce less than one quarter of their total crude oil needs.

Recent Customs and Excise statistics give some indication of the country's declining expenditure on imported oil. This must reflect not only a fall in rand prices paid but also a drop in volume imports owing to increasing production by the new Sasol plants. The figures are lumped together with arms and other strategic imports under the heading "other unclassified goods and balance of payments adjustments."

It is believed that oil currently accounts for by far the largest proportion of this expenditure, which dropped 34% from R2 447m for the second half of 1981 to R1 611 for the first half of this year.

The world oil glut and the scramble by some producers to sell to all comers no doubt played some part in allowing the recent local fuel price cuts. This may have saved the country about R1 billion over the last two years.

But the advantage to be gained from the drop in crude prices has, to some extent,

been offset by the depreciation of the rand against the US dollar over the past few years — and it now appears that world prices have passed their trough and are on the way up again.

Also important to local pricing are the taxes on fuel which pay for Sasols Two and Three. Some 3,725 cents a litre is paid into the State Oil Fund for Sasol Two and earlier this year a possibly greater amount was paid into the Equalisation Fund for Sasol Three. The need for these levies could now be greatly reduced because Sasol Two will be paid off next year and Sasol Three's financing was recently restructured. From this saving alone the fuel price reductions this year could be justified. They are the 1,6c price reduction in February, the 4,0c reduction scheduled for next month, and two increased fuel levies which were not passed on to the consumer: these were an extra 0,7c contribution to the National Road Fund and a 0,8c railway tariff increase.

Whether the price cuts could have been greater — or whether there should be more in the pipeline — is open to argument. But without knowing the current prices of oil imports, it is difficult even to make assumptions.

Furthermore there is every possibility that levies will be needed to help finance new fuel from coal plants. As fuel consumption grows, these will be required simply to maintain the self-sufficiency provided by the three Sasols when they reach full production. New plants will also make more economic sense when the real price of oil starts creeping up again, as it is bound to do.

Although international interest in synfuel projects has waned in line with falling

Financial Mail August 19 1983

per year.

The cost of fuel as a proportion of the Consumer Price Index (cpi) is in the region of 3%. If there is a 10% decline in fuel costs, the direct impact on the cpi would be about 0,4%. "If everything is taken into account over time, the effect might be 1%. The impact on the cpi will not be immediate and must be seen as long term," says Andre Hammersma, of Standard Bank.

Joubert Botha, Professor of Econo-

rect impact the lower fuel prices will have on the cpi is not at the heart of the issue. It must be seen, he says, in the context of a broader process of declining inflation in overseas countries, where the spot oil price has declined for the past three years. He warns that only "tight monetary and fiscal policy can effectively bring inflation down."

A spokesman for the South African Agricultural Union says the reduction in fuel costs will alleviate the present cost-

"The Brackenfell store sold 31 000l on Friday alone, where it normally averages 150 000l a month, an indication of the profound psychological effect any lowering in the fuel price has on the public."

He sees the cheaper fuel only marginally reducing grocery prices and only if suppliers pass it on. "We are refusing to accept any price increases at this stage," he says. If other bulk buyers follow suit, the impact won't be negligible.

Financial Mail August 19 1983

oil prices, a government spokesman has said: "Careful planning by both the public and private sectors towards the attainment of greater security by way of local production of liquid fuels, is at an advanced stage notwithstanding the present oil glut."

Government has made no official statements, but it is highly probable that AECI will put up the country's next synfuel plant. It is believed that government has to decide only on the details of incentives and the timing of the scheme.

The plant would produce methanol to be used as a diesel fuel substitute. But the efficacy of the fuel will depend on the performance of an ignition improver additive developed by AECI; this has not yet been proven over the long term in wide scale commercial use.

Apart from this possible drawback, the project fits in well with the country's requirements. It is far less capital-intensive than current Sasol plants and the plant employs known technology, unlike other proposals which cost less than Sasol plants on paper but have yet to be commercially tested.

It will also help overcome periodic imbalances in the supply of petrol and diesel. In order to satisfy the country's diesel requirements, local refineries sometimes produce more petrol than the country needs. This imbalance between petrol and diesel, which is primarily a function of high diesel demand, could be more unmanageable if diesel sales continue to outgrow petrol sales. This could mean either the importation of additional diesel fuel or the exporting of surplus petrol.

In fact, the latest fuel price cuts could also be related to this problem. As petrol, which is used largely by private motorists,

Note: All figures are in cents

Sales tax	3,400
Retail margin	3,700
Railage from coast	5,000
Customs duty	0,091
National road fund	2,354
Stockpiling	0,220
Anti-pollution fund	0,055
State oil fund	3,725
Excise duty	3,896
Equilization fund	9,800
Refinery cost	27,359

PETROL PRICE ANALYSIS

Pump price at Witwatersrand 59,6 cents
(Sept '83)

Raised 0,800 cents this year without increase in pump price.

Raised 0,700 cents this year without increase in pump price.

Payment for Sasol II which runs out next year.

Covers payment for Sasol III, premiums for crude oil purchases and incentives, for local fuel production.

is more price sensitive than diesel, which is used largely by government, business and agriculture, a reduction in all fuel prices would thus boost petrol sales more than diesel. This would bring consumption of the two products more in line with what can be conveniently produced. It would not necessitate increased imports of crude oil as the lower limits of imports are set by country's diesel requirements.

The latest price reductions will probably shave about 0,3% off the consumer price index. And over the longer term, it will cumulatively help to curb rising costs of a multitude of many fuel-dependent goods and services, thus reducing inflationary pressures in the economy.

There is no doubt that the decision to cut fuel prices was economically sound: it will help stabilise the general level of prices without impairing the country's capability of supplying its future fuel needs. Maybe the cuts were rather too little too late. The world price of oil has been declining for some years. But it is hard to say.

The point is that even with the world price of oil rising again and the rand weakening, the supply situation is such that the general price implications of the cuts should, under present circumstances, take priority. It is more important now to reduce the rise in prices than to hedge against sanctions, if indeed we have the storage capacity still to do so.

WHAT ABOUT INFLATION?

The fuel price reduction, which comes into effect in September, must be seen as part — but not the major part — of government's campaign against inflation. Not only will it have an impact on prices generally; it should help to reduce the inflationary expectations currently gripping the country.

But it is not of itself capable of stabilising prices.

The new prices — petrol will drop 4c/l, 4,4c/l and paraffin more than 5c — will save the average motorist R75/year.

The cost of fuel as a proportion of the Consumer Price Index (cpi) is in the region of 3%. If there is a 10% decline in fuel costs, the direct impact on the cpi would be about 0,4%. "If everything is taken into account over time, the effect might be 1%. The impact on the cpi will not be immediate and must be seen as long term," says Andre Hammersma, of Standard Bank.

Joubert Botha, Professor of Econo-

mics at Wits, warns that as middlemen might not pass on the decrease to the consumer, an immediate dramatic fall in the cpi is unlikely. He feels, however, that transport firms and companies such as Putco, where fuel plays an important part of overall costs, will benefit.

Adam Jacobs, of Volkskas, says that even the indirect effects on the cpi will be minimal, as it is doubtful that SATS or private transporters will reduce their tariffs.

Nedbank's Rudolph Gous feels the direct impact the lower fuel prices will have on the cpi is not at the heart of the issue. It must be seen, he says, in the context of a broader process of declining inflation in overseas countries, where the spot oil price has declined for the past three years. He warns that only "tight monetary and fiscal policy can effectively bring inflation down."

A spokesman for the South African Agricultural Union says the reduction in fuel costs will alleviate the present cost-

squeeze on farmers. "The decrease will mean a R50m reduction in input costs and a 1,5% reduction in the overall input cost for the agricultural sector." However, he adds that there will be no immediate effect on food prices because, with the exception of maize, wheat and some dairy products, prices are determined by market demand rather than supply factors.

Pick 'n Pay's eight hypermarkets dropped their petrol prices last Friday. Says chairman Raymond Ackerman: "The Brackenfell store sold 31 000l on Friday alone, where it normally averages 150 000l a month, an indication of the profound psychological effect any lowering in the fuel price has on the public."

He sees the cheaper fuel only marginally reducing grocery prices and only if suppliers pass it on. "We are refusing to accept any price increases at this stage," he says. If other bulk buyers follow suit, the impact won't be negligible.

Escom 'won't lower its power tariffs

Mail Correspondent

PORT ELIZABETH. — Escom will not reduce the price of electricity because of the reduced price of fuel, and the possibility is strong that electricity tariffs will be increased "to equal, or not very much higher, than the present rate of inflation".

That was the opinion of the president of the SA Agricultural Union, Mr Jaap Wilkens, who is also a member of the commission investigating Escom. He was speaking this week in Port Elizabeth where he attended the annual congress of the the Eastern Cape Agricultural Union.

Mr Wilkens said that last year a 1% decrease in tariffs had represented an extra R30-million which Escom needed to compensate for the reduction.

He said Escom had wanted

to increase tariffs last year by up to 18,3%, but to combat inflation increased tariffs by 14,2% — equal to the rate of inflation.

Therefore the reduction in the increase cost Escom R120-million. Escom compensated for this reduction with a 10% saving on working capital.

Mr Dave van der Walt, Escom's senior general manager, said in Johannesburg this week that the cost of generating electricity was rising and the situation was being aggravated by additional expenses associated with the drought.

As a result of the recession, Escom's revenue was also lower than estimated. Electricity tariffs would have to be adjusted to match the cost of supplying electricity, Mr Van der Walt said.

Motorists who pay the old price are told to claim a refund

Petrol Max-Uto

ARGUS 22/8/83
 55

Staff Reporter

MOTORISTS buying petrol at garages which have not yet changed their pumps to the new, lower prices should ask for an invoice and claim a refund later.

The Director of the Department of Mineral and Energy Affairs, Mr Lourens van den Berg, said in Pretoria today that petrol should have been sold at the reduced price at all garages from opening time today. While some garage owners reduced their prices, others awaited confirmation from oil companies and the Motor Industries Federation, and were still selling at the old price.

"Entitled to demand"

"Motorists buying petrol from these garages are entitled to a refund of the difference between the old and new prices, and motorists are entitled to demand to be reimbursed," Mr van den Berg said. Because of the confusion associated with the sudden announcement that prices would be lower as from today, no garages still selling at the old price would be prosecuted. "We prefer to settle these things amicably."

There was widespread confusion about the new prices in Cape Town early today, with motorists buying at both the old and the new prices as bewildered garage owners tried desperately to get official confirmation of the exact price reductions.

Fear of big losses

Oil companies were still delivering petrol with invoices marked at either the old price, or no price at all, while garage owners fear losses amounting to thousands of rands. About half the central city, Gardens and Sea Point service stations surveyed today had already changed their pumps to prices reported in newspapers and on SABC-TV, but even they were not sure their prices were accurate.

One reason for the hold-up is that garages, "already operating on a very small margin", according to a spokesman for the Motor Industries Federation, face losses of up to R400 each because their tanks hold fuel bought at the old price.

Those garages which had reduced their prices were selling 98 octane petrol at 55,7c a litre; 93 octane at 54,3c, and diesel at 56,3c. Others were selling at the old price of 59,1c for 98 octane, and 58,3c for 93 octane.

(Turn to Page 3, col 5)

(Cont from Page 1)

Garages confused over new prices

A spokesman for the Motor Industries Federation said that price reductions would be different for the various "grid areas" designated by the oil companies — for example, prices would differ in Cape Town and Gordon's Bay. Details are still to be announced.

He emphasised that price reductions would be different for the various "grid areas" designated by the oil companies — for example, prices would differ in Cape Town and Gordon's Bay. Details are still to be announced.

A spokesman for the Minister of Mineral and Energy Affairs said the new prices had been known to both the oil companies and the MIF "for some time". Only the date of application was new.

A spokesman for the Motor Industries Federation said that price reductions would be balanced by profits made on old stock sold at increased prices in the past, but said many owners who would lose on today's reduction had not been in business when increases were announced in past years.

"Many garages also took a small loss when prices were reduced earlier this year," he said.

R1 000m rights issue possible

Sasol Two is to go public

260
55

R10M
22/8/83

By JOHN MULCAHY

SASOL Ltd, which now holds 50% of Sasol Two, will soon acquire the remaining 50% from the Industrial Development Corporation and Konoil.

No date has been set for the acquisition, but Sasol has warned shareholders to exercise caution when dealing in their shares.

Sasol Two was constructed at a cost of about R2 500-million, and recent estimates have indicated that R1 850-million needs to be raised to repay loans, of which the public will be asked to contribute about R1 300-million.

To pay for the Sasol Two acquisition Sasol Ltd has the option of raising the funds by way of a rights issue, or through a loan in the open market, or a mixture of the two.

Sasol Ltd's issued ordinary share capital is 375-million, of which 262 500 000, or 70%, is in public hands.

A one-for-one rights issue at a price of 500c a share would raise about R1 328-million from the public.

Sasol Ltd acquired 50% of Sasol Two in 1979 for R50-million, and an agreement was struck at that stage providing for the subsequent acquisition of the IDC/Konoil's 50% stake.

The intended acquisition is disclosed in Sasol's preliminary profit statement, released last night, in which the group reports an attributable profit increase of 16,3% in the year ended June 25 to R232 226 000 from R199 670 000 last year.

Earnings rose to 61,9c a share from 53,2c and the final dividend has been raised to 15c from 13c, making a total of 28c for the year.

Speculation on a possible rights offer announcement from Sasol was rife on the Johannesburg Stock Exchange last week, and fuelled by "leaks" that the total dividend was to be 30c the share price reached 500c at one stage before slipping back on Friday, to close at 482c.

In last night's announcement the directors said they were of the opinion that the acquisition by Sasol Ltd of the IDC/Konoil interest in Sasol Two "should be considered at this stage".

They said discussions between Sasol Ltd and all other parties concerned had com-

menced, with a view to to acquiring Sasol Two, "in accordance with the mechanisms and conditions provided for in the prospectuses of 1979".

The August 1979 prospectus notes that an agreement was concluded on July 20 of that year which provided for the future acquisitions by Sasol Ltd of Konoil's interest in Sasol Two and Three.

Konoil, a wholly-owned subsidiary of the IDC, has a 50% interest in Sasol Two and Sasol Three, as well as substantial loans in each of those companies.

While the loans were initially to be interest-free, the agreement made provision for the payment of interest on half of the loan amounts, at a rate not exceeding that applicable to 10-year government stock, once Sasol Two, and later Sasol Three, exceeded a taxed profit level of R100-million a year.

The preliminary profit statement shows that Sasol Two made a net profit of more than R196-million in the latest financial year, while Sasol Three's net profit was R100-million.

According to the prospectus the price and terms of the acquisition of Sasol Two will be negotiated by Sasol and the IDC/Konoil, and their agreement will become effective after experts have confirmed that the transactions are fair and reasonable.

In determining the price the following factors will have to be considered:

- Sasol Ltd and Sasol Two's profit prospects and Sasol Ltd's consolidated financial structure after acquiring Sasol Two;
- Prevailing economic and financial conditions in South Africa and the industry in which Sasol operates;
- The historical growth rate in attributable earnings and dividends for Sasol shareholders;
- The reasonable expectations of Sasol shareholders in respect of dividend growth;
- The fact that the State, as its contribution to the success of Sasol Two, will have made funds available on favourable terms, but on the other hand, that Sasol as its contribution will have made expertise and management available at reasonable terms.

The agreement contains provisions to ensure as far as possible that no acquisition takes place at an inopportune time.

when a transaction would be unfair to either Sasol or IDC/Kinoil.

'Chaos' over new fuel price

Staff Reporter

THE CAPE TIMES was flooded with calls yesterday from worried garage owners caught on the hop by the weekend announcement that the price of fuel was coming down today.

They predicted chaos at this morning's opening of the garages because they had not been informed of the new prices.

The confusion arose because garages have not been told the precise selling prices from today of 93 and 87 octane petrol. The earlier announcement by the Prime Minister, Mr P W Botha, said these would come down by "at least" four cents a litre.

The Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, said at the weekend that the reductions announced by Mr Botha would come into effect today, but did not give any further details.

The garage owners said they had tried to get hold of their oil company suppliers and motor industry representatives for information, but to no avail.

"We expected the reduction to come into effect only next month," one garage-owner said.

A spokesman for the Motor Industries Federation could not be contacted yesterday.

● The fuel price cuts as announced in Parliament earlier this month were (cents per litre): Petrol 93 and 87 octane at least 4,0c; petrol 98 octane 3,4c; diesel for non-road users 4,4c; diesel retail at pumps 3,3c; diesel wholesale to road-users 3,1c; power-paraffin and jet fuel 3,0c; paraffin retail at least 5,0c.

This would bring the coastal price of 93-octane down from 58,3 cents a litre to "at most" 54,3 cents and 98-octane from 59,1 cents to 55,7 cents a litre.

Cape Times 23/8/83 (55)

Service stations lost thousands

By BRIAN GROBBLER
Motoring Editor

THOUSANDS of service-station operators yesterday collectively lost hundreds of thousands of rands as they were caught with stocks of petrol which they now have to sell at the new reduced prices.

But a spokesman for a major oil company said: "It is the first time our operators have lost money and in the past they made big profits with each increase — and there have been more increases than decreases. The minister never mentioned the date of the change, nor were the oil companies told.

"All we could tell our operators was to keep their tanks at normal until the change came. It is the duty of the Motor Industries Federation to advise their members of any price changes."

Confusion reigned in the garage business early yesterday as thousands of operators did not know what to do. The first announcement of the change on Monday morning came on SATV on Saturday night and was followed by reports on the radio on Sunday and early on Monday.

Mr George Beckman, chairman of the Motor Traders' Association (service section) in the Western Cape, said there had been tremendous confusion, as the only information was what was on TV and the radio.

"When we opened yesterday, we lowered our prices according to the news reports. The whole change was badly done and garage owners stand to lose hundreds of thousands of rands. We made it on the increases and now we have lost it on the de-

crease."

Mr Beckman, who operates a service station in the Gardens, said he had 37 000 litres in stock when he opened yesterday.

Mr Keith Bewick, public relations officer for Caltex, said it was good planning and strategy on the part of the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis.

"The minister obviously made his sudden announcement on Saturday night to prevent chaos in the petrol industry. If operators had known when the change was coming, they would have run their tanks dry and there is no way that the oil companies could have provided everybody with petrol yesterday, so there would have been shortages throughout the country."

Flood of calls

The Motor Industries Federation in Cape Town was flooded with calls from operators all over the Cape Province.

By mid-morning yesterday, the oil companies had advised operators in the 30 grids of the new prices. In Grid 1, which is the Cape Town area, they are 55,7 cents for 98 octane and 54,3 cents for 93 octane.

The difference between the octanes now moves from 0,7 cents to 1,4 cents and the oil companies and garage operators feel this will now encourage motorists to use more of the 93 octane instead of the 98 octane, which currently sells at twice the rate of 93.

Sasol 2's profit soars to R196-m

ARGUS
24/8/83

55 260 249

SOUTH AFRICA's synthetic oil-from-coal industry is flourishing, in spite of the decline in the international oil price.

Sasol 2, the first of the new plants built to beat the Arab oil boycott, reports a net profit of R196,3-million for the year to June 26 — almost treble the R69,6-million made in 1981-82.

The other major synthetic oil plant, Sasol 3, commissioned just over a year ago, reports a profit of R100-million for its first year of operation.

SHOWED LOSS

In contrast, Sasol 2 showed a loss of R20,2-million in its first year of operation in 1980-81.

However, Sasol officials admit that lessons learnt in starting up Sasol 2 helped to speed the start-up at Sasol 3.

Sasol 2 is paying a final dividend of R30-million, making a total of R50-million for the year. This compares with a payment of R46-million last year.

Sasol 3 is paying a maiden dividend of R20-million.

LISTED ON JSE

Half of the dividends declared by Sasol 2 and Sasol 3 go to Sasol Limited, the company listed on the Johannesburg Stock Exchange.

The directors of Sasol say they thought it advisable to maintain a judicious policy regarding the dividends of Sasol 2 and 3, especially in view of the intended acquisition of the remaining interest in Sasol 2.

Shareholders in Sasol will be receiving a final dividend of 15c a share, compared with 13c last

year, making a total of 28c (24c) for the year.

Sasol shares closed at 460c last night. At this price the shares are now giving a return of just over 6 percent.

● Irvin and Johnson is paying an unchanged final dividend of 17c for the year ended June from a taxed profit of R9,7-million (R10,5-million), equal to 34,5c (37,5c) a share.

Earnings were reduced by 3,6c a share as a result of a change in the basis of valuing the inventory.

Turnover rose 11,8 percent to R350,9-million (R314,0-million), while pre-tax and pre-Lifo-adjusted profit rose 5,1 percent to R18,3-million (R17,4-million).

The company says it experienced recessionary conditions in both local and export markets.

But although intense competition depressed prices and eroded margins, the effects were largely offset by effective asset management as well as by productivity and yield gains in all sectors of the company's business.

Because of the uncertain business outlook and concern about the possibility of the drought running into the summer of 1983, it cannot make a forecast for the current year's performance.

Derek Tommey

Fluor ~~SA~~
wins ⁽⁵⁵⁾
NPR ^{ROOM}
refinery ^{25/8/83}
contract

Financial Reporter

FLUOR Engineers SA (Pty) has been awarded a contract by National Petroleum Refiners (Pty) to perform modifications at a refinery in Sasolburg.

The value of the contract has not been disclosed.

Fluor will provide project management, engineering, design, procurement and field support services for the third phase of the modification project. The contract calls for upgrading of the refinery's black-oil cracker.

Fluor performed the initial two phases of the work, including preparation of a budget estimate and selection of approved vendors with quotations for critical equipment and materials.

The refinery's black-oil cracker uses a Universal Oil Products process to break down heavy residue oil into additional marketable products. It is the only cracker of its type in operation in the world today.

The project includes two new reactors from Japan with associated supporting structure, high pressure alloy piping and other ancillaries within the existing unit.

Overseas procurement for the reactors and pipe materials will involve Fluor's offices in Tokyo and Irvine, Scotland. The Irvine office will also perform the engineering and design of the reactors in conjunction with Universal Oil Products.

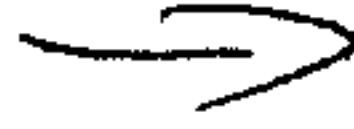
(55) Hammond Q. 61. 1962

Koeberg nuclear power station

26/8/83

*2. Mr. D. J. N. MALCOMESS asked the
Minister of Mineral and Energy Affairs:

What is the estimated date on which
each of the reactors at the Koeberg nu-
clear power station will begin operating?



1963

FRIDAY, 26

The MINISTER OF MINERAL AND
ENERGY AFFAIRS:

If the present planning of Escom and of
the Licensing Authority proceed accord-
ing to schedule the No. 1 Unit at Koeberg
will start to generate some power at the
beginning of January 1984. Take-over by
Escom, that is full power and commercial
operation, is scheduled for mid-April 1984.
In the case of Unit No. 2, the dates are
mid-June 1984 and mid-September 1984,
respectively.

(95) RDM 27/8/83

Lower power demand saves Escom from embarrassment

ESCOM might not have been able to meet this year's demand for electricity if power consumption had reached the levels forecast for 1983 by Escom's own projections.

Speaking at a conference on public-sector financial policy in Johannesburg yesterday, Mr Len te Groen, general manager (finance) of Escom, said that as current electricity demand was below forecast, the commission's reserve capacity was growing.

"I can tell you confidently that, had demand come up to our recent expectations, we would in present circumstances have had great difficulty in meeting it."

Commissioning of one of the units at the Koeberg nuclear power station in the Western Cape was running late, the supply from the Cabora Bassa hydro-electric scheme in Mozambique remained unreliable and the drought had put about 1 000 megawatts out of commission.

"Escom is at present meeting the reduced demand with almost 3 000 Mw of capacity less than it might have had in operation by this time," Mr Te Groen said.

Escom was in good shape to cope with a rapid increase in electricity demand to a

By SIMON WILLSON

level above forecasts, which might be caused by the next economic upturn.

"But if demand continues to stay lower than expected, we shall have to defer the commissioning of some new plant to decommission some older and less efficient power stations."

Claiming that Escom had an outstanding forecasting record, Mr Te Groen said electricity requirement forecasts would be less accurate in the last quarter of this century than they were in the first three.

The commission expected an average growth rate in electricity demand of between 6% and 7% between now and the year 2000. But forecasting methods could do no more than project trends.

"Three years ago, no forecasting method could have indicated that the 1982 growth rate would be 2,4% and that the 1983 growth rate may be considerably less even than 1982's low figure," he said.

"In the long term, it is the trend which is important because too much attention to a unique low might lead to enormously costly restrictions to the country by the underprovision of electricity to meet the next one or two

expansions in the business cycle."

Escom's existing forecasts indicated a total power station capacity of about 40 000 Mw by 1992, against 21 896 Mw last year and 8 849 Mw in 1972.

This represented a growth in capacity of 83% in the present decade to 1992, against a rate of 147% in the decade to 1982 and of 160% in the 10 years to 1962.

"By the time financing costs for this programme are met by the electricity supply account, it is easy to foresee a trebling in overall costs at the end of the next decade even if operating costs escalate at a slower rate than capital costs."

Total costs, which were 0,6c per unit of electricity in 1972, had increased by 362% to 2,9c a unit in 1982. In comparison, a trebling (or 200% increase) in overall costs in the decade to 1992 might not be a bad achievement.

Because of the high tariff increases last year and this year, it was widely believed that the price of electricity had risen faster than the inflation rate.

In real terms, however, electricity was very slightly cheaper than it was 20 years ago, Mr Te Groen said.

The real selling price of electricity actually dropped from about 0,5c a unit in 1960

to fractionally less than that figure in 1982 when deflated by the production price index.

Escom's unproductive costs — costs which did not contribute to the generation and distribution of electricity — represented about 10% of total costs.

If the commission could dispense with these costs, tariffs could be reduced by about 10%.

"The nature and amount of security Escom needs for all its plant and equipment which fall under the National Key Points Act are outside its control.

"However, security of supply is cardinal to Escom's operations and recent events suggest that reasonable expenditure on security need not be regarded as unproductive in the true sense of the word."

Air pollution regulations required the removal of 99,5% of the particles in the smoke from Escom's new fossil-fuelled power stations before the smoke was allowed into the atmosphere.

"This requirement adds some R50-million to the cost of a power station such as Matla. But, as with the other so-called non-productive costs, who is to say that this expenditure is not indirectly productive to the South African economy as a whole?"

Electricity price shock

SOWETO residents pay more for electricity than their white counterparts in the suburbs of Johannesburg, according to statistics released by the

Soweto Council.

The statistics show that residents of Soweto pay R25,85 for 500 units of electricity, whereas a resident of Johannesburg pays R21,25 for the same number of units.

The chairman of the Soweto Council, Mr David Thebehali, said the Soweto Council has been accused "left, right and centre" of overcharging Soweto residents for electricity, when many people did not realise that Johannesburg manufactured its own electricity, whereas Soweto had to buy it from Escom.

He also said that it will not be long before Johannesburg starts charging the same rates as those of Soweto because it will also be buying its power from Escom.

Mr Thebehali added that in comparison with five neighbouring white towns and cities, Soweto charged the fourth highest rates. The highest is Sandton (R31,82), followed by Roodepoort (R27,95) and Krugersdorp (R26,10), with Johannesburg (R21,25) being the cheapest of them all.

For sale

IT IS just a matter of a few weeks before black businessmen take over the running of all bottle stores and bar lounges at the East Rand.

The East Rand Administration Board (Erab), announced this month that all bottle stores and bar lounges would be sold and leased out to individuals with immediate effect.

Congress has, however, claimed responsibility.

(i) and (ii) Fall away.

Koeberg nuclear power station

*2. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

Whether, with reference to his reply to Question No. 2 on 26 August 1983, all major construction activities at the Koeberg nuclear power station will have been completed when the first reactor comes into operation; if not, why not; if so, (a) what construction activities will remain to be completed and (b) how many persons will be involved in these activities?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Yes. All major construction work at the power station has already been completed.

- (a) Construction work on workshops, offices and stores remains to be completed. These facilities are not integral with the power station and are subject to separate security control. Certain work within the plant is also still in progress and will continue for some time. All personnel, tools and material are, however, subject to rigorous security control.
- (b) Escom construction supervisory staff—less than 60.
Contractors—up to 500.

X
Ministers:
(55) ~~219~~ Hansard Q. 61,
Koeberg nuclear power station
219/83 2019

*1. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

Whether, with reference to his reply to Question No. 21 on 2 February 1983, the investigation into the (a) nature, (b) cause, (c) costs and (d) identity of the perpetrators of the explosions at the Koeberg nuclear power station during December 1982 has been completed; if not, (i) why not and (ii) when is it anticipated that it will be completed; if so, what were the findings in each case?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Yes, the investigation has been completed.

- (a) The explosions are believed to be the result of deliberate sabotage.
- (b) Explosive devices.
- (c) Negotiations between Escom, the contractors and the insurers are still continuing, and are unlikely to be concluded soon. While these negotiations are continuing, it would be prejudicial to all parties to reveal details of estimates of cost.
- (d) Unknown. The African National



Hansard Q. Col. 2043

Petrol: lead levels

2/9/83

(55) *8. Mr. R. R. HULLEY asked the Minister of Mineral and Energy Affairs:

- (1) Whether any progress has been made in the investigation into lead levels in petrol and the pollution arising therefrom; if so, what progress;
- (2) whether any decisions have been reached in this regard; if so, what decisions; if not, when is it expected that a decision will be reached?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) Yes. The literature survey referred to by me during the debate on the Vote of the Department of Mineral and Energy Affairs, is completed and the matter has already been referred to the Department of Health and Welfare which is responsible for control of pollution and the combating of health hazards that may arise from the use of lead in petrol. The measured lead levels in petrol are, however, still within the maximum of 0.836 gram lead per litre allowed by the SABS specification for petrol. Pollution levels of, *inter alia*, lead from petrol are monitored by the Department of Health and Welfare and should an adjustment, for health reasons, be recommended in the existing SABS specification by the said Department, and amendment of the specification will have to be considered.
- (2) Falls away.

Power hike will hit mines, fuel inflation

55
Mercury
2/2/83

Mercury Reporter

THE expected jump in electricity costs before the end of the year would have a grave impact on South Africa's mining industry and set the country's inflationary spiral soaring.

This became evident yesterday as the Chamber of Mines and organised commerce and industry reacted to an official statement that, because of the drought, costs probably would jump by more than 14,5 percent.

The prediction was made by Mr I D van der Walt, general manager of the Electricity Supply Commission, at the opening of the emergency scheme to reverse the flow of the Vaal River.

A Chamber of Mines spokesman said a tariff increase of this magnitude would be a severe blow to gold and coal mines, which were already gravely beset by high working costs.

Between 1972 and 1982 working costs had escalated 18 percent a year, way ahead of the rate of inflation, and electricity tariffs were a fairly big slice of working costs.

Hikes in electricity, rail and fuel costs have the greatest impact on inflation and there are hopes that the Government will step in rather than suffer a major setback in its anti-inflationary drive.

Last year the Government took the unprecedented step of asking Escom to trim its increase

back to 14,5 percent.

The energy spokesman for the Federated Chamber of Industries, Dr R A P Fockema, said: 'Obviously Escom's costs have to be met. Whether they do this by directly increasing the tariff or postponing matters by raising a capital loan, we can only trust they will adopt the least inflationary solution.'

Detrimental

'If they opt for a tariff increase we would like an assurance that it will be in the form of an emergency levy, which will fall away once the drought is over.'

Mr Roland Freakes, executive director of the Natal Chamber of Industries, said: 'The cost increases we are now experiencing in respect of

water and electricity are proving very detrimental.

'The general economic recession, plus the drought, is already blunting the demand for products, pushing the cost of each unit up.

'Now on top of this industry is being asked to bear the increasing costs of inputs, water and electricity, and the whole thing adds up to further inflation.'

'We can only hope that an increase of the magnitude hinted at by Mr van der Walt is not brought into effect,' he said.

Biggest buyer

Mr Raymond Parsons, chief executive of Asso-com, said organised commerce viewed the predicted increase very seriously. The standing committee for economic affairs would consider the implications today.

Durban City Council is the biggest buyer of bulk electricity in the country, taking 40 percent of all Escom's output in Natal.

Deputy City Treasurer Mike O'Meara said the city would never be able to absorb a big increase. It would have to be passed on to the consumers.

Durban supplies electricity to areas in the south as far as Kingburgh, inland as far as Alverston and north to Tongaat. In October last year the council applied for a bulk discount from Escom, but the matter is still being considered.

Meanwhile, an Escom spokesman pointed out that electricity tariffs would not go up this year: 'It is our policy to announce any increases between October and December.'

Drought

'In October last year we announced the average 15,1 percent that came into effect on January 1 this year,' he said.

He added that the increase could be higher or lower than the last one.

'We don't know how much the drought has cost us yet, and only now can we start getting things together again with the Grootdraai scheme in operation.'

'We have already spent between R80 million and R100 million this year, which includes the cost of Grootdraai.'

'The biggest cost is the extra coal we had to buy to run our older generators, but now Grootdraai is working we can return to a normal pattern of generation rather than use the expensive older stations,' he said.

He compared coal prices by pointing out that to supply the Salt River station outside Cape Town cost R41 to R45 a ton, while the same coal cost only R10 a ton in the Eastern Transvaal.

Sending back

Regarding allegations that the Transvaal was taking Natal's water, the spokesman said: 'We are taking it, but we are sending it back in power.'

'If we did not have a national grid with the two stations in the province closed, you would be without power.'

'We only take 10 percent of the Tugela's water anyway,' he said.

Escom to handle Koeberg crises

55

C. Times 9/19/83

By JO-ANNE RICHARDS

ESCOM is to retain supreme control over protective measures taken in Cape Town in the "unlikely" event of a nuclear accident at Koeberg.

This was announced yesterday at a press conference held by City Council officials who said the municipality and the Divisional Council would act under the "guidance and advice" of the Koeberg Emergency Controller if there were an accident.

Monitors

The council would be taking certain precautionary measures con-

sidered unnecessary by Koeberg's licensing authority, the Atomic Energy Commission (AEC), it was announced. These included the placing of two radiation monitors on Robben Island and the issue of potassium iodate tablets to the public.

'Vested interest'

In the event of fall-out, the tablets would act to prevent the storage of radioactive iodine in the thyroid gland.

Officials said Koeberg would retain control in an emergency situation because they were responsible for costs.

Asked if Koeberg's

vested interest might affect the measures taken if they retained supreme control, officials said the council would have its own monitors and would be informed of developments.

It was unlikely that Koeberg could take the risk of allowing vested interests to affect action. The Town Clerk, Dr S Evans, said Koeberg was linked to an international agency in Vienna and their actions would be recorded.

Extended zone

Certain protective measures had been accepted by the AEC. An extended zone of 50km for which plans should be made was also accepted.

The council had put these recommendations to the chairman of AEC, Dr J de Villiers, at a top-level meeting last week at which the Administrator, Mr Gene Louw, and members of the provincial administration were present.

Measures

The measures accepted by Dr De Villiers were:

- That there should be public notification of an accident.
- Radiation shelter should be organized by Civil Defence.
- Access and egress to the problem area should be controlled.
- Capability for evacuation from certain sections should be provided for.
- Relocation should be organized for people after sheltering.
- There should be control of agricultural products and drinking water.
- Decontamination of affected areas should be co-ordinated.

IN an Jo Ge ni sa ho se de "d ac in va

C ir

THE introduction of lead-free petrol in South Africa would mean "huge extra costs" for the motor industry.

This warning was given by Mr Frank Norton, deputy director of the National Association of Automobile Manufacturers of South Africa (Naamsa), when he addressed a seminar on lead in petrol held in Cape Town by the Energy Research Institute.

Other points that emerged from seminar speakers were:

- Eliminating lead could mean an increase of as much as 10% in the price of petrol.

- Cars capable of running on leadless petrol will probably appear in South Africa towards the end of this decade.

- Increasing the use of on-board computer to regulate engine operations will speed up the exclusion of lead from fuel in order to protect the various sensors.

- The toxic effects of lead are particularly bad for children and this is a major factor inducing Britain to start moving towards leadless petrol.

Mr Norton said Naamsa was not complacent about the contamination of the South African environment but felt it was necessary to keep a balanced view on the subject of lead in petrol and the need for fuel conservation in South Africa.

He also emphasised that the problem was not easily resolved because of South Africa's huge investments in the motor industry and its vast labour force.

"Is it feasible to rock the economy at present in South Africa?"

Lead free petrol will mean huge extra costs — Naamsa

55
E Post
19/1/83

FRED ROFFEY reports from Cape Town

"The cost of adapting petrol refineries will no doubt lead to more expensive petrol, possibly by as much as 10%."

He also warned that the driver would notice a "considerable" increase in car prices.

In West Germany — which was pressing ahead with legislation to make cars run on lead-free petrol — the cost of fitting the catalytic exhaust gas converter alone would increase the price of a new car by up to R575.

"Ford estimates that the total extra costs of lead-free motoring in West Germany is R2,3 billion," he said.

"Opel fears for the effect on vehicle market and on workers jobs caused by the new more expensive equipment.

"Volkswagen predicts a 10% rise in its average sales price of vehicles in Germany."

He pointed out that Britain could go lead-free in 1990 and the Netherlands, Denmark,

Ireland, Greece and France were among those countries in favour of cutting down lead levels or eliminating them from petrol completely.

Mr Norton said the situation was different in South Africa.

"In the Republic, with its relatively small car population in relation to the vast size of the country, we do not yet have a situation where lead emissions from motor vehicles constitute a risk to public health.

"In South Africa some 2,7 million cars are on the road, compared with more than 25 million in West Germany, 17 million in the United Kingdom and more than 20 million in France.

"Also, taking into account that the size of South Africa, some five times that of West Germany, five times that of the United Kingdom and more than twice that of France, one wonders whether, we can, in this context, draw conclu-

sions from Western European experiences," Mr Norton said.

The director of Energy Planning at the Department of Mineral and Energy Affairs in Pretoria, Dr Robert Scott, told seminar delegates that a decrease in the lead level of petrol would have to be justified on health grounds in view of the additional costs of such measure.

Dr Peter Disler, a senior lecturer in the Department of Community Health at the University of Cape Town, said scientific literature showed a trend towards lower intellectual achievement in children with greater lead exposure and toxicity.

"Also, lead may have adverse neuropsychological effects in children although it is difficult to isolate lead as a single factor in a background of other socio-economic difficulties."

He also emphasised that constant surveillance of the problem was necessary.

A consultant with the Energy Research Institute, Mr Jimmy Leng, said several technical options existed for securing the complete elimination of lead in petrol but these could not be implemented in the short term.

"The best approach will be to phase them in once the vehicles of the future, capable of running on lower octane, lead-free gasoline, become available in this country from the overseas parent companies of South African motor plants.

"Such developments will probably take place during the final years of the present decade."

Council, MCI in clash over electricity accounts

~~scribble~~ 55
S. Post
10/9/03

THE City Council and the Midland Chamber of Industries this week crossed swords on the question of the city's electricity account.

Behind the argument was a critical comment in the MCI's latest Information Bulletin urging the council to reconsider its attitude towards subsidising the city's general revenue account from its electricity trading account.

"In Port Elizabeth there is general unanimity that the city needs more industry, and that government should assist this plea for more industry by making it attractive for industrialists to come here, by granting this area financial incentives," noted the MCI.

"Government has responded to some extent and one of the incentives granted is an electricity subsidy which the chamber believes will amount to some R13 million over a full year.

"In the city's operating budget for the period January, 1982, to June, 1983, is an estimate for the transfer of R11 684 000 from the electricity account to the rates and general services account (R7 million for '82).

"If the city is sincere in its support of the plea that

we need industry and that concessions are needed, then the chamber must ask why the city is pursuing a policy where the effect of the concession is virtually nullified by using the electricity account to subsidise other expense accounts.

"The actual amount transferred for the period ended June '83 will be available shortly and this would be the appropriate time for the council to reconsider its attitude on this issue."

Reacting to the comment, Town Clerk Mr P K Botha said yesterday that what the MCI did not appear to appreciate was that making such transfers was a standard practice "with all local authorities in South Africa".

"It has been endorsed by such bodies as the Brown Committee and the Croeser working group."

Mr Botha added that another factor overlooked by the MCI was that "this is a transfer from a trading account to relieve the burden on ratepayers".

"If it is not made it would simply mean an increase in rates. To balance its overall account the council would then have to look to the ratepayers."

Mr Botha said the MCI should also bear in mind that whereas the commercial and industrial sector paid full rates, residential ratepayers were subsidised.

"Finally, all the capital financing of the electricity account is made from the consolidated loans fund at a lower rate of interest than might be charged on the open market — and it is this that makes it possible for the electricity account to show a profit."

Sapa
12/19/88

No blast at Secunda

A spokesman for Sasol denied today that an explosion had occurred in a plant at Secunda.

He said reports that there had been a blast had apparently originated from a high-tension overhead electrical cable snapping in high wind.

It was thought the "flash and snap" caused by the breaking wire had led people to believe there had been an explosion. An earlier report to this effect was incorrect.
— Sapa.

PARAFFIN SHOPAROUND

OUTLET	Price/20l can (ex-GST)
<i>C-Times</i> <i>13/9/83</i>	
Westerford Stores Newlands	R11,99
WP Hardware Sea Point	R11,99
Checkers Durbanville	R9,69
Pick 'n Pay Hyper Brackenfell	R9,99
Sherwood Hardware & Gardening, Bergvliet	R10*
Mitchell's Plain Hardware	R10,50*
Kismet Supply Store Wynberg	R8,99
Hawkes & Findlay Observatory	R12,07
Hout Bay Hardware	R12,75
Hammer & Tongs Gardens Centre	R11,99
Camps Bay Hardware	R14,53
Levensons Hardware Muitzenberg	R12,50
Southfield Hardware Southfield	R10* R11,05
Handy House Hardware Sea Point	R11,08*

O.L.O

Haynes 15/9/83
(80) 55

Accident zones created for Koeberg emergency

Staff Reporter

SIXTEEN sub-zones have been designated for the area within 16 km of the Koeberg nuclear power station as part of an emergency plan in case of a nuclear accident at the plant.

Announcing this at a Press conference at Escom's information centre yesterday, Escom spokesman Mr Andre van Heerden said the subdivision of the Plume Exposure Zone, which radiates up to 16 km from the station, would facilitate more efficient emergency planning.

He said a pamphlet was being prepared by Escom which included a map to indicate the various zones and sub-zones designated in the Koeberg emergency plan.

Categories

The emergency plan has been divided into three categories and it lays down five zones within which certain actions would be taken in the event of an accident.

The first zone is the station site itself up to the boundary fence, and action taken within it would not affect the public in any way.

The second zone is the 5km Inner Emergency Planning Zone. A number of areas fall within this zone, including parts of some of the 16km sub-zones.

Next is the Plume Exposure Zone.

The Cape Divisional Council would be responsible for action taken to protect the public within both the 5 km and 16 km zones.

The Contingency Planning Zone extends for 50 km from Koeberg and the Ingestion Zone extends an additional 30 km beyond this.

Emergency

The Divisional Council, the Cape Town City Council and 16 other local authorities would be responsible for carrying out the emergency plan in their respective parts of these two zones.

Operators at the station will be faced with a simulated emergency next Wednesday.

Officials of the Atomic Energy Corporation (AEC) will "umpire" the exercise to test the response of plant operators and the efficiency of emergency planning for public safety.

People near Koeberg told to plan evacuation

Argus

Staff Reporter 15/9/83

ESCOM has appealed to people living within 16 km of the Koeberg nuclear power station to find "personal relocation points" outside the area to which they could evacuate their families in an emergency.

The appeal was made yesterday by an Escom spokesman at a media briefing session in preparation for a simulated emergency exercise on Tuesday next week.

The authorities are also planning "mass care centres" for people who do not have or are unable to reach their personal relocation points.

"PLUME EXPOSURE ZONE"

The spokesman said people living within the 16 km radius — described as the Plume Exposure Zone — should make arrangements now with relatives or friends living further away about personal relocation points (also described as "family relocation points").

The Plume Exposure Zone includes Atlantis, Melkbosstrand, Philadelphia, Van Riebeeckstrand and the Escom village of Duynfontein.

People living within the zone would be warned through public address systems, by police in cars equipped with loudspeakers, and the SABC.

TRANSPORT ARRANGEMENTS

Families with their own transport would be encouraged to use this to reach the relocation points, while Escom would use transport companies, including City Tramways, to evacuate others to the mass care centres.

The spokesman said the emergency controller in charge of the situation would be able to evacuate the entire city of Atlantis — about 25 000 people.

Planning for the mass care centres would be completed by the time Koeberg went operational — expected to be in January.

People living within the 16 km radius would be told by Escom where their mass care centre was before Koeberg went operational.

● See Page 3.

Huge ~~task~~ repair ^{RWH} task at ⁽⁵⁵⁾ power ^{16/9/83} plant

By JEANETTE MINNIE
Municipal Correspondent

THE Johannesburg City Council's electricity department staff have been working night and day over the past fortnight repairing damage to the Kelvin B power station damaged by an explosion two weeks ago.

But, the department is satisfied it is coping with the city's electricity needs. It has not been necessary in the past week-and-a-half to get additional power from Escom.

A spokesman for the department said yesterday three of the seven generators were back in order, while a fourth would go on stream in the next two or three weeks.

But the remaining three were damaged so seriously it could take as long as 18 months before they came back on stream.

The spokesman said major parts had to be ordered from the Swiss manufacturer overseas and that "millions of rands" in costs were involved.

After the explosion, the result of a leak in a cracked oil pipe, Escom had to supply the council with additional electricity for three days. After that supplies were augmented by the emergency gas turbine power station.

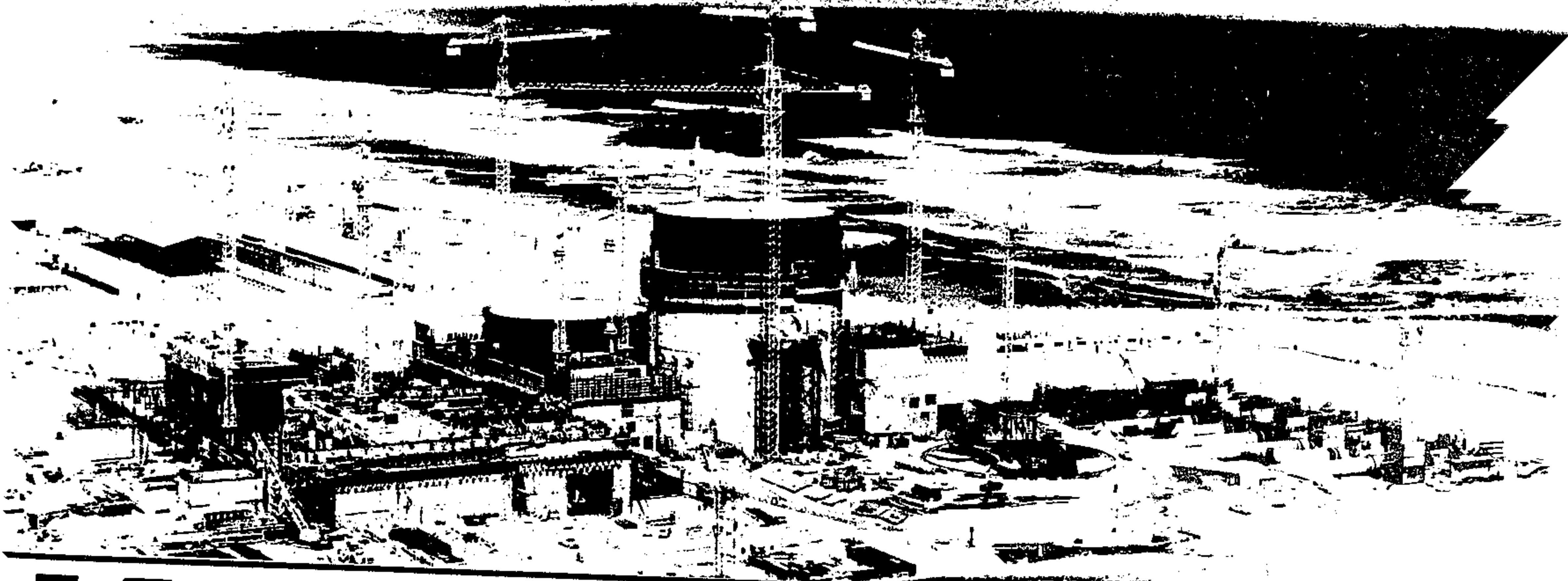
"Furthermore the weather has become quite warm and the demand for power has dropped. We were lucky in a way the explosion happened at this time of year. We had planned to take two generators off stream, at Kelvin B and at the Orlando Power station, to be overhauled.

"Since the explosion we simply have not taken generators at Orlando off stream. In the circumstances we are coping well with the city's power demand," the spokesman said.

He said the emergency power station in the city was not in full operation either.

The deputy chairman of the Management Committee, Mr Carel Venter, said at the last council meeting the cost of the damage and power from Escom was more than R10-million. But taking into account manpower costs and today's prices for new parts, he said, the total cost could be as much as R20-million to R30-million.

—ESCOM TESTS ITS ABILITY TO SAFELY— HANDLE A BIG NUCLEAR MALFUNCTION—



Koeberg alert

FOREIGN nuclear specialists could be brought to Cape Town within 24 hours to back up local expertise in the event of a major nuclear-related accident at the Koeberg power station, say Eskom officials.

And a senior Koeberg official — designated as Emergency Controller — would immediately assume supreme control of the situation, with no interference from any Government authority, they say.

Eskom's readiness to handle a major malfunction will be tested when Government-appointed nuclear specialists "sabotage" operations at Koeberg next week to create an emergency that could mobilise a huge civil defence organisation.

Operators at the R1 800-million power plant — Eskom's figure — will be faced with a simulated accident sometime on Tuesday that could involve thousands of people at the plant and in metropolitan civil defence services.

A worst-possible scenario could involve an accident which releases a contaminated radioactive cloud into wind conditions that carry it towards a populated area.

With the countdown progressing towards a January start-up for the first of the utility's nuclear reactors, officials of the Atomic Energy Corporation (AEC) will "umpire" the exercise to test the response of plant operators and the efficiency of emergency planning for public safety.

Emergency-control teams will activate on-site sirens and powerful public address systems

55 W Argus 2/9/85
By KEVIN JACOBS,
Weekend Argus Reporter

and plug into a direct "hot line" to the SABC which in a real emergency would broadcast information and instructions in three languages.

All duty teams at the utility will be activated to deal with a situation unknown to plant personnel until it is initiated by AEC officials at an unspecified time on Tuesday.

Several similar exercises have already been conducted at the plant and are assessed for efficiency and safety in the phased programme towards full licensing of South Africa's first nuclear power station, expected to be producing electricity within the first two months of next year.

Discussing the exercise with reporters this week, Eskom public relations officer Mr Andre van Heerden said the public would not be directly drawn into the operation. But civil defence emergency services — most likely Divisional Council traffic officers — may be directed to set up road blocks at specified points within a 16 km radius from the plant site.

But because the simulated accident could be at any level of severity, it could involve the region's entire civil defence structure — perhaps to the point of having local authorities prepare for limited evacuation of communities within a 16 km radius of the nuclear plant.

The AEC "umpires" could initiate an emergency situation at one of three levels:

- An "alert", which Eskom officials say would probably not develop beyond a technical difficulty, to an emergency in actuality;

- A "site emergency" which, they say, could potentially affect the area to the site boundary;

- A "general emergency" which could extend beyond the power station's site boundary — such as an accidental release of radio-active gas or particles drifting in a "plume" towards populated areas.

In the event of a real emergency, Eskom's emergency control officer would take overall charge of the situation from one of several emergency control centres, whose locations are kept secret as a security precaution. Senior operating and technical personnel employed at the plant are not identified publicly for the same reason.

The emergency control officer — with strong specialist and expert backup, say Eskom officials — would direct procedures to control the emergency and instruct civil defence organisations in measures to protect people from exposure to radio-activity.

Eskom's first-line public signal of an emergency in actuality would be by siren and public address system — already in place at the plant, at the nearby Dуйnefontein township which houses plant personnel and at Atlantis, a concentration of coloured communities about 12 km from Koeberg.

We still do not like Koeberg

South Africa's first nuclear power station, 26 kilometres from Cape Town on the other side of Table Bay, is back in the foreground of public attention as it enters the final phase before "going live" in November.

Reflecting the views of the Mother City's public, the Cape Town City Council has never been happy about the Koeberg nuclear trail-blazer.

And the Council's mistrust of the project has showed again by its decision last week to install two of its own radiation monitors on Robben Island (half-way house between the nuclear station and the city) to check for any fallout once Koeberg is operating.

It is, in fact, an early warning system, reflecting the anxiety expressed by Cape Town's Medical Officer of Health, Dr R. Coogan, who has graphically refuted claims that "when the wind is blowing out to

Bruce Heilbuth

LIFE IN THE CAPE

sea" any fallout matter from the nuclear station would be carried safely away by it.

After this claim has been made Dr Coogan arranged an experiment, which showed that matter released into the air at Koeberg when the wind was blowing out to sea, reached Green Point and Sea Point on the Atlantic seaboard of the Peninsula, and as far as Newlands, 36 kilometres away, within two hours.

This confirmed an earlier study in which radio-isotope indium released from Koeberg into a seaward wind was found to be significantly detectable in the Atlantic coastline suburbs, as well as in Parow and Durbanville on the opposite side of the nuclear station.

The chairman of the City Council's executive committee said last week that the reason why the Robben Island radiation monitors would be installed was because winds — in different stratas — could be blowing in opposite directions over Cape Town at the same time. Hence the myth of the sanitising south-easter.

As a further indication of its scepticism about the atmospheric safety of Koeberg, the City Council has ordered a supply of potassium iodate tablets — to be taken as a protective measure in the event of the release of radioactive iodine from the nuclear plant. They would be made available to the public on request.

"This substance is the only known antidote to prevent radioactive iodine from being taken up by the thyroid gland," the city's MOH told a press conference. They have to be taken two or three hours before exposure to be affective.

All of which, of course, has done wonders for the public's confidence. If the City Council doesn't trust that arcane project just across the bay, how the devil can the citizen?

The alarmingly facile breaches of the nuclear station's security — including last year's explosions — does even less for the corporate morale, although obviously security has been enormously strengthened since then. As indeed it ought to be, with the big switch-on only weeks away.

The anti-nuclear power station lobby, Koeberg Alert, in its latest statement — admittedly giving only one side of the picture — said that a major accident at Koeberg would present serious evacuation problems for the people of Cape Town and the huge and fast-growing satellite township of Atlantis, only 16 kilometres away.

"Assuming no panic or traffic jams occurred," Koeberg Alert says, a maximum of 37 000 people an hour could be evacuated from greater Cape Town. Although the inhabitants would be at risk from two hours after the accident, it would take nearly two days to complete the evacuation.

"Such evacuation problems have already resulted in the closure of nuclear plants in America."

Of course, it is highly unlikely ever to happen here. Nuclear power stations have been operating faultlessly for years in many parts of the world, and this one is said to be the last word in safety.

Yet like most Capetonians, I still wish it could be harnessed by all the tugs in Table Bay, towed 1 000 kilometres out into the Atlantic and sunk without trace.

Bitter US row over Koeberg contract

By SIMON BARBER
Washington Bureau

WASHINGTON. — A bitter row is brewing over a State Department decision to allow seven US companies to compete for a contract to provide services essential for the start up next January of South Africa's Koeberg One nuclear reactor.

The decision, which had already been pending for several months, was placed under review following a congressional outcry led by the House Africa Subcommittee chairman Mr Howard Wolpe.

The companies, chief among them Westinghouse Corp, had been asked by Escom to offer bids on three contracts to provide training, maintenance and technical assistance at the Koeberg complex north of Cape Town.

Under regulations promulgated last year by the Reagan Administration, US firms wishing to export any form of nuclear technology to countries not permitting all their facilities to be inspected by the International Atomic Energy Agency (IAEA), must first receive licen-

ces from the Department of Energy.

While Koeberg is subject to IAEA safeguards, South Africa has thus far declined inspections of its Valindaba pilot uranium enrichment plant and has refused to sign the nuclear Non-Proliferation Treaty (NPT).

This means that under the 1978 US Nuclear Non-Proliferation Act, American companies may not sell South Africa reactors, components or fuel. Westinghouse is hoping to sign a 10-year contract with Escom, potentially worth R55-million, to provide what a State Department spokesman yesterday termed "non-sensitive maintenance and technical services", not applicable under the NPA, but nonetheless requiring licences.

A US official familiar with the bids said bluntly: "The fact is, Escom have built themselves a plant and they don't know how to run it."

The Department of Energy, having recommended that the licences be approved, referred the issue to the State Department before making its decision final. Considerable delays ensued.

A respected industry newsletter last week quoted top sources as saying the

hold-up was due to the administration's mounting concern about the political consequences.

The White House has already come under intense fire for allowing a number of nuclear-related "dual use" exports which critics claim might have weapons applications. These included certain powerful computers believed to be capable of modelling nuclear explosions.

The controversy reached its peak last year over proposed export licences for helium-3, an isotope used for testing fuel rods, and a highly advanced tool known as a hot isostatic press, necessary for moulding critical bomb components.

The latest uproar was triggered when Congress learnt that the requests by Westinghouse and the six other US firms were finally about to be approved. Now the State Department has hastily placed the matter back "under review pending congressional consultation".

However, the administration is in favour of the contract as "no transfer of classified or sensitive technology is involved, and because if a US firm does not get the contract, it may go to French or German rivals.

Cape Times 26/9/83

'Major flaw in Koeberg exercise

Staff Reporter

A MAJOR flaw in last week's simulated emergency exercise at the Koeberg nuclear power station was the exclusion of the public, according to the media officer of Koeberg Alert, Dr Derek Yach.

Neither did Escom test a "worst possible scenario", he said.

The most important recommendation made after the the Three Mile Island nuclear accident was that for an emergency plan to have any chance of success, public confidence should be established before an accident.

"No attempt has been made by Escom to do this ... a disquieting thought, as only three or four months remain before Koeberg becomes operable.

"Further, the exercise did not test a worst possible scenario. This would occur when radioactive material released after a core meltdown is blown by a 5-10 knot wind towards the densely-populated centres of Sea Point and Green Point.

Tablet dispersion

"This would necessitate evacuation, sheltering and potassium iodate tablet dispersion over a wide area if the long-term effects of radiation such as cancer and genetic abnormalities are to be prevented.

"Coincidentally, the wind patterns on Tuesday were close to the worst possible situation, but simulated patterns were used."

Dr Yach said press reports on the exercise were often contradictory and inaccurate. One example was Escom's claim that the chances of a major accident requiring evacuation would be one in a million.

'One in 200'

Using United States updated risk estimates and applying them over the life of the Koeberg reactors, a risk of a major accident was one in 200.

"Rather than inspiring public confidence, Escom's handling of the emergency simulation illustrates the unworkability of the plan. This is just one graphic illustration of the several problems that beset the nuclear power industry."

Koeberg Alert called on the Atomic Energy Corporation to incorporate a full-scale public evacuation exercise into the licensing requirements for Koeberg.

Koeberg Alert

Criticises 'emergency'

*26/9/83
55*

Science Reporter

KOEBERG Alert has issued a statement criticising this week's mock emergency at the Koeberg nuclear power station which involved Escom and various civil defence authorities.

According to the Koeberg Alert statement, issued for the organisation by a media group, the simulated emergency "highlighted major flaws in the emergency plan".

Disquieting

"The failure to involve the public in the exercise must be seen as an important omission bringing into question the credibility of the scheme," said the statement.

Citing "the most important recommendation following the Three Mile

Island (TMI) incident" — that public confidence be established before an accident if plans are to have even a remote chance of success — the Koeberg Alert statement accused Escom of failing to win the confidence of the populations of Atlantis and Cape Town.

It also alleged that Escom's emergency plans for a nuclear accident at the station had not yet been made fully known to the people of Cape Town and Atlantis who would be at risk in an emergency — "a disquieting thought considering that only three to four months remain before Koeberg becomes operable."

Also criticised was the failure of the exercise to test a "worst-case" scenario which would occur "when radioactive material was released after a

"The failure to involve the public in the exercise must be seen as an important omission bringing into question the credibility of the scheme."

core meltdown and blown by a five to 10 knot wind towards the densely populated centers of Sea Point and Green Point".

The statement said Press reports during the operation were contradictory and contained several inaccuracies, including: "The claim by Escom that the chances of a major accident requiring evacuation would be one in a million" and "Using USA updated risk estimates following the TMI accident and applying them over the life of

the Koeberg reactors renders a risk of a major accident as being one in 200."

Make public

Saying that rather than inspiring public confidence in the emergency plan, Escom's handling of the exercise had illustrated its unworkability, Koeberg Alert called for the Atomic Energy Commission (AEC) to incorporate a full scale public evacuation simulation into the licensing requirements for Koeberg.

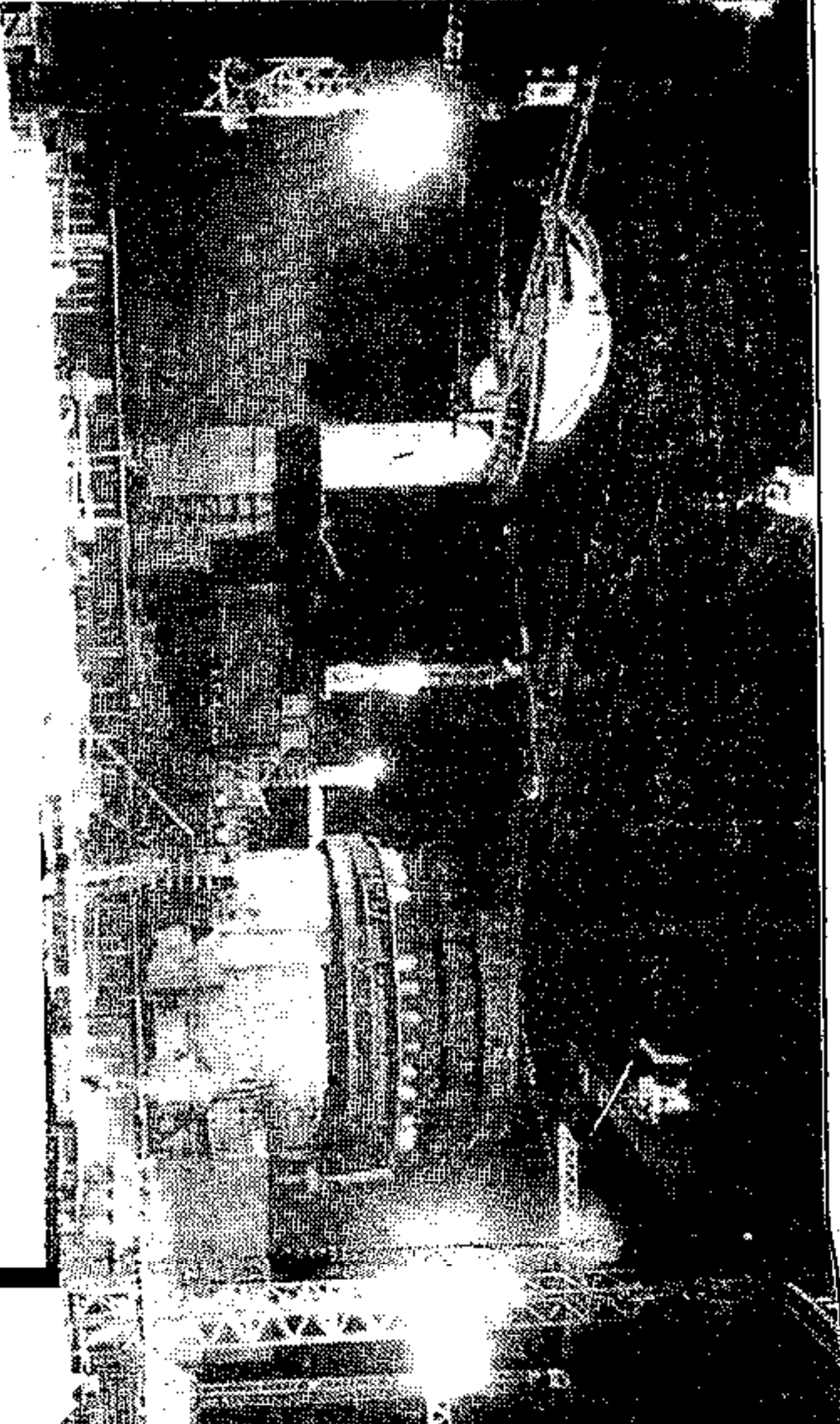
"This exercise should include a 'worst-possible' scenario and be conducted with no prior warning given to Escom."

The statement also called on Escom to make public aspects of the emergency plan that would affect citizens within both the 16km and 80km zones as well as the classified meteorological data upon which the plan is based.

Mr André van Heerden, Escom's public relations officer, said at the time of the exercise that the public had deliberately been excluded from the simulated emergency to avoid disruption of their daily lives and to circumvent a possible panic reaction by some people.

He said the exercise was only to test the readiness of Escom, the Cape Divisional Council and the other local authorities surrounding the nuclear station, to an emergency situation caused by a nuclear incident at the plant.

The Koeberg Alert figures for a major accident at Koeberg were based on fallacious arguments, he said.



Three families in the dark over lights

By MZIKAYISE EDOM

55
Sowetan 28/9/83

THREE Soweto families, who have paid all their electricity levies but are still without lights, are beginning to lose hope of ever having their homes switched on.

All three families have paid their R30 deposit, and two of them the R12 monthly levy for August and September, but have received no word from the Soweto Council notifying them of the date of the

switch-on.

The Soweto Council director of housing, Mr J J Oosthuizen, confirmed yesterday that the families had paid their R30 deposit, saying houses in the area were in the process of being connected to power. "I would like to appeal to these families to be patient, their homes will soon be

switched on".

Mr Wilson Tshabalala, who has already paid the levy for three months, told The SOWETAN yesterday that — despite visits to the township manager about the problem — he had to date got no feedback from the electrical contractors.

Another family — that of Mrs L Nyember —

was surprised when they were told to pay R112 for their electricity, although their home had no cables. But Mr Oosthuizen told The SOWETAN this amount was for the electricity meter, deposit and a monthly levy.

Mr Willie Ngobho, of Zondi, has also paid the R30 deposit and, like the other families, is still waiting for the day of the switch-on

Fall out ~~23~~ over ROOM 55 Koeberg 29/9/83

IN THE face of bitter Congressional opposition, the State Department has approved licence applications by seven United States companies to help operate South Africa's Koeberg nuclear power facility, officials confirmed yesterday.

The final decision now rests with the United States Department of Energy, which will receive recommendations from the Commerce Department and the Nuclear Regulatory Commission. Approval is likely.

The firms — chief among them Westinghouse, Babcock and Wilcox, Bechtel and Fluor — were invited by Escom to offer bids for a series of contracts to provide maintenance, management and consulting services for the two new power plants, the first of which is due to go on stream next January.

Several European companies — including the French Framatome, a former Westinghouse licensee which built the reactors using a Westinghouse design, and Germany's Kraft Werk Union — are also competing for the contracts.

Last week, the State Department deferred its decision after receiving an angry letter from 30 Congressmen protesting further United States participation in South Africa's nuclear industry.

Legislation is pending that would effectively bar American companies from any form of nuclear collaboration with, or exports to, South Africa and other countries that have not accepted International Atomic Energy Agency (IAEA) safeguards at all their nuclear facilities.

Though Koeberg is safeguarded, South Africa has yet to accept IAEA inspections of its Valindaba pilot uranium enrichment plant, claiming its "proprietary" technology might be compromised.

Westinghouse is said to be a frontrunner the competition for a 10-year, \$50-million (R54-million) contract to provide management, mainten-

From SIMON BARBER in Washington

ance and training at the South African installation.

It not only designed Koeberg's pressurised water reactors, but it also operates three near identical plants in Alabama.

Escom invited bids early in the year and, according to industry sources, agreed to postpone its deadline for receiving proposals because of delays in the United States approval process.

Under a regulation promulgated by the Reagan Administration in February, government licensing is required for "any exchange or transfer of information or technology that leads, directly or indirectly, to the production of special nuclear material" with weapons potential.

Since then, no licences have been granted for any nuclear-related exports.

The new rule, and its firm application, were clearly a response to the mounting political uproar over "grey area" sales of computers and other equipment with possible weapons uses.

So controversial is the issue, which touches both nuclear proliferation and United States ties with South Africa, that the State Department agonised over the requests by Westinghouse and the others for nearly two months.

In the end, the Department concluded that there were no proliferation risks involved, that no sensitive technology was to be transferred and that, on balance, it was preferable to have the United States involved in the South African nuclear energy programme than to turn a blind eye on it.

Officials familiar with the proceedings are now worried that the United States firms will lose Escom's business because South Africa will fear to enter into any contract that could be voided by a further tightening in American law.

56

~~56~~

act very
compulsive
a bit
repetitive

Koeberg to benefit domestic industry

(55) 2001 29/9/83

Industrial Editor

ESCOM is trying to ensure that domestic industry benefits — through extra demand, jobs and imported expertise — from the placement of the Koeberg maintenance contracts.

The commission is to include in the contracts the requirement that the winning company must train local people and appoint a sub-contractor.

Implicit in these stipula-

tions is the long-range goal of establishing enough relevant expertise in South Africa to make dependence on overseas contractors unnecessary.

This goal fits in with the authorities' current objective of making all "strategic" industries independent of foreign materials and know-how.

The contracts are for the provision of technical and maintenance services essential to the start-up, scheduled for January, of the Koeberg One reactor, 26km north of Cape Town.

Foreign reports have put the value of the contracts at R55-million, and have named seven US firms — among

them Westinghouse Corporation, Bechtel and Fluor — as tenderers for the contracts.

Some Congressmen have objected bitterly to the State Department's decision to allow US companies to participate in the Koeberg project.

The State Department gave the go-ahead because, it said, no sensitive or classified technology was involved and German or French companies stood to win the contracts if US companies were barred from tendering.

An Escom spokesman said yesterday it was the commission's policy not to disclose the identity of tenderers. The value of the contracts could not be disclosed either because the final price was still

under negotiation.

The contracts would initially have a duration of three years, but would include options to extend them. Their value, the commission spokesman said, would therefore depend on their duration.

The commission confirmed that several firms in several countries had been invited to submit tenders before July 15 this year.

Escom will have to award the contracts before the end of the year because the tenders are valid only until December 31.

The services provided by the contracts would have to come on stream in the first quarter of 1985.

(55) ROM 1/18/83

Police ordered to act over Salem fraud film

By SIMON WILLSON
Industrial Editor

THE police have been ordered to seize the film about the Salem oil fraud which was shown in Johannesburg this week.

The authorities in Pretoria claim not to have given permission for the film to be shown, and fear it may contain details of South Africa's oil supply which are restricted in terms of the Petroleum Products Act.

The Department of Mineral and Energy Affairs, the only body which could authorise the showing of an oil-related film, said yesterday it had not been approached for permission.

The Directorate of Publications, which must approve any film before it is shown in public or in private in South Africa, also claimed yesterday it had not approved the film.

After consultations yesterday between the department and the directorate, the Vice Squad at John Vorster Square was asked to locate the film and seize it so that the authorities could check its contents.

The film, a news documentary made by the BBC two years ago, was brought to South Africa by Mr Eric Ellen, director of the International Maritime Bureau, a

London-based organisation formed to combat fraud and piracy in international maritime trade.

The Salem fraud cost South Africa more than R30-million, and the masterminds behind the swindle have not been caught.

The Salem, a giant 200 000-ton oil tanker, was chartered late in 1979 to transport 1 450 000 barrels of oil from the Persian Gulf to Europe.

It unaccountably stopped at Durban, however, and discharged the oil. The vessel mysteriously sank off West Africa in January, 1981, and investigations showed it had been scuttled.

The oil had been bought by

the South African Strategic Fuel Fund, but the fraudsters had sold the same oil to the international oil company Shell.

Mr Ellen was a guest speaker at a conference on maritime fraud held in Johannesburg this week. He brought the Salem fraud film with him as part of his presentation.

About 70 conference delegates, including top South African industrialists, businessmen and officers of the SA Railway Police, saw the 30-minute film.

Mr Ellen claimed on arrival in South Africa that he had cleared the showing of the film with the South Afri-

can Embassy in London before he left Britain.

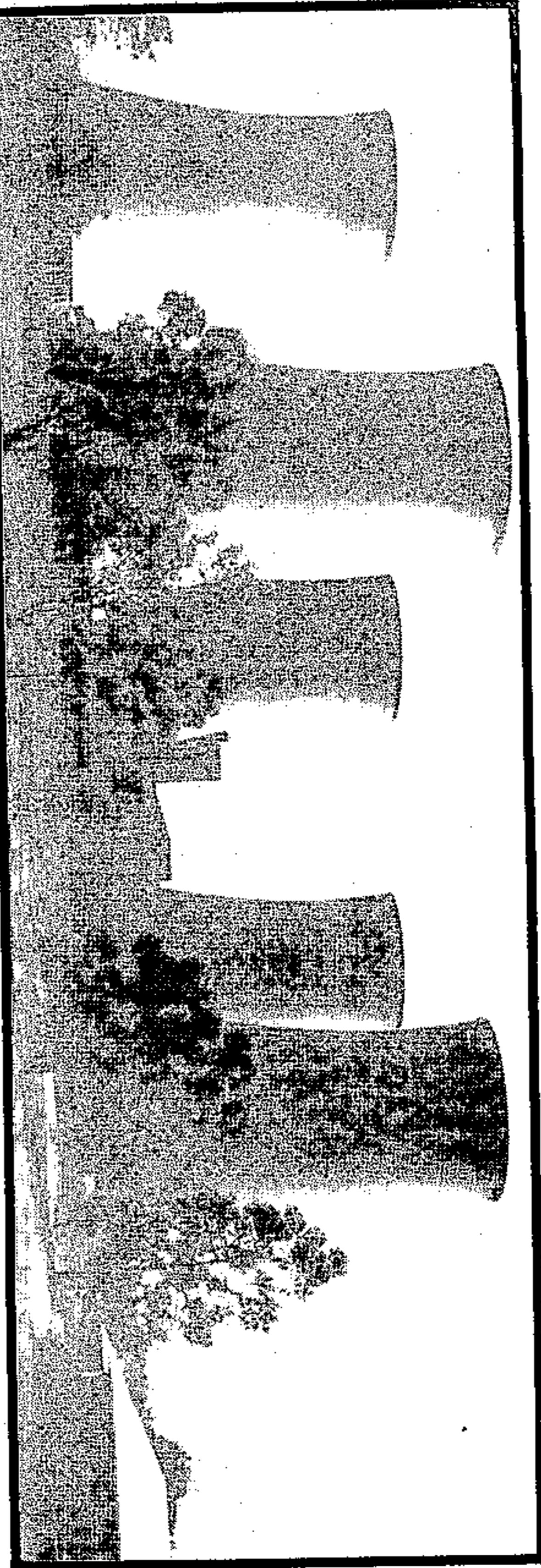
But a spokesman for the Department of Mineral and Energy Affairs in Pretoria said yesterday that the department was sure no authorisation had been given to show the film.

"In terms of the Petroleum Products Act only the Minister or the Director-General of Mineral and Energy Affairs can approve publication of any material that concerns the supply or distribution of South African crude oil.

"We have received no application for any such film, and the film in question has therefore not been approved," he said.

The case of the Kelvin Cough

S. Skirvan
By **DEBBIE REYNOLDS**



● The Kelvin power station near Kempton Park — residents are thumping their chests because of the pollution.

AN EAR, nose and throat specialist has blamed pollution from the Kelvin power station for the respiratory problems of several Kempton Park residents.

Pollution from the power station, built in 1953, has become "unbearably bad" over the past four years, despite adaptations costing R4,6-million.

The Kempton Park town council has disputed a claim that the soot and grime belching from the power station are a health hazard.

The claim was made in a letter to the council by the specialist, who for professional reasons may not be named.

"It has been my experience that the incidence of nasal and sinus problems in the Kempton Park area is very high," he wrote.

"There is no doubt that pollution is an important factor in the development of respiratory diseases and in particular those affecting the nose and sinuses."

The Johannesburg city council recently spent R4,6-million on the Kelvin B station after complaints over the years from Cresslaw and Croydon residents about pollution.

But two weeks ago, residents were again enraged by a particularly bad bout of grime which covered swimming pools and cars in a thick layer of black soot.

Mr M Pomeroy, Johannesburg's acting deputy city electrical engineer (general), said this week another R200 000 would be spent on the power station to further reduce the pollution.

Last year, the Kempton Park town council was re-

Doctor blames his patients' lung problems on grime from power station

ported to be seeking legal advice on possible action residents could take against the Johannesburg city council, which runs the coal-fuelled power plant.

And last month, the council began measuring the pollution level, using a CSIR testing formula.

"Our aim is to see which areas are suffering from pollution and to gauge just how bad the pollution level is," said Mr J S Terblanche, Kempton Park assistant chief chemist.

But Johannesburg city electrical engineer Mr Wesel Barnard said R4,6-million had been spent to renew the precipitators — which extract dust from smoke — and over 99% of all solid matter was now extracted before it left the stacks, compared to 93% a few years ago.

According to Mr S M Lloyd, chief air pollution control officer for South Africa, this was well within the limits set down by the Department of Health, Welfare and Pensions.

High tension crackles over the case of the infertile cows

SPARKS FLY AS FARMERS ACCUSE ESCOM

By LESLEY LAMBERT

SPARKS are flying between Escom and Natal farmers who say they are being severely affected by the increasing number of powerlines being erected across their land.

The issue crackled over two months ago when Escom allegedly threatened to take a Glencoe farmer to the Supreme Court after he apparently refused Escom permission to survey his land for the erection of a 400kv powerline.

Mr Victor Simpson and his sons Carl and Garth — whose adjoining farms are covered by a network of 10 powerlines and who face the possible installation of another major transmission line — this week spoke out against Escom's alleged abuse of their rights as landowners.

"We have never refused to negotiate with Escom before this, although we have had a right to. Now that Escom has invoked the law, we are going to carry our complaints through to the very end," said Mr Simpson senior.

One of the angriest complaints levelled against the giant electricity corporation is that the discharge from powerlines causes infertility in cattle grazing nearby.

This claim has been confirmed by a retired animal scientist and lecturer at Pretoria University, Professor Jan Bonsma.

The farmers accuse Escom of abusing its servitude rights over portions of their land, in the installation and maintenance of national and regional powerlines. They claim Escom has cut

'We do pay for damage'

AN Escom spokesman said property and crops were often damaged during construction, but that Escom undertook to compensate for all damage at market related prices.

"Conflict does arise when damage is not as excessive or extensive as it's claimed to be. In these cases we settle the matter legally. We know our responsibilities and would not just leave without settling any damages," he said.

fences and locks which were securing gates.

"Escom have failed to observe our rights as landowners in terms of legislation protecting us," said Mr Carl Simpson.

"It is also jeopardising our livelihood by increasing the number of powerlines which adversely affects the fertility of our cattle."

A spokesman at Escom's Sandton headquarters said this week legal action was being taken against the Simpsons, but Escom "would like to talk to them and resolve any differences".

But a pile of correspondence between the disgruntled farmers and Escom's



● Cattle graze under Escom powerlines — they could lose their fertility, say farmers.

Picture: DOUG LEE

regional office in Durban suggested other approaches have been tried.

The Simpsons listed a number of complaints, including the ruining of a farm road after a chain was cut to gain access to land "600m from their powerline and driving over a fence" to get

to it in 1978.

Three years later Escom employees dug holes on the farmland and left a gate open while they were surveying, they said. In 1982 Escom employees loosened the tensioning wire on a gate causing cattle to escape.

Despite repeated demands Escom refused to settle these grievances, they said.

After the Natal Agricultural Union and Natal Landbou Unie requested that the establishing of servitudes be clarified, the senior general manager of Escom, Mr I D van der Walt, issued a statement saying farmers would be compensated for the full value of any crops damaged.

The Simpsons claim

Escom did not fulfil the clause on an option under which it undertook to assess damage to crops within two months and compensate them fully. "A year lapsed before Escom's incorrect payment arrived for mealies which were damaged early in 1981," family members said.

The farmers have also claimed Escom failed to observe health regulations by not building toilets for employees.

"We have complained endlessly about workers using our farmland as a toilet. Ingestion of human faeces by our cattle causes measles. The abattoirs condemn the cattle because they are not

fit for consumption in that condition," said Mr Simpson.

Farmers said Escom officials had threatened the Simpsons with Supreme Court action despite Mr van der Walt's statement that they were entitled to refuse to grant Escom servitude rights.

Mr van der Walt said that should a farmer refuse to grant servitude rights, Escom could obtain a compulsory order after a public hearing held by the Electricity Control Board, a statutory body independent of Escom.

Crucial test of power supply next winter

By Lucille McNamara,
Municipal Reporter

The winter of 1984 will play a crucial role in dictating whether Johannesburg will be able to meet consumer demand for electricity following a recent fire which caused extensive damage to the Kelvin B Power Station.

The city's chief electrical engineer, Mr Wessel Barnard, said expensive equipment had to be imported from Switzerland and, because of protracted delivery delays, the power station might not be fully operational by next winter.

"This could create problems if we have a severe winter. Whether or not we will be able to meet demand for

supplies will hinge on climatic conditions," Mr Barnard said.

Damage caused by the fire, which brought the power station to a standstill in August, is conservatively estimated between R15 million and R20 million.

However, this could increase considerably if the city council has to pay Escom demand charges for additional supplies during the winter months.

The fire began when an oil pipe leading from one of the turbines cracked. Burnt cables caused extensive short-circuiting that damaged the power station's seven turbines.

The rotors of two turbines were so badly damaged that they will have to be replaced at a cost of R2 million each. They are being imported from a Swiss manufacturer.

"We were given the delivery date as August next year but have decided to pay an additional premium for delivery of one of the rotors by next May which, we hope, will enable us to have one of the turbines fully operational before the start of winter."

Mr Barnard said the second turbine's rotor could be repaired sufficiently to allow for generation of half its normal capacity during the winter until delivery towards the latter quarter of the year.

Two other turbines damaged in the fire require replacement of boiler control panels and should be back in operation by early January.

"The final costs of the fire will depend on the amount of additional power which we will have to buy from Escom during the winter months," said Mr Barnard.

The chairman of the council's housing and utilities committee, Mr Carel Venter, said because of the risk of a similar occurrence, investigations were under way to provide the power station with an effective fire-fighting system.

The council was insured against fire and had submitted substantial claims, he said.

History of mishaps at Koeberg plant

Staff Reporter

SINCE Escom's assurance in January 1977 that the Koeberg nuclear plant would be the safest of its kind in the world, a number of incidents have occurred:

● September, 1983: A simulated emergency exercise at the Koeberg plant was considered a success. One flaw existed though — the public was not involved.

● June, 1983: It was disclosed that radioactive particles from a possible Koeberg incident could reach Cape Town within two hours.

Shock picture

A shock picture, showing how smoke from a bush fire near Koeberg could reach the City without dispersing, was released by the City's Medical Officer of Health, Dr R J Coogan. Radioactive particles, like smoke, are carried by wind.

● April, 1983: Construction workers and Escom employees left the site to enable Escom to undertake a week-long review of industrial safety procedures.

● February, 1983: It was announced that the four explosions at Koeberg in December, 1982, had delayed its programme by at least nine months.

● December, 1982: Four powerful explosions rocked the Koeberg plant, causing "considerable" damage to the power station's secondary switching equipment.

The station's nuclear heart and dome escaped damage, the Cape Town City Council was told by Escom. The ANC claimed responsibility.

● November, 1982: Cape Town's Medical Officer of Health, Dr R J Coogan, accused Escom of going back on its assurances that the City Council would be involved in drawing up a Koeberg nuclear emergency plan.

● October, 1982: About 80 workers returned for work at the site after striking for a day, after their employers had refused to reinstate a dismissed colleague.

● September, 1982: An electrician was fined R600 after being found guilty in the Cape Town Magistrate's

Cape Times 7/10/83
Court of photographing electrical work at Koeberg, indicating a breach of security.

● September, 1982: A trade union leader, Mr Brian Williams, was dismissed after allegedly investigating the hazards of nuclear exposure at the site. The Electrical and Allied Trade Union questioned the safety training of unskilled workers at the site.

● August, 1982: Two job seekers got to within "spitting distance" of the nuclear reactors without being challenged for permits or identification.

● July, 1982: An electrical fire inside the plant caused damage of R350 000. Details of the fire were disclosed only 24 hours later.

Escom denied claims that the military wing of the ANC was responsible. Escom did not inform either the Cape Town City Council or the Regional Liaison Committee about the fire. Escom's report on the fire was criticized by the Progressive Federal Party deputy spokesman on energy affairs as "inadequate".

● May, 1982: Three workers broke into the premises of an engineering firm on the site.

Fine cracks in concrete shaft

● August, 1981: Fine cracks appeared in the lower concrete raft supporting the nuclear power plant, according to the Minister of Mineral and Energy Affairs, Mr F W de Klerk.

He gave an assurance that the planning of safety measures at the station were extremely effective.

● May, 1979: Three construction workers died at the site. Two fell 50 meters to their death from scaffolding. The third died after a falling jack weighing 6kg had struck him on the head.

● April, 1979: Insurance companies announced they would not pay out for radiation damages emanating from Koeberg.

● January, 1977: Escom announced that the Republic's first nuclear power station would be the safest of its kind in the world.

'Minor' blast at nuclear plant

Staff Reporters

Cape Times 7/10/83
AN explosion at Koeberg nuclear plant last Friday was an "ordinary industrial accident" and not sabotage, an Escom spokesman said yesterday.

Koeberg information officer Mr Andre van Heerden told the Cape Times that the blast occurred about 2pm in the workshop of Framex, one of the contractors working at the plant.

"A workman testing a gauge used a cylinder of oxygen instead of a nitrogen cylinder, and when the oxygen came into contact with oil in the gauge, the gauge exploded, cutting his face but not seriously injuring him.

"It was a minor blast, certainly nothing big," he said. "There was absolutely no question at all of a bomb, or of sabotage."

No details

Mr Van Heerden said staff had been sent home early on Friday not because of the blast but as part of new security arrangements at the plant.

No details could be given of the new security arrangements. Making details public would defeat the object of the arrangements.

He said that more security measures would be imposed before the plant went live in January.

Row rages in US over Koeberg plant

53 RUM 8/10/83

By SIMON BARBER
Washington Bureau

WASHINGTON. — The controversy over whether United States companies should be allowed to bid on an Escom contract to service and maintain South Africa's Koeberg nuclear power facility has become bipartisan on Capitol Hill as both Democrats and Republicans demand tougher controls on US nuclear exports.

The State Department has already approved requests by Westinghouse and six other US firms to offer training, maintenance and technical assistance Escom needs if the first of the two Koeberg reactors is to start up on schedule next January.

However, the Department of Energy is holding up the final go-ahead pending the resolution of a complex congressional fight over the Reagan administra-

tion's nuclear proliferation policy.

Last week, prompted partly by the Koeberg issue, Republican Howard Wolpe, chairman of the House Africa Subcommittee, successfully introduced an amendment to the Export Administration Act suspending all nuclear-related exports to South Africa and other countries that have not signed the Non-proliferation Treaty (NPT) or accepted International Atomic Energy Agency (IAEA) safeguards at all their nuclear installations.

The measure was passed by a 196 to 189 margin.

The Wolpe amendment tightens up the 1978 Nuclear Non-proliferation Act which forbids the sale or transfer of nuclear fuel or major reactor components to countries, like South Africa, outside the NPT and IAEA regime.

On the same day Mr Wolpe introduced his amendment, the Senate Foreign Relations Committee held hearings on the issue.

Ambassador Richard Kennedy, the State Department's top proliferation official, admitted to the panel that the administration had not consulted sufficiently with Congress over the recent licensing decisions.

"We just plain goofed," he said. However, he urged that the current policy toward South Africa be maintained — negotiations were under way to persuade South Africa to accept IAEA inspections at its only unsafeguarded facility, the Valindaba uranium enrichment plant, and to sign the NPT.

"We believe that South Africa recognises the importance of safeguards, as they might apply to their semi-commercial enrichment plant. We also believe that South Africa understands the importance of safeguards on international nuclear commerce, he said."

In the meantime, the White House is lying low, unwilling to create fresh consternation by announcing a final decision on the Koeberg matter.

Salem case bogs down over delay in SA evidence

The Star's Foreign News Service

ROTTERDAM — Criminal proceedings against Dutch businessman Mr Anton Reidel for his alleged part in the Salem supertanker affair have come to a standstill because of delays in obtaining evidence from South Africa.

The Rotterdam District Court adjourned the case against Mr Reidel in July after the defence asked the investigating judge to obtain statements from the South African Government and Sasol on the alleged offloading of the Salem's cargo in Durban.

Despite a reported pledge of help by the South African Minister of Mineral and Energy affairs, Mr P T du Plessis, the Rotterdam public prosecutor's office said this week that nothing had been received since the judge made his request to South Africa through the Dutch Foreign Ministry in July.

Mr Reidel is accused of playing a key role in the scuttling of the Salem off the Sene-

gal coast in January 1980, and of claiming the loss of the 196 000-ton cargo of Arab oil, worth R61,5 million, owned by Shell in London.

Mr Reidel, accused of arranging the illegal discharge of oil at Durban for sale to Sasol, is charged with fraud, forgery, embezzlement and theft.

The Rotterdam prosecutor's office says it received a visit from a South African Government official, a Mr Swanepoel, before the court adjourned in July.

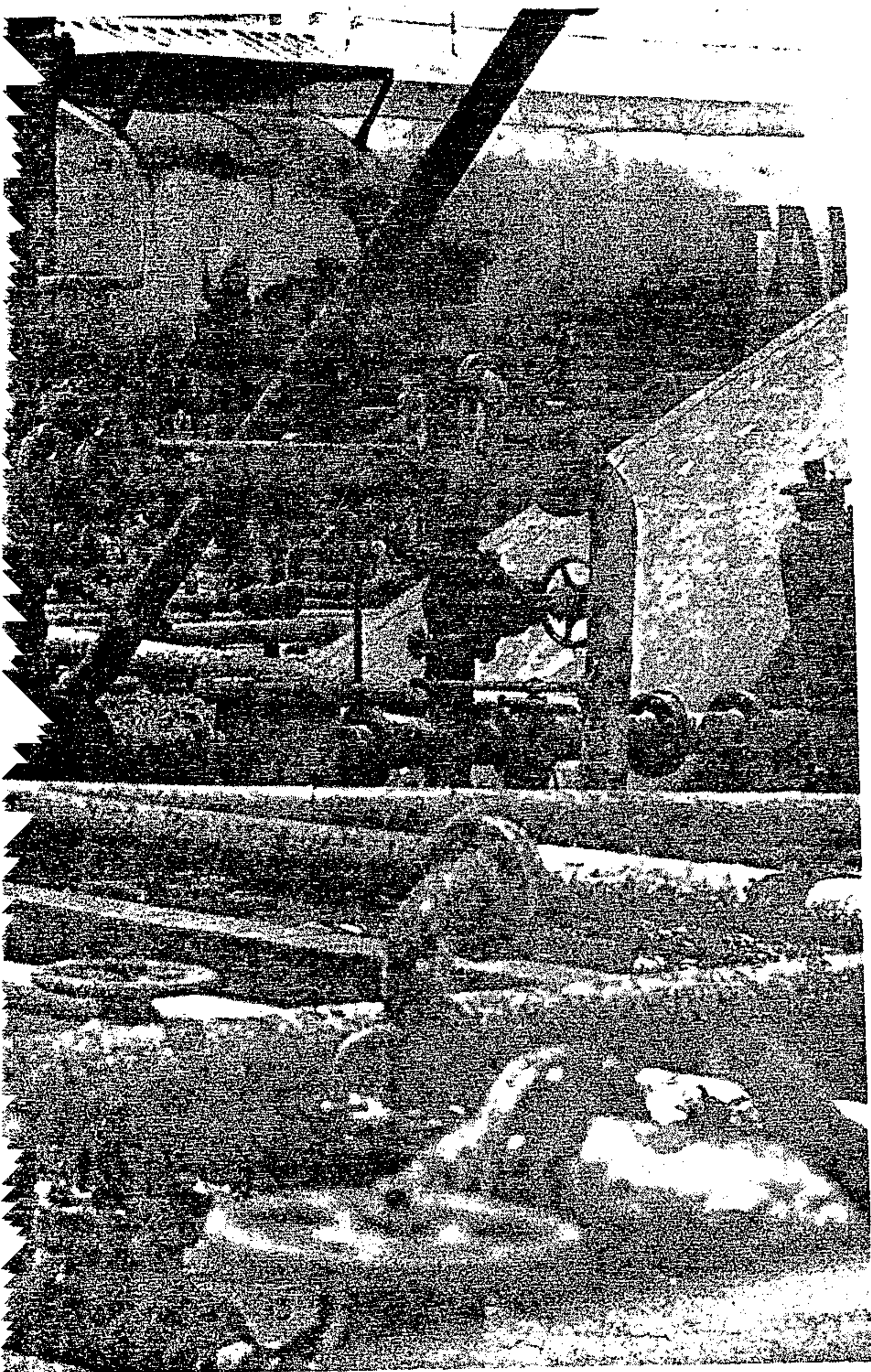
Mr Swanepoel said he represented Mr du Plessis and was acting under his direct orders. He told the prosecutor that the South African Government was prepared to pass on information on the Salem affair despite the limitations of the South Africa Petroleum Products Act.

He then asked the prosecutor for certain sensitive information on the Reidel case, but this request was refused.

Mr Swanepoel also visited Mr Reidel's lawyer in Rotterdam who admitted that an exchange of information took place, but he refused to give details.

Depot blasted

CAPE TIMES 11/10/83 (55)



of metal walkways ripped from storage tanks after yesterday's blast
his fuel depot.

PRETORIA. — Six petrol-storage tanks, three Railways tankers and one road tanker were destroyed early yesterday morning when a series of explosions, believed to be caused by limpet mines of foreign and possibly ANC origin, rocked the town of Warmbaths in the Transvaal.

Nobody was hurt in the explosions that shattered the peace of this holiday resort and had visitors and residents rushing from their beds at 2.20am.

Two more limpet mines were discovered attached to the doors of the local municipal offices which are opposite the mineral springs resort where hundreds of holiday-makers were spending the long weekend.

They were found by a man on his way to work and were removed by security police who exploded them under sandbags outside the town.

A spokesman for Police Headquarters in Pretoria said the limpet mines were foreign in origin and most probably ANC.

Residents said thick clouds of black smoke and flames had billowed more than 100 metres high after the explosions.

Tanks 'peeled open, melted'

According to eye-witness reports, one of the storage tanks — each of which held about 36 000 litres of fuel — was peeled open and blown off its mountings by the force of the blasts, while another was blown off its mountings and two others melted on their mountings.

Dozens of residents watched the local fire brigade's fight to contain the blaze. Intense heat at first kept the firemen at a distance.

The Warmbaths Civil Defence organized the Fire Department and volunteers and reinforcements from surrounding towns into a fire-fighting unit that prevented the fire spreading to more adjacent fuel tanks, and extinguished it within two hours.

Police cordoned off the area, which was about 500 metres from the town's railway station, and which juts off the Pretoria-Warmbaths main road.

A hunt in the central Transvaal for possible saboteurs is under way but by last night no organization had claimed responsibility for the explosions.

PM still plans Warmbaths visit

Lieutenant-Colonel Chris Coetzee, of the Police Directorate of Public Relations, said it was still too early to state that the blasts were definitely the work of saboteurs, in spite of the discovery of the limpet mines.

"We are investigating every possibility," he said.

This was the sixth limpet mine explosion since May this year. The other blasts were at the Temple Israel synagogue in Johannesburg, at the Ciskeian Government offices in the Carlton Centre in Johannesburg, at the Ciskeian Government offices in Pretoria and at a number of sub-stations in Bryanston, Fairland and Sandton in Johannesburg.

PM 'going to Warmbaths

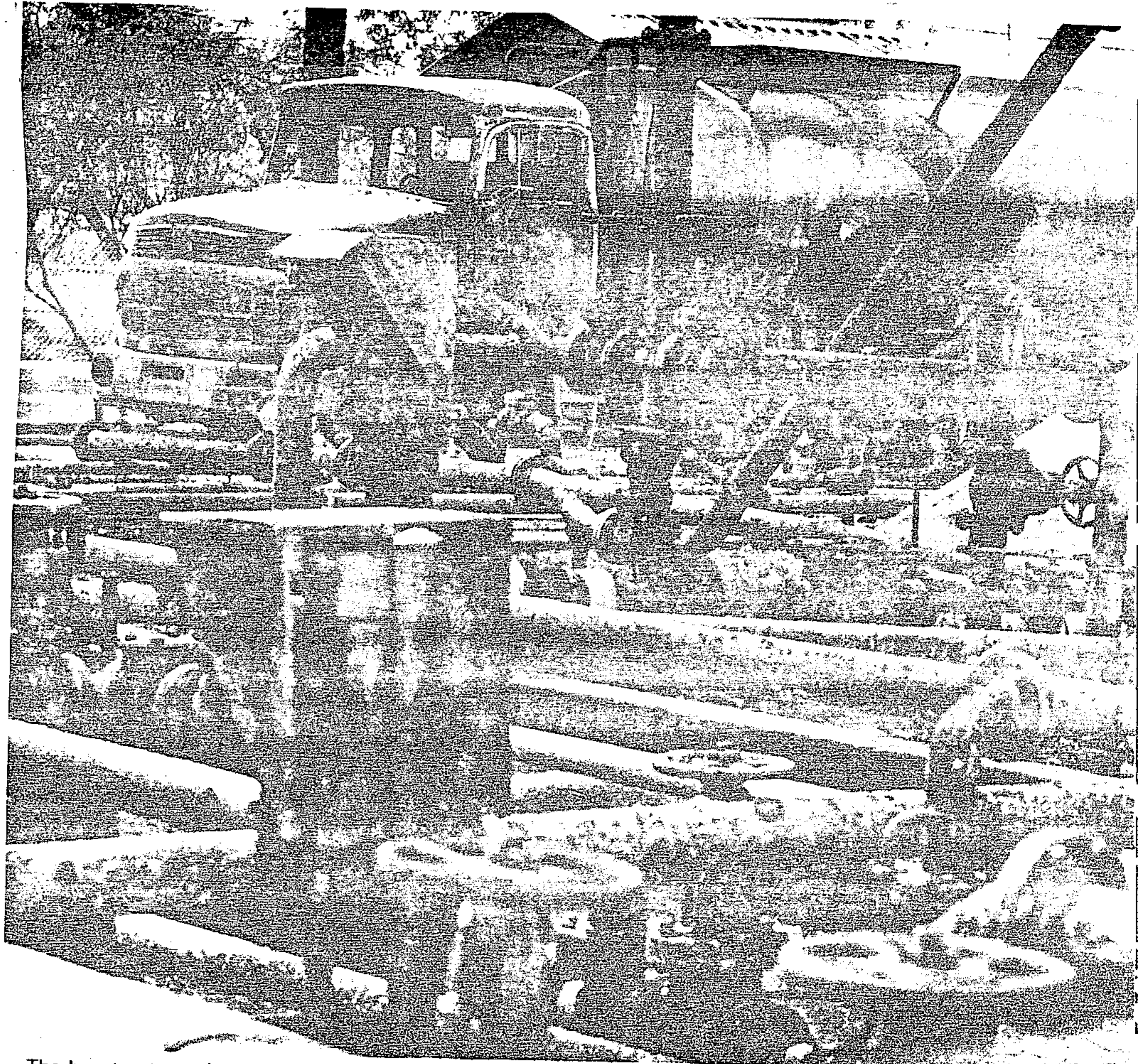
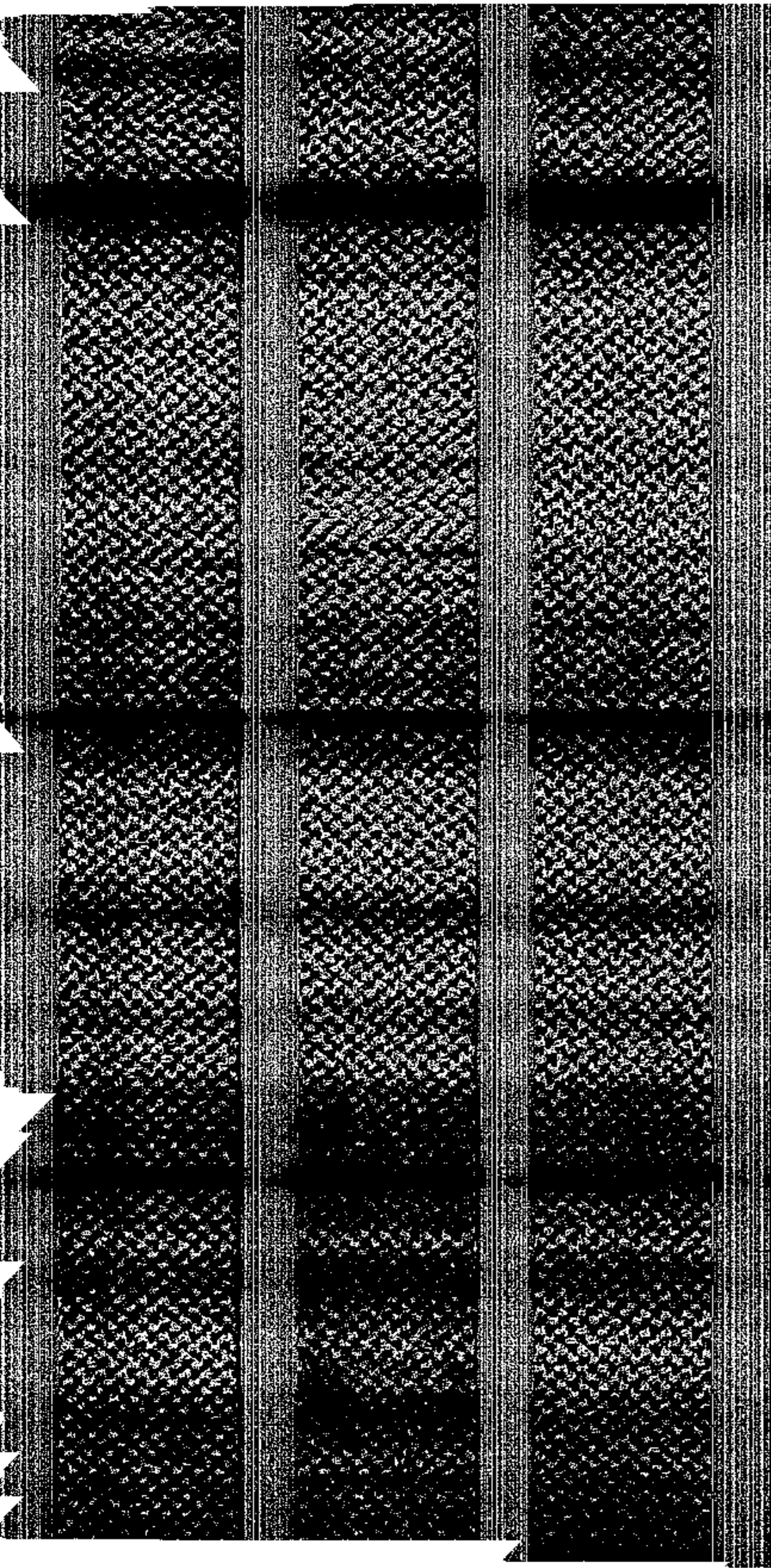
● The Prime Minister, Mr P W Botha, is going ahead with plans to open the Transvaal Municipal Association congress in Warmbaths tomorrow, in spite of the blasts.

This was confirmed last night by a spokesman for the Prime Minister, who said: "Mr Botha is still going to Warmbaths, as scheduled."

TMA officials also said the opening programme would go ahead as scheduled.

The congress, which starts today with executive meetings, is to take place at the Minnebron Hotel, next to the world-famous mineral baths. — Own Correspondent and Sapa

Fuel depot k



The burnt-out wreckage of a road tanker and twisted remains of metal walkways ripped from storage tanks after yes
at a Warmbaths fuel depot.

Springs hit by protest

55

~~2/10/83~~

Sowetan

By MZIKAYISE EDOM 12/10/83



ANGRY: Mrs Miriam Ndaba.

MORE than 50 residents, mostly women, staged a peaceful march to the offices of the East Rand Administration Board (Erab) in Kwa-Thema township near Springs yesterday, in protest against the high water and electricity bills they receive each month.

The residents, most of whom stay in wards 3 and 4 next to the Kwa-Thema stadium, marched from their homes to the township manager's office at about 8.30 am. They demanded to see the township manager, Mr J Houy, for an explanation of why they received such high bills.

The group was also accompanied by Mr Steven Mbatha, the secretary of the East Rand re-

gion of Inkatha who also stays in KwaThema. Mr Mbatha went to the offices as an observer. Mrs Mirriam Ndaba, speaking on behalf of the group, said: "The township manager refused to meet us, claiming that he was very busy and that he would only be available to meet us today."

Mrs Ndaba said some of the residents received bills that stated they owed between R200 to R1 000 for water and electricity. He said: "We have made it clear to the township manager that we are not prepared to pay these high bills until he meets us."

The group later left the offices when it was clear that none of the Erab officials were prepared to meet them.

They will again go to the offices this morning.

Mr Gilbert Mothlaping, the chairman of the KwaThema Community Council, said: "It is true that some of the residents in the townships have received high bills for water and electricity. This was caused by a technical error when old water and electricity meters were replaced with new ones when we upgraded the present electricity supply in the township."

Fm 14/10/83

ELECTRICITY

New formulas for Escom?

55 ~~260~~

Industrialists who were expecting heavy increases in electricity tariffs may be in for a pleasant surprise: energy experts believe they could comfortably be under the rate of inflation.

Some in the know may already have sensed the way the wind is blowing as chief economist of the Federated Chamber of Industries (FCI), Arthur Hammond-Tooke says if the increase is more than 5% he "will want to know the reason why."

Escom's announcement could be made early next month.

If this happens, it means that Escom has found a radical solution to financing its accumulated R154m deficit and the unforeseen costs of about R100m so far incurred by the drought. It also suggests that the commission has finally yielded to pressure from government and the private sector to balance its books by means other than tariff increases.

Some of the drought measures have gone towards the scheme to supply water to major power stations in the drought-stricken eastern Transvaal and some towards running less efficient plant in areas where water is still available.

"The drought costs are an inescapable fact of life," says Rudolph Fockema, chairman of the FCI energy sub-committee and member of government's energy policy committee.

"If Escom recovered them immediately, the tariff increase would be well above the

rate of inflation, but they may have decided not to do so."

Escom has three possible methods of covering its deficit. It could ask for direct Treasury assistance; it could pay for less of its capital expenditure from tariffs and more from loans; and it could scale down its expansion plans which have in the past assumed a 7% a year growth in electricity consumption.

The appointment of the De Villiers commission of inquiry into the supply of electricity last year is clearly a signal from government that at least one of these measures must be employed to keep electricity cost escalations under reasonable control. And to save face all around, Escom may well announce at least a partial solution to

the problem before the report is published.

Secretary to the De Villiers commission, Ters Oosthuizen says: "Closing date for representations is October 31. We have already done a great deal of work. In fact we are pushing ourselves to get the task finished and get back to our desks."

Escom officials are tight-lipped on the matter, but Fockema says, "I am sure they have re-examined their expansion plans as we have not had the growth expected."

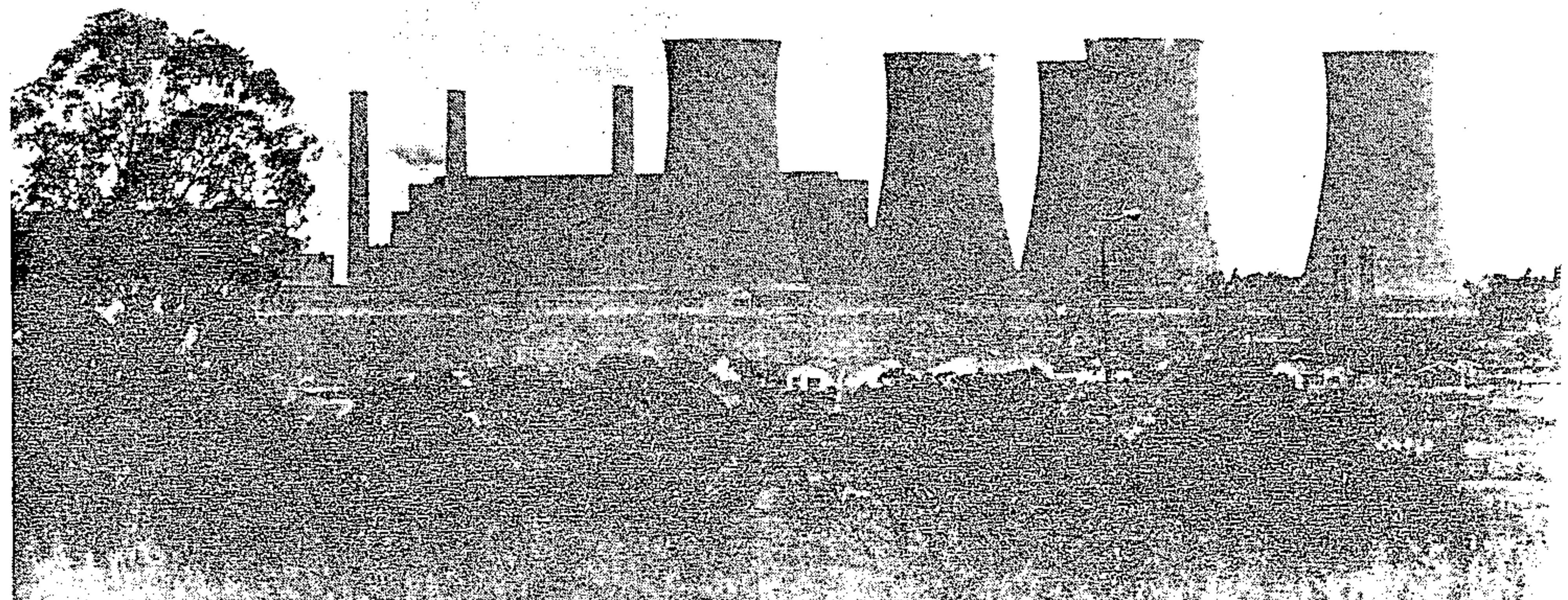
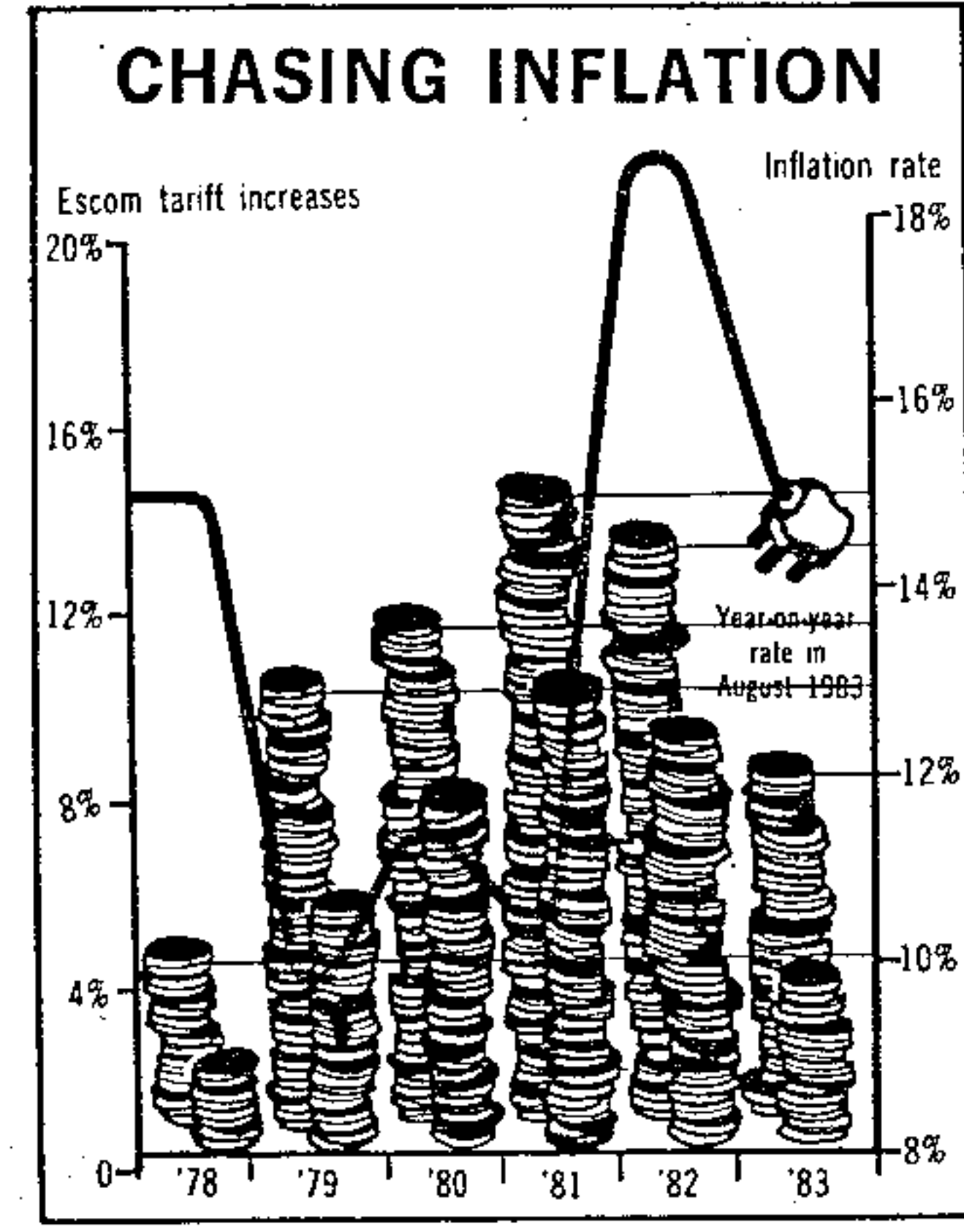
This could have a significant impact on tariffs as some 50% of Escom's capital expenditure in this capital-intensive undertaking comes from tariff revenues. Some industrialists also believe that Escom's growth projections could not be sustained if tariffs continue to increase as they have in the last few years.

Last year sales grew by only 2,4% — the lowest growth in 35 years. This compares with a rate of 7,2% in 1981, and an average annual rate of 9,1% against the SA gdp growth of 4,4% in the last 17 years.

Growth this year is not expected to be much more than 1%. While this bears out the predictions of some industrialists, it also puts pressure on Escom's margins, necessitating further measures to balance revenue with expenditure.

Fockema points out that Escom is also being troubled by rising coal costs.

"It faces higher fuel increases because certain suppliers have had higher cost escalations than anticipated," he says.



Power levy shocks residents

SCORES of Soweto residents, whose purchased homes have been supplied with electricity since the early '60s, were this week shocked to learn that they owed R25 in fees for lights in spite of the fact that their payments are up to date.



By LEN MASEKO

of the affected householders stay in Rockville, where a large number of houses have had electricity since the early '60s.

The Soweto Council's director of housing, Mr J J Oosthuizen, said yesterday the R25 the tenants were said to owe

was a deposit against electricity consumption. The amount, which the residents could reclaim when moving out of their homes, would be used as security, should tenants find difficulties in paying their power bills, he said.

What this means is that the affected tenants who paid R5 deposits before their homes were supplied with electricity.

One resident, Mrs Emily Hlatshwayo, told

The SOWETAN that she paid the R25 deposit after lights at her home were cut off. "We were not even told what this money was for. The council should, at least, tell residents in advance if such increases are to be effected," she said.



MRS. HLATSHWAYO

(55) ~~337~~ 2019
US 'exported prohibited
nuclear parts to SA' 10/83

WASHINGTON. — The Reagan administration issued 57 export licenses in one year to sell controlled technology to the nuclear programmes of India, South Africa, Argentina and Israel — countries that refuse to submit all atomic plants to international inspection — the Washington Post reported yesterday.

The paper said the exploitation by the four countries of a gap in US export law was documented in a classified General Accounting Office study, of which the Post obtained a sanitized version.

The loophole enabled the nations — regarded as the most technically advanced developing countries pursuing a nuclear weapons capability — to buy equipment that could be used both for nuclear and non-nuclear purposes, the GAO said.

There are growing concerns that the export of dual-use, nuclear-related equip-

ment and component parts ... have facilitated the efforts of other countries to acquire nuclear weapons," the agency said.

None of the four countries have ratified the Nuclear Non-proliferation Treaty, or consented to place all nuclear facilities under international safeguards. The 1978 US Nuclear Non-proliferation Act prohibits exports of sensitive nuclear technology to such countries.

But the US Commerce Department takes export applications for the 64 controlled items on the Nuclear Referral List on a case-by-case basis.

The list consists of such items as computers used both in scientific research and in design, production or testing of nuclear weapons materials or components.

The Post said the classified version of the GAO study lists "specific instances of diversion (of controlled equipmen-

to nuclear programmes) by recipient countries".

The study examined more than 10 000 export licences for controlled technology approved by the Commerce Department between July 1, 1981, and June 30, last year.

It determined that 30 of the 776 licences granted for India, seven of the 619 for South Africa, 11 of the 618 for Israel and nine of the 496 for Argentina were for sale of dual-use equipment for a "nuclear end use" or to a "nuclear end user".

The US House of Representatives approved an amendment to the Export Control Act that would bar sale of Nuclear Referral List equipment to countries that have not opened all their facilities to international inspection. But the measure does not address the problem of equipment sold for civilian business or scientific purposes and then illicitly used in a nuclear programme. — UPL

De Hoop: further protest

SS 30

Environment Reporter

Cape Times 21/10/83

1
s
r
s
i
s
r

THE Habitat Council has once again urged that the suitability of the De Hoop site should be weighed up against alternative sites before a final decision is made as to where Armscor should test its weapons.

In a report printed in the latest newsletter of the Stellenbosch-based Society for the Protection of the Environment (SPE), the council says a military presence in the area will affect every aspect of the environment.

Objection to the takeover of the area is reiterated in another article

printed in the same newsletter by the President of the SPE, Professor Jan Giliomee.

Professor Giliomee warned, however, that without pre-empting the outcome of the Hey Committee, the society believed Armscor would not give up easily and was likely to go ahead with its plans.

He said this was based on fruitless negotiations the society had had with Armscor during which it attempted to persuade Armscor to abandon taking over part of a private nature reserve in the Wellington area for a munitions factory.

ATION OF RESIDUALS = -.5720
 EGER WORDS OF STORAGE USED IN PRECEDING PROBLEM 2544

8451
 75.00
 1.716
 * * *
 1.415
 1.982
 2.093
 *
 1.959
 32.00
 .2127+038
 *
 1.362
 53.00
 1.929
 * * *
 * * *
 2.230
 1.342
 2.236
 * * *
 2.330
 10.00
 * * *

Koeberg 'threat' to watersheds

CAPE TOWN 22/10/83
SS

Staff Reporter
NUCLEAR waste from the Koeberg power station could threaten future water supplies for Atlantis — and possibly even the supplies for Cape Town.

This was claimed yesterday at the SA Institute of Civil Engineers' seventh quinquennial convention.

The power station was too close to the watershed for the Atlantis groundwater supply, and other watersheds in the area for water supply dams, said Professor A D W Sparks, of UCT's department of civil engineering.

Professor Sparks said the nuclear plant should have been sited farther away, to the north of Saldanha Bay. "It seems unrealistic to state that all nuclear waste will fall within 16km of a nuclear site, especially in an area of high wind speeds."

"It is essential to study the wind patterns in relation to the important watersheds for the urban areas. The Koe-

berg plant seems to be too close to the watersheds for the Cape Town and Atlantis groundwater supply."

Later in the convention, it was considered "fortunate" that the Atlantis urban area was sited on this groundwater resource, which, "with suitable development", could provide much of the city's requirements.

This was said in the Atlantis session by Mr J A Clarke, deputy engineer of the Cape Divisional Council, and Mr B R Olmstead, a Cape Town civil engineer.

They said a Department of Water Affairs' survey of the Atlantis watershed disclosed that considerably more water could be obtained from the watershed than previously estimated.

Together with existing financial restraints on the implementation of the Berg River Scheme — the alternative supply source — this emphasized the desirability of using the groundwater supply.

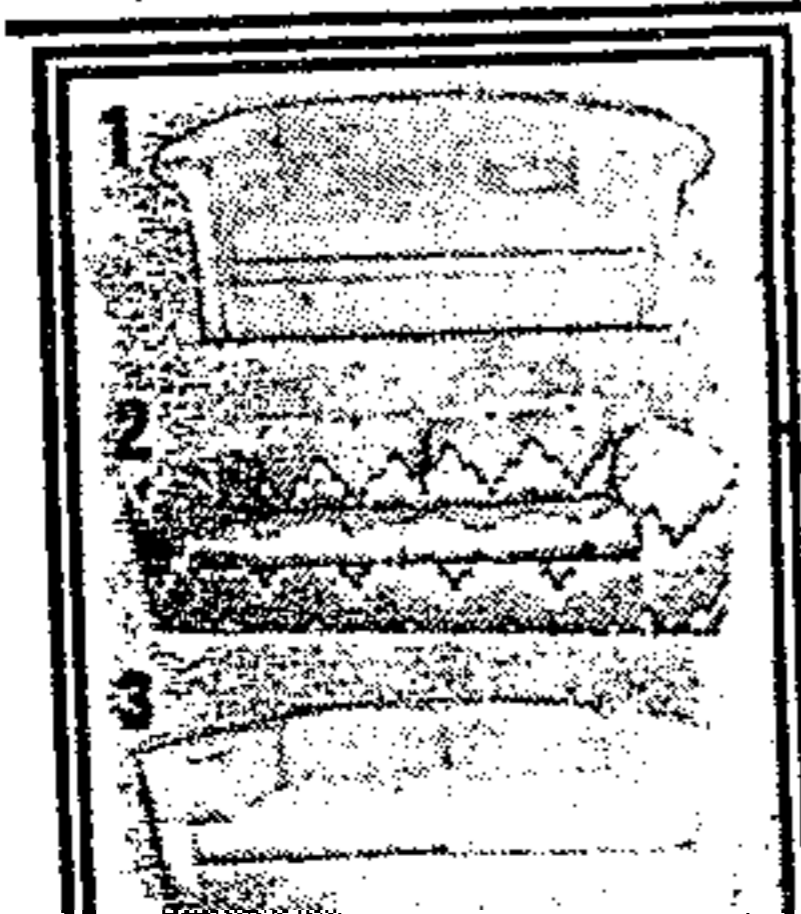


All eyes will be on Springbok motor-cyclist Rodr. at Killarney today, to see if he can become the three national championships in one season. Giving hand in the Kawasaki Team pits yesterday v berlain, of Johannesburg, a member of the team there urging Rod on to victory

Thief snatches bag from Lydia Morris

Crime Reporter
A THIEF snatched a handbag worth R800 from Mrs Lydia Morris, the well-known Cordon Bleu cook, and wife of the former City Engineer, Dr Solly Morris, after the couple had been browsing around the new Cape Sun Gallery on Thursday.

Dr and Mrs Morris had earlier attended a convention of the South African Institute of City Engineers.



A police spokesman said Mrs Morris's handbag, worth R800, had been snatched in Burg Street after the couple had left the gallery about 8.30pm. Police are investigating.

● A Bonteheuwel man was robbed of his bakkie when a gang of five men, one armed with a gun, approached and forced him out of the vehicle on Thursday.

A police spokesman said the incident occurred about 10pm as Mr James Cloete, 24, of 5th Avenue, was sitting in the bakkie in Red Berry Street, Bonteheuwel.

Anyone who sees the 1974 cream coloured Toyota bakkie, registration number CA 15090, is asked to telephone 10 111.

● A gunman man robbed a dairy employee of R97 in cash as he was delivering milk in Kleinveij on Thursday.

Award of Merit for city architect

Staff Reporter
A BEACH cottage at Cape St Francis designed by a Cape Town architect, Mr Gawie Fagan, has been selected for the 1983 Institute of South African Architect's Award of Merit.

Honoured on many occasions for his distinctive work in restoration, it is the first award Mr Fagan has received for a modern work. It is thought to be the first time the award has been made for a beach cottage.

Mr Fagan said yesterday that it was a particularly pleasant surprise for him as he had not even considered submitting the house for the award, but a colleague had submitted it for him.

The award citation says the house is a highly original example of

regional architecture and a sophisticated synthesis of the traditional and the contemporary. The building is superbly related to its site and every nuance of sea and dune and beach is used to advantage.

Mr Fagan said he was pleased that it was a house that was presented with the award because it was a very personal expression of an architect's interpretation of his client's brief.

He said the design of the cottage was a product of his total experience as an architect which, among other things, included building mud huts as a boy, building boats, excitement over the bright colours of fishing craft, carpentry, and a intimate knowledge of the vernacular building.

METROPOLITAN

Koeberg's accident insurance

stated

Science Reporter

KOEBERG ALERT, Cape Town's anti-nuclear group, has alleged that insurance cover for communities close to the Koeberg nuclear power station would be "hopelessly inadequate" in the event of an accident at the plant.

The allegation follows disclosures in Weekend Argus that last December's bomb blasts at the power station would cost the Government between R20-million and R30-million.

In a statement released today, the Media-Admin Group of Koeberg Alert said the report raised a number of questions.

According to the statement, Koeberg will have a maximum of R100-million cover in the event of damage, or only four percent of the plant's total capital cost of R2.5-billion.

"This is yet another example of the inadequate insurance available for this nuclear station," the statement reads.

"In the case of a serious accident, Escom carries a maximum of R10-million Third Party Insurance.

"When one considers that several large communities — Atlantis (with 30 000 to 40 000 people), Bloubaai, and Melkbos — lie within 16 km of the plant, it becomes evident that the insurance is again hopelessly inadequate.

"To make matters worse, all commercial insurance policies — including that of Lloyds of London — specifically exclude damage of ionising radiation from nuclear power plants and their wastes.

"With only three months to go before Koeberg is switched on, Koeberg Alert calls for the adequate provision of insurance that covers those communities at risk."

AR 6/26/10/83

55

CAPE TOWN 28/10/83

Escom 'opposed Koeberg'

Environment Reporter
ESCOM had been opposed to the building of Koeberg nuclear power station but had been pressed into the scheme because opinion in Cape Town was "tremendously" in favour of it, an Escom official told a meeting yesterday.

Speaking at an Institute of Citizenship lunch-hour meeting in the Cathedral Hall, the regional information officer for Escom, Mr Andre van Heerden, said that among the many accusations levelled against Koeberg was that Cape Town had not been consulted and that the station had "suddenly appeared".

He said it was first mooted in 1968 that Koeberg be erected and about 30 research bodies studied the possibility of it being sited in the Cape Town area.

After six years of research it was decided that it was feasible and the first contracts were signed in 1974.

But Escom was not enthusiastic about erecting the power station. It was not justified economically and it was felt that it should be delayed for a while.

"However, there was a lot of pressure on Escom to build Koeberg in that area and people in Cape Town were tremendously in favour of it," said Mr Van Heerden.

He said the City Council, ratepayer organizations, farmer groups, churches and local, provincial and central government had all stated that they were in favour of Koeberg.

At the time the old Table Bay power station was spewing out sulphur and carbon dioxide, there was an economic recession and "there was pressure to build the station".

Attitudes changed

He conceded that since then the disaster at Three Mile Island had changed attitudes in Cape Town. Local people were now asking themselves: Do we need it? Is it safe and why should it be here?

● Koeberg is to be presented with an award for "the most outstanding civil engineering achievement of 1982" by the South African Institute of Civil Engineers.

Atlantis residents oppose N-plant

Environment Reporter
IN THEIR first public stand against the commissioning of the Koeberg nuclear power plant, residents of Atlantis yesterday urgently appealed to the Atomic Energy Commission to refuse any further licences to Escom to open Koeberg.

The appeal was made in statement issued by a branch committee of Koeberg Alert formed at a public meeting held in Atlantis on Wednesday night.

The statement said:

● "We were not consulted about the building of Koeberg. Neither Escom nor the Divisional Council communicates with us.

● "We object to our groundwater being threatened, as referred to be Professor Sparks of UCT.

● "We object to the transport of nuclear waste past Atlantis."

● "The cost of electricity is higher in Atlantis. When and how much and for whom will electricity costs come down if nuclear power is supposed to be cheaper?"

● "We are dissatisfied with the secrecy of the evacuation plan and are concerned about not being able to insure ourselves and our property against damages resulting from a nuclear accident.

● "We demand that the Divisional Council properly maintain our houses so that they can provide shelter in the event of an accident."

The statement said these objections became urgent considering the power station was due to start operating within three months.

Koeberg gets its N-fuel

W/KAAGS

29/10/83

55

~~56~~

A 14-DAY process to load the Koeberg nuclear power station with fuel started today. It is being supervised and controlled by an Escom team and is being monitored by the Atomic Energy Corporation.

Escom's regional manager for the Western Cape, Mr G F Hellström, said in a statement today that the fuel-loading started on unit one of the power station at 7.30am.

The process involves the removal of 157 fuel assemblies from storage ponds and then placing them in the reactor vessel. The fuel is uranium dioxide.

The whole operation is being carried out under water by remote control and takes place in the reactor containment building.

The start of the fuel-loading process means, the statement says, that the construction of the first reactor unit is now complete. It says the operation "presents no possible radiation hazards to the public".

The nuclear-fission process will start eight weeks after fuel-loading. Then the turbo-generator will be synchronised with the Escom grid and the generation of 10 percent power.

After further tests and inspection the plant will be taken to 50 percent power and by the middle of next year to 100 percent power.

Dil-

P W Botha claims stocks are enough to survive

Safe from oil boycott

BY SIMON WILLSON

THE Government has made a confident economic statement about South Africa's oil supply.

It came virtually unnoticed in a speech by the Prime Minister at the Cape provincial congress of the National Party at George.

Listing what he believed were his Government's achievements over the past five years, Mr P W Botha mentioned as one of them the fact that SA's strategic oil reserves were now large enough to enable it to survive a total oil boycott.

It is the first time the Government has claimed in such confident and defiant terms that SA is invulnerable to an oil embargo.

The point about Mr Botha's statement is that it was not qualified by a reference to the duration of any boycott.

He set no time limit to any such embargo — the implication being that SA could survive almost indefinitely.

But oil industry analysts say that survive is the operative word in the statement.

Although SA would not come to a halt without foreign oil as it would have done 10 years ago, the economy could run at only a severely restricted level of activity if oil imports ceased, it is said.

However, never before has the Government been so confident about SA's capability to keep essential services and economic operations going in the event of an oil embargo.

What has led to this sudden and, in view of the authorities' moves to restrict oil supply information, unexpected declaration?

Observers think the authorities' arithmetic has shown that SA's strategic oil reserves are now big enough to allow, in the event of a boycott, a national switch-over to an oil-conservationist economy and an increase in domestic petrol production.

Before the reserves were depleted, the theory goes, SA would have

adjusted its production and consumption patterns sufficiently to adapt to the new oil-supply situation.

Hence, in hypothetical terms, SA could be invulnerable to an international oil boycott with no time qualification.

Statistical data on SA's oil consumption and reserves are classified in terms of the Petroleum Products Act.

But, in the vacuum left by the clamp on hard information, estimates abound.

Current speculation is that the strategic oil reserve is equal to about three years' consumption. SA has more crude oil in reserve relative to the size of its economy than any other oil-importing nation.

There have been suggestions that SA's oil-storage facilities are now fully stocked, which could be another reason for Mr Botha's confident statement.

Add to reserves the one-third cut in consumption attainable by fuel restrictions of the sort imposed in

the 1970s, and the estimate that Sasol I, II and III in full production will supply about 40% of SA's petrol requirements.

Another Sasol plant and methanol and ethanol plants could be started in the event of a boycott, and at least 2% of SA's vehicles could be electrified.

When all these factors are taken into account, experts think SA could survive an oil boycott for at least 10 years.

This whole hypothesis was put to Mr Sarel du Plessis, Director-General of the Department of Mineral and Energy Affairs.

"I cannot give the same interpretation as you to the Prime Minister's words," he said.

"The way I understand the Prime Minister's statement is that SA will be able to brave out an oil boycott.

"Like all oil-importing countries, SA is vulnerable to oil boycotts, but within economic and manpower constraints, we have made adequate provision for any type of crisis."

55

RDW

31/10/83

They're stoking the nuclear fire

AKGWS
1/11/83

(55)
(signature)

Science Reporter

THE loading of Koeberg's Unit One reactor, which is currently underway is only the first stage in a multi-stage licensing programme leading to the reactor's operation at full power by mid-1984.

Escom announced at the weekend that the loading of the Unit One reactor had begun. According to the Escom announcement, the process would take two weeks.

This first stage consists of moving the 157 fuel assemblies from storage ponds in the fuel building to the adjacent containment building where they will be loaded into the reactor. This is conducted by a remote control overhead crane.

The fuel assemblies each consist of 264 zirconium alloy fuel rods. Each fuel rod contains the uranium dioxide fuel, which is present in the form of small ceramic pellets.

Control rods

According to information released by Escom, only 1,8 to 3,1 percent of the uranium in the fuel is fissionable U235. The remainder is non-fissionable U238.

Spaces between the fuel rods in each of the assemblies allow for the insertion of silver, indium and cadmium alloy control rods which control the rate

of the nuclear fission reaction by absorbing free neutrons.

Criticality of the reactor will be achieved when the fuel assemblies are loaded and a neutron source is introduced into the reactor, setting up a chain reaction which will eventually become self-sustaining.

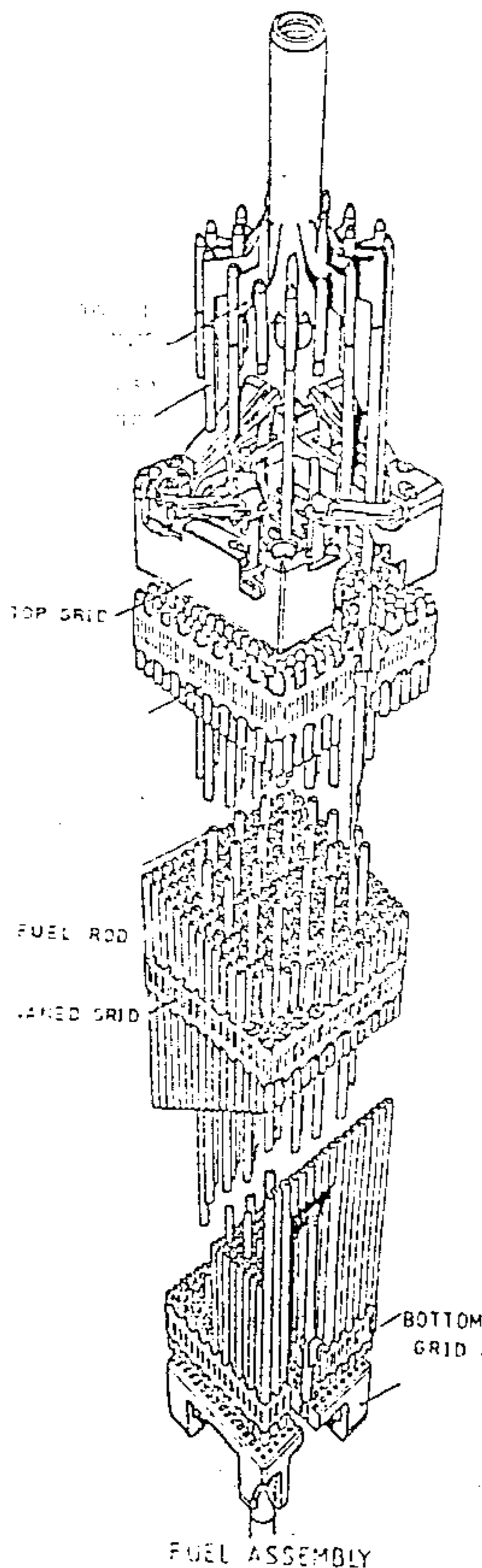
Full insertion of the control rods stops this reaction immediately.

Once the loading is completed to the satisfaction of the Atomic Energy Commission, which is monitoring the entire procedure, permission will be granted by the AEC for the reactor to go into its first criticality (the beginning of the nuclear fission process). This should take place about eight weeks after the fuel loading has been completed.

Synchronise

The next licensing stage should come several weeks after first criticality has been achieved when the AEC grants approval to generate 10 percent of power and synchronise the Koeberg turbo-generator with the Escom grid.

The final licensing stage will allow the plant to generate 50 percent power and finally, by mid-1984, the reactor will be generating 100 percent power and delivering 920 MW of power into the national grid.



This drawing shows the various parts of the fuel assembly. Each assembly consists of 264 rods.



A Koeberg technician stands next to a fuel assembly similar to those currently being loaded into the plant's Unit One reactor.

**IF YOU'RE SERIOUS ABOUT
YOUR CAREER, YOU SHOULD**

JOHANNESBURG. — The Sasol Ltd rights issue to raise R750m will open on November 25 and close on December 9, and the remaining R1,9 billion of the cost of Sasol II will be met out of existing resources and a staged payment over five years.

The formal agreement under which Sasol Ltd is acquiring Sasol II from the Industrial Development Corporation and Konoil will be signed on Monday, and Sasol II will become a wholly-owned subsidiary of Sasol Ltd, effective retrospectively to June 26 this year.

The agreed price for the sale of Sasol II to Sasol Ltd is R2,620 billion, to be financed as follows:

- The net proceeds of the rights offer — the government has a 30 percent stake in Sasol Ltd, and its share of the rights offer will amount to R250m, the balance coming from the private sector.

- Cash totalling R350m will be provided out of Sasol's existing resources.

- The balance will remain owing to the IDC, Konoil and the State Oil Fund (SOF) and paid over five years.

Formality

An announcement from Sasol says that

after the signing of the agreement, and this is likely to be no more than a formality, it will proceed with a rights offer of 187,5m shares.

The offer will be made on a one-for-two basis, and although the price has not yet been announced, consensus is that it will be pitched at 400c.

Sasol closed at 415c yesterday, down from a peak of 500c before the preliminary results were announced in August.

An investment analyst said yesterday that normally the price at which a rights offer was pitched did not make a great deal of difference, and the only change came in earnings a share statistics.

But in the original Sasol prospectus the assurance was given that the Sasol II and Sasol III deals would not result in a dilution in earnings a share.

The promise given in the prospectus puts Sasol under pressure to meet its commitment,

and for this reason the price is likely to be pitched at 400c.

Every effort is being made to explain the offer to all shareholders.

While market research has shown Sasol's advisers, Finanskabank, that the major institutional holders will broadly support the issue, there is the bulk of the shareholding population to convince.

Shareholders

Sasol has 47 shareholders who account for 82 percent of its issued share capital, while the remaining 18 percent is spread across 26 000 shareholders, either individuals or companies.

There is every reason for all shareholders to support the issue, as the long-term prospects for Sasol make it almost a sure-fire winner.

If a parallel is drawn with chemical giant AECI, the prospects for Sasol's future become obvious.

AECI is generally happy with the profits it can make from a plant operating at 70 percent of capacity. If capacity use moves up to 80 percent the gearing effect is significant, and profits improve out of proportion to the percentage change in production.

At Sasol, given the volatile oil supply situation, production will continue at full tilt for the foreseeable future, and the long-term effects on profit of a chemical plant operating at full capacity are going to be dramatic.

This is well understood by the major insti-

tutions, who are likely to subscribe fully to their rights, and will even top up their holdings if any shares become available, but some private investors may not realize the long-term value of their investment, and could be tempted by the sagging gold price and the consequently soggy industrial market to relinquish their rights.

This would be folly, as the Sasol price may have been staid and moved slowly since the first privatization move, but this is because the institutions have satisfied their needs through rights issues and private placings.

These are not going to be repeated indefinitely in the future, and at some point down the line, especially when the fuel price starts moving well above Sasol's production cost, the upward pressure on Sasol's share price will come.

An amazing irony has arisen in the build-up to the rights issue. Originally intended for some time in 1984, the government is believed to have exerted pressure on Sasol to bring the offer forward.

The rationale was that the industrial share market was overheated, the money market was awash with cash, and some means had to be found to release the pressure on the market and to mop up some of the liquidity.

Argument

Sasol, from all accounts, rejected this argument, saying that it was an independent company and had to look to its own needs, and should not be called on to manipulate factors in the economy.

To page 16

Sasol Ltd to raise R750m in rights offer

BY JOHN MULCAHY Cape Times 4/11/83

55

Sasol rights offer

From page 14

However, the government's view prevailed, and Sasol agreed to bring the issue forward.

Simultaneous to the announcement of Sasol's results for the year to June, came the news that Sasol Ltd was to acquire Sasol II, and would need to raise up

to R1,0 billion from the public for the acquisition.

This announcement was made on August 20, at a time when the industrial market was testing new highs and the gold market perceived to be on the march upward.

Since then, everything has changed. The money market is in a quandary over how to deal with an immense shortage, the gold price has sagged and the industrial market is skidding downward in a controlled, but steady spiral.

Dampening factor

Enter the government, warning that the issue now would be disruptive to the money market, and would also be a serious dampening factor on Johannesburg Stock Exchange activity.

It would be better, is what the government is believed to have said, to delay the issue until next year.

But this time Sasol prevailed, and the issue is going ahead, not oblivious to the circumstances, but with the knowledge that the institutions will follow their rights, and that private investors can also be persuaded to go along with the issue.

Small men urged to follow rights

Sasol names day for R750m issue

233 55 188 ROOM 24/11/83

By JOHN MULCAHY

THE Sasol Ltd rights issue to raise R750m will open on November 25 and close on December 9. The remaining R1,9bn of the cost of Sasol Two will be met out of existing resources and a staged payment over five years.

The formal agreement, under which Sasol Ltd is acquiring Sasol Two from the Industrial Development Corporation and Konoil, will be signed on Monday. Sasol Two will become a wholly owned subsidiary of Sasol Ltd, effective retrospectively to June 26.

The agreed price for the sale of Sasol Two to Sasol Ltd is R2,620bn, to be financed in this way:

- The net proceeds of the rights offer — the Government has a 30% stake in Sasol Ltd and its share of the rights offer will amount to R250m. The balance will come from the private sector.
- Cash totalling R350m will be provided out of Sasol resources.
- The balance will remain owing to the IDC, Konoil and the State Oil Fund (SOF) and be paid over five years.

An announcement from Sasol says that after the signing of the agreement, and this is likely to be no more than a formality, it will go ahead with a rights offer of 187,5-million shares.

The offer will be made on a one-for-two basis and, although the price has not yet been announced, consensus is that it will be pitched at 400c.

Sasol closed at 415c yesterday,

Business Day

Sasol issue likely to follow the big vote

The impending Sasol rights issue was forecast in Business Day on November 27.

down from a peak of 500c before the preliminary results were announced in August.

An investment analyst said yesterday that normally the price at which a rights offer was pitched did not make a great deal of difference. The only change came in earnings a share statistics.

In the original Sasol prospectus the assurance was given, however, that the Sasol Two and Sasol Three deals would not result in a dilution in earnings a share.

The promise given in the prospectus puts Sasol under pressure to meet its commitment and for this reason the price is likely to be pitched at 400c.

Every effort is being made to explain the offer to all shareholders.

Although market research has shown Sasol's advisers, Finansbank, that the major institutional holders will broadly support the issue, there is the bulk of the shareholding population to convince.

Sasol has 47 shareholders who account for 82% of its issued share capital. The rest are spread across 26 000 individual and companies

shareholders.

There is every reason for all shareholders to support the issue because the long-term prospects for Sasol make it almost a sure-fire winner.

If a parallel is drawn with chemicals giant AECI the prospects for Sasol's future become obvious.

AECI is happy with the profits it can make from a plant operating at 70% of capacity. If capacity use moves up to 80% the gearing effect would be significant and profits improved out of proportion to the percentage change in production.

At Sasol, given the volatile oil-supply situation, production will continue at full tilt for the foreseeable future and the long-term effects on profit of a chemicals plant operating at full capacity will be dramatic.

This is well understood by the major institutions which are likely to subscribe fully to their rights and will even top up holdings if any shares become available. Some private investors may not realise the long-term value of their investment

TURN TO PAGE 20

Sasol rights offer likely to be pitched at 400c

FRONT PAGE 1

and could be tempted, by the sagging gold price and the consequentlly soggy industrial market, to relinquish their rights.

This would be folly. The Sasol price may have been staid and moved slowly since the first denationalisation move because the institutions have satisfied their needs through rights issues and private placings.

These are not going to be repeat-

ed indefinitely and at some time, especially when the fuel price starts moving well above Sasol's production cost, the upward pressure on Sasol's share price will come.

An irony has arisen in the build-up to the rights issue. Originally intended for some time in 1984, the Government is believed to have exerted pressure on Sasol to bring the offer forward.

The rationale was that the industrial share market was overheated, the money market was awash with

cash and some means had to be found to release the pressure and mop up liquidity.

Sasol, from all accounts, rejected this argument, saying that it was an independent company, had to look to its own needs and should not be called on to manipulate factors in the economy.

The Government's view prevailed and Sasol agreed to bring the issue forward.

Simultaneous to the announcement of Sasol's results for the year

to June came the news that Sasol Ltd was to acquire Sasol Two and would need to raise up to R1bn from the public for the acquisition.

This announcement was made on August 20, at a time when the industrial market was testing new highs and the gold market perceived to be on the march upward.

Since then everything has changed. The money market is in a quandary over how to deal with an immense shortage, the gold price has sagged and the industrial mar-

ket is skidding down.

Enter the Government, warning that the issue now would be disruptive to the money market.

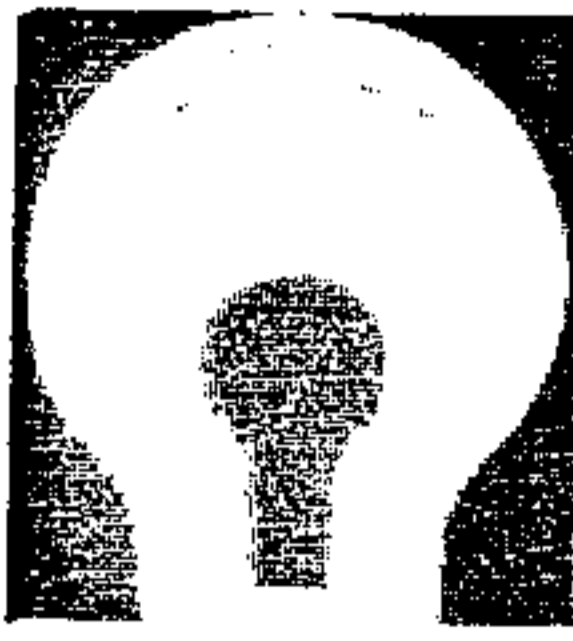
It would be better, the Government is believed to have said, to delay the issue until next year.

This time Sasol prevailed. The issue is going ahead, not oblivious to the circumstances, but with the knowledge that the institutions will follow their rights and a belief that private investors can be persuaded to support the issue.

55 200

ELECTRICITY COSTS

Escom wrestles with tariffs



A recent survey in the US found that most people regard their electricity supply as a God-given right, rather like water or air — and that the authorities should ensure that it is always on

tap at a nominal price. Most SA businessmen used to have the same attitude until recently. But a more than four-fold increase in tariffs over the last eight years has shattered the illusion. This has led to the appointment by government of a Commission of Inquiry into electricity supply.

Focus of the study is Escom, the supplier of 94% of SA's electrical power. The commission has not yet completed its work, but the signs are that Escom is at last heeding pressures to keep tariff hikes in check (*Business* October 14).

The meeting on Friday of Escom's governing body, its own commissioners, could thus be an historic event as they will probably be asked to approve radical measures to achieve this. Whether they do so will probably be known next week when the announcement of next year's electricity tariffs is expected.

SA's electricity prices are still among the cheapest in the Western world, apart from countries with vast hydro resources such as Canada and Sweden. Nonetheless, escalating tariffs are now threatening the viability of certain major industries, especially those in the export sector, says Federated Chamber of Industries (FCI) chief economist Arthur Hammond-Tooke.

These include some gold and coal mines, ferro-alloys producers and the aluminium industry — all of which are electricity-intensive. In addition, escalating electricity tariffs have pushed up railage costs, which affect all local industry as well as the agricultural sector.

Organised industry maintains that one reason for the problem is that Escom is financing an increasing proportion of its expansion from tariffs rather than long-term loans — in other words, that consumers are paying too much up front for new power stations before they are built.

Last year some 29% of Escom's capital expendi-

For many years Escom has run its affairs as if a law unto itself. It is now becoming more sensitive to the community it serves.

ture was self-financed compared to about 14% in the early Seventies. To the dismay of industry, Escom executives argue that if foreign loans are to be attracted in the long term, the figure should ultimately be raised to the region of 50%.

Chief source of the self-financing is the capital development fund (CDF). It was established under an amendment to the Electricity Act which empowers Escom to set aside funds for expansion from tariff revenues. In 1972 and 1973 only about 5% of the

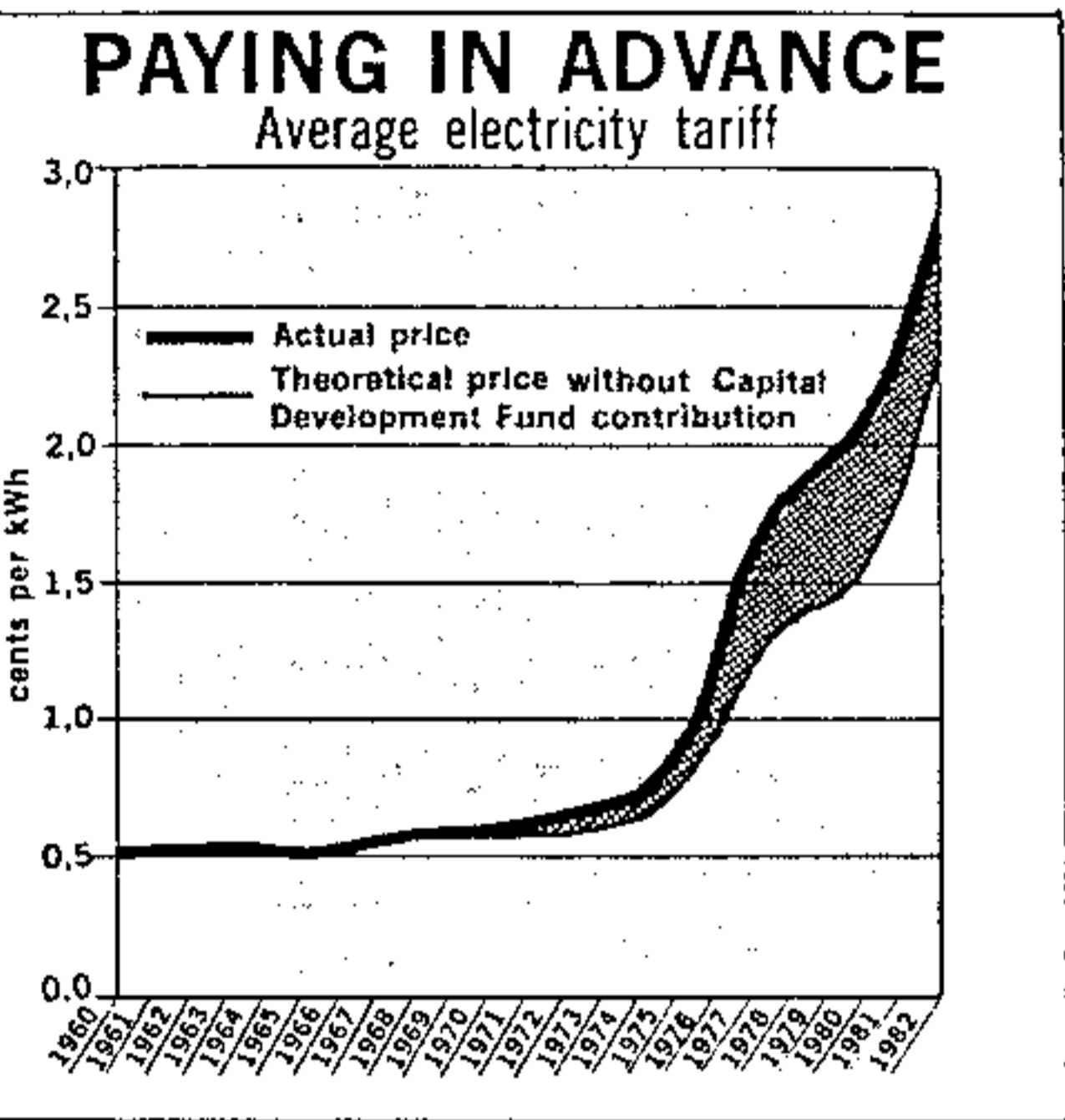
tariffs paid by consumers was put into the CDF (see chart). But in the years after Soweto, when foreign finance was harder to come by, the figure went up and reached a high of 25,14% in 1979. In this period electricity tariff increases were at their highest ever.

Escom admits that it is now "very welcome" in foreign capital markets, but last year it still set aside 16,3% of tariff revenue, some R476m, to the CDF. At the same time it recorded a deficit of R58m for the year and an accumulated three-year deficit of R154m despite the fact that it is obliged by the Act to operate as far as possible at neither a loss nor a profit.

Observers say that Escom has no cash shortages despite its reported deficits — and that it should have used these cash resources to cover its deficits before salting away more funds in the CDF. Had it done so, it would still have been able to enrich the CDF to the tune of R322m or 11,9% of last year's tariff revenue.

They say that by deliberately failing to cover its deficits, and adding to the CDF, Escom provides itself with an excuse to raise tariffs.

These practices are not in accordance with established accounting procedures. To make the point, organised industry has commissioned the Financial Research Unit of Stellenbosch University to unscramble Escom's accounts and to re-present them as if they came from a normal business undertaking. It is expected that on this basis the organisation would have shown substantial profits in the years it reported deficits.



Escom's Jan Smith ... not set against change

Critics say that another cause of the high tariffs is Escom's projections of electricity demand. This has led to an expansion programme bigger than that of any other electricity utility in the Western world.

In the next decade Escom plans to increase its generating capacity by 83% at the cost of R20 billion in today's money (see chart). On a historical basis this does not appear ambitious as far higher actual growth rates were maintained during the last three decades.

But it is argued that with tariffs going up the way they are, consumers will not be able to afford electricity under the present self-financing philosophy.

260 4/11/83

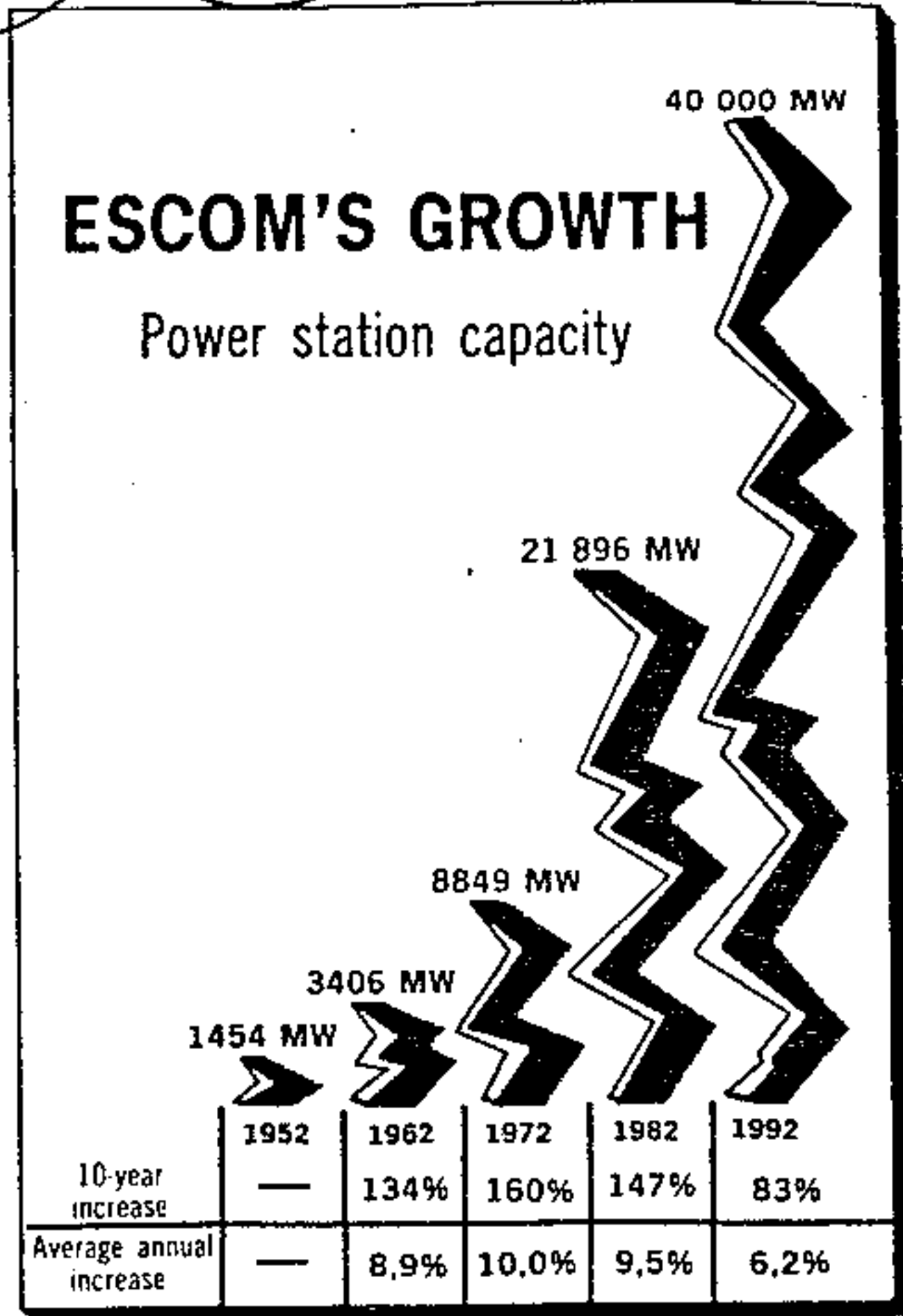
A further upward pressure on tariffs is the fact that Escom does not accept responsibility for absorbing increasing costs of coal, an item which accounted for 22% of its costs, or R593m, last year. The organisation has little motivation to press its suppliers to keep the coal prices down as it automatically passes on any adjustments to consumers in its tariffs. The last such (upward) adjustment occurred without fanfare this winter.

In the present debate, government and the private sector are, for once, on the same side as they both maintain that electricity prices are too high.

The Prime Minister has made his sentiments clear by publicly calling upon the organisation to reconsider its proposed 16,3% tariff increase last November. Although not obliged by law to heed his call, it scaled down this tariff hike to 14,5%. But only weeks later, Escom officials were suggesting that this year's increases would have to be even bigger to make up for the resulting shortfall in revenue.

Another cause of concern is that Escom has a surprising degree of autonomy. It is beholden to no shareholders. It pays no taxes. It uses no state funds and government has no say in its day-to-day running. The only controls are the Act itself and the State President who has the power to appoint the chairman and members of the Commission, its governing body.

These provisions were no doubt written into the Act in 1922 to keep Escom out of the political arena. But since then it has become one of the 12 biggest electricity utilities in the Western world with last year's turnover at R2,59 billion, and now plays a pivotal role in the SA economy. There have thus been calls from inside and outside gov-



ernment for a greater degree of accountability from the organisation.

Escom's own staff is split by the controversy. One faction maintains that the only way the organisation can fulfil its charge to provide for the nation's electricity requirements is to maintain the *status quo* by keeping the Act in its present form and persevering with present policies. The other favours the views of the outsiders.

"It has never been important before but suddenly we are having to take account of the outside world," says one Escom staffer who asks not to be named. "The drought had the wonderful effect of bringing us into

contact with our customers, and for the first time, mutual understanding is starting to grow.

"The realisation is now dawning that we cannot just charge everything to our cost account and pass it on to the consumer.

Top management, however, refuses to discuss the matter, which is perhaps another sign of the turmoil going on in the organisation. But remarks by chairman Jan Smith suggest that he has not set his face against change and that Escom is finally finding a new path out of its present difficulties.

In a speech to a conference on SA and the international financial markets, he called for greater foreign investment in Escom — a sign, perhaps, that Escom may be moving away from its policy of high self-financing.

He said: "The real issue concerning electricity supply is how we are to cope financially with increasing demand ... If our estimates of future needs materialise, capital expansion could be problematic: the prohibitive cost may result in an electricity price which could compare less favourably with the price in other countries and, in turn, affect the competitiveness of exports, particularly electricity-intensive goods."

This may be the first official indication of a change in Escom's thinking. If it is so, industrialists have cause to rejoice. But at the same time they should realise, that however the organisation does its books, in the final analysis, they, the consumers of electricity, are the ones who foot the bill.

What they have in essence to argue about is whether they pay most of the bill now or a greater proportion of it in the future. Greater attention to conservation could be material in moderating the cost.

FERTILISER

A time for caution

There is not much agreement between fertiliser companies these days, except that this year has been the worst that anybody can remember. Yet only three years ago the industry was enjoying one of its best years. And now it faces the challenge of even greater competition.

Without doubt, fertiliser shares have always been volatile. The drought, cruelly timed for several companies which were bringing new plants on stream, has slashed consumption of fertiliser by some 50% this year. Plentiful rain could cause a return to relative prosperity by next summer. But government's decision last week to unshackle the industry from price control and import controls further obscures the outlook for the three listed fertiliser companies, Triomf, Omnia and Hanhill.

In line with the present mood of fierce competition, producers take differing views

Fertiliser companies are struggling through their worst year in memory. A freer market and stronger competition looms, but the consequences are far from clear.

on the implications. But there is some agreement that local fertiliser prices will be more influenced by world markets than before, which may accentuate earnings fluctuations. It could happen because, with imports now theoretically possible, overseas prices of nitrogen and ammonia could well become an important factor.

Nitrogen, made from ammonia, accounts for about 43% of the average cost of fertiliser. Most of the fertiliser produced in SA uses ammonia made almost entirely from coal by AECI or Sasol. Its production costs

are, therefore, considerably higher than oil-based ammonia made overseas.

Sasol's ammonia costs are relatively low because it produces ammonia as an unavoidable by-product in oil-from-coal plants. AECI has just mothballed about 200 000 t of its old, oil-based ammonia capacity at Umbogintwini.

Triomf, which claims about 50% of the fertiliser market, could be a major beneficiary of a freer market. Indeed, chairman Louis Luyt is delighted at the government's announcement. "Imports will soon be a viable option," he says. "I don't think — I know — we will be able to negotiate lower prices with AECI or Sasol for our nitrogen supplies in future. We look forward to a more profitable future."

If Luyt is correct, Triomf will benefit from wider margins between its production costs and final product prices. Until de-

185

ELECTRICITY COSTS

Escom takes a chance

Hats off to Escom for holding down next year's electricity tariff increases to 6%. However, in announcing the decision this week, chairman Jan Smith says it is based on the calculated risk that:

- Electricity demand will rise by at least 7% next year (it went up 2,8% in 1983);
- Good rains will fall in the southern and eastern Transvaal where Escom has its most efficient power stations; and
- The general rate of inflation will drop.

Smith warns that if these conditions are not met, Escom may be forced to hike tariffs further next year. This no doubt reflects the fact that Escom's decision was taken under severe pressure from government and the private sector to curb its increases.

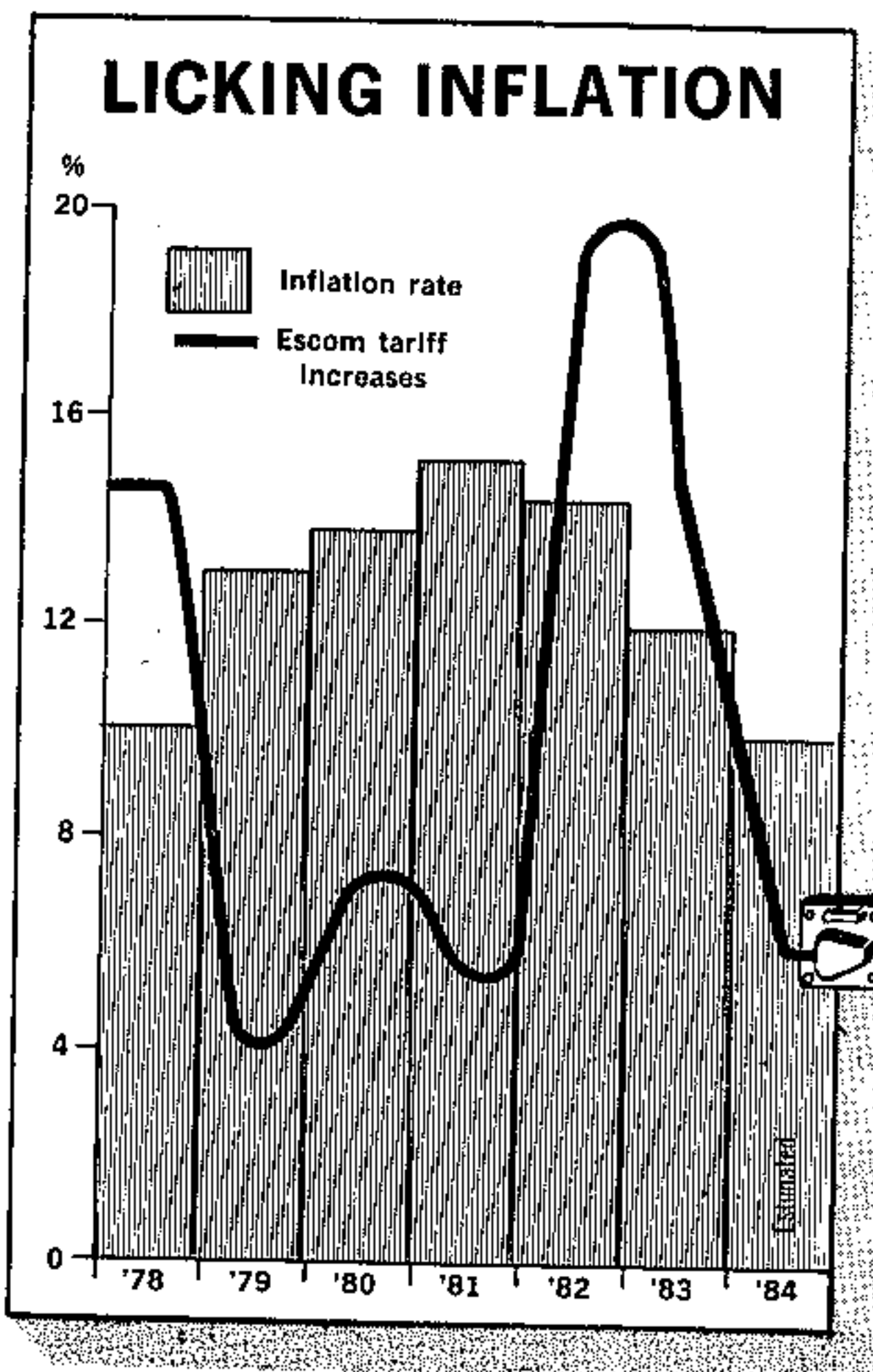
"A contained tariff increase for 1984 is our contribution towards assisting consumers fight inflation," says Smith. And he adds that Escom now demands the same effort or better from consumers.

"If we can keep our prices down," he says, "then our suppliers should try to do the same for us." Smith also appeals to municipalities who sell Escom power to keep increases to their consumers within similar limits.

"They've become fat on their sales in the past and can probably even afford to cut the increase further," he says.

Johannesburg municipality, which produces about half of the city's requirements itself, is likely to heed this and signs are that its own increase will only be about 3%.

The proposed new tariffs come as a surprise to some economists who predicted increases of more than 15%; but not to the FM, which reported predictions of "well below the level of inflation" (*Business Oc-*



tober 14 and *Leaders* November 4).

Director of the Federated Chamber of Industries, Johan van Zyl welcomes the news. "Escom has identified energy costs as a major factor in the competitiveness of the economy," he says. "It has correctly exploited flexibility in its own costing system to protect the viability of energy-intensive industries."

Smith says the limited tariff increase was made possible by a cost reduction campaign, a temporary reduction of Escom's internal financing levels and de-

laying certain capital expenditure.

"While reducing internal financing would be inadvisable for an extended period, it can obviate the need for a large price increase in the short term," he says.

"Furthermore, cost savings and deferment of project expenditure flowing from this effort are expected to total R85m in 1983. Delays on project expenditure relate to items not necessarily needed at 5 o'clock tomorrow."

The commission has also decided not to reduce its R154m accumulated deficit which could have been wiped out had the tariffs gone up a further 4%. This deficit will almost certainly be added to this year's, although Smith says Escom would have preferred not to do so.

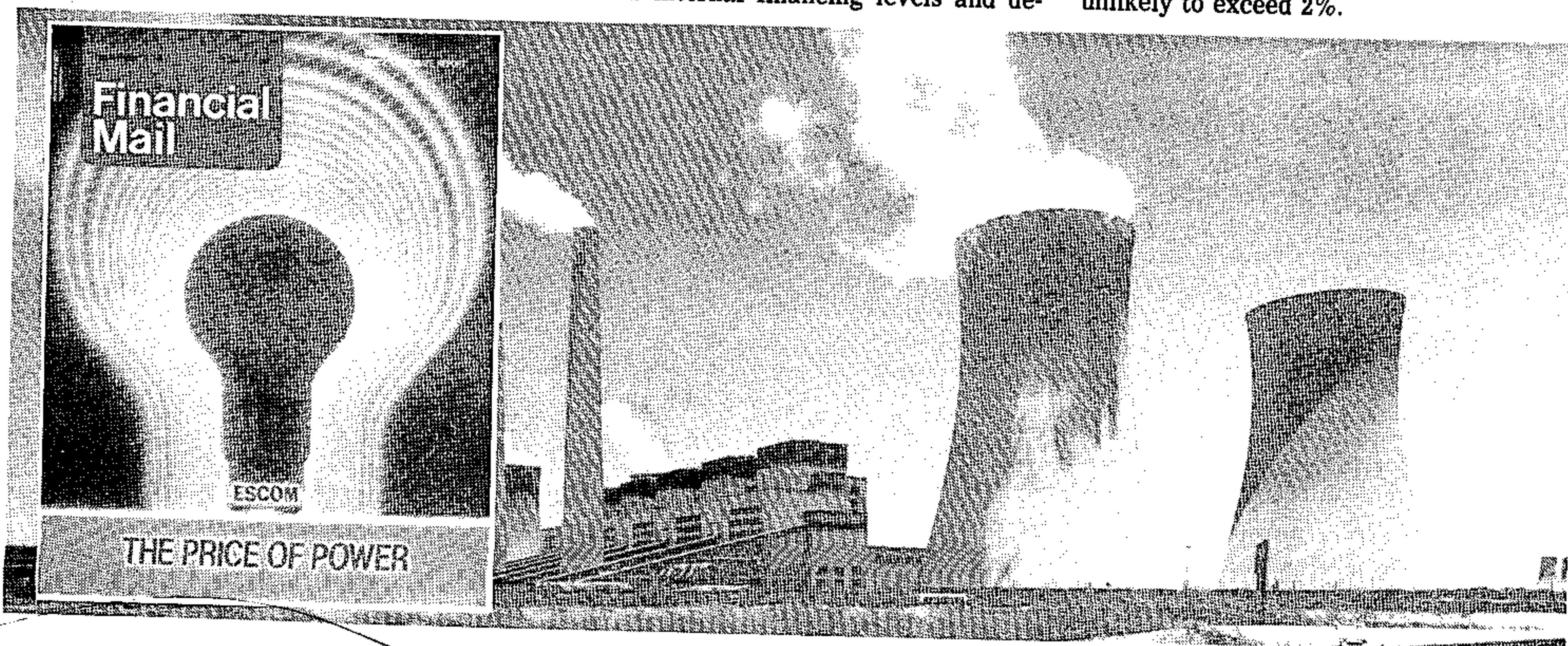
Financing

Finance chief Len te Groen says cutting internal financing means that Escom will have to raise more loans on the external market, but that to achieve this, certain minimum levels of self-financing have to be met.

"As the chairman points out, we can live with it at the moment, provided things don't go wrong," he says. "But if the drought situation gets worse or the growth rate is lower, it could have a drastic effect on our financing."

The increases that will apply to Escom's seven undertakings are: Rand & OFS 6%, eastern Transvaal 6%, Natal 5,8%, western Cape 6%, northern Cape 6,1%, Orange River 5,8% and Border 5,7%.

In addition, consumers may have to bear the usual quarterly adjustment for fluctuations in fuel costs, but such increases are unlikely to exceed 2%.



Consumers applaud Escom's restraint

Mall Reporters

ESCOM's announcement of an average tariff increase of 6% from January has been greeted with relief by major electricity users.

A much higher increase had been feared.

Throughout Reef municipalities, town and city electrical engineers welcomed the moderate Escom increase.

Spokesmen said that it was significantly lower than forecasts earlier this year which put it as high as 14%.

The increase, which takes effect from from January 1, was also significantly lower than the 15% Escom levied at the beginning of 1983.

"Dramatic measures were necessary if the country's inflation level were to be brought down to that of SA's main trading partners," said Escom's chairman, Mr Jan Smith.

He pointed out that 80% of all electricity was used by industry, SA Transport Services, mining and commerce.

A spokesman for SA Transport Services said the increase would amount to an additional expenditure of R3 300 000 to the end of March.

"A contained electricity tariff increase for 1984 is our contribution to assist our consumers in their fight against inflation," said Mr Smith.

But, though internal financing levels have been temporarily lowered, Escom warned that this could not continue indefinitely although the cost-cutting campaign has been successful.

Mr Smith said these savings, together with the deferment of project expenditure, were expected to total R85-million this year.

The Commission has also decided not to reduce the accumulated deficit, at

least during 1984.

Escom's decision to contain tariff increases had, Mr Smith admits, been taken as a calculated risk in view of serious short-term problems.

These include the effects of the drought and present marginal growth in electricity sales.

The 6% increase in tariffs has been based on predictions that inflation will be reduced to below 10%, and that electricity sales will be increased by at least 7% in 1984.

"Consumers will pay the usual quarterly adjustment for any increase in fuel costs. This should not exceed 2% in the full year," said Mr Smith.

But despite this, the Johannesburg City Council will pay an effective 8% increase. Half of this will be passed on to consumers.

Johannesburg's City Electrical Engineer, Mr Wessel Barnard, said yesterday that technical rationalisations by Escom earlier this year, which affected different municipalities in different ways, meant that Johannesburg had to pay an added 1½% over and above the 6% increase announced yesterday.

Mr Barnard said he had decided to round off the 1½% to 2% to allow for expected increases in the coal price.

He said the average domestic consumer who used 900 units of electricity of month would pay an increase of R1,53 a month from R38,25 to R39,78 from January 1.

The account of small domestic consumers using 500 units a month would increase by 85c from R21,25 to R22,10.

Mr Barnard said industrial consumers would also face a 4% increase.

And Roodepoort's City Electrical Engineer, Mr Piet Botes, said the city's

domestic consumers could expect increases of between 3% and 4% from January.

Big industrial consumers would have to shoulder the burden of the whole 6% increase.

Small non-domestic consumers using about 10 000 units will face an increase of about 2,4%.

In Germiston the domestic increase will only be about 2,4% on average and the electricity bill of residents using a thousand units will increase from R40,02 to R40,97.

The Acting Germiston City Electrical Engineer, Mr Steve Verster, said industrial consumers would, however, also have to shoulder the full 6% increase.

According to the Sandton Town Electrical Engineer, Mr Tony Hugo, Sandton domestic and non-domestic consumers would shoulder the full 6% increase.

The monthly electricity bills of domestic consumers will increase on average between R4 and R5.

The Randburg Town Electrical Engineer, Mr Max Clarke, says the council will still have to decide how much of the increase will be paid by consumers and how much will be absorbed by the council.

● The Consumer Council has welcomed the responsible manner in which Escom has handled the increases.

The director of the council, Mr Jan Cronje, said in a statement issued in Pretoria, that this positive step could play a role in the lowering of the inflation rate to under 10%.

"I wish to appeal to municipalities as well as the private sector," Mr Cronje said, "to keep their own increases to within the announced levels."

A ppf. can also shift...
has been a loss of...
revenue (consequently) or...
contribution, and...
to produce so ppf...
ppf shifts...
production...
(1) ...
(1) ...

Tanzania orders urgent
probe following news report

SA in secret black Africa oil deal

55
S. Tribune
13/11/83

Foreign Service

LONDON: Tanzania has been secretly trading in oil with South Africa, despite the country's total ban on economic links with the apartheid regime, reports the British Sunday newspaper, the Observer.
The newspaper said last night that it had established that the multi-million dollar trade had involved Tanzania in exporting residual fuel oil to South Africa over a four-year period, and more recently in importing refined oil from the same source.

The newspaper said it had also discovered that two senior Tanzanian officials, the Energy Minister, Mr Al Moor Kassum, and the head of the State Oil corporation, Sylvester Bnarongo, were apparently to be paid substantial commission payments by the oil company involved in the trade.
In view of the newspaper's findings, President Julius Nyerere has ordered an urgent inquiry.
He has always maintained a particularly tough stand against apartheid.
He has also fought any signs of corruption in Tanzania.
The Tanzanian Government issued a statement yesterday admitting one of the Observer's main findings, that the UK-registered tanker Ardmore had delivered 30 00 tons of South African oil on October 13.
It gathered that the shipment of this consignment "under misleading documents is a matter of grave concern".
The South African oil deals were arranged by a Swiss-based company called Marcotrade, which is part of Gulf International Holdings of Lichtenburg (not to be confused with the major US oil company Gulf).
It is controlled by the Gokal family of Pakistans.
Mr Abbas Gokal, who holds a British passport, founded Marcotrade in 1974.
Mr Mustafa Gokal, his brother, is a director of the sister company, Gulf Shipping, and also recently served as Pakistan's Minister of Shipping.
The Observer says however that it does not suggest that the Gokal family was aware of the details of the Tanzanian deals.
Two months ago Marcotrade negotiated a "package deal" to supply Tanzania's entire oil requirements.
In terms of the Petroleum Products Act the Tribune last night approached the Minister of Mineral and Energy Affairs, Mr PTC du Plessis for permission to report the claims.
Mr du Plessis said "I am not conceding any of the facts but you may publish because the report is so far from reality and totally untrue."
"By making South Africa the target of suspicion, they are trying to divert attention from the inefficiency and corruption of their own country."

Sasol booms

By David Carte

SASOL is making enormous profits — at the expense of other oil companies.

While Sasol pushes up production and profits, the three refineries using imported crude oil have cut their production drastically and, according to reliable sources, are operating at about half capacity.

Sasol managing director Joe Stegmann told Business Times last week that his oil-from-coal colossus would increase taxed profit 70% to R400-million — thanks to increased production at Sasols Two and Three.

But rising production for Sasol has meant an equally steep fall in production for the other petrol refiners — Caltex, Shell, BP and Sasol's own natural crude-oil refinery, Natref.

As a result, their profits are declining as markedly as Sasol's are rising. This is because oil refineries are capital-intensive and carry enormous fixed costs. Declining production hits their profits more than proportionately.

While he would not comment on capacity use at the Shell/BP refinery in Durban, John Wilson, chairman of Shell, confirmed that refineries reliant on imported crude oil were suffering as more and more indigenous coal-based fuel came on stream.

"There's not much we can do about it," he said, "except demand equality of suffering for all imported crude-oil refiners, including Sasol's Natref."

Dennis Fletcher, chairman and managing director of Caltex, also confirmed the situation, saying his refinery was not nearly fully loaded and profits were suffering.

"Personally, I just keep buying Sasol shares," he laughed.

BP would not comment for fear of the Petroleum Products Procurement Act.

Mr Stegmann said it was not a question of Sasol's taking away from the other oil companies.

Crude-oil importers feeling the pinch



DENNIS FLETCHER
"I just buy Sasol shares"

"Indigenous fuels," he said, "are merely replacing imported fuels in accordance with Government policy. The fact that Sasol makes indigenous fuels is completely incidental."

"All the natural crude refineries are suffering equally. Natref is also operating below capacity."

He said the coastal refineries were operating at less than capacity back in 1978 "in normal conditions before the international oil crisis of 1978".

They increased their capacity after 1979, following the announcement of Sasol Three. In doing so, they had

overestimated growth in the SA market.

Oil-industry sources said the Caltex refinery in Cape Town was operating at 45% of its capacity and estimated that the Shell/BP refinery in Durban was producing at a similarly low level. Neither Mr Wilson nor Mr Fletcher would comment on these estimates.

Oil consumption has traditionally grown at 3.5% to 4% a year, so, if the capacity estimates are correct, it could be 10 to 12 years before Shell, BP and Caltex are operating at capacity again.

Mr Stegmann told Business Times last week that Sasol could increase production still further by stepping up continuity and efficiency at Sasols Two and Three. This means the other refiners' problems are likely to get worse before getting better.

At the same time, Mr Stegmann said Sasol could not make the enormous gains in production that it has achieved from 1982 to 1983

Now the imported crude-oil refiners are desperately worried that, if Sasol or any other local interest builds a third synthetic-fuel refinery, they will suffer even more.

Because of the Petroleum Products Procurement Act, tight secrecy surrounds the industry, but the big oil importers are clearly unhappy at the situation.

Sasol issue — 415c a share

Business Times Reporter AS forecast by Business Times last week, Sasol's share issue is at more than the widely forecast 400c.

The oil-from-coal giant is asking 415c a share for the 187.5-million new shares it is to issue in order to take over the half-share of Sasol Two it does not own.

Sasol expects to earn 32c in the current year and pay 72c,

so the issue price offers a prospective dividend yield of 7.7% and a forward PE of 5.7. The issue price is a 9% discount to Friday's closing price of 457c.

The discount is unusually small, but longer-sighted investment analysts reckon it is "highly attractive".

The rights issue will bring in R778-million. The Industrial Development Corporation (IDC) has 30% of Sasol, so

will contribute R233-million of the total.

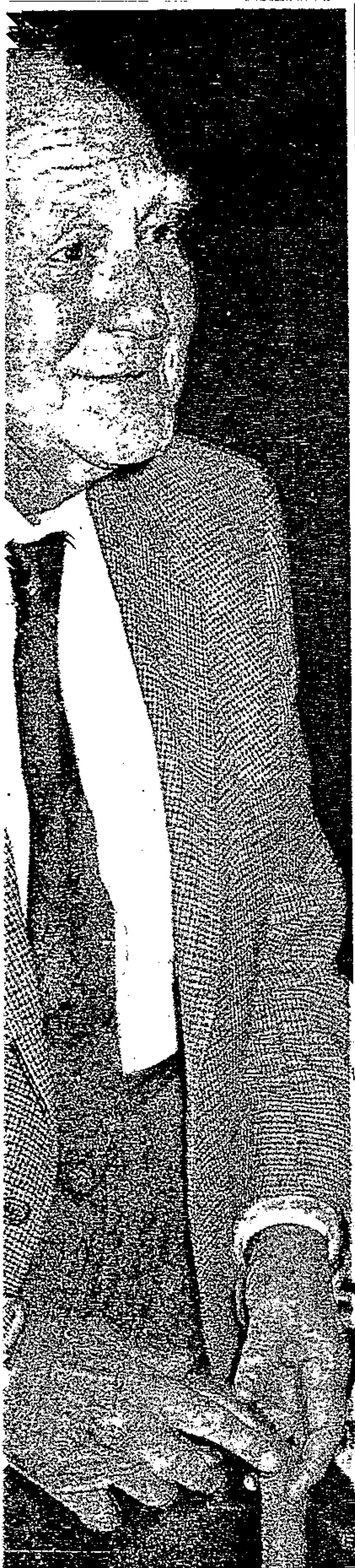
Because the IDC also owns the 50% of Sasol Two being bought, it will take the entire proceeds of the issue plus another R350-million of Sasol's own cash — a total of R895-million.

This means the issue actually absorbs R545-million of institutional and public money. The balance of the R2 600-million purchase price will be loan-financed.

— Others starve

SS 5/1/83

3/11/83



Minister speaks on Tanzania 'oil deal'

55 RUM 14/11/83

THE Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, has declined to confirm or deny a report that South Africa has been secretly trading in oil with Tanzania.

He said South Africa did not normally deny or confirm oil transactions with other countries because of the sensitivity involved.

Reuter and United Press International reports from London quoted the Observer newspaper as saying that Tanzania had been secretly trading in oil with South Africa despite the East African country's total ban on economic ties with the white-ruled Republic.

The Observer said Tanzania had been exporting "residual" fuel oil to South Africa for four years and had more recently been importing refined oil from South Africans.

Residual fuel oil, which remains after the refining of crude oil, required advanced processing and so was sent from Tanzania to the more developed refineries of South Africa, the reports said.

The paper alleged that a Swiss-based company had arranged the deals.

It said Tanzanian President Mr Julius Nyerere had ordered an urgent inquiry into its allegations.

"Normally South Africa does not confirm or deny oil transactions because of their sensitive nature," Mr Du Plessis said.

"In any case, South Africa does not believe in boycotts as they do not work and do not produce results. Usually it is the boycotter who suffers the most," the Minister added.

He said South Africa believed in a "movement of goods and services" between the different African states.

"Our growing trade bears witness to this," Mr Du Plessis said.

He added: "The economic inter-dependence

between the states of Southern Africa is a hard reality.

"Increased trade will benefit all states in Southern Africa."

Two senior Tanzanian officials, the Energy Minister, Al Noor Kassum, and the head of the state oil corporation, Sylvester Barongo, were apparently to be paid substantial commission payments by the oil company involved in the trade, the Observer said.

However, there was no suggestion that they knew of the connection with South Africa, the Observer said.

Both men have denied receiving commissions.

Mr Nyerere has maintained a particularly tough stand against apartheid, and has taken strong measures to stamp out corruption in Tanzania.

The payment of commissions is strictly prohibited in Tanzania and the offence carries stiff penalties.

The Tanzanian Government issued a statement yesterday admitting one of the Observer's main findings, that an oil tanker had delivered South African oil in October.

It added that the shipment of this consignment was a matter of "grave concern".

Two months ago the Swiss-based company negotiated a "package deal" to supply Tanzania's entire oil requirements.

South Africa does not have its own supply of oil, and the embargo on shipments to South Africa is seen as a major weapon in the fight against apartheid.

In Tanzania itself, anti-apartheid is strong, and the scandal is likely to lead to a major political shake-up.

Tanzania spends more than half of its total foreign currency earnings on oil imports. — Sapa-Reuter and UPI.

Windies' fastest bowler jets in

By RODNEY HARTMAN

FEARS for his ageing parents' well-being back home in Barbados was the reason why fast bowler Hartley Alleyne did not tour South Africa with Lawrence Rowe's West Indies XI earlier this year.

He had been lined up to do so, but withdrew at the 11th hour.

However, satisfied that his folks face no problems because of his South African ties, the powerfully built Barbadian arrived in Johannesburg early yesterday morning to join the second West Indian tour starting in Pretoria later this week.

He is rated by many as the fastest bowler in the Caribbean.

Alleyne's long flight from Australia was delayed in Mauritius for five hours, and he was eventually met at Jan Smuts Airport by SA Cricket Union official, Dr Ali Bacher at 4am.

"I am a sportsman, not a politician and people should understand what I am doing," said a tired yet cheerful Alleyne.

A relieved Dr Bacher also disclosed that after a series of tricky negotiations he had obtained the release of the fast bowler from his contract with a club in Melbourne.

Alleyne is the latest addition to a touring team that threatens to provide a stern test for the Springboks in the coming international series.

Yesterday he was re-united with countrymen Collis

King and David Murray who have been playing club cricket in Johannesburg.

The newly-appointed West Indies team manager, Gregory Armstrong, also arrived at the weekend, in advance of the full touring party who are expected to assemble in the next few days.

After an informal meeting with SACU president, Mr Joe Pamensky and Dr Bacher, he announced: "We are very happy with the way things are progressing."

Plans to appoint either John Shepherd or test cricketer Vanburn Holder as team manager fell through.

Former Springbok spin bowler Athol McKinnon has been appointed assistant manager of the touring team.

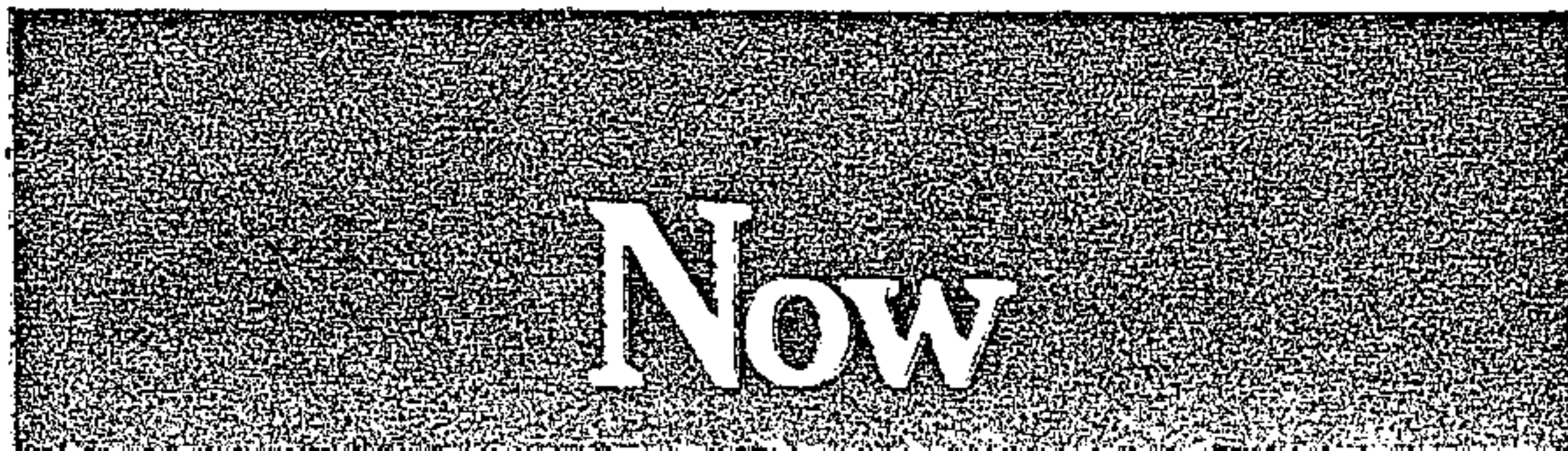
● SEE BACK PAGE.

Visits Jo'burg

... internally with no interference by outside powers or parties."

Sir Roy was accompanied by his wife, Lady Alerie, and by a Rhodesian historian, Dr R T Wood, author of the book which took 11 years to write.

Of the book, he said: "I'm obviously prejudiced but I think it's the best history book on the subject. There's lots in it I never even



Oil pumped from SA wells

Cape Times 17/11/83 55

Own Correspondent

DURBAN. — Oil in commercially exploitable volumes has been found at Wakkerstroom, on the border of Natal and Transvaal, and crude oil is being pumped using a process perfected in the United States.

Oil first flowed on Tuesday, and 1 500 litres were pumped in the first 24 hours.

The process has been successfully adapted for

local conditions, and could change South Africa's attitude to oil exploration.

Ten barrels of oil could be pumped from each well each day. It is not known how many wells will be sunk.

Known as "fracking", the process involves blasting an underground well into which the oil seeps.

Water is pumped out of the well allowing the oil to accumulate. The process, used extensively in Oklahoma and Kansas, employs a number of small wells headed by the "nodding donkey" pump.

During the past 15 years concerted efforts to find oil within South Africa's boundaries have met with scant success. The most promising results from Southern Oil Exploration Corporation (Soekor) efforts have been the series of wells drilled off Mossel Bay during the past five or so years.

Well over R300 million has been spent on the search for oil under the sea, but so far the results have not been commercially viable.

Sasol rights issue looks attractive

W/E ARGUS 19/11/83

20053

ONE of the perks of being a shareholder in a company is the right to subscribe for extra shares from time to time whenever it makes a rights issue.

Companies make rights issues of their shares whenever they need extra share capital and one of the attractions of these rights issue is that the shares are usually offered at below the current share market price.

This is done to encourage shareholders to put up the extra capital the company wants, and it can have considerable monetary value when the shares are offered at a large discount to the market price.

However, this is not the case with the Sasol rights issue, of which details were announced this week.

R780-million

Sasol, the country's oil-from-coal producer, is planning to raise almost R780-million by offering 187,5-million shares to existing shareholders in the ratio of one new share at 415c for every two shares already owned.

Although Sasol shares have been up to 505c earlier this year and as recently as September they were standing at 480c, they were trading this week at just over 420c — only about 8c above the rights price.

Nonetheless, this should not deter Sasol shareholders from taking up their rights, for the share price will not remain this low once

INVESTMENT

By DEREK TOMMEY

the rights issue is out of the way.

The drop in the share price can be attributed to a great extent to the size of the rights issue.

Sell rights

The news that a company is making a rights issue normally does depress its share price. It is assumed, usually correctly, that some shareholders will not take up their rights but instead will sell them on the share market.

This usually enables other investors to subscribe for the rights at below the market price. Thus on news of a rights issue, buyers hold back and it is quite common for the share price to drop.

In the case of Sasol, which is seeking the huge amount of just under R800-million, it is understandable that the share price should fall fairly steeply, especially when the economic climate and market conditions are already poor.

However, there are also two other reasons which could have affected the price.

Issued at 415c

One was that the rights issued was pitched at 415c instead of 400c as the market expected. This could have squeezed out some speculators and led to selling of the share.

The other reason is

that although the shares are being issued on a prospective dividend yield of 7,7 percent, the first dividend payable on the new shares will be 18c in October next year.

In other words, for the next 10 months the investor will be getting a return of only 4,3 percent on his money. This is not so hot when it is considered that fixed interest stocks are now yielding 14 percent or more.

Yet in spite of these factors Sasol shares do have some attraction at 415c.

Strategic

One reason is that any signs of an upturn in the South African economy could bring increased overseas investment here, and one share they will obviously go for is Sasol — with beneficial effects on its price.

Another reason is that Sasol is a strategic industry. As long as there is a risk of an oil boycott against South Africa Sasol will get 100 percent Government support, so the possibility of Sasol operating at a loss or not making steady profits are extremely thin.

Then, while there is a glut of oil in the world markets at present, this is not likely to be the case in three or four years when the interna-

tional economy gets on its feet again.

Therefore Sasol would seem a justifiable investment at 415c for anyone taking a four to five year view.

But can non-Sasol shareholders get Sasol shares at 415c? The answer is no. But they can get them for just a few cents more by buying Sasol share rights.

5c or less

On current performance of Sasol's share price, these rights should be obtainable for 7c. However, it would not be surprising if they were to fall to 5c or less.

Anyone buying these rights, therefore, will be able to subscribe for Sasol shares at 415c each. However, a word of warning when buying rights.

They become worthless once the subscription date is passed, which is December 9, so if you want to buy Sasol shares you will have to do it before then.

This is a case where it will pay you well to work closely with your stockbroker. Although the rights themselves will be listed only on December 8, letters of allocation, which are rights in a different name, will be traded in the stock exchange from Monday November 21.

Summing up, the slump in Sasol's price does give investors wanting a long-term investor, or capital appreciation over the next year or so, the chance to get in on the ground floor.

R600-m saving on fuel bills possible — expert

By Michael Chester

The University of the Witwatersrand hopes to provide guidelines on how industry can save up to R600 million a year on fuel bills.

The survey project is being directed by Professor Neville Tully, of the school of mechanical engineering, who is convinced such massive savings are within reach as an immediate objective, without any handicap to production levels, by using modern methods of energy conservation.

Though electricity consumption will be at the forefront of the studies, analyses will also be done of possible huge savings in the use of coal, gas and oil. The estimate that about R600 million can be sliced off

fuel costs — at the moment running at around R2 000 million a year — is based on achievements in Britain and elsewhere overseas. There expenditure has been cut by up to 25 to 30 per cent because of better management of energy consumption and new government incentives.

A first objective will be analysis of the wide variety of energy control devices — "available in abundance but rarely put to work by the average factory" — and a survey of companies to ascertain their awareness of new conservation methods.

It is likely that the Association of Chambers of Commerce, the Federated Chamber of Industries, the Afrikaanse Handelssinsittut and other business organisations will be invited to cooperate in the exercise. "Energy management, which

has become regarded as essential in most advanced industrial nations, has been neglected badly so far in South Africa, perhaps because of our relatively low fuel tariffs," says Professor Tully.

"But interest is bound to quicken when companies learn of the tremendous scope for cash savings.

"Energy conservation runs from saving electricity by switching off lights as a routine, which can be done by electronic controls, to systems of regular tours of factories and office blocks to check on waste.

"The crucial prerequisite is that managements recognise the dimensions of fuel savings and give energy affairs a higher priority. Most companies will be amazed at the scope to save tens of thousands of rands a

month from simple new routines."

Aside from conservation measures, aspects to be studied include trimming energy costs.

This can be done by reshaping production schedules to iron out high consumption peaks that run into maximum tariff rates; also, where possible, negotiating a new tariff structure with suppliers to gain advantages from holding consumption levels at a steadier pace.

Also under the spotlight will be anomalies in the tariff rates unearthed in comparisons of charges by various electricity and gas suppliers.

"Energy management will come into its own only when companies realise the potential impact on the balance sheet," says Professor Tully. "There is something askew

when we discover an industrial user who finds that if the firm flares off — lets it burn away — R14 000 worth of its gas supply it reduces its annual gas bill by no less than R90 000 in the complex way tariffs were compiled.

"The laxity about fuel bills is also reflected in finding a company happily paying R35 a ton for coal supplies from a retailer when it could easily buy direct from the pit-head at R13 a ton and transport it for only R6 a ton.

"Better energy management can bring about huge cash savings. We hope to prove to industry the wisdom of cutting fuel bills — and using the cash for productive new investment." This survey will be followed by studies into energy patterns as they are likely to emerge in the next five to 25 years.

58
22/11/83




MICHAEL CHESTER



see with beer. This prize

ernationally recoltivity fair

Tanzania denies SA oil dealing

22/11/83
DAR ES SALAAM — A categorical denial of a British magazine report that Tanzania has been dealing in oil with South Africa over the past four years was issued here at the weekend by the Tanzanian Government.

In a lengthy statement in which it examines point by point allegations in the November 13 issue of Britain's Observer Newspaper that two-way trade has been going on, the government says that any oil deals between Tanzania and South Africa were done without the government's knowledge, against its express instructions and policy and through the use of misleading documents.

Declaring that further action in the matter would be taken soon, the government statement said the reportedly Swiss-based company Marco Trade was one of five companies which tendered for a contract to supply Tanzania with Iranian crude oil and refined products and to export residual fuel oil from the Dar es Salaam refinery.

Having won the contract, Marco Trade shipped Iranian crude into Tanzania and shipped residual oil out to Singapore, Aden, Italy and India.

Replying to allegations that South African oil products were shipped to Tanzania, the statement said that when the tanker Ardmore delivered oil products to Dar es Salaam on October 13 this year, discrepancies in its documents cast doubts on the cargo's stated origin.

It had not come from BP Singapore as declared. BP Singapore had denied shipping it. It was found that the tanker's previous ports of call were Lagos and Cape Town.



Ecab to

get power

subsidy

E. Post
24/11/83

55
~~55~~
~~55~~

All ans
Numb
Numb

Surname

First Nam

By STEPHEN ROWLES, Municipal Reporter

ELECTRICITY consumers in Port Elizabeth's black townships are to receive their electricity rebates in full and retrospectively to April, 1982, a spokesman for the Decentralisation Board in Pretoria said today.

Degree/Diploma/Certificate for which you are registered (e.g. B.A., B.Sc.)..... B. Com.

Subject..... ECONOMICS IA.
(to be copied from the heading on the Examination Paper)

Paper No..... 1. (ONLY I PAPER)
(to be copied from the heading on the Examination Paper)

An electricity subsidy has applied to the Port Elizabeth-Uitenhage area since April 1 last year.

The Port Elizabeth Municipality received a subsidy of R12.07 million between April, 1982, and the end of March this year.

The Uitenhage Municipality, which is supplied from Port Elizabeth, received R3.5 million up to July this year.

These subsidies have been passed on to the consumers. However the East Cape Administration Board has not yet been paid a subsidy. The Decentralisation Board spokesman confirmed this was because Ecab had failed to apply for the subsidy.

He said the matter had been overlooked because officials of the Decentralisation Board were not familiar with local conditions.

The spokesman said the subsidy would be paid in full retrospectively. At this stage the amount involved was not known.

Port Elizabeth's City Treasurer, Mr Amandus Strydom, said that when the subsidy was announced local authorities and interested parties had been briefed by a representative of the Decentralisation Board in the City Hall.

He said the subsidy was based on the difference between the cost of electricity to the end consumers and the cost of the cheapest electricity in the country — that in the Eastern Transvaal.

Mr Strydom said that at the meeting it had been established that each local authority which received electricity from Port Elizabeth would claim its own subsidy.

It was not possible for Port Elizabeth to collect the subsidy for its bulk consumers because Uitenhage and Ecab each had a different tariff structure and cost.

The Chief Director of Ecab, Mr Louis Koch, was not available for comment today.

The issue of the subsidy had caused an outcry among black spokesmen. The chairman of the Iliso Lomzi Party, Mr Dan Qeqe, said earlier today that there was chaos "somewhere in the electricity section of the Ecab".

"This is shocking, especially when these people are serving the poorly-paid section of the community," he said.

Some people had also been complaining about "irregularities" connected with electricity — like being handed final notices on the day Community Council workers arrived to disconnect the electricity supply.

Mr Qeqe said that when residents checked amounts, these were sometimes altered at the counter. One resident was first asked to pay R126. When she queried the amount it was changed to R76. Others who had queried accounts had the amounts increased.

He said all accounts should be frozen while the situation was being investigated.

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WA

- 1.
- 2.
- 3.
- 4.

Any dishonesty will render the candidate liable to disqualification University

Muddle ~~not~~ ⁵⁵ Ecab's fault, says Koch ^{E. Post} _{25/11/83}

Post Reporter

THE Chief Director of the East Cape Administration Board, Mr Louis Koch, said today that the impression had been given that Ecab was to blame for not applying for its subsidy for electricity consumers from the Decentralisation Board.

"Ecab was not to blame," he said.

"To try to apportion the blame to the administration board is not fair," said Mr Koch, who today contacted the Decentralisation Board to try to get clarity on the electricity subsidy muddle.

Mr Koch said he was upset that the impression was being given that Ecab had acted amateurishly and neglected its responsibility to its electricity consumers and he wanted to put the record straight.

"We were told by Escom that in terms of the Electricity Act we did not qualify as distributors and were

classified as users buying in bulk from the Port Elizabeth Municipality (PEM)," said Mr Koch.

The Act on Administration Boards stated that local authorities should provide service to the boards at cost.

"We assumed that any subsidy which they (PEM) obtained would be passed on to us," said Mr Koch.

Mr Koch said the board was not invited to the meeting with the Decentralisation Board at which everything about the subsidy, which was instituted 18 months ago, was explained.

"We have the identical arrangement for electricity supplies with Uitenhage and yet the Uitenhage Municipality has been allowing for the subsidy and has been passing it on," said Mr Koch.

"Two local authorities cannot be wrong.

"We are not guilty of neglect."

Secunda plants outstrip own colliery production

Sasol tops target, bouys coal from outsiders

By ADAM PAYNE

OIL and chemical production by Sasol 2 and Sasol 3 plants at Secunda is going so well — at nearly 6% above scheduled level — that they have to buy coal to supplement that supplied by the Secunda Colliery.

Secunda Colliery is also ahead of budgeted production, but not as high as 6% — hence the need to buy outside on a scale which is small in relation to the huge consumption of the two plants.

The coal costs more than Secunda Colliery coal.

A mining engineer told me that Secunda had moved seven long-wall mechanical miners because of

dykes in the past three months and this had affected production.

The Sasol spokesman denied that this was the cause of outside buying, saying: "The move of long-wall miners was carried out according to programme and the purchase of coal from outside sources is looked on as a bonanza because it enables us to produce oil and chemicals at optimum level. We buy the outside coal at satisfactory prices on a flexible contract."

The other side of the picture is that the coal must cost about R17,50 to R18 a ton because of road transport costs of R7,50 a ton between the Witbank area and Secunda. The contract price is likely to be between R10 and R11 a ton at the mine.

Several mines were asked to tender for the contract. Some Escom coal was supplied to Sasol when Escom-tied collieries were stockpiling because of lower power generation caused by the water short-

age.

Gencor tendered as did Witbank Colliery whose Wolvekranz open-cast producer, with a new R21,5m dragline, won the present contract which runs to April next year and could be renewed. Wolvekranz was producing about 112 000 tons a month and had stockpiled coal.

I am told that it is now mining about 200 000 tons a month, although the controlling house, Rand Mines, declined to comment on the contract or provide production figures.

However, on Sasol can be assumed to be buying between 60 000 and 80 000 tons of coal a month from Wolvekranz.

The Sasol spokesman said the cost figure of R18 a ton was incorrect, but he would not give the figure. "There is no truth in statements that we have had mining problems. We are proud of Secunda's outstanding achievements. It is

the largest underground colliery in the world with four sections — Bossjesspruit, Brandspruit, Twistdraai and Middelbult.

"Secunda began supplying Sasol 2 in January 1980 and in the year to June 30 last produced 22,2-million tons of coal — almost double the 11,4-million tons in the previous year. By January this year the colliery was producing at a rate of 27-million tons a year and the final target is 29-million tons."

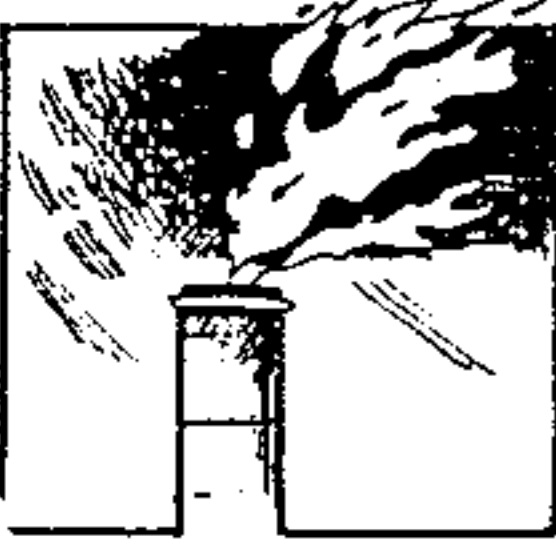
He said the two oil and chemicals producers needed nearly 6% more coal than was budgeted for at this stage.

Although Secunda Colliery was ahead of schedule it was not producing at a rate equal to the increased needs of the two plants and a small amount of coal was bought outside.

"We could have sat back and been satisfied producing oil and chemicals above budgeted levels, but by buying outside we are able to raise output."



What investing in Sasol means



Sasol is a rare bird. It is a concept born in free enterprise but nurtured by the State to grow into a unique phenomenon: the world's only commercially viable oil from coal enterprise. And

Sasol's R778m rights issue sets another record for the world's only commercial oil from coal plant. And it pushes Sasol further into the private sector. But what is good for Sasol may not always be good for SA.

in what should be a model for State corporations, the private sector has been drawn into owning and financing what has become a genuine blue-chip investment.

This week Sasol takes the next major step towards reducing government ownership. Its R778m rights issue — SA's biggest ever — is necessary to achieve this. To Sasol itself this issue is important as a symbol of its maturity and its credibility as a leading private corporation. Its management believes it to be more significant than Sasol's listing on the Johannesburg Stock Exchange in 1979. This is because it is a much larger whittling down of government's interest, made possible by enormous commercial and technical success.

"This is the most exciting year ever for Sasol. Everybody in the organisation has felt it, and been invigorated," enthuses MD Joe Stegmann. An issue of this size would not have been possible, he explains, if Sasol's new plants were not very successful.

Visions, and their fulfilment, have been a powerful force in Sasol for many years. Of course, considering Sasol's unique place in its field, technical prowess naturally occupies a high place in the company's collective consciousness. But the achievements

since the public listing surpass those that came before, and they spread into many fields.

The rapid commissioning of the new Sasol 2 and 3 plants at Secunda heads the achievements. Without it, the takeover of Sasol 2 could not have been done at this time. Sasol is making the rights issue because it needs R2 620m to buy the 50% stake in Sasol 2 which is owned by the IDC/Konoil. It is issuing 187,5m new shares on the basis of one share for every two shares held by present shareholders. The new shares will raise R778m. Sasol will provide a further R350m from cash flow and R1 490m from long-term loans. In practice, because of IDC's cross shareholdings, only a net R545m of the rights issue will actually change hands. So the impact of the particularly large issue on the banking system will be restrained.

Far larger

The two new plants are far larger than the first Sasol plant at Sasolburg. Sasol's 1979 prospectus estimated that Sasol 2 and 3 would be fully commercial by 1985-86. And, until recently, analysts did not expect the Sasol 2 rights issue before 1985.

Sasol 3, a duplication of Sasol 2, started coming on stream 15 months ago. Already it is in full commercial production and has reached the same level of operating efficiencies as Sasol 2. "In our wildest dreams we did not expect such a smooth commissioning," says Stegmann.

And Sasol's Bosjesspruit coal mining complex at Secunda reached virtually full production timeously this year. Using mechanised extraction methods, it has an

installed mining capacity of 29 Mt, making it the world's largest underground coal mine. However, when Sasol 3 notched up production earlier than forecast, its coal demand outpaced the Secunda mine's output. The Secunda mines are owned by Sasol 1, and earned extremely useful income for Sasol Limited from sales of coal to Sasol 2 and Sasol 3.

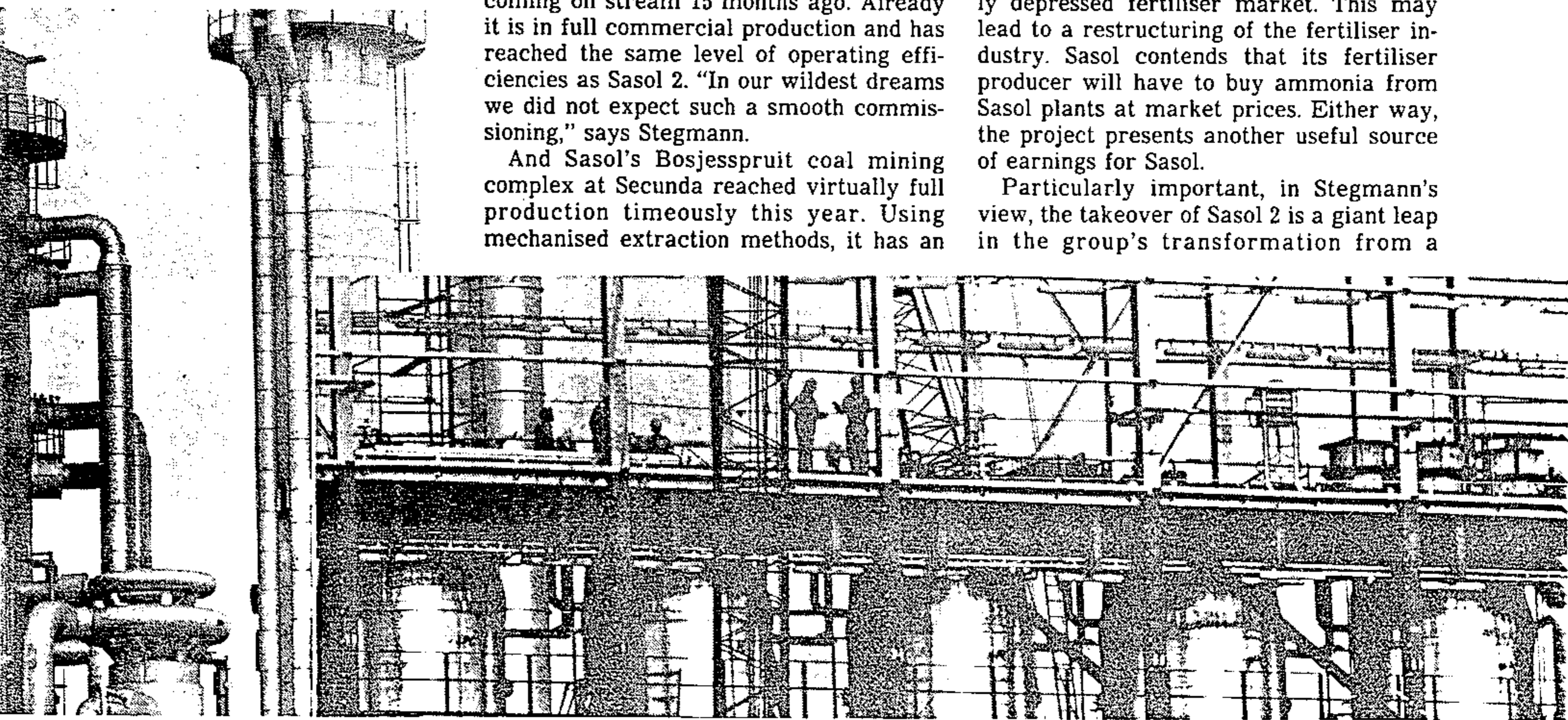
Capacities and production levels of the two new plants' main products — liquid fuels — are secret. Unofficial estimates of the group's contribution to SA's liquid fuel requirements vary between 40% and 60%. Certainly, the true figure is very substantial.

Sasol has also become a powerful force in other industries. As leading local supplier of chemical feedstocks it is the hub of the SA chemical industry. The Sasol plants produce large tonnages of chemical raw materials like ammonia and ethylene as co-products (a term Sasol prefers, because the plants were specifically designed to produce them) which are either sold to local processors such as AECI or processed by Sasol. In the year to end-June 1983, the group earned R378m from sales of about 80 chemical products. Exports of chemicals earned more than R47m.

With its production volumes and product ranges expanding, Sasol is causing concern in another industry — fertilisers. It has invested R120m in a fertiliser plant based on ammonia and plans to enter the market on a significant scale early in 1984.

Established producers fear that Sasol, with its vertically-integrated production, could take from 10% to 15% of the presently depressed fertiliser market. This may lead to a restructuring of the fertiliser industry. Sasol contends that its fertiliser producer will have to buy ammonia from Sasol plants at market prices. Either way, the project presents another useful source of earnings for Sasol.

Particularly important, in Stegmann's view, the takeover of Sasol 2 is a giant leap in the group's transformation from a



255

wholly-owned State body to an organisation in the private sector. The fact is, of course, Sasol remains a special kind of company: a publicly-owned enterprise over which government retains elements of control. Its memorandum and articles of association state that the Minister appoints four of the 11 directors. The State-owned IDC appoints another three, ensuring government holds ultimate control. State control may be passive, but it is an anomaly that provides useful ammunition for charges of government intervention.

Distinctive culture

Stegmann refutes suggestions of monopoly or favouritism. "I have always been a strong supporter of free enterprise. Sasol believes in competition and it doesn't like dominating markets. In fact, we have promoted the establishment of other companies as far as we could," he asserts.

Sasol has evolved a distinctive culture and atmosphere, which Stegmann has helped propagate since his appointment as chief executive in 1976. The senior management, he says, is strong on the team approach. He describes them as relaxed, with little personal conflict. "I know of no other company whose people are so relaxed and free of tensions," he says. "But, at the same time, I have seen few companies where there is so much tension when it comes to achieving results. Excellence is our only criterion for assessing people."

Indeed, it is quite likely that the company has felt severe growth pains, considering the scope of the expansion since 1975, when work started on Sasol 2. Head office management alone has grown from several dozen to exceed 150 in the last two years.

Standards, systems and disciplines are inevitable in a company by nature so technology-orientated. Yet Bloemfontein-born Stegmann (57) typifies a holistic view that is not uncommon in Sasol. He qualified B Sc



Visions and their fulfilment are important to MD Stegmann

electrical engineering at the University of the Witwatersrand and took an MBA at Pretoria University. He is a dedicated amateur photographer and maintains an interest in music and theatre. In stressing that Sasol is not run by narrow technocrats, Stegmann notes that chairman David de Villiers is a lawyer by training. "Nobody thought about his background. He was simply the best leader," notes Stegmann.

New shake-ups in the next five years may accelerate the changing culture. Stegmann and his deputy, Jan Bezuidenhout, are due to retire in 1986. Below them is a tier of youthful, highly qualified talent. It includes such men as senior GMs Andre du Toit (44), Dirk Mostert (46) and Paul Kruger (45).

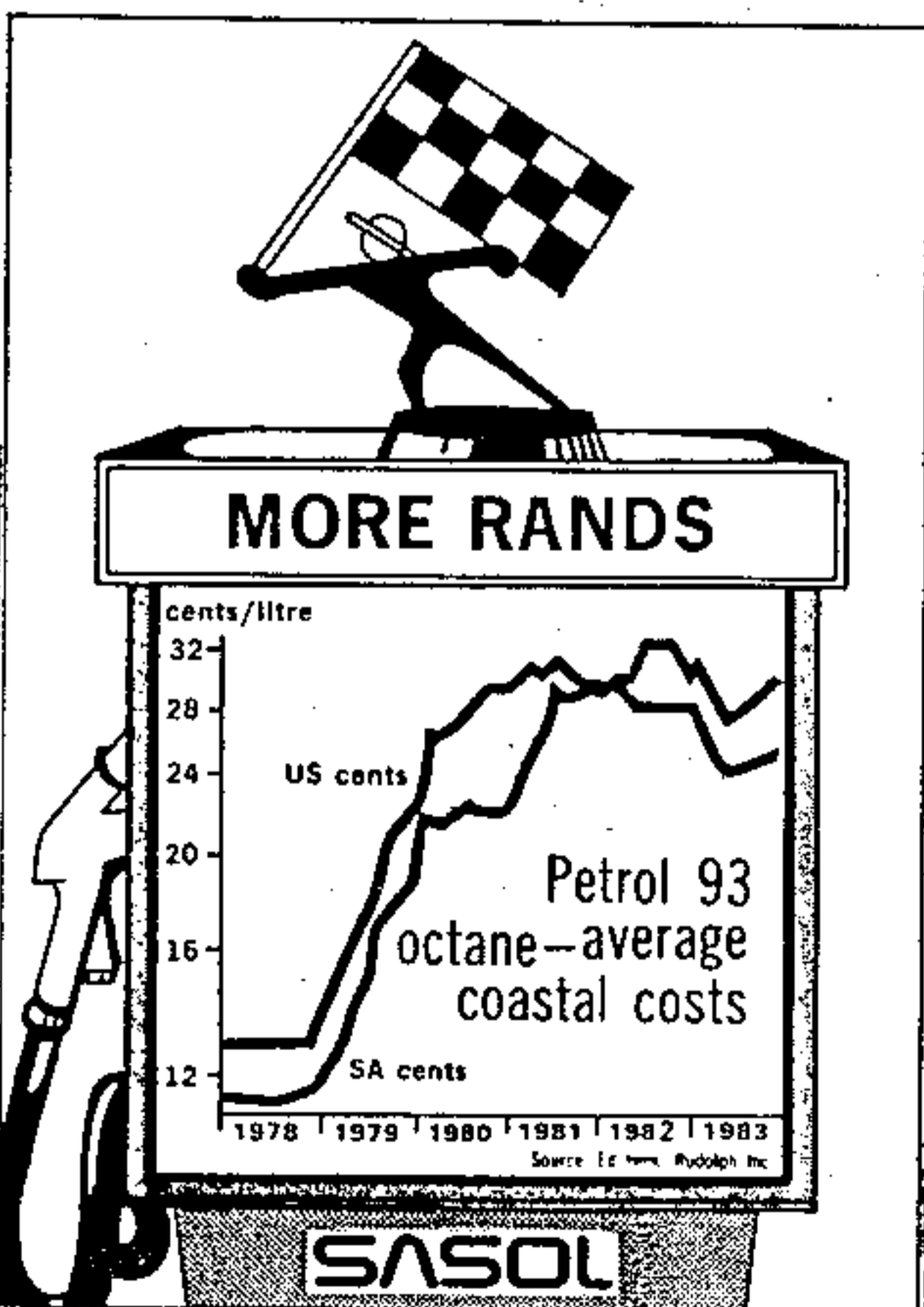
There is no gainsaying that throughout the expansion and consolidation of earlier phases, Sasol has produced earnings comparable to other chemical groups. The company has more than justified the excitement generated among investors when its shares were listed in 1979 at a price of 200c. Earnings a share have climbed from 32,4c in 1980 to 61,9c in 1983, with annual growth rates of 37%, 19,8% and 16,4% in the last three years.

Very few other industrial companies were able to increase dividends by 12,5% as

Sasol did in the year to end-June. And other companies in the chemical sector, depressed by domestic recession and distressed over government moves to loosen protection against imports, cannot approach Sasol's resilience to economic adversity.

Critics and gleeful investors argue that the State's heavy influence on Sasol's board infers that government will provide protection if Sasol's profitability is ever threatened. Besides, SA has invested massively in the oil-from-coal plants. (Stegmann, however, counters: "We face risk like any other company but we are well protected by the diversity of our product range.") The company enjoys protection of 15% duty on fuel, but essentially has to compete against overseas prices, which are used to set SA's fuel prices. Clearly, however, government might well step in if overseas prices sink to unacceptable levels.

But that applies to worst case scenarios, from the viewpoint of investors in Sasol, amounting to a collapse in overseas oil markets. Sasol argues there has been no undue government influence in its management and nor is profitability guaranteed. In fact, the company has suffered to some extent from lower oil prices in the past two years. The Middle East spot price for light



2055

FM 25/11/83

SHAKY FORECASTS

Rating Sasol's share prospects and rights issue is an exercise bedevilled by inadequate facts on key factors like production levels. Forecasts are also hazardous because of the wide fluctuations possible in international oil prices and the rand/dollar exchange rate.

This general uncertainty inevitably exerts some bearish impact on the share. More bearish at present is concern that overseas oil prices, which SA uses as a basis for its prices, could crack further. These factors probably account for the share's relatively high yield of 7,7% on the 415c share price. The chemical sector, whose profits are more vulnerable than Sasol's, yields an historical average 6,7%.

The rights issue and the Sasol 2 takeover changes the company's financial structure radically. The consolidated *pro forma* balance sheet shows shareholders' interest rising from R984m to R1,84 billion, total assets from R1,64 billion to R5,5 billion and total capital employed from R1,27 billion to R4,67 billion. Potentially worrying, the long-term debt jumps from a negligible R56m to R2,61 billion. This takes the debt:equity ratio from a barely-geared 0,07 to around 1,7.

However, the high debt need not cause

concern. Alan Hill, analyst at Sasol's sponsoring broker Ed Hearn, calculates that the tremendous cash flow from Sasol 2 and Sasol 3 in future will allow the company to repay debt from internal funds starting at R350m/year and going to more than R400m in three years.

Sasol 2's profit history shows that operating margins at the new plants are high — over 50% at Sasol 2. This suggests gross cash flow of about R720m for the enlarged Sasol Limited in 1983. If Sasol 3 was consolidated now, gross cash flow for the group would be about R1,4 billion (before financing charges) at 1983 prices and full output.

Reversion of interest payments on Sasol's government loans to a market related rate will increase interest payments by about R150m for this year. However, the injection of Sasol 1 into Sasol 2 will give immediate tax benefits amounting to R1,32 billion, lasting about three years. Thereafter, there are tax allowances on Sasol 3, initially about R2 billion, of which a substantial portion will still be available. The group's effective tax rate should be below 10% until 1987.

Sasol Limited's dividend payment would absorb about R154m and capital

expenditure would take about another R150m. Increases in working capital would be low. This would leave this year's net cash generation about R350m, and sure to improve significantly, Hill calculates. There is also considerable scope for removing bottlenecks and further improving operating efficiencies. Additional investments can be made fairly cheaply that will have a relatively high return. Hill expects that by 1985 the gearing will be down to typical levels for a capital intensive, industrial company. Sasol in fact confirms it expects its debt:equity ratio will be down to 1,0 by the end of this financial year.

What is particularly significant is that he is convinced there will not be another rights issue when Sasol 3 is eventually taken over. He contends this will happen only in the late Eighties, when it can be funded internally and by normal loans, without undue sheet strain.

None of this says that Sasol will become a high-flying share. It should remain one of the most solid shares on the JSE, producing consistent dividend growth averaging around 15% annually. Increased confidence in oil prices and further demonstration of its cash generating capabilities will enhance the share's image.

Andrew McNulty

crude has declined from \$34 in late 1981 to about \$28,50. However, it is the rand oil price that counts. Thanks to the weak gold price, the rand has compensated by softening by 20% from \$1,038 in January 1983 to \$0,83 this week.

Uncertain oil markets may have diminished the share's popularity. But there is little doubt that oil prices will react to increased demand eventually. "The short-term view is hard to predict," concedes Stegmann. "But there is over-complacency overseas. I feel very comfortable on the long-term outlook."

Since the rights issue price of 415c was announced on November 11, the share price has declined from 435c to 415c on Wednes-

day. Sasol has forecast a dividend of 32c for the year to June 1984, placing the share on a prospective yield of 7,7%. This is well above the chemical sector historical yield of 6,7%, suggesting a low rating.

Of course, the *raison d'etre* of Sasol is not really commercial. It is to supply the country with vital fuel if imports cannot be obtained. The more this can be done commercially the greater the benefit. The fact that Sasol feels it can fund itself to such an extent from private investors is a tribute to its managers' technical success so far. It suggests, too, that they believe oil prices will finally rise strongly and be sustained at relatively high levels.

And that is precisely where the worry of

investors might lie: that the extent of Sasol's commercial success is predicated on rising oil prices, which in turn are a general inhibition on economic growth. Conversely, the lower oil prices are the greater will be SA's prosperity.

Investors who go enthusiastically for Sasol's rights are tacitly agreeing that oil prices will rise and SA and many others will suffer. They may be wrong. There are some experts who think so. Those who believe that conservation, substitution and generally moderate rates of economic growth are likely in the decade ahead are going to want to see this reflected in the issue's yield.

Andrew McNulty

25/2/78

Cahora Bassa tripped out since October 28

By David Braun,
Political Reporter

Top-level discussions have been held by the Minister of Foreign Affairs, Mr Pik Botha, and the Portuguese Government on problems relating to the crippled Cahora Bassa hydro-electric scheme in Mozambique.

A spokesman for the Department of Foreign Affairs in Pretoria today said the department was unable to comment on the nature of the talks as progress had been made on a "minute-to-minute basis".

But an Electricity Supply Commission spokesman confirmed that there had been no power from the giant scheme since October 28.

"We have had problems over the last few years with the reliability of the supply. We received some power intermittently over winter," he said.

Cahora Bassa — a white elephant?

The Star's Foreign
News Service

The guerilla war being waged by the anti-Frelimo rebels of the Mozambique National Resistance movement, allegedly backed by Pretoria, has turned the massive Cahora Bassa dam from a Southern African dream into a massive white elephant.

In 1978, the Frelimo Government estimated that with two stages of the R435 million project completed it would earn nearly R22 million a year

from South Africa in desperately needed foreign exchange.

However, an Escom spokesman said that over the past two years the South African grid had received only intermittent supplies from Cahora Bassa.

Nothing had been received since October 28 this year.

The project which created the second largest man-made lake in the world was intended to provide most of its power for South Africa though any one of the dam's five

Escom had not invested a cent in the scheme so it was not financially involved in the breakdown of the facility, he said.

Because Cahora Bassa is a hydro-electric scheme, it is able to generate electricity considerably more cheaply than Escom's coal-fired power stations. Escom has contracted to buy 1 400 Mw, which is more than the total output of some of its older and smaller power stations and represents about eight percent of the total South African demand.

The unreliability of the supply, said to be connected with Mozambique's inability to prevent sabotage to the powerlines, means that Escom must generate extra power internally at greater cost.

Failure of Escom to buy its contracted power means heavy losses for the owners of the scheme.

● See Page 11, World section.

massive turbines would be capable of providing all the power needs of Zambia, Mozambique and Tanzania.

An international consortium battled to tame both the unpredictable Zambezi and terrible climatic conditions.

The project survived Frelimo threats to blow up the dam during its construction and the political upheavals that followed the 1974 Lisbon coup. It finally began producing power for South Africa in March 1977.

While the dam appears to be functioning well, the project's weak point has proved to be the 1 414 km of high tension cables crossing through

Mozambique and the Transvaal.

The vulnerable pylons have been sabotaged repeatedly by MNR guerillas and the lines have become impossible for the Mozambican security forces to guard along their length.

ALTERNATIVE

Though the sabotage initially caused power shortages in South Africa, Escom has developed alternative resources to replace the eight percent of local requirements Cahora Bassa once provided.

South Africa has repeatedly denied claims that it provided the MNR with weapons, training and logistical assistance.

Escom hit by power hassles

By SUE FAULKNER

IT WAS an engineer's nightmare when a complex series of high-tech problems hit four of Escom's biggest power stations in quick succession on Friday and caused power cuts across the country.

At the Kriel, Duvha, Matla and Hendrina power stations in the Eastern Transvaal, technical hitches gave engineers a real headache, while the underground hydro power station in the Drakensberg mountains could not produce power immediately because the top dam had been used extensively the previous week and water had to be pumped back before power-making could resume.

The scheme is used by Escom to generate an extra 1 000 megawatts of electrical power at peak times.

The problems, which began at 4,05pm on Friday, were:

● At Kriel a build-up of residue from poor quality coal piled up into huge lumps inside the boiler — a massive construction roughly the size of a 30 storey building with a jungle of 320km of piping inside — and crashed down on to the lower pipes, damaging some of them.

● At roughly the same time, two separate problems crippled Duvha, one of the country's largest power stations.

At 3.25pm one of the generators tripped out and the computerised control automatically shut the plant down as a safety measure.

After electrical engineers repaired the short-circuit, the massive boiler had to be re-lit and the temperature brought slowly up to 600°C again so the piping would not be damaged. By 7,55pm the boiler and generator were back on stream.

Eight minutes after the first problem, a fault affected one of the water pumps used for cooling.

This meant there was less water passing through the condenser to cool the steam which drives the mighty turbine. The computer automatically shut down the set as a precaution, and engineers set to work to repair the pump.

● When the drought began, Matla's water supply was switched from the Usutu River to the Vaal Dam, but the plant's water demineralising unit is designed to cope with Usutu water — chemically different to Vaal water. Water is fed into the cycle to make up losses but the plant's demineralising unit — which produces water 20 times purer than a bottle of distilled water — couldn't cope on Friday, and there was not enough water to feed the boilers.

● At the Hendrina power station, supplied by one of the open cast mines in the Eastern Transvaal, wet coal caused problems with the furnaces.

A spokesman for Escom said yesterday that by 5.10pm, half the lost power had been restored. Engineers continued with repairs at the Eastern Transvaal power stations, and all power was back by 7.56pm.

In addition, the spokesman said, annual maintenance work, to prepare the power stations for peak demand next winter, prevented Escom calling on other reserve power supplies on Friday.

"The municipalities of Secunda, Cape Town, Johannesburg, Port Elizabeth and Pretoria came on line with their own generators as our supplies dwindled. Between them, they managed to produce some 200 megawatts of electricity which helped enormously," he said.

55 2001 29/11/83

AKG us 30/11/83 (55) ~~28~~

Petition calls for Koeberg licence to be withheld

Staff Reporter

A PETITION launched in Cape Town calls on the licensing branch of the Atomic Energy Commission to withhold an operator's licence for Koeberg nuclear power station until Escom meets certain conditions.

Organised by Koeberg Alert, the petition calls on the AEC to withhold the nuclear power station's licence until:

- Emergency procedures have been tested in an exercise involving the people at risk.

- Control of the emergency plan is placed in the hands of a body independent of Escom.

URGENT MATTER

- There is full public disclosure of the emergency plans and the wind patterns on which they are based.

- A permanent solution for both high-level and low-level waste is made public.

Addressing a public meeting to launch the petition, Mr John Venn of Koeberg Alert said public confidence in Koeberg's emergency plan had to be established as a matter of extreme urgency.

"It has been repeatedly stressed overseas that an emergency plan for a nuclear accident cannot work unless the public is fully informed in advance of its provisions and has confidence in that plan.

"INEFFECTUAL"

"It is clear to us from the work of our branch in Atlantis and from our discussions with people there that the people of

Atlantis and Mamre have no such confidence.

"We know that pamphlets were distributed by Escom in Atlantis, but they have been completely ineffectual."

Mr Venn said Escom's failure to keep the public informed was a serious oversight.

"Escom's reluctance to include the general public in an exercise is probably because they fear such an exercise will be considered an admission that an accident is likely.

"FAILURE"

"However, through their failure to keep them informed, the people at Atlantis, and particularly Mamre, have a greatly exaggerated fear of Koeberg and do not believe the plan will work."

- The regional manager of Escom, Mr G F Hellstrom, said today: "The point is that to comply with the requirements of the Atomic Energy Commission, we have to satisfy them for licensing purposes and as far as I know we have demonstrated this to them.

"My information is that Koeberg Alert meetings at Atlantis have been very poorly attended and I do not know how they gauged public opinion.

"In drawing up the emergency plan Escom is responsible for the plan as far as the station is concerned. Beyond the boundaries of the site we deal with the local authorities who are responsible for the area in terms of the Civil Defence Act. We have been co-operating with them very closely."

Mail Correspondent

LISBON. — Portugal and South Africa have held "gong and various discussions" on the security situation in Mozambique with special emphasis on the Cabora Bassa hydro electric dam, the Minister of Foreign Affairs, Mr. Pék Botha, told newsmen at the end of his three-day official visit to Lisbon yesterday.

Mr. Botha, who is to hold talks in Bonn, London and other undisclosed European capitals during his two weeks' tour, said: "South Africa is sympathetic to Portugal's problems with Cabora Bassa. Although I can make no commitments on the subject, I have told the government here that we will give very serious consideration to their requests over the dam and will set up a team of South African experts to study the matter which is very complex."

Pik in Parley Over Cabora Bassa Dam

Mr. Botha would not elaborate on whether any increase in electricity tariffs would be granted to the Portuguese state company which runs the dam and earns its income from sales of power to South Africa.

He said the Portuguese Government had made it very clear their financial difficulties over the dam, which cost them R47-million last year, were a heavy burden to bear. The Minister said this and the security problem in Mozambique had featured strongly in the day-long talks he had held with his Portuguese counterpart, Mr. Jaime Gama, and in his meetings with socialist Prime Minister, Mr. Mario Soares.

Portugal, which is financially responsible for debts incurred during the construction of Cabora Bassa and for its running costs until these are paid off, has complained bitterly that sabotage of powerlines by anti-government rebels in Mozambique has reduced income from power sales to a trickle, causing great strain on Lisbon's weakened economy.

Mr. Botha confirmed that the central theme of his discussions in Lisbon had been the relations between South Africa and Mozambique and Angola and their effects on Portugal's links to its former colonies. He said Lisbon was greatly concerned about the security problems facing Mozam-

bique, because it would like to offer manpower and technical assistance to Maputo, but feared sending its citizens into a country where their safety could not be guaranteed.

Although he had discussed these problems at length with the Portuguese, Mr. Botha declined to reveal details of any solutions that may have been found.

South Africa is widely reported to be backing anti-government rebels of the Mozambican National Resistance fighting the Marxist government in Mozambique.

Mr. Botha said South Africa's biggest difficulty in relations with its Portuguese

speaking neighbours was "the degree of Moscow's control there. The truth is that we do not trust these governments, and while I admit that they probably do not trust us, it is not clear to me how confidence can be built to avoid an escalation of misunderstanding between us."

Earlier Mr. Gama, at a dinner in honour of the Foreign Minister's visit, had offered to help in any way possible in overcoming the problems plaguing the regions.

He said Lisbon would spare no effort if asked to get dialogue going again between South Africa and Mozambique and Angola. He stressed that only in this way could all the states in the region co-exist successfully.

Help us with Cahora Bassa, asks Portugal

Star 30/11/83

28

55

By Brendan Nicholson,
The Star's Foreign
News Service

Portugal's request to South Africa to help maintain the financial viability and security of the Cahora Bassa power scheme appears to be a veiled plea for Pretoria to discourage the guerillas of the Mozambique National Resistance.

After talks in Portugal this week South Africa's Foreign Minister Mr R F (Pik) Botha said in an interview that the Lisbon government was "very concerned" about the Mozambican dam, particularly over financial and security issues.

The Portuguese have good reason to be worried.

They still own most of the dam and owe loan repayments estimated at R740 million to international financing organisations.

Assuming that these debts could be paid off within 15 years or so, Lisbon undertook to hand over the project to Mozambique by the end of the century.

Unfortunately South Africa is Cahora Bassa's only customer and the high tension power lines running from Mozambique to the Transvaal have, since 1979, been frequently sabotaged by anti-Frelimo guerillas of the Mozambique National Resistance.

The scheme's Mozambique-registered holding

SA asked to 'discourage' MNR raids

The Star's Foreign
News Service

LISBON — The Portuguese Government has made an urgent plea to South Africa to help ease the massive strain Cahora Bassa is putting on the battered Portuguese economy.

Last year Portugal lost R47 million because so little electricity from Mozambique's enormous hydro-electric project reached South Africa.

This was in part because of inefficient management by the joint Portuguese/Mozambique company which now runs Cahora Bassa.

But the most serious threat to the flow of Cahora Bassa electricity comes from the Mo-

The giant Cahora Bassa dam in Mozambique is unable to supply power to its only customer, South Africa, because the lines have constantly been sabotaged by anti-Frelimo guerillas. Portugal, which has a R740 million interest in the dam, has hinted that South Africa might try to curb the activities of the guerillas.

company, Cahora Bassa Hydro (HCB), of which 10 percent is owned by the Mozambican Government, had a contract with the Electricity Supply Commission to provide South Africa with 1373 megawatts of power but this was suspended last year because the supply was intermittent.

While the Cahora Bassa contribution represents only about eight percent of South Africa's demand, its hydro power is, generally, cheaper than that generated by South African coal-powered stations.

If the full 1373 megawatts were delivered on a firm, reliable basis it would be worth between R45 million and R50 million to HCB.

Escom confirmed today that, over the past two years, the Mozambican supply had been cut frequently and no power had been received since October 28 this year.

Although Escom has developed alternative power sources to replace the erratic Cahora Bassa system an industry source confirmed that a reliable Mozambican supply would be welcomed as requirements would inevitably grow.

Maputo claims that South Africa trains, arms, directs and provides logistical support for the MNR guerillas but these allegations are routinely rejected by the South African Defence Force.

But, in February, the US State Department said: "The MNR appears to be basically a military organisation with none but the most general political programme, apart from trying to replace the Government of Mozambique."

"It receives the bulk of its support from South Africa."

International commentators have suggested that Pretoria simply wants to "keep the pot boiling" in Mozambique to force President Samora Machel to withdraw support from the African National Congress.

In the meantime, the massive dam, once a monument to the potential of Southern African co-operation, has become a giant pawn in the game of regional power politics.

The co-operation dream turned sour as the MNR

could obtain "security guarantees".

Clearly Maputo believed Lisbon could press Pretoria into restraining the MNR which is widely reported to receive assistance from South Africa.

It was against this background that the issue was raised with Mr Pik Botha, the Minister of Foreign Affairs, by both the Portuguese Prime Minister, Mr Mario Soares, and the Foreign Minister, Mr Jaime Gama.

It is understood they pressed Mr Botha for a review of the tariff structure.

Mr Botha confirmed this in his Press statement yesterday and promised that South Africa would put together a panel of

After talks in Portugal this week South Africa's Foreign Minister Mr R F (Pik) Botha said in an interview that the Lisbon government was "very concerned" about the Mozambican dam, particularly over financial and security issues.

The Portuguese have good reason to be worried.

They still own most of the dam and owe loan repayments estimated at R740 million to international financing organisations.

Assuming that these debts could be paid off within 15 years or so, Lisbon undertook to hand over the project to Mozambique by the end of the century.

Unfortunately South Africa is Cahora Bassa's only customer and the high tension power lines running from Mozambique to the Transvaal have, since 1979, been frequently sabotaged by anti-Frelimo guerillas of the Mozambique National Resistance.

The scheme's Mozambique-registered holding

SA asked to 'discourage' MNR raids

The Star's Foreign News Service

LISBON — The Portuguese Government has made an urgent plea to South Africa to help ease the massive strain Cahora Bassa is putting on the battered Portuguese economy.

Last year Portugal lost R47 million because so little electricity from Mozambique's enormous hydro-electric project reached South Africa.

This was in part because of inefficient management by the joint Portuguese/Mozambique company which now runs Cahora Bassa.

But the most serious threat to the flow of Cahora Bassa electricity comes from the Mozambique National Resistance movement, which has repeatedly cut the power lines — and which has recently threatened to cut the flow of electricity completely.

After a year of relative calm, the MNR has started sabotaging the power line again and earlier this month the MNR secretary-general, Mr Evo Fernandes, threatened that the power line "will never function again".

Mr Fernandes claimed the MNR had given Portugal a year to offer the movement "some benefits" but that Portugal had not "talked seriously".

A Portuguese delegation was in Maputo earlier this month to review the situation with the Frelimo Government and, although no official statement was issued, it is understood Frelimo agreed to assume part of the financial load if Portugal

could obtain "security guarantees".

Clearly Maputo believed Lisbon could press Pretoria into restraining the MNR which is widely reported to receive assistance from South Africa.

It was against this background that the issue was raised with Mr Pik Botha, the Minister of Foreign Affairs, by both the Portuguese Prime Minister, Mr Mario Soares, and the Foreign Minister, Mr Jaime Gama.

It is understood they pressed Mr Botha for a review of the tariff structure.

Mr Botha confirmed this in his Press statement yesterday and promised that South Africa would put together a panel of experts who would examine the request in the light of South Africa's own interests.

However, it is also understood that Portugal asked South Africa — tactfully — to do what it could to discourage attacks on the power lines.

Mr Botha appeared to confirm this when he said "security issues" involving the dam had been raised.

He said later that relations between South Africa and Mozambique and Mozambique and Portugal had been the most important issue discussed.

Mr Botha did not refer to the MNR. But it is clear that insofar as the "security situation" affected the MNR, this raised a problematical issue.

South Africa has never admitted an involvement with the MNR and it is difficult to see what Mr Botha could have said on the subject to the Portuguese Ministers.

company, Cahora Bassa Hydro (HCB), of which 10 percent is owned by the Mozambican Government, had a contract with the Electricity Supply Commission to provide South Africa with 1373 megawatts of power but this was suspended last year because the supply was intermittent.

While the Cahora Bassa contribution represents only about eight percent of South Africa's demand, its hydro power is, generally, cheaper than that generated by South African coal-powered stations.

If the full 1373 megawatts were delivered on a firm, reliable basis it would be worth between R45 million and R50 million to HCB.

Escom confirmed today that, over the past two years, the Mozambican supply had been cut frequently and no power had been received since October 28 this year.

Although Escom has developed alternative power sources to replace the erratic Cahora Bassa system an industry source confirmed that

a reliable Mozambican supply would be welcomed as requirements would inevitably grow.

Maputo claims that South Africa trains, arms, directs and provides logistical support for the MNR guerillas but these allegations are routinely rejected by the South African Defence Force.

But, in February, the US State Department said: "The MNR appears to be basically a military organisation with none but the most general political programme, apart from trying to replace the Government of Mozambique."

"It receives the bulk of its support from South Africa."

International commentators have suggested that Pretoria simply wants to "keep the pot boiling" in Mozambique to force President Samora Machel to withdraw support from the African National Congress.

In the meantime, the massive dam, once a monument to the potential of Southern African co-operation, has become a giant pawn in the game of regional power politics.

The co-operation dream turned sour as the MNR stepped up its anti-Frelimo campaign and began sabotaging the virtually undefendable power lines.

Ironically, because of the guerilla attacks, Escom was unable to meet peak demands for power in South Africa in the winter of 1981.

Despite Mozambican attempts to extend the system so that power could be exported to Zimbabwe and Malawi, South Africa remains Cahora Bassa's sole customer at this stage.

Although the sabotage initially caused power shortages in South Africa, Escom has developed alternative resources to replace the eight percent of local requirements Cahora Bassa once provided.

And, as long as the Mozambican rebels are permitted to keep the southward lines cut the dam is likely to remain a massive white elephant.

11/12/83 10051
Cahora sabotage
blocks power to SA

1/12/83 Mail Reporter RDM

THERE has been no power to South Africa from the Cahora Bassa hydro electric dam in Mozambique since October.

An Eskom spokesman said yesterday the most recent power stoppage was due either to "sabotage or a fault, we are not sure which".

This break in supply is the latest in a series of frequent cuts since the two lines supplying South Africa from the Cahora Bassa scheme came fully into service in 1979.

After a six-month break when the power lines were knocked out by fighting between Mozambique army and guerrillas, said to be of the Mozambique National Resistance, power to South Africa was resumed in June.

Only two months later, in August, guerrillas belonging

to the Mozambique National Resistance Movement claimed responsibility for cutting off the power after sabotaging pylons.

The multi-million Cahora Bassa scheme was a major subject in talks held in Portugal this week between Mr Pik Botha, the Minister of Foreign Affairs and his Portuguese counterpart, Mr Jaime Gama.

An Eskom spokesman said yesterday the dam was able to supply South Africa with some 5% of her total daily electrical needs.

In talks between Mr Pik Botha and Mr Jaime Gama, Portugal complained that revenue from Cahora Bassa had dwindled because of acts of sabotage to the powerlines by anti-government rebels in Mozambique.

Nuclear power for E Cape, Natal

55
Star 8/12/83
Own Correspondent
CAPE TOWN — The Eastern Cape and then Natal will be next to get nuclear power, says Dr Wynand de Villiers, executive chairman of the Atomic Energy Corporation.

Dr de Villiers said in an interview with the magazine SA Mining World that for economic reasons nuclear power would be introduced in those areas rather than in the Transvaal.

Asked whether the air pollution problem around Witbank — caused by coal-fired power stations concentrated in the area — could not lead to a nuclear power station in the Transvaal despite cheap coal, he said costs would be crucial.

“Escom is now building dry-cooled power stations and adding filtration plants to reduce pollution. Dry cooling adds to capital costs and also to coal costs; the efficiency is lower because of higher ejection temperature. All these measures increase the cost — but not enough to make nuclear power competitive in the Eastern Transvaal.”

He said people seemed to be “quite willing” to suffer the health effects of normal pollution — such as that caused by fumes from coal-fired stations.

UNWILLING

But they seemed unwilling to accept the extremely small quantities of radioactive material emitted by nuclear power stations in normal operation and which had not been proved to be an additional health hazard.

Asked if scientists could do more to lessen the risk of radiation in the atmosphere from the use of atomic energy, he said: “You can always reduce the risk — but then you also increase the costs.”

“What we are trying to do in the nuclear energy business is to reduce the risk to limits acceptable to the general public.”

Improvements could be made to safety measures and these were continually being made.

“But, as far as I am concerned, nuclear power stations are as safe as they need to be.”

The only reason a large effort had not been put into the disposal of nuclear waste in the past was that it had not presented a problem as volumes were small and could be stored easily.

Dr de Villiers said Koeberg would produce about 100 to 200 cub m of high-level waste in its 30-year lifespan. This could be disposed of with available technology so that future generations would not have to worry about it.

NEXT APRIL

● South Africa's first nuclear power station, Koeberg, will start producing power from its reactor unit No 1 next April, a spokesman for Escom said today.

Even if there were a delay in the plans Koeberg would be operational by May.

“Escom wants to have some power from Koeberg before the winter when demand increases,” the spokesman added.

The station's unit No 1 is then expected to supply about 920 mw to the national grid, a major share of the electricity requirements of the Western Cape.

Koeberg's second unit should start supplying power to the national grid only at the end of next year.

The announcement that South Africans will have their first nuclear produced electricity before next winter follows the completion of the first reactor unit about two months ago.

Last month a complicated 14-day operation to load the reactor with fuel was carried out at Koeberg under the control of the Atomic Energy Corporation and an Escom team.

UN bid to ^{Star} embargo SA oil supplies ~~SA~~

By Donald Knowler,
The Star Bureau

NEW YORK — The United Nations General Assembly adopted a resolution yesterday instructing oil-producing and exporting countries to prevent supplies reaching South Africa.

All countries were also urged to act urgently to end "collaboration" with South Africa in almost every field.

The resolution was adopted overwhelmingly but major Western countries voted against the motion. The vote was 129 to seven with 16 abstentions. Resolutions adopted by the General Assembly are not binding.

Observers noted that Western permanent members of the Security Council — the United States, Britain and France — have in the past blocked attempts to impose sanctions against South Africa by casting veto votes.

The resolution adopted yesterday was put forward by an Assembly committee dealing with colonialism.

Another resolution from the same source condemned continuing Western co-operation with South Africa in the supply of arms, military equipment and technology.

A third resolution, opposed only by the US and Britain with eight abstentions, expressed regret that the World Bank and International Monetary Fund continued giving loans to South Africa.

By Dik Browne



'Successful' talks on fuel supplies to SA

The Star's Foreign News Service

ROME — Mr Pietie du Plessis, the Minister of Manpower, has had vital discussions in London and in Rome about the supply of petroleum to South Africa.

This was confirmed here yesterday by Mr du Plessis

In an unpublicised visit, Mr du Plessis met businessmen in London and Rome, held discussions with Dr Chester Crocker, the Reagan Administration's Assistant Secretary of State for African Affairs, and Mr Clelio Darida, the Italian Minister of State Industries.

Mr du Plessis stressed that the businessmen he referred to were acting on behalf of "other countries".

He commented yesterday: "There is very little that I can say about these discussions except that they were highly successful from the point of view of assuring the supply to South Africa of petroleum at satisfactory prices."

In Rome on Tuesday, Mr du Plessis paid what he referred to as a "courtesy visit" to Mr Darida. "I used the opportunity to discuss the supply of coal from South Africa to Italy."

When he met Dr Crocker on Tuesday, Mr du Plessis discussed largely labour relations and trade union affairs. "We discussed the South African Government's labour policy, my own attitude to these problems and how I see the road ahead."

"In turn, Dr Crocker gave me an extensive outline of his government's position on the labour situation in South Africa."

Mr du Plessis left for South Africa today.

Famine in Mozambique

From Page 1

"If he does survive and moves into the Western camp, there could be enormous benefits for South Africa."

"His example could also be followed by Angola, known to be uneasy about its dependence on Havana and Moscow."

Reports of a planned summit meeting between the Prime Minister of South Africa, Mr P W Botha, and Mr Machel were denied in Lisbon yesterday by the three countries that were reported to be involved in the effort.

A spokesman at the Mozambican Embassy, first secretary Mr Francisco Eria, said he had heard that the meeting was being sponsored by the Portuguese Government but that he knew nothing about the efforts.

A spokesman at the South African embassy said: "It's the first we've heard of it."

Portugal's Foreign Minister Mr Jaime Gama said: "Portugal is not preparing any summit meeting between any other two countries whatsoever, because bilateral ties between any two countries are the business of those countries."

Diplomatic sources have been quoted as saying that Mr Machel expressed a desire to meet Mr Botha during an official visit to Portugal two months ago.

The Star's Foreign News Service, Reuter, Associated Press.

Huge US robbery: 3 guilty

NEW YORK — Three of four Greek immigrants charged in connection with the largest cash robbery in US history have been found guilty.

Among them was Christos Potamitis, the lone guard on duty the night R13 million was stolen from the Sentry Armoured Car Company

in New York's Bronx district last December.

Potamitis and Eddie Argitakos were both convicted of taking part.

Argitakos' father, Steve, was found guilty of hiding some of the stolen money, while his cousin, Demtrious Papadakis, was acquitted. — Sapa-Reuter.

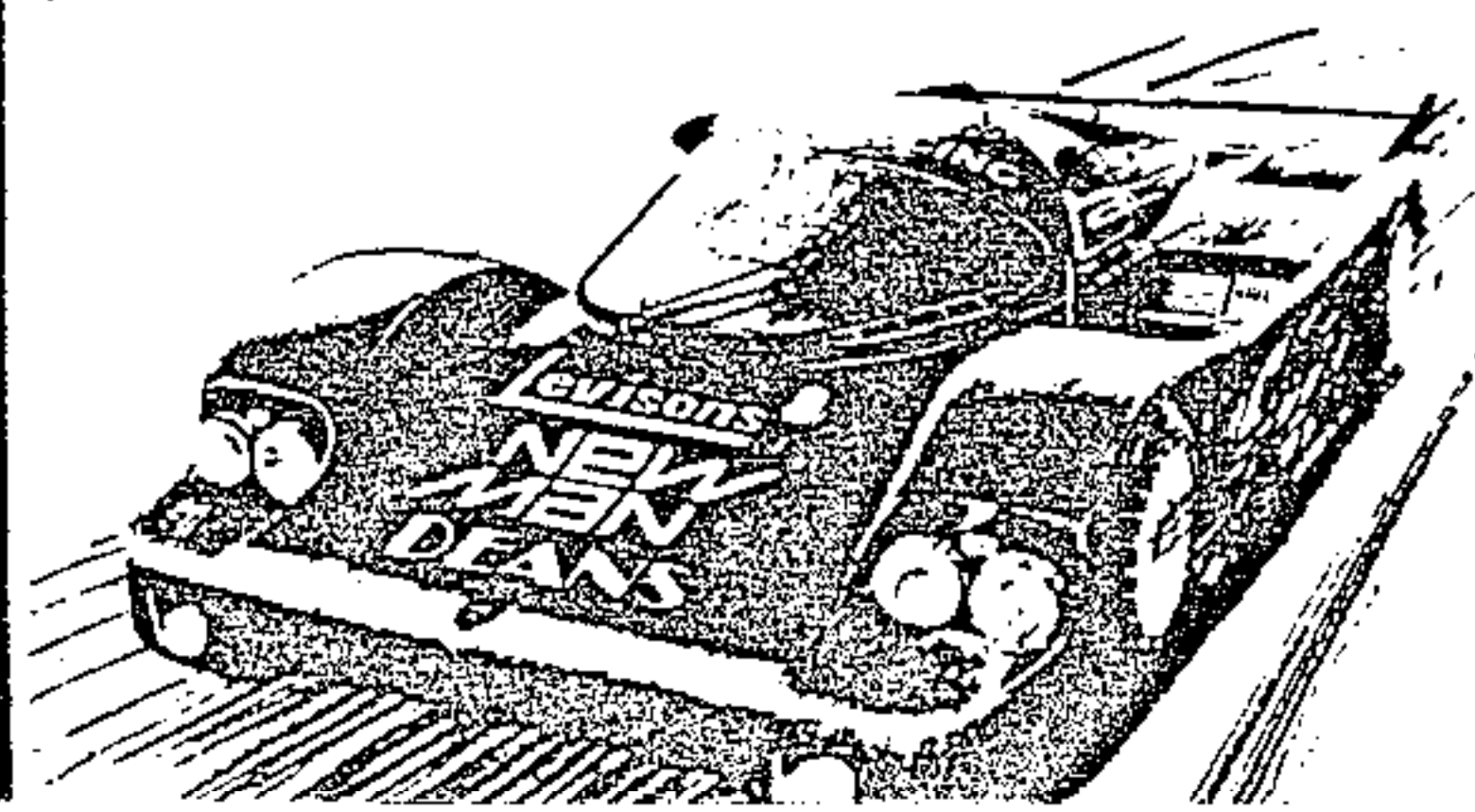
GET MOVING WITH

NEW MAN

CASUAL WEAR

EXCLUSIVE TO LEVISOONS & DEANS

SEE US IN ACTION AT THE CASTROL 1000 KYALAMI SATURDAY 10th DECEMBER 1983



Ulster politician shot dead

The Star's Foreign News Service

BELFAST — One of Northern Ireland's rising young Protestant politicians died in a hail of bullets just three weeks after saying that he was in the top six on the IRA's "hit list".

Mr Edgar Graham (29), a member of the Official Unionist Party, was gunned down yesterday as he arrived for work at Queen's University, Belfast.

He was shot twice in the head, then twice in the back as he fell just 30 m from the law faculty where he taught.

The two killers emerged from behind parked cars and one fired several shots.



Politician Mr Edgar Graham ... on IRA 'hit list'.

Airmen appear for review

The Star Bureau

HARARE — Three detained white air force officers, acquitted of involvement in the Thornhill air base sabotage last year, are to appear today before Zimbabwe's detentions review tribunal.

Wing Commander John Cox (37), and Air Lieutenants Barrington Lloyd (32) and Neville Weir (25) will come before a secret hearing of the tribunal chaired by the country's ombudsman, Mr Justice Manival Moodley.

Two days have been set aside for the hearing.

is as

OUS GS

B9

ion's ow rice

Ground

E



WAGES

METROPOLITAN

Housing 'not a State responsibility', delegation told

Row over power plan

ARGUS 12/12/83

Staff Reporter

A PROPOSAL by the Department of Community Development to find the money to install electricity in 1 600 homes on the Cape Flats if residents agreed to pay them back has been criticised by the Cape Areas Housing Action Committee (Cahac).

A 15-strong Cahac delegation met Mr P D McEnery, director of the department, on Friday to discuss the demands for electricity by the 1 600 tenants. About 1 200 homes have been without electricity for as long as 20 years.

The delegation was told that housing was not the responsibility of the State,

but that the department would find the money to have electricity installed if the residents agreed to pay the installation costs.

Cahac had tried several times to meet Mr Pen Kotze, the Minister of the Department of Community Development, but was told he could meet a delegation only in March.

The committee had accused the Minister of showing contempt for the residents' demands by not agreeing to meet them.

Mr Wilfred Rhodes, chairman of Cahac, said many of the residents were so disappointed at the proposal that they left the meeting before it ended.

"We reject Mr McEnery's statement that housing was never the responsibility of the State," he said.

Electricity was not installed in about 800 homes in Grassy Park, about 400 in Belville South and about 400 in Valhalla Park when they were built as long as 20 years ago.

The Divisional Council, City Council and the department have all along told residents that they do not have the money to install electricity. Residents were not happy and said that money would have to be found.

"Our members are angered by the proposal that they must pay for the installation costs. Already our people are suffering enormous financial loss due to the Groups Area Act and apartheid laws. Must we now pay for these sins of apartheid," Mr Rhodes said.

"Cahac has always believed that

electricity is a right and not a privilege."

He said the proposal would be taken back to the residents in the affected areas and the "people will decide on further action".

Residents have complained that they spend a great deal of money on wood and fuel.

Many children have chest and lung complaints because of the cold in winter. Others have developed eye problems because of the poor light.

Cahac, the Bellville South Housing Action Committee, the Valhalla Park Tenants' Association and the Lotus River and Grassy Park Residents' Association have been fighting for electricity for their homes for several years.

No easy answers to vagrancy problem

Tygerberg Bureau

A SYMPOSIUM on crime prevention in Parow has failed to produce a solution to the problem of vagrancy and squatting in the Tygerberg area.

A steering committee, which will study the issue, said in a statement that although the problems were a State responsibility, local authorities had to shoulder some of the burden.

The committee, which will meet early in January, has been appointed by more than 50 representatives of town and city councils, government departments, senior police officers, management committees and university researchers who attended the symposium.

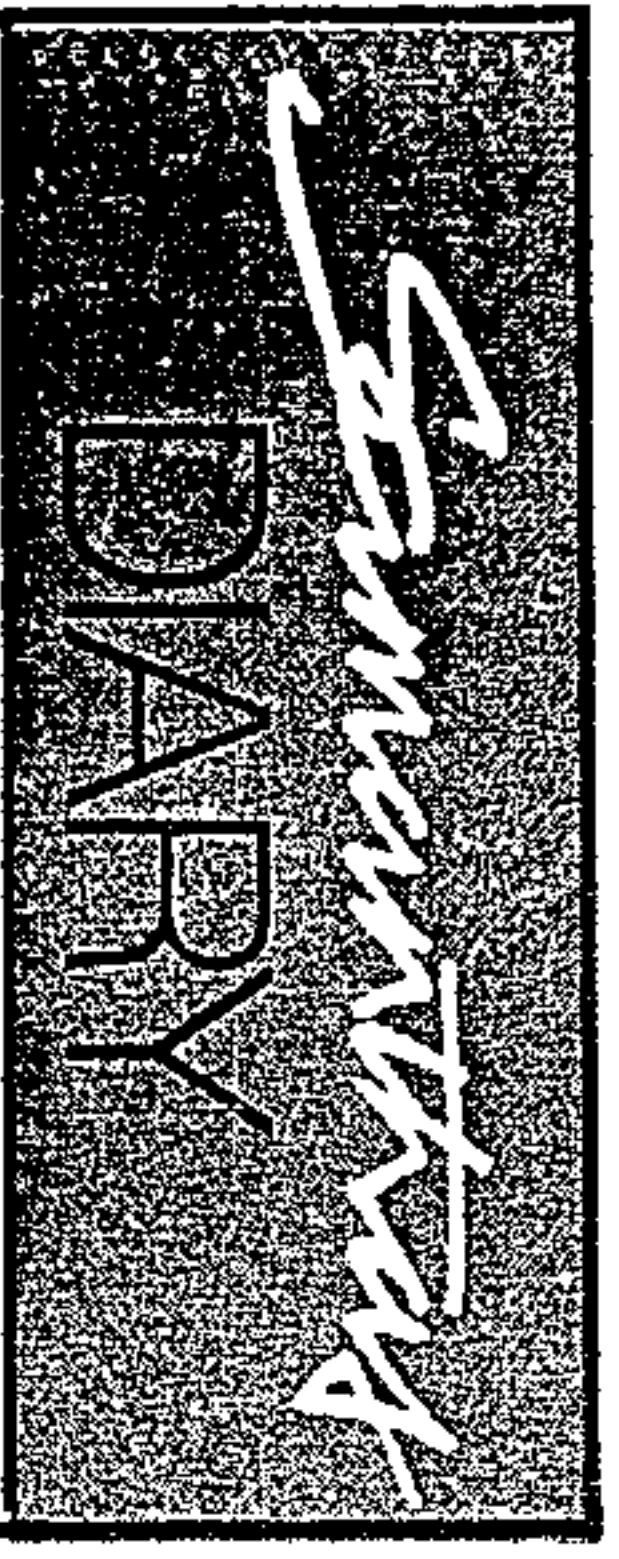
"CATASTROPHIC"

The statement added: "We must accept that the relaxing of social standards on grounds of humaneness could in the long run be catastrophic."

Rehabilitation centres for methylated spirits drinkers, alcoholics and vagrants, homes for destitute families and kibbutz-type establishments were among proposals at the meeting.

However, it was agreed that a large part

Pull! a'pc Ston toot! Sp NO



MONDAY
6 pm Sex Machine Cabaret Show.
8 pm Altitude hosting a Beach Party.
Go dressed the part.
Prize for Mr Beach Ball.

TUESDAY
6 pm Sex Machine Cabaret Show.
7.30 pm Ladies' Night — prizes, games, laughs, with Altitude (men allowed in after 9 pm).



Cape Times 13/12/83
55

Koeberg power 'will be cheaper'

Staff Reporter

KOEBERG power will be as cheap in the short term, and cheaper in the long term than power from coal-fired stations, says Escom information officer Mr Andre van Heerden.

Mr Van Heerden was responding to a report in yesterday's Cape Times on findings by the American Worldwatch Institute that the cost of electricity from nuclear reactors set for completion in the 1980s would be more than 65 percent higher than power from coal-fired stations.

He blamed the high cost of nuclear-generated electricity abroad on the activities of anti-nuclear lobbying groups which pushed up the cost of building reactors by challenging every stage of their construction in court.

He said electricity from a nuclear power station in the Transvaal would probably cost

more than that from coal-fired plants.

"In the Cape, however, where coal costs four times as much because of transport costs, nuclear power is definitely cheaper."

Mr Van Heerden said that coal would become even more expensive as reserves dwindled.

"We estimate that South Africa has only about 70 years worth of coal left," he said.

A spokesman for Koeberg Alert, Mr David Jander, dismissed Mr Van Heerden's arguments as "invalid".

"In the first place, the fact that nuclear reactors in other parts of the world are open to public scrutiny, no matter how expensive that may be, is a very healthy sign," he said.

Mr Jander also questioned Escom's coal reserves estimate.

"The CSIR has estimated that South Africa has 400 years worth of coal left," he said.

IDC gets all Soekor and SFF

By GAIL PURVIS RAM

SFF (Pty), the Sasol and Industrial Development Corporation company, as well as Soekor, will be wholly acquired by the IDC.

The IDC's chairman, Mr A J van den Berg, says: "SFF buys crude oil and markets it to petroleum companies. As Sasol is now a fully public company, it would be awkward for it to have to deal not only with shareholder's business but with what is essentially Government business. To obviate this clash of interests IDC will take over the company in

the new year and re-establish it as a separate organisation."

SFF employs more than 500 people. Nursing it from an in-house Sasol operation into an establishment with an identity of its own will be the responsibility of the IDC's Mr D R Voster assisted by Mr Nico Van Niekerk.

IDC has not paid anything for the extra 50% stake in SFF.

"Soekor is established as an independent company with its own management team and no changes are expected."

55
4/12/83

55

Crackings open the

Sallem oil fraud nut

TOP FBI agents and American law enforcement officers have questioned several people in South Africa in connection with the Sallem oil swindle.

The massive marine fraud — the biggest of its type — cost taxpayers R37-million and rocked the country when details were disclosed in Parliament this year.

The Sallem was loaded with about 190 000 tons of crude oil in Kuwait.

But its cargo was sold twice. First Pontoil SA, based in Switzerland, sold it to Shell International. And later, while on the high seas, it was sold to South Africa.

The result was that after it was off-loaded in Durban, Shell claimed it owned the oil and eventually settled with South Africa's Strategic Fuel Fund Association (SFF) for a payment of \$30.5-million (R37-million).

The American specialists visited South Africa as part of an international investigation into the swindle, and worked closely with government authorities and local investigators.

Top level

Meanwhile, the South African government has also drawn up a top-level report on the multi-million-rand fraud — and copies may soon be handed to law enforcement agencies in Greece, Holland and the United States, who were involved in the complex investigation.

The American team included top FBI agents and Justice Department officials from Washington who spoke to several witnesses and other parties, including officials at Sasol, South Africa's oil-from-coal giant.

Sasol was not involved in the Sallem transaction — the money paid for the oil came from the SFF, the government's oil procurement agency.

FBI steps in to question South Africans as part of probe into swindle

part of a probe to corroborate evidence of the role played in the swindle by some of the alleged collaborators living in the US.

One of them, who lives in Holland and who once applied to run floating sex shops in Rotterdam harbour, has been charged in connection with the conspiracy — and others, in the US, Greece and elsewhere, may soon be prosecuted.

In short, the swindlers pulled off one of the biggest con-tricks of all time.

They were paid by the SFF for a vast cargo of oil which did not belong to them. The oil, in fact, had been purchased by other parties. But the swindlers delivered the cargo to South Africa, then hid the evidence by sinking the tanker, the Sallem, off the west coast of Africa after it had off-loaded the cargo in Durban.

Classic con

The classic con took place in December 1979 and sparked an international firestorm that was prominently reported in the British Press. In South Africa the government placed a clamp on

Government's top-level report may be given to law enforcement bodies

Reports by KITT KATZIN and AMELIA DE STEFANO

Mineral and Energy Affairs, disclosed publicly the circumstances behind the Sallem deal.

He did so in the wake of a furious debate in Parliament in which the Opposition Progressive Federal Party, demanding to know the full story, called on the government to say what action it had taken to recover the moneys lost in the fraudulent deal.

cluding insurance and oil companies, and those who may have been defrauded or are facing possible prosecution.

Made up of several volumes, the report deals with the history of the episode, from the time the Sallem was purchased to the time it discharged its cargo in Durban.

Recently the top official who supervised the government's investigation had discussions in Athens with the judge investigating the Greek side of the affair, and handed him a copy of the government's report.

Government investigators have also spoken to some South African businessmen involved in the initial Sallem deal.

In Parliament this year, Mr F W de Klerk, former

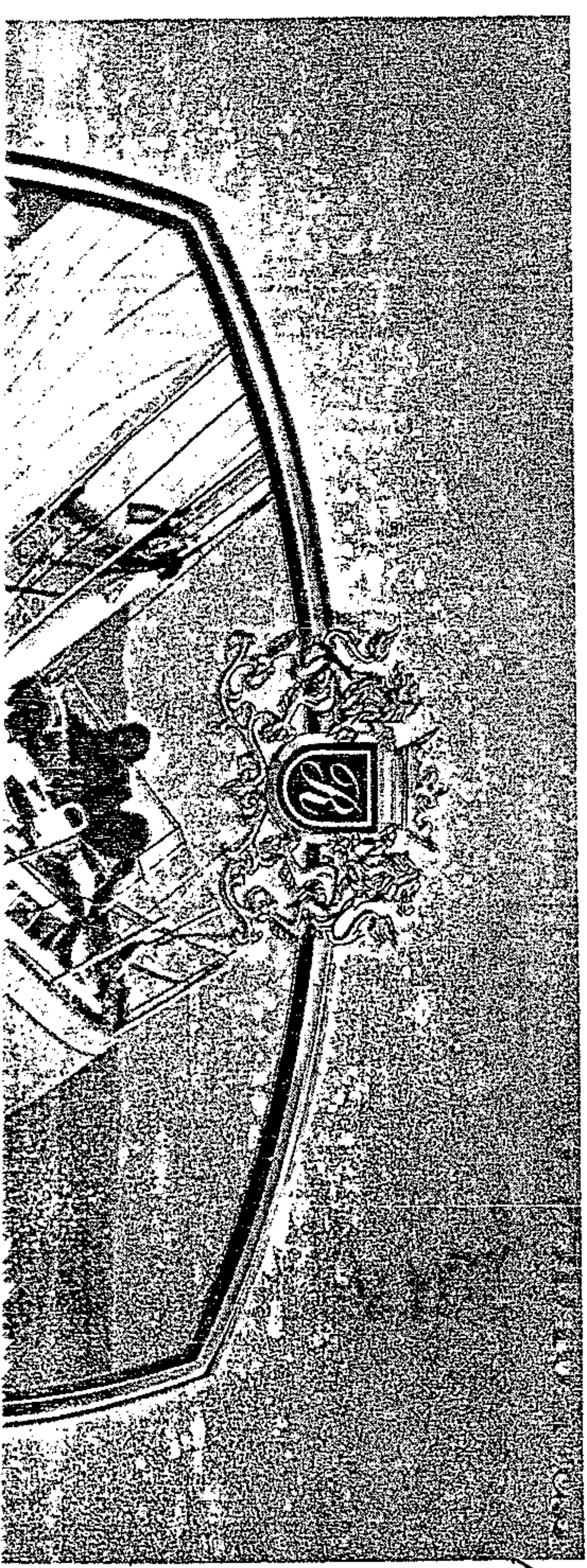
Minister of Mineral and Energy Affairs, said that at the time of the Sallem incident South Africa was breaking embargoes to acquire oil and so had to operate in secret and often deal with "shadowy figures".

The men named as being involved in the affair include Mr Anton Reidel, a Rotterdam businessman, who is wanted by Scotland Yard.

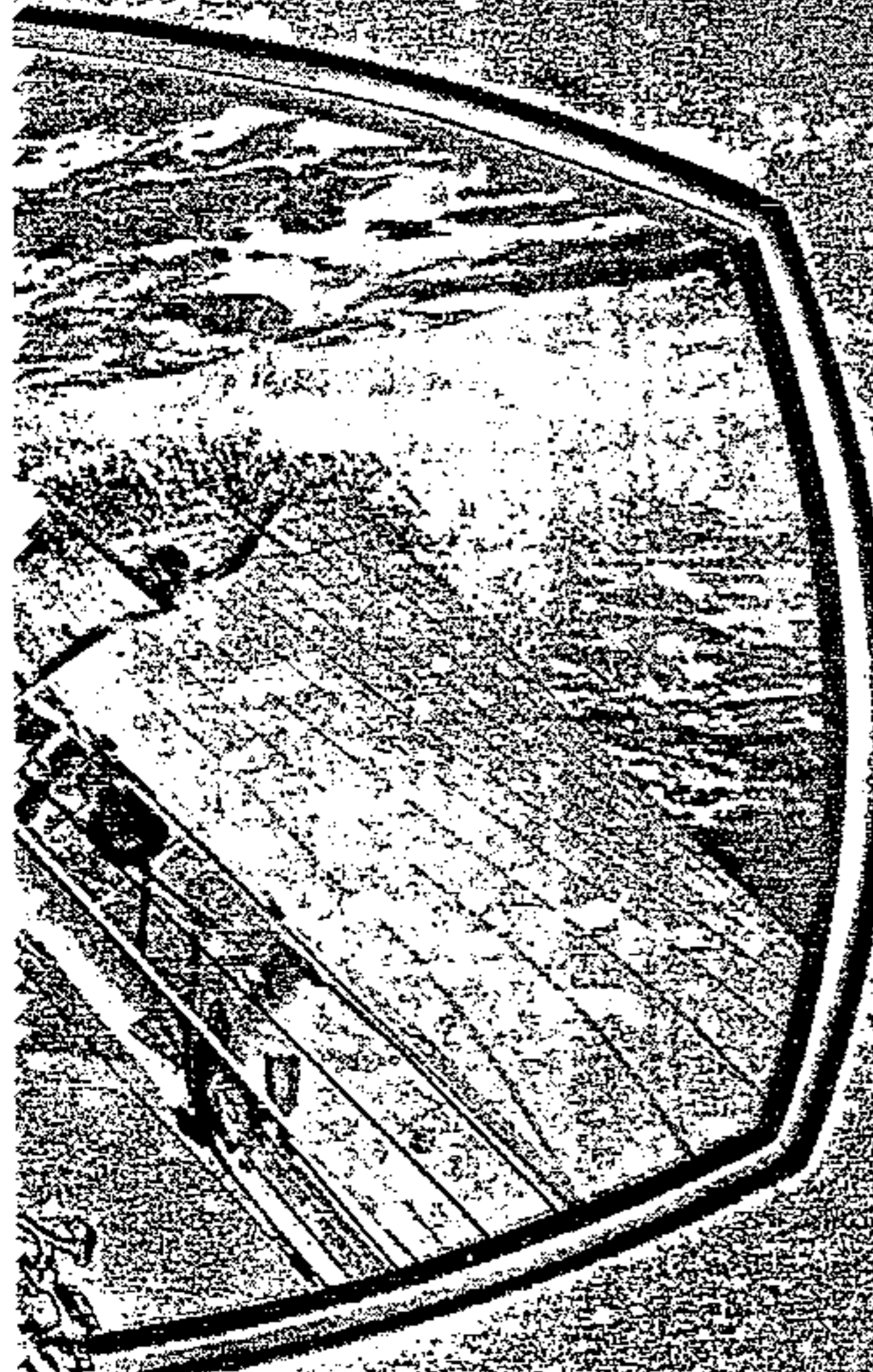
Mr Reidel, who visited South Africa, was convicted of smuggling cigarettes in Italy and once asked the authorities in Rotterdam for permission to run a floating sex shop in the harbour. He is being prosecuted in Holland for his alleged role in the Sallem affair.

One of his alleged fellow conspirators is Frederick Ed Soudan, a Texan of Lebanese birth, who is also wanted by the British police for conspiracy to defraud.

Mr Soudan, now an American citizen, was once a small-time insurance agent. But his life-style changed dramatically after the Sallem deal, and he now lives in a luxury villa in Houston.



The Greatest Name in Cigarettes



Rollmans Week - Table Bay
11-19 December

In short, the swindlers pulled off one of the biggest con-tricks of all time. They were paid by the SRF for a vast cargo of oil which did not belong to them. The oil, in fact, had been purchased by other parties. But the swindlers delivered the cargo to South Africa, then hid the evidence by sinking the tanker, the Salem, off the west coast of Africa after it had off-loaded the cargo in Durban.

Classic con

The classic con took place in December, 1979 and sparked an international fire that was prominently reported in the British Press. In South Africa the government placed a clamp on publication — and the Salem story remained untold. It was only in March this year — almost four years later — that Mr Pielie du Plessis, then Minister of South Africa. This forms

Ex-directors of Italian oil refinery held

THE former directors of an oil refinery whose affiliate sold the crude oil that triggered the Salem swindle have been arrested in Italy. They have been detained in Mantova in connection with a complex corruption and tax evasion case that took place in Italy in 1978. The case involved more than 500 000-million lire (about R37-million).

Also under arrest are at least 40 other people — including state officials and police officers attached to Italy's commercial branch. They were arrested during a preliminary inquiry which began in 1979. Over 200 prominent people in Mantova have been questioned, and a series of trials in at least four different centres is expected to begin early next year.

The refining company concerned — ICI (Industrie Chimiche Italiane del Petrolio) — is controlled by a Genoa-based company, Pontoli, which is the majority shareholder. Pontoli also holds 20% in Pontoli SA, the Swiss-registered company that sold 200 000 barrels of crude oil to Shell International in 1979 in what was to become the first chapter in the massive Salem swindle.

Heaven's falls

The Orient Express is still the emperor of trains

Turn to LIVING

Mr Musselli, who was ex-traded from the Canary Islands and brought back to Italy in March this year, is among at least three former directors of ICI who are under arrest. Investigations into the swindle began in 1979.

The inquiry into the alleged corruption and tax-swindle also involves refineries based at Milan, Turin, Genoa and Treviso. The inquiry into the alleged corruption and tax-swindle also involves refineries based at Milan, Turin, Genoa and Treviso. The inquiry into the alleged corruption and tax-swindle also involves refineries based at Milan, Turin, Genoa and Treviso.

After the oil was sold to Shell, the Salem conspirators diverted the cargo to South Africa and were paid for it by the SRF Association, the government's fuel procurement agency. At the time of the alleged tax evasion offences in Italy, Pontoli and Mr Bruno Musselli and his Sofimi group each controlled 50% of ICI. But in July 1979 Pontoli bought out the Musselli group and became the major shareholder. Three senior executives of Pontoli were questioned during the inquiry in Mantova, but no company employees have been arrested. The public relations officer for Pontoli in Genoa, Mr Alberto Divano, said that his company and Pontoli SA, in Switzerland, were separate organisations, but said Pontoli held about 20% of the shares in the Swiss company. Pontoli SA was established in 1979 and its first president, Mr Lorenzo Noli, was also president of Pontoli in Genoa.

Council decides to pay power subsidy to Ecab

21/12/83
E. Post
340 55

THE Port Elizabeth Municipality decided today to pay the East Cape Administration Board immediately the State electricity subsidy due to black power consumers — an amount of about R190 000.

The Town Clerk, Mr P K Botha, told the Evening Post this after municipal and Ecab officials had met at the City Treasurer's office.

From a copy of a telex from the Decentralisation Board in Pretoria to the municipality, the administration board deduced that the municipality had collected the subsidy due to black electricity consumers for the past year. The subsidy was apparently passed on to the wrong consumers.

Today's meeting ends a month-long wrangle between the municipality and Ecab over the subsidy.

The subsidy question arose soon after the Iliso Lomzi Committee, headed by Mr Dan Qege, of New Brighton, claimed that black electricity consumers had been left out of the State subsidy which came into effect on April 1 last year.

Mr Qege said today that residents were unhappy that the money had been passed on to Ecab because blacks no longer had confidence in the administration board.

He said residents would have preferred the PE Municipality to handle the distribution of the subsidy and to take over the sending out of electricity accounts.

The Mayor of Port Elizabeth's black townships, Mr Norman Khaulela, said he had no comment to make at this stage as he had not yet been contacted by Ecab's Chief Director, Mr Louis Koch.

Extra electricity tariff charges unlikely as . . .

Escom gears up for higher power demand

55
2011 22/12/83

By SIMON WILLSON
Industrial Editor

AFTER hitting a 36-year low, electricity sales are expected to grow by 6%-7% next year.

This projection comes as another sign of an economic upswing.

Such growth also makes extra tariff increases unlikely.

New projections, drawn up this week by the Electricity Supply Commission (Escom), forecast that electricity sales growth will rise sharply in 1984 from a likely level of barely 1.5% this year.

Last year's sales growth rate of 2.5% was the lowest recorded for a calendar year since 1947.

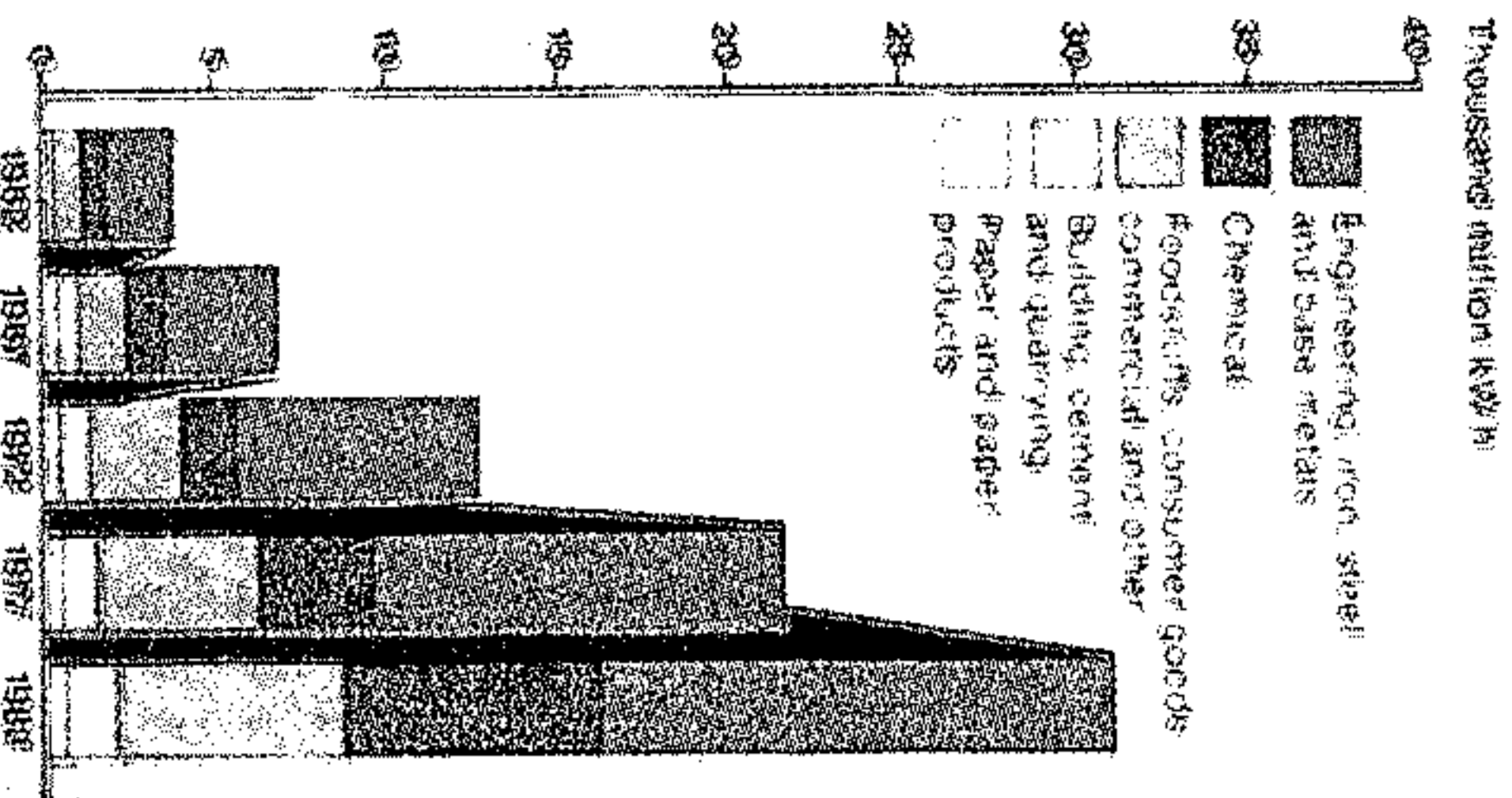
Electricity sales statistics have usually been a lead indicator of an increase in economic activity and preceded an upturn in the business cycle by about three months.

When Escom surprised consumers last month by fixing its next tariff increase at only 6% the chairman, Mr Jan Smith, made a 7% growth in 1984 electricity sales one of the conditions for ruling out any tariff surcharges.

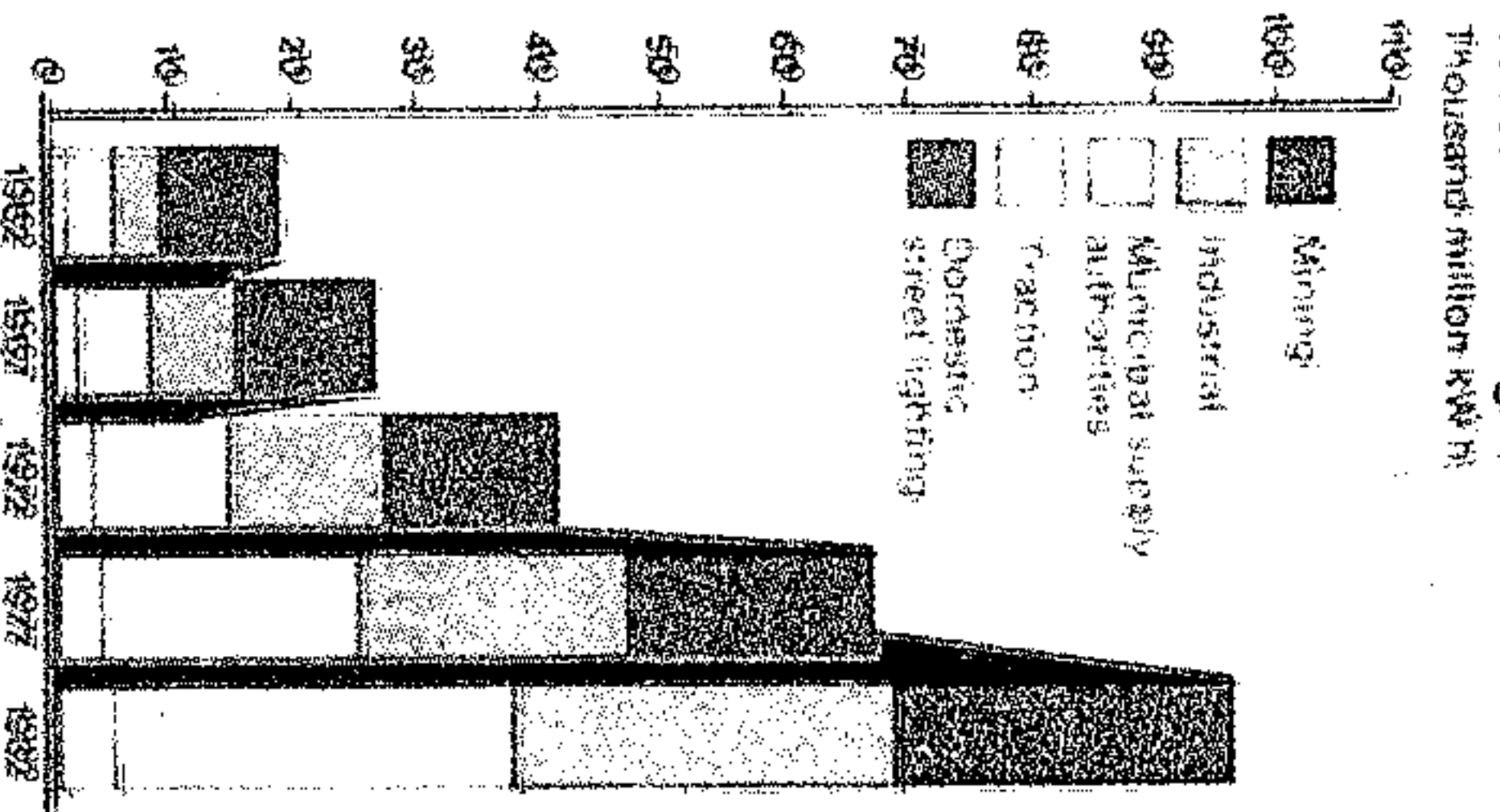
Escom's internal forecast of growth at about 7% reduces considerably the likelihood of surcharges. It is expecting increased demand for electricity to stem from the greater use of slack capacity in the industrial sector.

Sales growth should be concentrated in the Eastern Transvaal

Electricity sales to sectors of industry
Thousands million kWh



Electricity sales to different consumer categories
Thousands million kWh



Escom predicted at the beginning of last year that demand for electricity up to the year 2000 would grow at an average of 7.3% a year.

This implied a steady increase in the electricity sales growth rate at a level 2%-4% above the expected growth rate of the gross domestic product.

Last year's low growth rate in electricity sales was partly caused by a very mild winter. The severity of the economic downturn this year is clearly indicated by the even lower growth in 1983 electricity sales despite a very cold winter.

During a brief but cold period in August a new national electricity consumption record was set. The old record of 15 532 mW was bettered by 0.7% at 15 639 mW.

As a matter of corporate policy, Escom does not disclose electricity sales figures in broken-down form. Growth rates for certain business sectors are, however, available.

In industry, monthly electricity sales growth for this year compared to the same month in 1982 clearly shows a mid-1983 turnaround.

- January . . . -8%
 - April . . . -4.5%
 - August . . . 8.5%
 - November . . . 14%
- Figures calculated on the same basis for sales to the mining sector show a gradually improving trend:
- January . . . 1%
 - April . . . 2%
 - August . . . 2%
 - November . . . 4%

where ferro-alloy producers, in particular, are set to expand output. Sasol II and Sasol III will also be operating at full tilt with the threat of interruptions to water supplies postponed by the good summer rains in the Eastern Transvaal catchment area.

"We have noticed a slight increase in electricity sales since the middle of this year. We attribute this to a pick-up in the activity of energy-intensive export industries," an Escom spokesman said yesterday.

The year-on-year electricity sales growth rate hit its most recent peak in 1980 when it rose by 8.6%. It fell to 7.2% in 1981 and to only 2.4% last year.