

PUBLIC SECTOR - TRANSPORT - GENERAL

1989

Reduced fares (60)
for Botswana (269)
Star 11/6/87
flights announced

GABORONE — Air Botswana and South African Airways have announced significant reductions of their fares between Gaborone and Johannesburg, the Botswana Press Agency reports

According to Air Botswana, a "business bridge" similar to the one introduced to Francistown last year will be available at 384 pula. The business bridge concept has now been introduced regionally, the statement says

Air Botswana will also introduce a "super-special two-day return" to Johannesburg which is available for travel on Starlight 205, departing at 8 30 pm on Wednesdays, and returning on SA 102 on Friday evening

The airline is also announcing an enhanced meal service and free champagne to all passengers travelling on Starlight 205
— Sapa

THE PRESS

JAN SMUTS AIRPORT

Into the jet age

269 Email 2/6/89

269 Email 2/6/89

Jan Smuts Airport, the increasingly shoddy and unfriendly air gateway to SA, is about to undergo major changes. The *FM* has been given details of a R50m, five-year programme intended to drag Jan Smuts belatedly into the supersonic jet age.

Tenders will shortly be invited for improved open parking facilities, followed by improvements to the customs hall, new sets of lifts and refurbishment and upgrading of the domestic and international arrival and departure halls.

The programme, due for completion by 1994, also involves the installation of 13 passenger loading bridges and a double-storey "corridor" building to connect the existing terminal with the bridges.

"The 850 m-long corridor building will give access from all arrival and departure halls to the loading bridges and will facilitate movement of passengers to and from their planes," says Stuart Huckwell, Director of Airport Systems and Development.

The new building will link up with proposed changes to the existing terminal building, which involves locating international departures on the first floor only. A holding lounge for departing passengers will be built in the existing public area.

The existing domestic departures area will be changed into one large hall with increased space and more baggage conveyors. Other planned improvements include two new large banks of lifts (one each for domestic and international travellers) and more exits from the parking areas.

Government has yet to finally approve the R50m funding for the project, but work on the terminal building should start in January next year. Initial planning began seven years ago, but work was delayed by the Department of Finance. Now, the improvements can't wait any longer.

For the first time last year, more than 5m passengers passed through Jan Smuts. With constant growth in local and domestic air travel, future upgrading could become a regular feature of SA's major airport.

Longer-term plans already on the drawing board provide for a totally new domestic passenger terminal building. As planned, it will be built in the middle of the airfield from the southern approaches (the Boksburg side) between the two existing parallel runways, with partly underground approach roads.

"This future development will provide for estimated domestic passenger flows for the next 30-40 years," says chief engineer responsible for airport planning, Norbert Gentner. "The proposed terminal will be implemented in stages and could eventually stretch right through towards the Kempton

Park approaches"

This will mean the existing terminal buildings eventually being used exclusively for international arrivals and departures.

"Long before we reach that stage, our top priorities are to upgrade parking facilities and, as a matter of urgency, improve customs hall facilities in the terminal building," says Gentner.

Huckwell says planning of the upgrade programme has been undertaken by a multidisciplinary planning team. Private sector bodies, including the Tourism Liaison Committee, were also involved.

VEHICLE LOCAL CONTENT

BTI wields the knife

The latest changes to Phase Six of the motor industry local content programme are unlikely to be the last.

As the *FM* predicted (*Business May 19*), the Board of Trade & Industry (BTI) has gazetted important changes to the programme — barely three months after it was introduced.

One of the most important changes is the definition of consumables within the foreign exchange formula. Instead of a loose grouping of "goods for the manufacture of motor vehicles," which could include cleaning rags and overalls, it now excludes those goods which "do not form part of such motor vehicles or components, as well as those goods falling under the Petroleum Products Act, 1977"

The formula used to determine excise duty and rebates remains unchanged, however. In theory, it should work out to 50% excise duty for imports and 50% rebate for exports. In fact, it works out to nearly 55% rebate for cars and 66% for commercial vehicles. Industry officials say this will continue to cause administrative difficulties.

The BTI has withstood efforts by components companies to double the minimum "real" local content of vehicles. Although Phase Six requires a minimum 55% local value in the first year, rising to 75% by 1997, the forex-related formula permits vehicle assemblers to offset export values against this. If exports are high enough, actual local content may drop as low as 25%.

Component companies asked for this minimum to be doubled to 50%. In a compromise, the BTI has raised the floor to 45%, but says this may include exports up to a maximum of 20% of the total value.

Other changes, which are retroactive to March 1, include:

Parts and accessories are excluded from the programme. Import duty levels revert to those in operation before March 1, less the 3% duty imposed in August 1988,

Local materials or components bought by local vehicle assemblers and which incorporate forex of less than 25% are deemed to have a local content of 100% until November 30 this year;

Import duties paid by suppliers on components sold to vehicle assemblers will not be refundable;

There is provision for an export incentive for component suppliers, in the form of a refund of customs duty on parts.

In another concession to the industry, government this week announced that ADE engines, Astas gearboxes and electro-galvanised steels will all be deemed 100% local content, despite the presence of imported components in each. Consideration is also being given to allowing the same concession to locally-produced rear-axes.

ENGLISH QUITS BATES

Bates Wells advertising agency MD David English has resigned. No successor has yet been chosen.

The former Rank Xerox MD, who joined Bates in January, says: "There was a difference of opinion over the policies and priorities in the agency so we've decided to part company."

He says there was no individual reason for the resignation, which comes only days after Bates lost its second largest account, CNA, worth more than R7m (*Business May 26*).

UK-born English says he will stay in SA and pursue private matters.

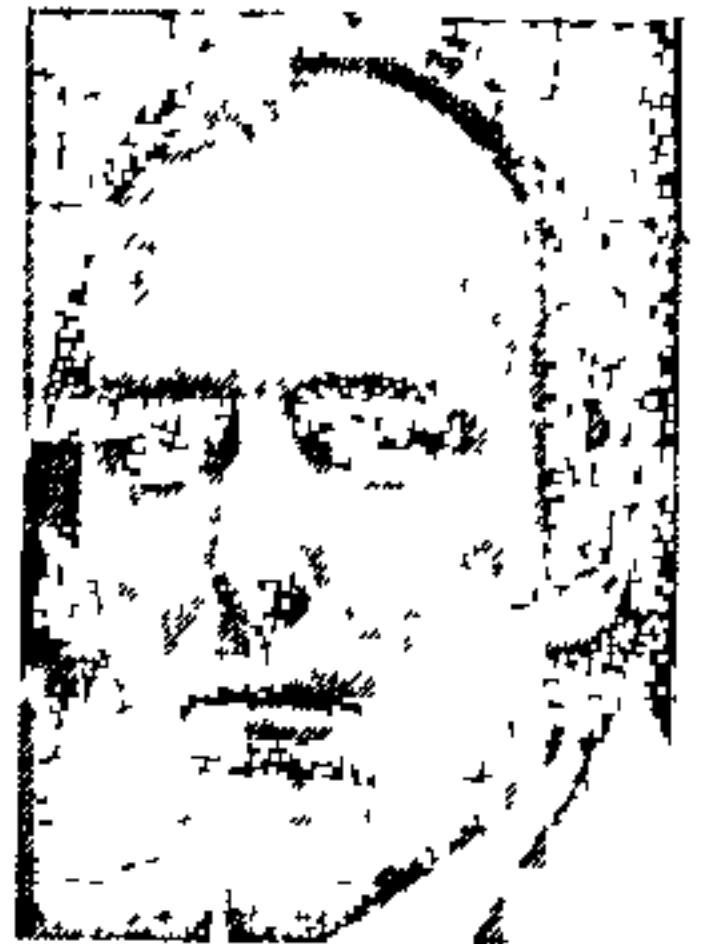


English

S/Tues 4/6/89.

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Comair fires first free-skies salvo



PIETER VAN HOVEN

COMAIR'S plan to buy three multi-million-rand Boeing 737s is the first salvo in the war among private airlines for supremacy after the Government deregulates South Africa's air routes

By Roger Makings

But the private airlines will have to buy jets if they are to compete with SAA — a fact long recognised in the aviation world

Safair has two Boeing 707s, but will probably want more modern aircraft for internal routes

Galvanise

Comair's move could galvanise competitors into action, sparking a spending spree by private airlines

Safair will probably play its hand soon, but for the moment is silent

Piet van Aswegen, chief executive of Safair Holdings, describes the Comair move as a positive start to competition on internal routes, but asks "Is one competitor enough?"

He will not say whether his company intends to buy new jets. But observers believe that when Safair makes its

move, it will be a big one. "We certainly have not been caught with our pants down," says Dr Van Aswegen

Magnum Airlines general manager Ivan Jackson says he does not see the airline competing on major trunk routes.

"We will stick to the shorter routes and may, in the short- to medium-term be looking at new aircraft. But these will be turbo-prop aircraft, which we already operate"

Last month Aircrew Operating & Recruitment Network (Acorn), the business arm of the SAA Pilots Association, announced plans to buy two new British Aerospace BAe 146 jets which it would lease, to among others, airlines competing in the deregulation stakes.

Lease

Comair managing director Pieter van Hoven says the airline will offer a service for businessmen and excursion tariffs for holidaymakers

Mr Van Hoven says "If this application to use the Government's deregulation initiative succeeds, we will almost treble our annual number of passengers to 500 000 — about 10% of the total domestic traffic

"I hope the NTC will consider the application in the next two months. Should it succeed, we will buy the Boeings and probably be ready to start services to

Durban and Cape Town by mid-1990"

Mr Van Hoven says although standard fares will be similar to SAA's, the airline will introduce innovative and competitive package excursions

SAA spokesman Zelda Roux welcomes deregulation and the competition it will bring

"We are in favour of privatisation and deregulation

as long as it comes in an orderly manner and all airlines are treated equally," she says

A spokesman for Acorn, Captain Vere Webb, says Comair will stimulate competition among airlines and boost the aviation industry in SA

Ampros record

ANGLO American Property Services' estates development division has notched another winning year with record sales in the 12 months to March 1989

Ampros estates development director Peter Gardiner says sales in the first nine months of the year remained strong, but higher interest rates caused business to slow thereafter

He says residential and commercial sales rose by R21,5-million, or 47%, over the previous year. It, too, was an improvement on 1987

Mr Gardiner says demand was strongest for commercial and industrial properties north of Johannesburg

"Waterfall Park, Ama-

prop's office park development in Midrand, is receiving a great deal of interest

"Southern Life, the Park's first tenant, started construction in the period under review and expects to take occupation in August this year

"The installation of services at Waterfall Park and an extension of Fourways Gardens was completed in the past year and both townships were proclaimed shortly before the yearend"

Amaprop's commercial townships in eastern Pretoria, Samcor Park and Samcor Park Extension 1, continue to attract attention, sales totalling R6,6-million having been made there in the past year

In Natal, property valued at R32,8-million was sold at Springfield Park, Amaprop's industrial township near Durban

LETTER TO THE EDITOR

Globular figures

Sir, How much is a billion? I take it that a billion is a million millions. Is that correct? The wholesale use of the word billion is misleading if its "amount identity" is not made clear — E WALDMAN, Reuven, Johannesburg

According to the Oxford

English Dictionary, a billion is a million millions. The American definition, however, of a thousand million has become universally accepted. Leading British papers use it and so do we. The Americans call a million millions a trillion

ADWALING

Ex-Minister link in sanctions case?

SI Times 4/6/89
269

LOUIS NEL, former Deputy Minister of Foreign Affairs, has been named in connection with an aircraft engines deal which this week resulted in an American businessman being jailed for sanctions-busting.

United States Assistant District Attorney Sean O'Shea said this week that Mr Nel and a Mr Arnold Mann, had been involved in the sale of the four jet engines to Mr Robert Fessler.

But Mr Nel yesterday rejected the charge "I deny emphatically that I have ever been involved in the sale of aircraft engines to America or to an American citizen. I have never met Mr Fessler," he said.

US investigators, however, believe that Mr Nel assisted with the sale of the jet engines to an Israeli firm in Tel Aviv.

From there they were re-sold to Mr Fessler in a bid to circumvent the comprehensive Anti-Apartheid Act which forbids US citizens from conducting business with South African state or para-statal organisations.

By PATRICIA CHENEY
Washington

Mr Fessler was sentenced to three months jail on Thursday and fined R100 000 dollars (about R270 000). He had hoped to import the engines before the nine-month period of grace following the passage of the Anti-Apartheid Act in September 1986 ran out.

The illegal deal was on the brink of success when some of the engines were damaged after the truck carrying them to Mr Fessler's headquarters in West Babylon, New York, hit an overpass.

During the subsequent insurance investigation someone recognised the serial numbers on the engines as belonging to SAA.

According to Mr O'Shea, SAA believed all along that the engines were being sold to Israel.

Air Ground Equipment Sales, which Mr Fessler sold after his arrest, has to pay the maximum fine of one million dollars.

Sats can handle bumper exports

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S Times 4/6/84
SOUTH African Transport Services believes it can handle the bumper export maize crop to be carried between the beginning of last month and the end of April next year.

A spokesman says planning engineers are aware that the crop will be much larger than last year, but at present Sats is able to meet transport demands.

Should there be an increase in transport requirements towards the end of the year, additional trucks will be brought into use

By Don Robertson

Maize exports are expected to total about 5-million tons compared with only a million tons last season. This year's exports are about 900 000 tons below the record sold in the 1981-82 season.

The crop is expected to be between 10-million and 11-million tons compared with about 7-million in 1988-89.

Depending on the size of the American crop which dictates international prices, it is expected that between R278 and R320 a ton will be realised on the sale of between R1,4-billion and R1,6-billion

Wheat, sugar, wool and other agricultural products are expected to earn R5-billion to R6-billion from exports this season

Farmers, however, are angered by the decision to reduce the price paid to them by about 12% to R212 a ton for white mealies and R207 for yellow. They say their receipts are lower than production costs.

SAA in Cairo after 25 years

A SOUTH African Airways Boeing 747 landed in Cairo yesterday, breaking a 25-year-old embargo. *5 Times 2/6/89*

The historic charter flight, carrying 300 South African Muslim pilgrims, left Jan Smuts Airport at 7 30pm on Friday. It flew to Lisbon where it refuelled, then on to Cairo.

A scheduled SAA flight last landed in Egypt in 1964 when the airline still had overflying rights in Africa. *269*

Taxi deregulation to be phased in

Sowetan

6/6/84

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RECOMMENDATIONS
THE "combi-taxi" industry have had recommendations on deregulation approved by

Transport Minister Eli Louw, who has instructed his department to submit a programme for implementation.

In a statement released in Cape Town yesterday, Mr Louw said he hoped the phasing in of deregulation over three years would remove the uncertainties in the taxi industry.

The recommendations were made by a committee comprising representatives from the department and the Southern African Black Taxi Association (Sabta)

Liaison

Mr Louw said an important recommendation dealt with the formation of local taxi liaison committees in all the larger metropolitan areas to discuss and formulate solutions for problems at local level

A second recommendation dealt with the criteria which had to be met for the recognition of a national taxi association.

These included the number of registered operators who were members of the association, the number and types of vehicles permit holders owned, the bona fide promotion of taxi operators' interests and a code of conduct.

A "complicated and sensitive issue" which demanded immediate attention was contained in a third recommendation, Mr Louw said. This dealt with measures to be applied to prevent undesirable practices regarding white owners of taxis which exclusively served the black community

Mr Louw said the department would contribute R254 000 towards the Sabta 2000 research project being carried out by the Council for Scientific and Industrial Research on Sabta's behalf

Rand Airport for upgrading

Municipal Reporter

Rand Airport is to be upgraded to improve access to Johannesburg's central business district.

It is only 20 minutes away and is considered "an ideally situated" amenity by the council.

It has approved R1,3 million for the lengthening of the runway and further plans are in the pipeline to establish a township within two years.

It has been decided to apply to the Mining Commissioner to reserve land to the north-east of the runway for a town to be called Airport Park.

"Once a heliport has been established near the city centre the importance of the airport will be even greater," said a council spokesman.

Investigations are taking place to make the airport self-sufficient or even profitable through degrees of privatisation, including the sale of properties

to existing tenants and people in the aviation industry the council said.

Taxi groups fear deregulation may 'pave way for whites'

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owefem 8/6/81

TWO major black taxi organisations, while welcoming the Government's recommendations to deregulate the taxi industry, fear the move will "pave the way for whites to take over their businesses."

The Southern Africa Black Taxi Association

(Sabta) and the South African Long Distance Transport Association (Saldta) said the "combi taxi" was an industry which exclusively served the black community.

"The Government is cognisant of this," they said

They were reacting to

the Minister of Transport, Mr Eli Louw's announcement this week that his department has been instructed to submit a programme for implementation

In a statement the Minister said he hoped the phasing in of deregulation over three years would remove the uncertainties in the taxi industry

Sabta's media liaison manager, Mr Terry Mphahlele, said. "This is a major breakthrough for the taxi industry. Indeed, Sabta views this move as a victory"

"Sabta has finally gained the long-sought recognition of government it so rightfully deserves as the major representative of the powerful black taxi industry in the country.

"With the department's acceptance of the recommendations to form local taxi liaison committees, Sabta's local, regional and provincial branches, will be better able to exercise control and regulate the taxi industry within their respective areas," she said.

However, she said, Sabta has always viewed deregulation in this industry as "paving the way for white taxi owners to overrun the industry — a business which exclusively serves the black community"

The deregulation of the industry will play an important role in legalising the country's pirate taxis which has cultivated a poor reputation in the community over the years

Saldta's president Mr Peter Rabali also welcomed the move and said it would help restore order and faith in the black taxi business. However, he also feared that whites will infiltrate the industry

Sabta plans to call a special meeting of its regional and provincial representatives in Bloemfontein soon to discuss the department's announcement, taxi scams and other matters of interest. It has been supported by the Foundation for African Business and Consumer Services

Call - 7445 9/6/89
**SAA profits
down 17%** 269

Own Correspondent

JOHANNESBURG. — Estimates for 1988/89 show SAA's profits dropped by 17% over last year from R160m to R133m, SAA chief director finance Mr Nic Vlok said yesterday.

He said the drop in profits was due primarily to a 13% increase in operating costs.

About 50% of the airline's costs were tied to foreign currency, and poor exchange rates had bruised profits.

Last year SAA reported its highest ever profit of R160m.

Freem

NEWS IN

Heart attacks
only is confirmed
at 9:12

Price

Higher costs reduce SAA's profits by 17%

Star 9/6/89

Finance Staff

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South African Airways' profits declined by 17 percent to R133 million (R160 million) in the 1988/89 financial year, provisional estimates of the airlines results showed.

It was reported today that a 13,5 percent rise in costs was largely responsible for the decline in profits, after extensive rationalisation programmes in the 1987/88 year pushed results to record levels.

Over half of SAA's costs are tied to foreign exchange, mainly the US dollar, and the decline in the rand had an adverse impact on profits.

In the 1988/89 financial year the airline carried 5,2 million passengers, of whom the majority — 4,2 million — travelled on domestic routes, the estimates show.

The seat load factor (the percentage of seats occupied) fell from 69,5 percent to 66,8 percent over the period.

The seat load factors for the international and the domestic operations were 62 percent (67 percent last year) and an unchanged 74 percent respectively.

Other figures reported were SAA's cargo turnover, which showed an increase of R34 million to R247 million in 1988/89.

After a massive retrenchment programme, which saw the staff complement reduced by about 1 500 people over the previous three years, the airline last year virtually maintained its 1987/88 complement of 10 589

(269)

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FM

9/6/89

(269)

Up to 30 laden tankers are in transit off the SA coast on any day, carrying Middle East crude oil to Europe or North America. SA officials are listening carefully to current talk of keeping old tankers in service, rather than spending US\$75m for replacements in a trade which may not hold up.

Bankers Trust, which finances tanker purchases, voiced its fears last week, in response to plans by independent owners (as distinct from oil companies) to retain vessels for 20 years or more instead of the current 15-year limit.

SA is interested because, particularly in winter, heavily burdened oil carriers are subjected to vicious weather off the coast. Some vessels have suffered serious structural damage. If that can happen to relatively new vessels, what are the prospects for those that have exceeded their accepted lifespan?

In the event of an over-age tanker fracturing in a winter storm off the SA coast — where smaller ships have disappeared without trace — the risk of extensive pollution would be serious.

Critics of the proposal for extended service, say owners hope to recoup losses suffered in times of low rates when their ships either ran at a loss, or were withdrawn from service. Transit oil cargoes to Europe and America round the Cape amount to about 7 Mt a week.

Shell, in a test case, has already started rejuvenating four over-age tankers. That's not a problem, as insurers recognise the integrity of big oil companies in maintaining their carriers.

The same confidence doesn't extend to some Mediterranean and Far East operators, who are less demanding in their requirements of repair yards. Corrosion of tanks in big ships requires heavy spending on steel replacement. Even then, surveyors say, ships' structures are often weakened by internal repairs.

They are particularly worried about the integrity of some tankers, which were built with high-tensile and lighter steels as a cost-saving device.

The recent Alaskan oil spill by the *Exxon Valdez* has set alarm bells ringing on the question of tanker security. Although SA has plenty of oil-dispersant vessels, they would have no influence on the volume carried by a giant tanker.

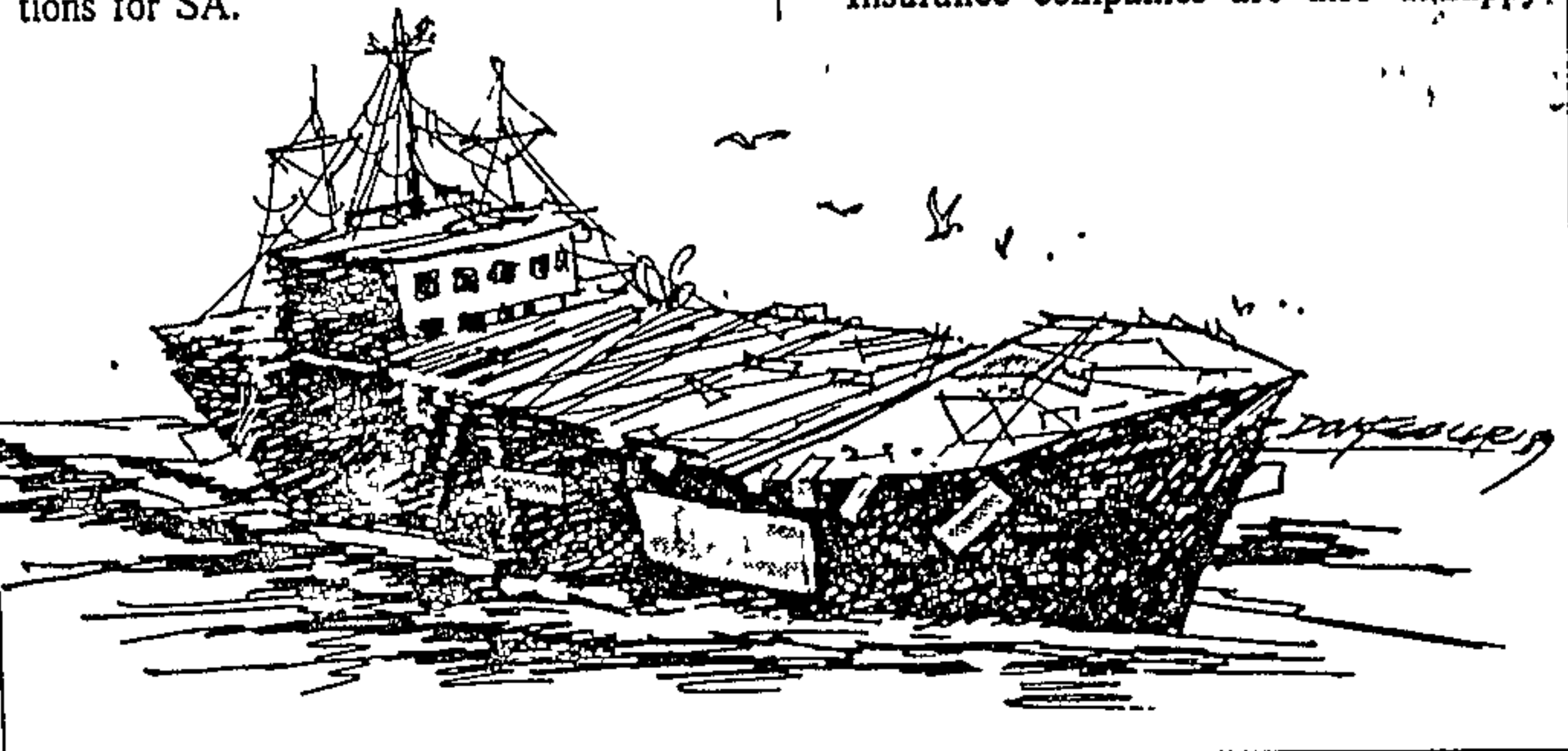
Insurance companies are also unhappy.

with the idea of continued service by old tankers. Quite apart from claims for vessel loss, the enormous claims from oil pollution frighten any underwriter

SHIPPING

Fears spill over

Plans to extend the life of giant oil tankers beyond current limits have serious implications for SA.



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JAN SMUTS AIRPORT

Inside a human zoo

■ Using our major airport has become a ghastly ordeal



Seeing is believing — and the experience itself is a depressing one of discomfort and demoralisation. It's neither a jail nor a zoo it just seems that way. For a number of reasons, Jan Smuts airport has over the years become a morass of incompetence, meaningless bureaucratic rigmaroles, offensive security arrangements that are painfully inadequate to their purpose, user-unfriendly hospitality services.

All that and a thousand other pinpricks add up to make SA's major air gateway a dismal place indeed. The weekends seem to be worst. Jan Smuts creaks at the seams as thousands of passengers — arriving and departing — try to fit into spaces and lifts designed 20-odd years ago. Ask people where they think the problems have their root and it's that: the oldness, the mean-spirited decrepitude of it all.

Airport manager Johan Cillie offers the excuse that "exceptional circumstances" sometimes occur over weekends. For example, when Muslim pilgrims leave for Mecca, they are seen off by thousands of relatives and friends, and, "Last Friday, the first SAA flight to Cairo since the early Sixties took place, which created unforeseen strain on our facilities."

The point about the environment remains unaltered. And yet it's only the most visible problems that are actually connected to the airport's decaying infrastructure, far worse are those which originate with the pervasive bureaucracy which has colonised the place. To take just a few examples:

Although international arrivals enter the building via two red-carpeted entrances, they are squeezed into the passport control hall through a single glass door. There is a second, red-carpeted facility — but it's permanently closed for "security" reasons. Customs & Excise officials — sometimes insolent, often rude or arrogant — screen passengers in an arrivals area that is far too small for the purpose. A lonely sign says "Welcome to SA," of all things, and is a recent "improvement."

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Arriving on Far Eastern flights in particular has become a nightmare of intimidation as the officials search intrusively for the last cent of customs duty. Official revenues from these sources are negligible — we guess far exceeding the cost of collection. But it fits in with Pretoria's desperate plundering of every available tax source.

Outside, complementing the windswept concrete brutalism of the architecture, offensive yellow barriers prevent access to the international departures area on the first floor. At ground floor level the same plastic obstruction prevents passengers being dropped at the departure door with their luggage. If this is a security risk, then surely an alternative dropping off or collecting area should be provided and passengers directed to it?

Few reasonable passengers object to security checks. But there must be some logic to them. At Jan Smuts they appear to be haphazard — arriving passengers are asked whether they carry firearms and, if the reply is no, a sticker is slapped on their suitcase and they are casually waved on. (Try to remove the sticker at home — and see what a mess it makes.) Yet when you enter the building from the underground garage, there is no visible security — nor any visible authority.

None of these measures actually make sense — and would certainly not deter a determined terrorist or lunatic.

Inside the building, electronic notice boards offer often outdated information. An airport spokesman argues that airlines are sometimes guilty of not providing the airport authority with up-to-date information for display on the boards. The excuse is weak: public address announcements can be inaudible, excruciatingly enunciated, or incomprehensible. A mere two information desks

serve the airport.

Some airport officials do try their best — they are the "good Germans" of Jan Smuts. Alas, the system under which they labour undermines their best efforts. The problem is that no one is really in charge, no one carries the can. At least 12 State departments are involved in running Jan Smuts, only notionally under the control of the Department of Transport (DoT).

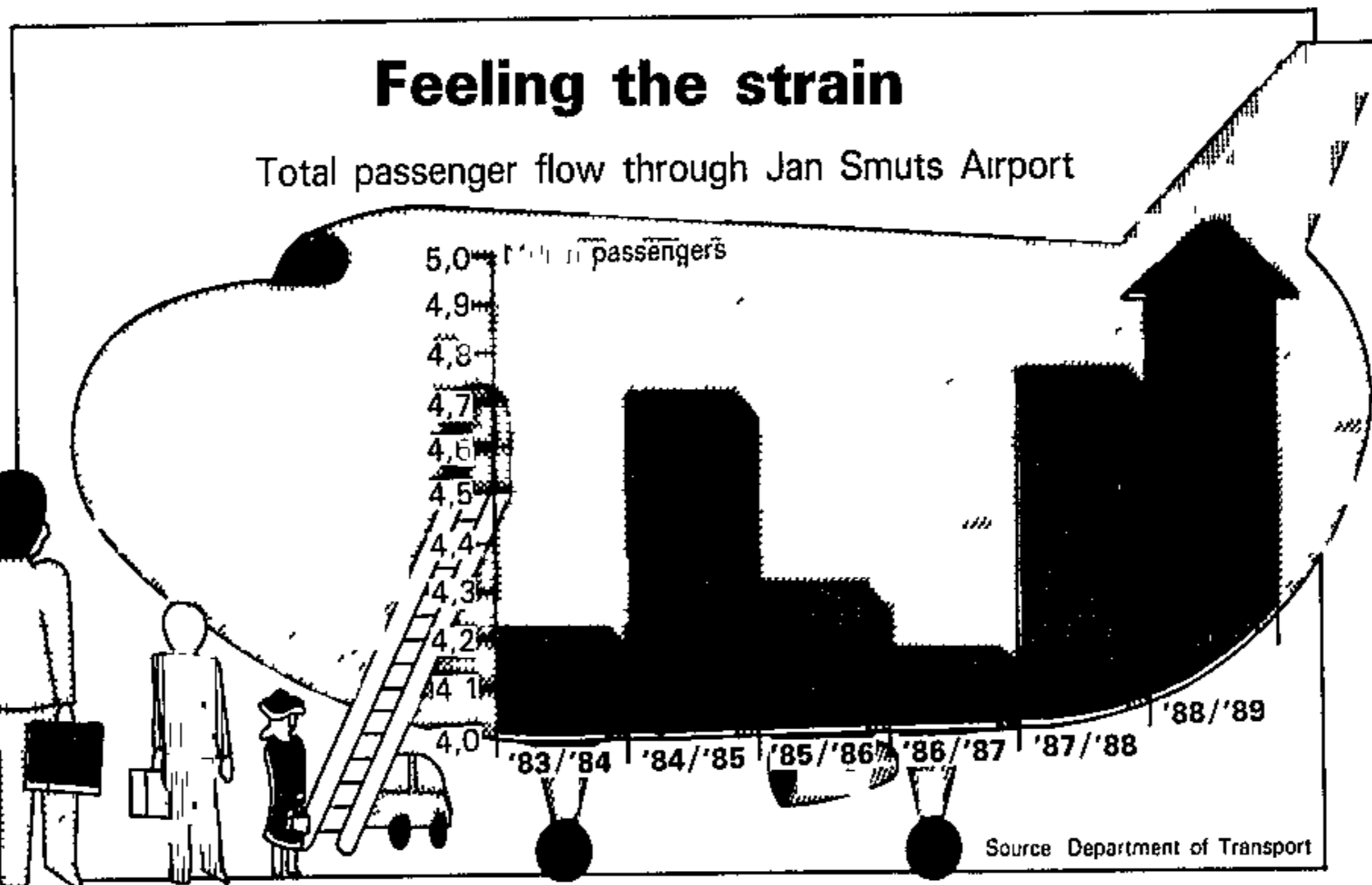
According to the director of Airport Systems and Development, Stuart Huckwell, the DoT last November appointed a private-sector group of management consultants — and by May this year new reporting systems, enabling the airport manager to better control airport services, were implemented. "We are sensitive to public needs," he says. "Anyone who feels aggrieved by any significant breaches in the normal standards of service at the airport should contact the airport manager."

Very helpful, certainly — but what else can be done? Well, in the UK, the British Airports Authority — controlling most major international airports in that country — was last year listed on the London Stock Exchange as a private company. And privatisation has given a competitive edge to the system. Smiling British officials, fast and efficient service — these add to the good impression formed on arrival at Heathrow or Gatwick. We all know that some immigrants have hassles — but a process of modernisation is at work. Here major airports are run by the DoT's Division of Civil Aviation (DCA) and have no corporate identity whatsoever.

Something is being done — though not nearly fast enough. Following Transport Affairs Minister Eli Louw's May budget speech, the DoT is now investigating what has been termed the "corporatisation" of

SA's big airports. Stagnant thinking prevails: it is felt, for example, that an "obvious prerequisite" to eventual privatisation is making a profit. That is never going to happen under the present managers.

Surely immediate privatisation would bring profitability without the need for time-consuming studies? An example is to hand at tiny Grand Central at Midrand. It is "highly profitably" managed by the



J H Isaacs property group, and "if given the chance, I am sure we can do the same for Jan Smuts," asserts JHI group MD Erroll Friedman

Needless to say, Jan Smuts runs at a loss. Its 1986-1987 operating revenue was R29,4m, compared with running costs of R29,8m, while the figures for 1987-1988 were R34m and R35,26m respectively, according to DCA administration director Lou Booyse "We strive to break even, but have not yet been able to," he admits.

Meanwhile, the airport has been segmented into various overlapping entities, some of which do make a profit

The most lucrative source of revenue to the airport authority is the concession fees paid by private concerns which successfully provide parking, catering, advertising, cleaning and banking facilities Johan Cilie notes "Substantial fees are paid to the State by these concessionaries.

"The winning tenderer is the one who pays the highest percentage of his income to the State"

In other words, Jan Smuts works where it is private Why not the whole thing? With a captive market of 5m-odd passengers a year — and with 24 airlines operating out of Jan Smuts — there should be no shortage of takers for the real estate As with much of the privatisation "programme," the will appears to be lacking

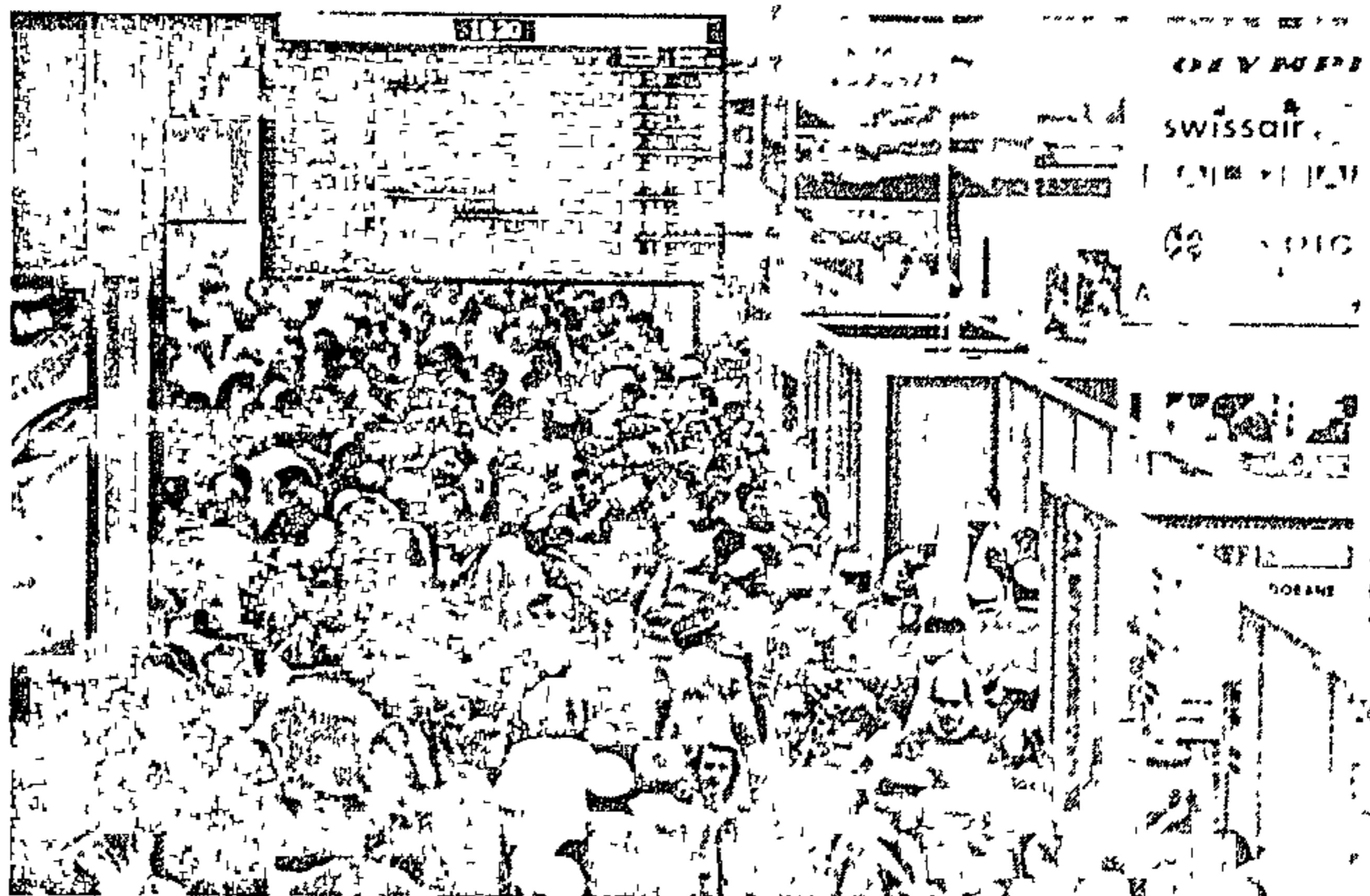
WORLD'S FAVOURITE AIRPORTS

	%*
1 Schiphol, Amsterdam	12
2 Changi, Singapore	11
3 Tampa	6
Frankfurt	6
Heathrow, London	6
6 Atlanta	5
Zurich	5
De Gaulle, Paris	5
9 Dallas/Fort Worth	4
10 Kennedy, New York	3

* Percentage of frequent flyers choosing the airport as their favourite
Source International Foundation of Airline Passengers Associations

The longer the situation is allowed to drag on, the worse the decay will become and the higher the cost of essential refurbishing These are but a few of the areas that would have to be tackled

- The outdoor parking facilities are crowded and in disrepair,
- Outside there is a total lack of explanatory signs, meaning misdirected walks while pushing full trolleys over difficult cobbled pavements,
- There are ugly yellow parking barriers on the access road that cut off normal access,
- Facilities for loading and offloading are scant,
- Access to the terminal is limited;
- Some toilets are disgusting, and
- Eating facilities are too often overcrowded, you cannot get a drink on Sundays;



International departures hall ... ugly, ramshackle and outdated

and even finding a place for a sandwich and a cup of coffee is a wearisome task

Plans to upgrade facilities to meet soaring passenger demand (*Business* June 2) will be completed over the next five years — at great inconvenience to users And note that the Department of Finance delayed implementation of these minimal proposals for four years At 1989 pricing levels, the cost is likely to amount to R63m

The refurbishments of the main terminal are essential They include new lifts, a total restructuring of the international and domestic arrivals and departures halls, a "corridor" linking the existing terminal with 13 proposed passenger loading bridges, more baggage unloading belts, upgrading of the outdoor parking facilities, and new (hopefully more informative) signs.

The Department of Public Works is currently calling for tenders. So far, short of privatisation, so good But how long will it all take? Work could start by early 1990, at best. "On completion by 1994, this should upgrade the airport's facilities to the requirements of about 1976," is the sour reaction of a travel industry cynic.

A future domestic terminal complex, to be built between the two existing parallel runways, forms part of the DCA's master plan for the airport — and might only begin to become a reality by the year 2000

We are not sure that all this has been thought out For instance, do we in Johannesburg — where it snows only every 10 years — really need passenger bridges? And what about passengers who need to catch connecting flights once the new domestic terminal is built between the runways? Unless there is a linking underground tunnel, getting from one terminal to the other could take a 30-minute ride via Boksburg

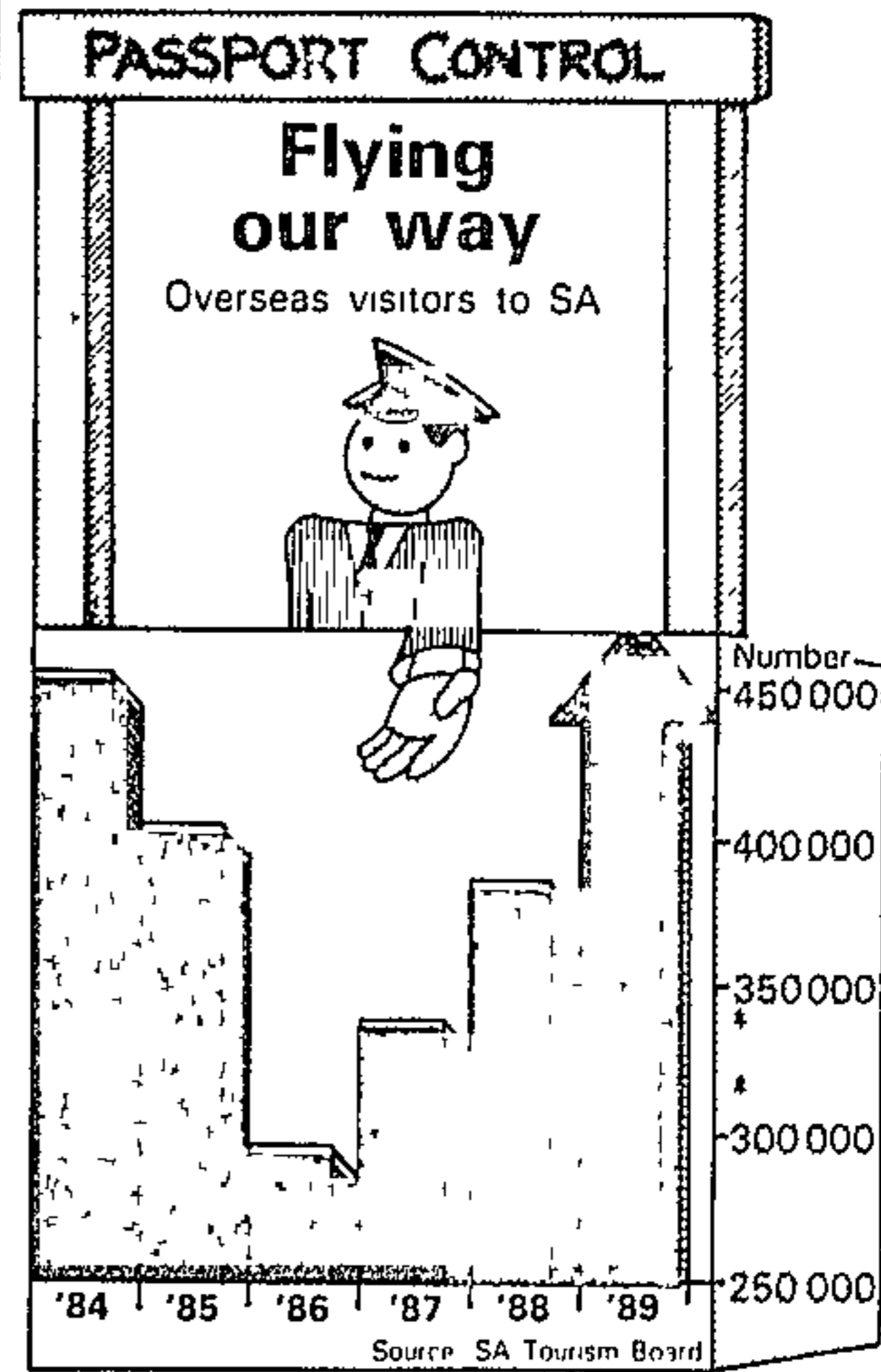
The DCA's Huckwell says a proposed "airside" road between the future domestic terminal and the existing complex is included in the DCA's master plan for Jan Smuts. This will obviate any time-consuming deviation via Boksburg Nevertheless, the atten-

tion given to passenger convenience so far hardly reassures us that it will be an adequate consideration once the upgrading takes place

Our response is simple don't wait Sell off the airport now

The main purpose of an airport is to make flying convenient and safe for passengers and to encourage them to fly often Of only minor importance are the screening of undesirable visitors and the collection of customs dues Those who run Jan Smuts appear to have got these priorities mixed up

Perhaps the only way of changing this is for the privileges given to government ministers, senior civil servants and MPs to be removed They have special areas for their cars to wait, use of business class facilities despite their free tickets, and an easy security passage Running with the herd, they would soon appreciate what a ghastly ordeal Jan Smuts has become



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SA's international air travel soars:

RIAAAN SMIT

DINERS Club figures have confirmed that local demand for international air travel is growing in spite of a weakening economy

SAA, British Airways and Lufthansa in May reported an increase in demand for seats on a year-on-year basis in spite of April airfare hikes of 19% to 28%

Diners Club CE Hugh Peatling, who claimed a 50% share in the local credit-card market, said cardholders paid 40% more for air travel this year than last. He conceded the in-

creases in fares distorted this figure.

"But a rough guess still leaves us with a 20% increase in volume," he said

He attributed the increased demand to businessmen taking advantage of export incentives created by the weak rand, businessmen arranging sanctions protection schemes and also an increase in foreign visitors to SA.

Jan Smuts 'may never meet demands'

There is unanimous agreement that something must be done about Jan Smuts Airport, the increasingly shoddy and inefficient air gateway to South Africa

And some industry sources fear that at the current rate of improvement, the airport may never meet future passenger demands.

The multimillion-rand project to upgrade the airport, announced by Transport Minister Mr Eli Louw in April last year, has been slow to start. The changes made so far are only a fraction of what is on the agenda.

And with the recent announcement that major refurbishments will be completed over five years, there is strong doubt in the tourist industry that the new facilities will be sufficient for the soaring number of passengers passing through the airport daily.

Essential improvements in the pipeline include:

- New lifts.
- A total restructuring of the international and domestic arrivals and departures halls.
- A "corridor" linking the existing terminal with 13 proposed passenger loading bridges
- More baggage carousels.
- Upgrading of the outdoor parking facilities
- New signs.

The Department of Public Works is calling for tenders — in line with the airport's privatisation programme — but work can start only by early 1990.

A future domestic terminal complex, to be built between the two existing parallel runways, might begin to become a reality only by the year 2000, airport authorities have confirmed.

This time-scale is set against the backdrop of an ever-in-

Air gateway to South Africa needs facelift

Star 15/6/89 269

Jan Smuts is South Africa's largest airport, but it is starting to creak under the strain of increasing passenger traffic. Officials have agreed that it is in desperate need of refurbishment, and although upgrading plans are under way, many fear they are being implemented too slowly. **HELEN GRANGE** reports.

creasing passenger flow.

However, Mr Stewart Huckwell, Director of Airport Services, points out that this increase in passenger flow happened suddenly over the past two years, and that a forecast of future passenger increases indicates that planned facilities will be adequate to meet the demand. "Obviously, if passenger flow exceeds the prediction, we may have a problem," he conceded.

Although international arrivals enter the building via two red-carpeted entrances, they are squeezed into the passport control hall through a double glass door. Customs officials screen passengers in an arrivals area far too small for the purpose.

Mr Huckwell gave an assurance that the customs hall would be enlarged by the end of the year.

Outside, glaring yellow barriers prevent access to the international departures area on the first floor. At ground floor level, the same plastic obstruction prevents passengers being dropped at the departure door with their luggage.

Much criticism has been levelled at the security procedures at the airport, which are said to be haphazard and ineffectual.

Arriving passengers are asked whether they carry firearms and, if the reply is no, a sticker is placed on their suitcase and they are waved on. Yet when you enter the building from the underground garage, there is no visible security.

Says Mr Huckwell. "The objective of airport security is to heighten awareness that passengers and visitors are not supposed to be carrying arms and ammunition. The stickers perform an essential function, because each piece of luggage is checked for them as it goes through customs."

Inside the building, electronic notice boards offer often outdated information, although airport authorities maintain that airlines are sometimes guilty of not providing the airport with up-to-date information for display on the boards.

Only two information desks serve the airport.

All these problems, says Mr

Huckwell, were addressed during talks this week between Asocom (Associated Chamber of Commerce and Industry), South African Airways and the Department of Civil Aviation

"We will be trying everything to provide the best service to the public. The government is keenly interested in determining the correct way to privatise the airport and some consultants have been appointed to draw up a plan for consideration," he said.

Chairman of the Johannesburg Publicity Association, Mr Pat Corbin, feels the problems are not so much due to lack of finance as managerial inefficiency.

"What's needed is much tighter management and the implementation of minimum standards," he says.

According to some financial experts, however, the answer is to privatise the whole airport and not only sections of it. So far, privatisation applies only to parking facilities, catering, advertising, cleaning and banking facilities.

These private concerns are reported to be profitable, whereas the airport as a whole, run by at least 12 state departments under the control of the Department of Transport, runs at a loss.

The argument for privatisation is boosted by the example of Heathrow and Gatwick airports in Britain. The privatisation of these airports last year has given a competitive edge to the system, which is fast, efficient and friendly.

There is nothing preventing the same development at Jan Smuts Airport, argue financial observers. With a captive market of five million passengers a year — and with 24 airlines operating out of the airport — there should be no shortage of takers for the real estate.

Ciskei bus boycott drags on

15-22/6/89

WMAW

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THE boycott of Ciskei Transport Corporation (CTC) buses in East London has been continuing for more than a month, with the company unable to deny it was not feeling the pinch

The decision to boycott the buses was sparked off by a fare increase of 25 percent. The fare hike is the second this year. In January fares went up by 15 percent.

The company's managing director, John Armstrong, earlier described the fare hike as "unpalatable, yet essential" in the face of increasing running costs

Two weeks later the company suspended some of the services warning that a number of bus trips would be reduced or cease operation altogether. Armstrong said the company could not run empty buses "but they are available whenever there is a need"

CTC is the only bus company operating daily services in Ciskei and thousands of workers rely on the facility

Last week CTC issued a pamphlet

By CHRIS MABUYA,
East London

offering commuters new fares. The fare of 70 cents between Mdantsane and anywhere in the city was introduced but this was going to operate only from 8am to 3pm. The normal price is R1,30.

According to a committee representing the community the offer came without consultation. He dismissed the company's promises as not only "aimed at confusing the negotiation process but yet another attempt to break the month old boycott"

The committee has met CTC on a number of occasions in a bid to resolve the boycott. Both parties agreed there should be no issuing of statements "or any form of propaganda"

Armstrong acknowledged that the announced services and prices had not been agreed upon during negotiations with commuter representatives, but said the company felt justified in having the authority to offer new fares. — Elnews

Night stop in Burundi

SA Airways, it seems, is still experiencing problems in its attempts to overfly Africa. That's not surprising. But what really happened to flight ZA 611 over central Africa recently remains shrouded in mystery.

The *FM* understands that an SAA plane chartered by Luxavia — flight ZA 611 from Cairo to Johannesburg — was forced to put down at Bujumbura airport in Burundi.

Nobody is saying much, but it appears that the flight, chartered on behalf of the Egyptian airline ZAS and carrying mainly SA Muslim pilgrims returning from Mecca, was intercepted by two MiG fighters over central Africa in the middle of the night and forced to land.

The mere mention of flight ZA 611 prompted two SAA officials to immediately refer all questions to higher authorities with the comment that "the issue is very sensitive" and has "political implications."

One version of events has it that the plane did not have overflying rights over Burundi and had run out of fuel. Further, the flight captain was detained for questioning and released after paying a R24 000 bond.

However, Luxavia MD Jan Blake, while conceding this was the first time Luxavia had operated via Burundi, said the plane *did* have clearance over Burundi as well as landing rights. He claims the landing was a scheduled stopover.

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According to Blake the two-hour delay was due to a fuelling problem — Bujumbura did not have sufficient fuel available.

Chief spokesman for SAA and Jan Smuts airport, Leon Els, says he has no knowledge of any mishap during the flight. He says a similar flight, SA 3266 — an SAA chartered flight — flew the previous week from Johannesburg to Cairo via Lisbon without any difficulty. Els stresses that this flight was a one-off charter to cater solely for SA's Muslim pilgrims. He dismisses earlier press reports saying SAA now has landing rights in Cairo. ■

Council may sell bus service

269 By Abel Mabelane,
East Rand Bureau

The executive of the Daveyton Council has recommended that the bus service, which registered a loss of R4,7 million, be privatised.

The Daveyton Council took over the bus service from the East Rand Development Board in 1983. It has run at a deficit since.

The executive decided there was nothing to indicate that the bus service would show a profit in the short term and recommended the secretary invite tenders for a takeover.

STAR 19/6/87
Employees would negotiate their own terms with the new company.

A member of the residence committee, Mr R Hlatshwayo, said the council had not consulted residents about the privatisation decision.

He said this would cause the council to lose credibility, the move coming hot on the heels of the evictions of some residents.

Mr Hlatshwayo said privatisation would hit council-employed drivers and mechanics who had taken out mortgage bonds to buy or build homes.

Sats has appointed Finansbank to restructure its loan debt.

Dr Eugene Kruger, Sats assistant general manager, financial services, says: "Finansbank has at its disposal the necessary expertise and in 1985 administered the restructuring of the loan debt of another large borrower in the capital market."

Sats is offering investors in its fixed interest securities an opportunity to remain flexible in a changing market.

Sats will buy the holdings of Loan SVO5 9,5-0/0 1994 and Loan SVO1 12,5-0/0 2002 from investors and exchange them for Loans SV07 12,5-0/0 1997 and Loan SV04 7,5-0/0 2008.

The conversion will increase the issued nominal values of Loans SV07 and Loan SV04 each by almost R100 million.

Full details of the

Sats reveals scheme to restructure loan debts

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scheme will be posted to registered stockholders of Loan SV05 and Loan SV01.

"The aim of the scheme is to enhance the marketability of these stocks and to increase the competitiveness of Sats as a borrower in the capital market," says Dr Kruger.

A Sats statement claims consolidations of issued stock have resulted in important developments in the financial markets.

They have improved the marketability of investors' portfolios and accelerated the development of the derivative markets. — Sapa.

Sats moves to popularise stock

IN A move to make its capital market stock more marketable, Sats has appointed Finansbank to convert less popular loan stock into paper, for which there is greater demand.

The conversion follows a similar move by Eskom and comes ahead of the imminent consolidation of government stock. The steps by the major borrowers on the capital market increase the marketability of investors' portfolios, and makes for a more liquid market.

It aids the borrowers by ensuring demand for their paper.

Sats is to offer holders of the less-traded loans SVO5 and SVO1 (with maturity dates of 1994 and 2002 respectively) the opportunity to exchange them for the more pop-

GRETA STEYN

ular SV07 and SVO4, with maturity dates of 1997 and 2008, respectively.

Although nobody is obliged to convert, Sats expects enthusiasm in the market over the conversion.

A spin-off of the conversion will be that the maturity horizon of Sats debt is pushed back.

Sats assistant GM Eugene Kruger said the conversion would increase the issued nominal values of loans SV07 and SV04 each by almost R100m.

A source said the cost of the conversion would be carried by Sats, and not by the holders of the loan stock — an effort to encourage goodwill. (269)

SATS changes loss into big profit

CARE T19/1 26/6/89 269

Staff Reporter

SOUTH African Transport Services has announced that it turned an estimated R115-million loss in the financial year up to the end of March into a R147 million operating profit — a huge total turnaround of R262 million.

The profit figure is also a R211 million improvement on the 87/88 financial year, when SATS losses totalled R64 million.

A spokesman for SATS confirmed yesterday that a general tariff increase in October 1988 had contributed R130 million of revenue, which offset the R192 million required to meet a salary increase granted to SATS staff in that month.

It was estimated that losses would be contained to R115 million after SATS received an additional R406,2 million from a part appropriation granted by

Parliament in February this year, mainly to offset losses on rail passenger services.

However, Minister of Transport Mr Eli Louw said yesterday that the achievement should be attributed to "improved productivity" and a "more competitive approach".

The airways, the harbours and the pipeline had all made profits but the commuter services were still incurring losses.

In February it was estimated that rail passenger services had lost R1,277 billion. The State paid some of this.

The staff rationalisation programme had improved productivity, Mr Louw said, with staff cut by 36% since 1982.

Mr Louw also said deregulation had allowed SATS to compete on the open market and was chiefly responsible for allowing it to turn losses into profits.

Sats is back into the black

S/Times 25/6/89

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By David Carte

SA TRANSPORT SERVICES took a second step towards privatisation this week — by declaring a profit.

The first step was conversion by Act of Parliament last session into a tax paying entity.

An elated Eh Louw, Transport Minister, told a meeting in Johannesburg this week that in his budget he had made provision for a deficit of R36-million. He said this did not allow for tariff or salary increases.

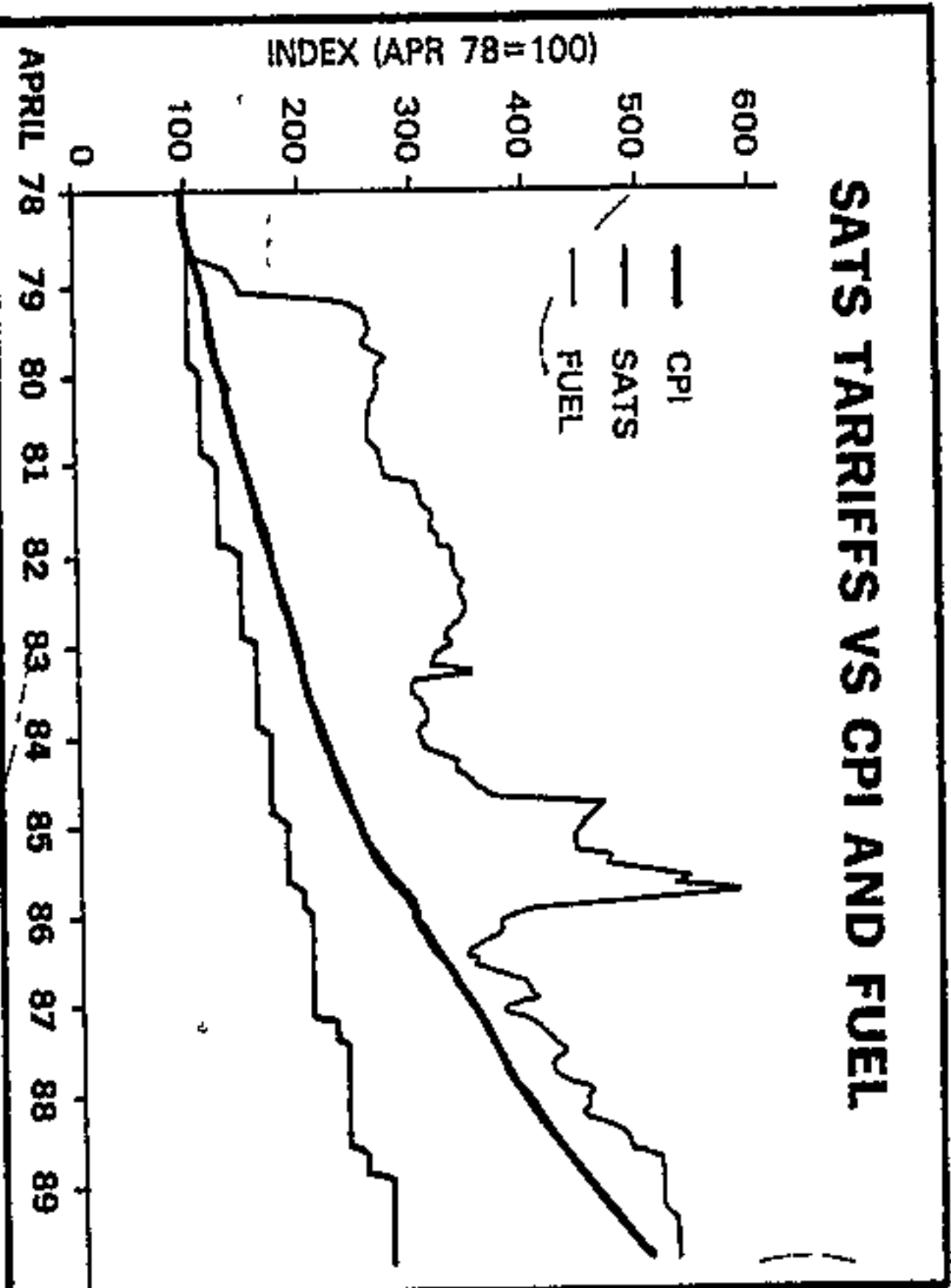
In the event, there was a labour dispute and 12% salary increases were granted. To cover the cost, tariffs were increased by 8%, which he felt was modest against an annualised inflation rate of 16%. The size of the expected deficit was raised to R115-million.

"I am proud to announce that in the financial year that ended two months ago, we actually achieved a surplus of R147-million. That was R262-million better than expected."

Mr Louw said total revenue rose 2,4% to R11,4-billion, while costs actually declined 1% to R11,2-billion. Compared with 1988, income rose 11,9% and expenses 9,8%. Mr Louw said all arms, SAA, harbours, pipelines, trains and road transport had made profits.

Mr Louw pointed out that

SATS TARIFFS VS CPI AND FUEL



in the past seven years Sats had reduced its manpower complement from 279 000 to 179 000 — by 36%. As the graph, prepared by Sats shows, its tariffs have lagged behind inflation for years.

Sats' major inputs are fuel, steel and electricity. Its tariffs are well behind all three. He said a greater volume of business and increased ef-

iciency across all sections of the huge organisation had made these figures possible. He was particularly proud that the latest figures had been achieved in spite of deregulation.

Mr Louw told Business Times that once the Treasury picked up losses on commuter trains — as has been approved in principle — Sats' profitability would improve

substantially. He would not disclose the size of these losses.

He said it would take some years for privatisation to be completed, adding that SAA would be the first candidate in his portfolio.

He said the airways had to be deregulated and SAA would have to earn profits in the new environment before it was privatised.

Sats general manager, Anton Moolman, acknowledged it would take a couple of years before even the first operation could be privatised.

Merchant banks and stock brokers are advising government departments involved in privatisation that the strong stock market may not last forever. Those considering privatisation thus face considerable time pressure to follow Iscor to the market.

Most State departments account conservatively, notably in the area of depreciation.

Once their accounting policies are brought into line, quite a number will see their declared profits shoot ahead

Bus service disrupted over privatisation plan

THE proposed privatisation of the Daveyton Town Council's bus service has met with opposition from the municipality's bus drivers.

By LEN MASEKO

Dozens of commuters were left stranded yesterday morning as the bus drivers — angered with the council's decision to trade off the financially embattled service — parked their buses and went to a meeting, a source in the council said

Daveyton mayor, Mr Meshack Sinaba, said he was not aware the local bus service was disrupted yesterday morning. He said the bus drivers had requested a meeting with him to discuss the proposed privatisation of the transport department

The row between the council and its transport staff follows the recommendation by the municipality's executive committee that the bus service, which has shown a loss of R4,7 million, be privatised

The bus drivers have apparently been angered by the executive's statement that employees would have to negotiate their own terms with the company which has successfully tendered for the service. They have also expressed concern about their council-subsidised homes in the event of a takeover by a private company

A takeover by the private sector would mean an end to the subsidies the council staff has enjoyed as public servants

The executive's decision was apparently prompted by the bus service's poor trading results. They decided that there was nothing to indicate that the service would show a profit in the short term and recommended the secretary to invite tenders for a takeover

Un-fare surcharge

Private airlines say government's all-encompassing 15% surcharge on imports will push up fares and freight rates by 5%

They say they have no choice but to import all capital equipment and spare parts. There is no local source. Aviation industry officials say the surcharge has increased maintenance costs by 12% and they want government to reconsider.

Cor Beek, executive director of the Commercial Aviation Association of Southern Africa, says "We don't need to pay an extra 15% to stop us from buying overseas. There are no unnecessary imports. Worldwide, there is already consumer resistance because aircraft and their spare parts are horrendously expensive in their own currencies. We are penalised further here, because of the low value of the rand.

"Because it costs so much to replace aircraft, we have to maintain what we have. Even without the surcharge, that is extremely expensive. The older machinery becomes, the more expensive it is to maintain."

He says that until May, it was possible to get rebates, particularly for avionics equipment, such as radar, which aircraft are legally compelled to carry. Not only is that no longer possible, but from July 1 1990, certain aircraft will not be allowed to fly unless they have been fitted with underwater crash locators to help searchers find them if they crash in water.

"We can only get them overseas and they're very expensive," says Beek.

Comair MD Peter van Hoven estimates the 15% surcharge will lead to a 5% increase in fares and freight rates. He explains: "It will increase the cost of maintenance by 12%, which accounts for 30% of the industry's total operating cost."

A spokesman for SAA says: "The airline will attempt to absorb the 15% tax. We don't really know yet how it will affect us."

This doesn't surprise Van Hoven. "SAA isn't exempt from the surcharge, but it is shielded from its full impact. It will have to pay the 15% surcharge on its new aircraft

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and that will affect its costing and force it to increase fares. But it generates some of its revenue in foreign currencies and can use that to uplift fuel and some spares overseas, where it costs less." ■

Back on the rails

Trimming the fat has resulted in SA Transport Services (Sats) showing a profit in the 1988/1989 financial year to March. Instead of a budgeted R115m loss, Sats reported a profit of R147m

Transport Minister Eli Louw says part of the reason for Sats' improved financial performance is staff rationalisation. Numbers decreased from 279 000 in June 1982 to 179 000 in June 1989 — a 36% drop in seven years. Other important factors included deregulation and improved productivity.

"Fewer people handled larger volumes more efficiently," says Louw. Tonnage of goods carried by the railways increased by 8% and harbour volumes by 5%. However,



Louw... beat forecasts

SA Airways suffered a 15% decrease in cargo

Louw says profits were achieved despite 12% salary increases in October 1988 — an additional cost of R192m. "This caused us to raise our budgeted deficit of R96m to R115m." The same month, a general tariff increase for Sats services provided an extra R130m in revenue.

The results further pave the way for privatisation. Louw says SAA remains the tar-

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get as the first main element for privatisation, but there is no set timetable. "We have to deregulate first and SAA has to prove it can be profitable in a deregulated environment before privatisation can take place."

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JAN SMUTS AIRPORT

High time for change

Jan Smuts Airport, SA's tatty international air gateway, is scheduled for full-scale modernisation. In the view of international travellers, it's not a moment too soon.

Frequent flyers are very clear on what they want from an airport: speed in getting in and out, good parking and perhaps a well-stocked, inexpensive duty-free shop. The best airports have these things, Jan Smuts does not.

Worldwide polls conducted by the International Foundation of Airline Passengers' Associations reveal volumes about air travellers' likes and dislikes. The results could serve as a blueprint for the efficient, modern, passenger-friendly airport Jan Smuts must

become

The last survey, in 1987, cited Amsterdam's Schiphol airport as the world's most preferred. Passengers like its single-terminal design, its ease in making connections and its mall-sized duty-free shop.

Among African and Middle Eastern passengers, Schiphol rated tops with 34% of respondents. Jan Smuts earned a mere 3%. Only distant Miami, Florida, rated lower. Even Algiers — though with a measly 4% — scored higher.

"Amsterdam was specially designed with the passenger in mind," says Philip Chrystal, an official of the Geneva-based foundation. "It was built in the Sixties and was one of the more revolutionary designs at the time. They've made sure it's stayed modern."

Singapore's Changi Airport, opened in the early Eighties, is rated right behind Amster-

dam and it's no mystery why it was designed by the same architect. "Singapore is quite attractive; it has waterfalls and fountains, a feeling of spaciousness," Chrystal says.

Third choice among African and Middle Eastern flyers, with 31% citing it as their favourite, is another Florida airport, Tampa. This one, opened in the early Seventies, was the first to install trains to shuttle passengers between terminal and gates. Well equipped with shuttles and lifts, it advertises itself as having the shortest walk from your car seat to your aircraft seat. It was also the first fully carpeted airport.

"The aesthetics are excellent; it's very attractive for passengers," Chrystal says. One highlight: 20 tapestries of Florida scenes woven by Swazi artisans adorn the walls of the baggage area.

What makes a good airport? One answer

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seems to be a good airline calling it home. "There's a strong correlation between the best airports and the best airlines," Chrystal says.

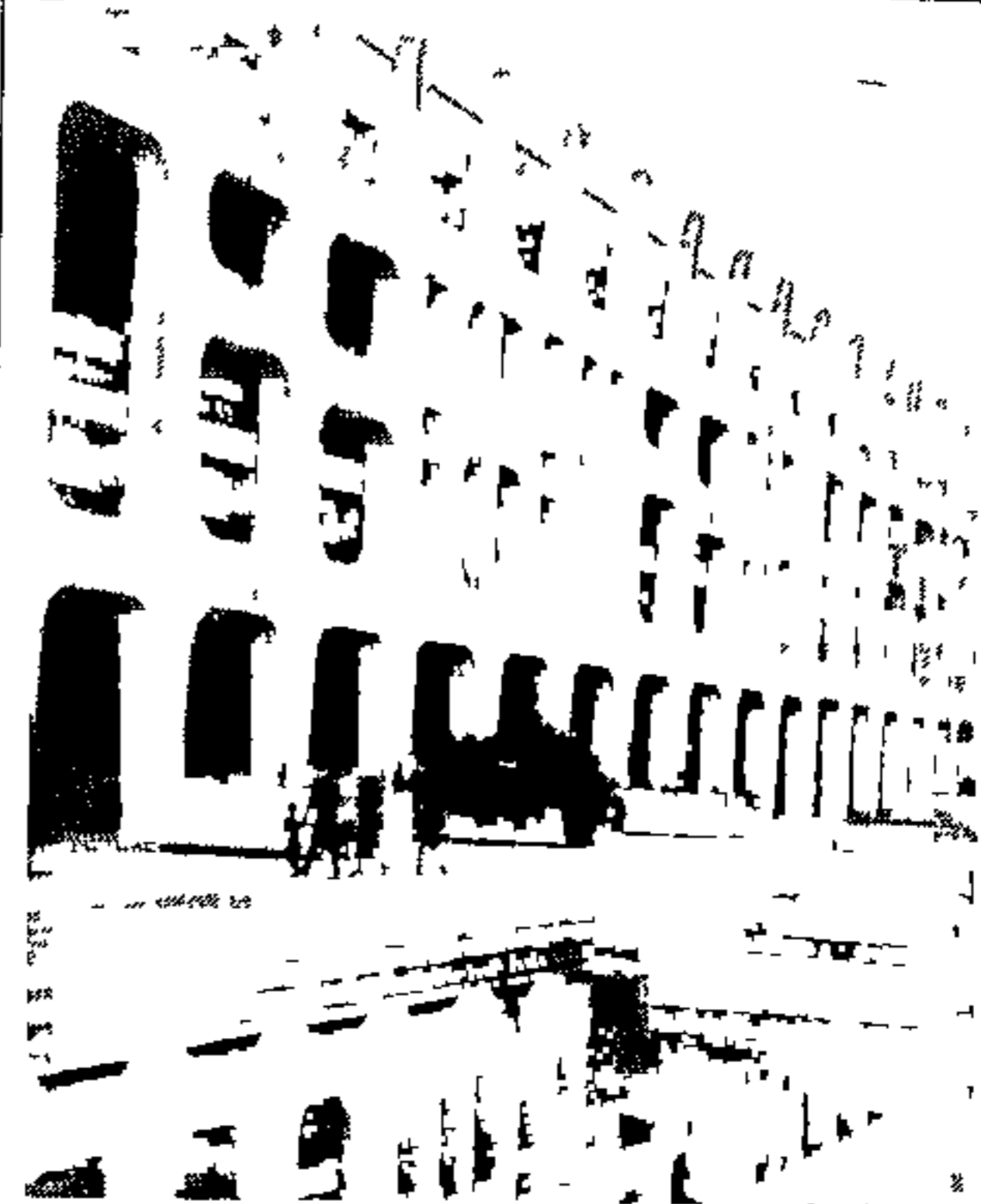
Among the best airlines headquartered at the best airports are: Swissair at Zurich, Singapore Airlines at Changi, KLM at Schiphol, Lufthansa at Frankfurt, Delta at Atlanta and American Airlines at Dallas/Fort Worth.

"These carriers have to be very competitive and that competition extends to their airports," Chrystal says. He adds that several airports are located in cities that do not have large home markets, so airlines have had to fashion them into attractive hubs to expand their business.

Not dominated

Other airports, such as Orlando in Florida — ranked 10th by North American and European flyers — and Tampa, are not dominated by a single airline. Instead, their markets are split by competitive airlines which do not balk at spending money on terminal improvements.

Jan Smuts has none of the advantages the



Jan Smuts ... can only improve

best airports have. Easily, the busiest airport in Africa, with 5m passengers a year compared with runner-up Algiers's 3.6m, Jan Smuts should be an attractive hub for much of southern Africa.

But sanctions and Africa's basket-case economies limit the international competition at Jan Smuts. The smothering hand of government regulation has prevented domestic competition and restricted overseas bargain fares.

One airline, SAA, controls 90% of SA's market. The result: not many air travellers come through Jan Smuts, by world standards. The airport ranks with only such second-tier ones as San Antonio and Indianapolis in the US and Nice in France, in number of annual passengers.

Travellers who do use SAA don't appear overimpressed, the poll showed. Frequent flyers rate the airline only average. ■



Some of the Duduza residents who marched to work yesterday in protest against bus fare hikes.

The boy has since been buried.

Captain R A Crewe of the SAP public relations department in Pretoria denied police involvement in any assault on Simon.

Crewe confirmed that Simon was questioned (and not detained) on June 3, at the Klipriver police station in connection with a robbery case.

The police were investigating the circumstances surrounding Simon's death and a docket would be sent to the relevant judicial authority for a decision as soon as the investigation was completed, Crewe said.

Cafe

The robbed woman pointed out Simon to the police at a Klipriver cafe where he was playing machine games, said Dali.

He and four other boys were taken to the police station nearby.

Dali said Simon told them before he died that he was taken alone into a separate office and assaulted by two white police officers. He was later released when they realised that he had not been involved in the robbery, she said.

Dali said: "On

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Hundreds in bus boycott

Sowet am 4/7/89

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REPORTS, pictures and comments in this edition may be censored in terms of the Government's state of emergency

HUNDREDS of residents of Duduza on the East Rand marched to work yesterday to protest a 25 percent bus fare increase introduced by the Nigel Town Council.

The increase was announced last month and came into effect yesterday.

By PHANGISILE MTSALI

A spokesman for the Duduza Civic Association said the decision to boycott buses was taken at a residents' meeting convened by affiliates of the Congress of South African Trade Unions (Cosatu).

"We are also protesting against the slow progress of township development and against the detention of comrade Veli Mazibuko," the spokesman, who asked not to be named, said

Residents would also embark on consumer

• To Page 2

action to show their dissatisfaction, the spokesman said.

The manager of the Nigel Town Council transport department, Mr Eben de Bruyn, said the boycott could cost more than R200 000 a month if it continued.

"We have not had a genuine increase for the past three and a half years and had to push up fares because of the rising cost in spares and general maintenance of the buses," he said

Sowet am 4/7/89

From Page 1

BOYCOTT

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Pilots' group gets Ciskei airline contract

ACORN, the marketing arm of the SA Airways Pilots Association (Saapa), has been awarded a contract to operate an airline for Ciskei, Ciskei director-general tourism and aviation Nkululeko Nogcantsi said yesterday. *Blom 5/7/87*

Acorn chief Blake Flemington confirmed it had "tentatively" been given the contract.

"They have accepted our tender in principle, so now we have to get down to the figures, which I am doing," he said.

The proposal forwarded by Acorn was that it would provide aircraft and do the

MANDY JEAN WOODS

flying while Ciskei operated the airline.

He said Acorn planned to operate two BAE 146 luxury business commuter aircraft worth \$25m each. Each aircraft seats 85 passengers.

SA's chief director of civil aviation Japie Smit confirmed Acorn had not applied for nor received any licences to operate specific routes.

Nogcantsi said the tenders were requested in March and closed at the end of April. The contract was awarded to Acorn in May. He said five SA companies applied

for the tender

He refused to answer any further questions and referred queries to Des Boucher, chairman of the Ciskei airline committee and chairman and deputy chancellor in the Office of the President.

When contacted yesterday, Boucher said the contract had not yet been awarded but confirmed he was involved in discussions with Acorn.

When asked how many other companies had responded to the tender call, he said "It doesn't really matter. We were not really concerned with the others."

Bus boycott will hit Nigel's income

8/14/87
5/1/87
By Abel Mabelane,
East Rand Bureau

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The manager of the Nigel Town Council Transport Department, Mr Eben de Bruyn, said yesterday commuters in Duduza were continuing to boycott the council's bus service in protest against the 25 percent fare increase which came into operation on Monday.

He said if the boycott continued the council would lose a gross monthly income of R200'000.

PAMPHLETS

He said the last bus fare increase had been in December 1985.

"Commuters were informed about the increases by means of pamphlets written in all the black languages on June 23.

"We also, motivated the reasons for the increase and pointed out that our running costs had gone up by between 50 and 60 percent," Mr de Bruyn said.

Sats freight (269) division split into 10 parts

51 Day 61789
DAVE LOURENS

SATS has divided its freight section into 10 separate product groupings in a move it described as "the single most important reorganisation Sats has made in the past 50 years"

Sats assistant GM of rail traffic Mike Myburgh said each transport commodity segment, such as agricultural products or liquid commodities, would now be run by a business manager instead of the general marketing manager

Group GM Barry Lessing said the business managers would have a holistic transport perspective of their particular commodity, which would help to operate the fleet of trucks allocated to each traffic segment at optimum capacity.

Clients would now deal with specialists having "bottom-line responsibility" for the service offered and the income their product grouping generated.

Myburgh said the change "was prompted by the needs of privatisation and deregulation. It will lead to greater customer satisfaction and will also lower the cost structure"

He foresaw improvements in terms of better customer orientation and increased motivation created by bottom-line responsibility.

The only new appointments occasioned by the change were the business managers. They are to use the existing administrative and analytical structure in performing their tasks.

The overturned bus that crashed yesterday outside Jerusalem after the wheel was grabbed from the driver by a Palestinian passenger yelling "God is great". The bus veered off the road into a ravine and burst into flames, killing at least 11 Israelis and injuring 23 — the worst death toll in a single incident since the Palestinian uprising began 19 months ago. Picture REUTERS

Court case follows Leeuwfontein killings

14 on murder charges

6/10/89 7/7/89



FOURTEEN Bophuthatswana villagers appeared at the Lehurutshe Magistrate's Court yesterday charged with the killing of nine policemen in Leeuwfontein on Saturday.

The accused are also facing charges of public violence relating to incidents of unrest at the village.

They were not asked to plead and the case was postponed to Wednesday, when application for bail will be heard.

The accused are David Motshidisi, Richard Konyana, Frans Bogatsi, George Mokotedi, Willie Mokuatse, Robert Sogo, Charles Hlatshoane, Mothoanga Modise, Siphon Ramaseka, Kaas Mogapi, David Monnana, Japie Tsagari, George Mosadi and a 16-year-

SIPHO NGCOBO

old youth. The youth was released into the custody of his parents.

The nine policemen were killed in clashes with civilians when a riot broke out in Leeuwfontein on Saturday.

Civilians

Five of the policemen were allegedly stoned to death and four died in a vehicle which, it is alleged, was fire-bombed.

Two civilians were killed in the fighting.

The death toll at Leeuwfontein has risen to 12 with the death of a 70-year-

old man at a police road-block on Wednesday, according to the Transvaal Rural Action Committee (Trac), which monitors events at Leeuwfontein and Braklaagte. Trac named the man as Moretsele Mafora of Leeuwfontein.

A spokesman for Bophuthatswana's Information Department said he had no knowledge of the incident but promised to investigate today.

Lydia Kompe, assistant to lawyers Bell, Dewar and Hall, was arrested in Leeuwfontein yesterday, according to attorney James Sutherland.

The nine policemen killed in Leeuwfontein on Saturday will be buried in Mmabatho tomorrow, said the Bophuthatswana spokesman.

SAAF battles to get full return on R9m spent on pilots

6/10/89 7/7/89

Own Correspondent

The SAAF was unable to keep the majority of personnel for the critical 10 to 12 years after qualification, he said.

It cost more than R700 000 to train a pilot to wings standard. By the time he was ready for Mirage fighters the cost had risen to R4,8m, and by the time he had "gained sufficient experience on the Cheetah to outfight the best that an

enemy can throw at him, we have invested more than R9m in him."

In a five-year period the SAAF had taken in almost 3 000 apprentices, but "over the same period our net gain of technical personnel was less than 20% of the number we had trained".

Although the SAAF was contributing to the skilled manpower pool of the country at large, "we shall have to find a formula which will satisfy our requirements as well" the general said.

CAPE TOWN — The SA Air Force spends more than R9m to turn out a fully-fledged Cheetah fighter pilot — but struggles to keep him long enough for a full return on its investment, according to SAAF chief Lt-Gen Jan van Loggerenberg.

Addressing newly qualified pilots at Flying Training School Dunnottar yesterday, Van Loggerenberg quoted shock statistics about SAAF personnel losses to the private sector.

(230)

(269)

Rail-roading

SA Transport Services (Sats) is pulling out the stops to prove that it will meet all comers in a deregulated and privatised environment.

Proving its point, Sats will carry fully-laden, road semi-trailers by rail by 1992. The technology has been developed, but experiments to prove its economic feasibility will start next year.

Two systems, based on US thinking but using local technology, will be introduced. the Spoortrailer and the Abba

(269) *Amuel*
1/7/89

The Spoortrailer system involves strengthened road semi-trailers, which will be converted into railway trucks and hauled by rail, either coupled together to become unit trains or coupled to conventional trains. With the Abba system, conventional road semi-trailers will be loaded on to specially designed, flat-bed trucks with wells to accommodate their road wheels.

Prototypes of Abba system trucks should be ready by early next year and of the Spoortrailer by August 1990. Ten Abba trucks are being built, five of which will operate in each direction as part of container unit trains between Bayhead in Durban and City Deep, Johannesburg.

"We are giving ourselves a month to sort out any technical problems and then we will go for it," says Sats director, rolling stock, André Veldsman. "We have a R2m budget to develop the prototypes and are looking at development budgets of R21m in 1991 and R35m in 1992. After that, market acceptance will determine budgets."

Due for commercial use by March 1992, two full Abba trains a day will operate in each direction between Johannesburg and Durban.

The programme for Spoortrailers is more flexible because of cost. Sats, or private entrepreneurs, may have to build some and lease them to clients before they become generally accepted.

"We'll be a tax-paying public company by April 1990 and will be chasing after-tax profit. We're interested in long-haul traffic usually conveyed by public carriers for gain, so are devising a scheme that will interest them," says Veldsman. ■

TOYI-TOYI clamp angers Cosatu

ABOUT 200 commuters have been arrested for singing and dancing on the East Rand trains in the past four weeks, the Congress of South African Trade Unions said in a statement yesterday.

The police clampdown on toyi-toyi dancing on trains has angered Cosatu, which has called for an urgent meeting with the SA Transport Services to discuss the arrests. *Sowetan 7/7/87*.

Mr Ariel Mabalane, Cosatu's Wits region secretary, said some of the 200 commuters were released after paying spot-fines while others were told to appear in court on July 17 or August 3. *1408* *329*

Disturbing peace

Most of the arrests occurred at Kempton Park, Kaalfontein, Germiston and President stations.

Mabalane said the federation has asked its lawyers to investigate the matter.

East Rand police spokesman could not confirm the arrests yesterday, but said the 200 commuters could have been arrested possibly for "disturbing the peace."

S/Times 9/2/89

2 500 more seats challenge SAA

(269)

By Roger Makings

PRIVATE airlines will initially challenge South African Airways' stranglehold on the domestic market by offering nearly 2 500 seats a day from Johannesburg to Durban and Cape Town.

Both Comair and Safmarine, parent company of Safair Holdings, have taken advantage of Transport Minister Eli Louw's decision to deregulate internal air routes, exposing the national carrier to competition for the first time since 1949.

Comair says that if the National Transport Commission grants it 14 trips a day, it will acquire three Boeing 737s.

Safmarine has asked for 21 passenger flights a week to Cape Town and if granted the licence, will acquire an Airbus A300.

Hangars

The Boeings seat 117 passengers each and the Airbus 263. If all flights are filled, this will mean an additional 2 427 seats a day serving SA's two major trunk routes.

SAA offers about 16 800 seats daily to, and from these centres.

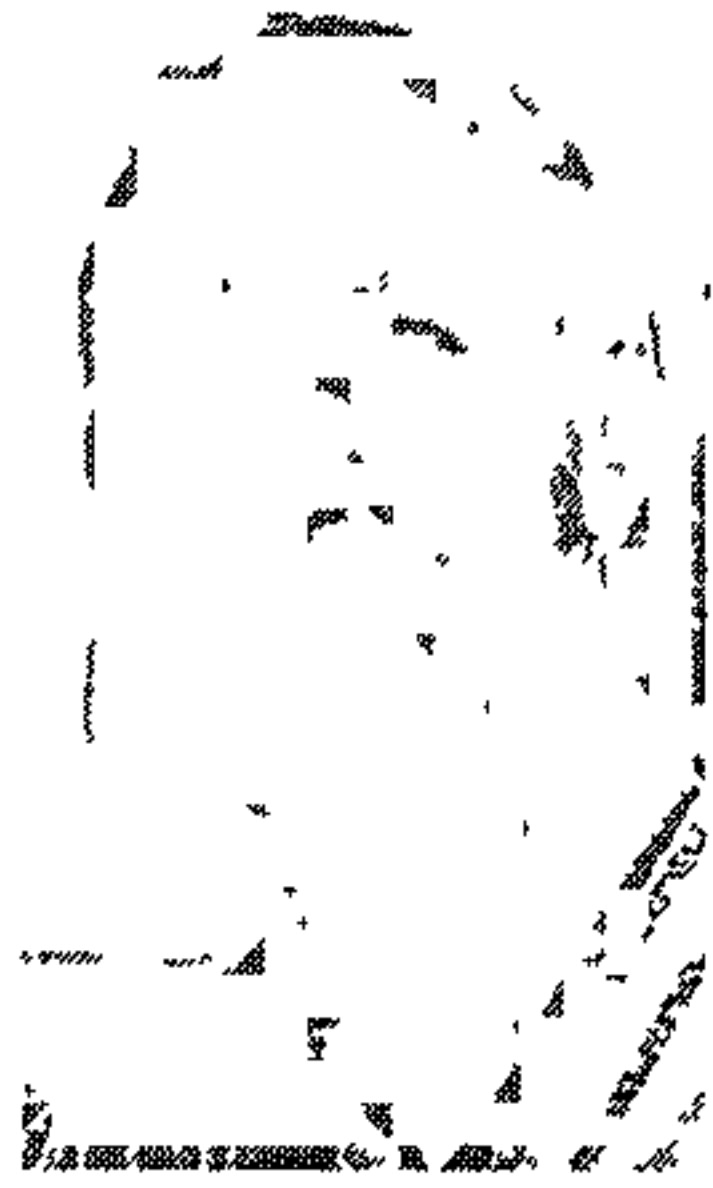
Besides their multi-million-rand aircraft both private airlines plan to build hangars costing several millions to house the aircraft they will need.

Safmarine is even thinking of changing Safair's name and creating an image more suitable to a passenger-dedicated airline.

Safair, which has eight Hercules L-100 aircraft and two Boeing 707s, is chiefly a cargo airline.

However, neither airline considers its plans to enter the domestic passenger market a threat to SAA.

Comair chairman Dave Novick says: "We are bidding for a small percentage of a market that is growing by between 5% and 10% a year. Foreign and domestic tour-



DAVE NOVICK

ism is increasing.

"The additional capacity we plan will merely take in the overspill SAA will not lose traffic, but might also not gain. Basically, we are offering commuters a choice of airlines at certain times of the day."

Asked where he intended getting his three Boeings, Mr Novick said Comair would probably buy and lease them from abroad. They would be maintained by the airline, more complicated overhaul work being done by SAA or foreign contractors.

Pilots

SA is critically short of experienced pilots, but Mr Novick did not see this as a problem.

He expected to come to an arrangement with SAA to use its simulators to convert Comair crews to Boeings. It would also recruit young pilots.

"We hope to use SAA's extensive facilities for maintenance and training — it is in the interest of the country to keep foreign currency here, and I am sure SAA will co-operate."

Mike Finlay, managing director of Safmarine, said his company's application to fly to Cape Town could be considered a challenge to SAA, but not a threat.

"Our move into the passenger market will encourage efficiency and introduce an element of competition. But we will still only be taking in the slack that SAA cannot



MIKE FINLAY

handle.

"With the steady increase in black passengers, tourism and an expanding economy there is more than enough room for another operator."

He said Safmarine planned to build a hangar at Jan Smuts Airport and was considering a new image for the airline.

The company had a wide network of connections abroad which would give Safmarine's airlines access to even more aircraft if they were needed.

Turning to the company's application for 91 freight-only flights a week from Johannesburg to Cape Town, Port Elizabeth and East London, Mr Finlay said "We are merely looking for permis-

sion to provide a scheduled service to these centres which are already being served by charter flights."

He believed the application to the NTC for the additional routes was a modest one which should receive favourable consideration.

Skills

"We will have to learn additional skills, employ more people and acquire more aircraft. But we have more than 20 years of experience and would comfortably manage to serve the routes."

Mr Finlay said Safmarine would have to co-operate with SAA in training of crews and maintenance of its jet aircraft.

"SAA has all the facilities which would generate extra income for it. An agreement would be beneficial to all."

Asked whether SAA's purchase of seven new Airbus A320s would not flood the market with aircraft, Mr Finlay speculated that the national carrier might reduce some services or restructure routes "so that nobody gets hurt in the process."

Both airlines will probably rent counters at Jan Smuts Airport.

The applications are expected to be heard by the NTC in the next few weeks.

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A nurse attends to a critically
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Ideally, a patient in intensive

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Report sent to NTC after probe into ²⁶⁹ Citi Air ^{BIDCOM} 10/1/87

MANDY JEAN WOODS

A TRANSPORT Department report on the Durban-based airline Citi Air is to be forwarded to the National Transport Commission (NTC) after an investigation into the airline's maintenance operation and aircraft airworthiness.

The report has been submitted to Civil Aviation commissioner Japie Smit and the NTC is expected to discuss the report at its next monthly meeting, a Civil Aviation Department spokesman said.

He said the department had looked at aircraft belonging to Citi Air. Some of its recommendations had already been carried out by Citi Air, he said.

Citi Air MD and co-owner David White said DCA inspectors had grounded one aircraft, withdrawn the licence of the company's chief engineer and closed down its aircraft maintenance organisation.

Business Times Reporter
INTER-CITY coach
travel is booming in re-
action to the rising cost
of other forms of trans-
port and growth in
tourism, says Grey-
hound Citiliner chief
executive Keith Mor-
ton.

In addition, the latest pet-
rol-price increase will en-
courage the trend from air
travel and private motoring
to coaches.

Satur has described tour-
ism growth as unpreceden-
ted. Foreign tourists, attract-
ed by the weak rand, are
flocking to SA and filling
five-star hotels and luxury
game lodges.

Listing

The number of tourists
visiting South Africa last
year increased by 14%, and
the figure is expected to rise
by 12,5% this year. The aver-
age annual increase is 8,5%.

Mr Morton says Grey-
hound, part of the soon-to-be-
listed R100-million Entercor
group, is gearing up for rapid
growth.

He believes SA's coaching
bonanza is nothing less than
the start of a transport revo-
lution similar to that of post-
war America and Europe in
more recent years.

He says: "Inter-city coach
travel has become part of the
American and European way
of life. We are at the start of
something similar."

Apart from the growth in
foreign visitors, the mickey

Coach travel on high ride as costs rise

mouse rand is keeping more
South Africans at home for
holidays and inflation is en-
suring that they use the chea-
pest form of transport when
travelling to Cape Town or
Durban with the family.

People are either snapping
up the special fly-in SAA
packages to the coast or tak-
ing a coach. Changed pat-
terns of domestic travel have
meant a strong swing from
private motoring to coach
travel, especially because of
the increasing number of toll
roads.

Growing

It is estimated that Grey-
hound coaches will carry
about 200 000 passengers this
year and its fleet will travel
3,6-million kilometres. These
figures have been achieved in
four years, and Mr Morton
believes the potential has
hardly been scratched.

Demand from a wide
cross-section of income earn-
ers and population groups is
growing rapidly.

The parallels with Ameri-
ca are inescapable — long
distances, competitive prices

and South Africans' love of
travel. Mr Morton says Grey-
hound coaches provide com-
fortable travel.

"Our coaches have every-
thing that opens and shuts.
Passengers travel in air-con-
ditioned comfort, enjoying a
choice of video or music pro-
grammes. They can relax
and watch the scenery."

Banner

Routes include Johannes-
burg-Port Elizabeth (PE), Jo-
hannesburg-Nelspruit, Pre-
toria-Johannesburg-Cape
Town. There are also no-frills
services from Johannesburg
to Kimberley under the ban-
ner of Greyhound Express.
Mr Morton foresees more
budget services.

Other services include
family fares, special week-
enders between Durban and
Johannesburg, discounts for
regular business users and
single-fare specials for cer-
tain months.

Mr Morton says aggressive
marketing is increasing de-
mand and the fleet, which has
a replacement value of R15-
million, will be enlarged and
new routes investigated.

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Richards Bay is set for costly facelift

SA Harbours foresees progress towards improving bulk-handling and unloading facilities at export-oriented Richards Bay. The harbour handles almost half of SA's (harbour) tonnage, two-thirds of bulk cargo and is export oriented. While Durban is imported.

While every effort is made to achieve upgrading on time, budget constraints tend to prevent commissioning of new or upgraded facilities.

Whether this will remain a problem next year when Harbours, along with other divisions of Sats, becomes an autonomous, commercialised entity, remains to be seen — for, while Harbours makes R250m profit, it does not see a cent of that due to cross-subsidiation.

High priority is going the development of the infrastructure behind berths 704, 705 and 706, which have been built to handle unladen cargo.

The berths are scheduled for completion in about three years.

Private sector accepts EDI — will government?

NEXT month the Department of Trade and Industry (DTI) expects to receive a study carried out by private consultants on the implications of the public sector adopting an electronic data interchange (EDI) system used in international trade.

No public announcement has been made, but the wideranging initial investigation is already underway.

Private-sector consensus is that an EDI system based on the popular UN Edifact principle will be pivotal to local forwarders being brought in line with international trading progress. SA's leading freighter and forwarder, Safren, introduced this system two years ago.

Renfreight Forwarding GM Eddie Stead says EDI is now the biggest challenge facing forwarders. For them to be successful in the 1990s, they will have to participate in the race towards EDI.

While local commerce and industry have recently shown a big demand for EDI, it is still in its pre-implementation stage.

Sources agree its overall success will, however, depend on government-controlled bodies such as Customs, which has accepted it in principle, and the Reserve Bank.

Edge

"The system sets up internationally accepted standards for trade documents and SA must keep abreast of this to remain in the international trading arena," says Stead.

Formatted to international standards, EDI will reduce costs, increase productivity and enhance SA's competitive edge in world trade.

Estimates are that in any trade transaction, the cost of documentation can be anything from 7% to 12% of the total transaction.

SA is rapidly adopting existing international standards for communication and EDI facilitates efficient trade by eliminating much existing paper documentation by substituting electronic messages.

Sahmarine director Tony



EDDIE STEAD

Beware of exploitation

BANKERS could assist SA importers and exporters in minimising their costs by becoming more involved in the financing process of the trade, says shipping consultant Raoul Otto.

Traders, often well-established firms, are not aware of the many pitfalls and hidden costs in international trade, where suppliers are exploiting the lack of knowledge of staff dealing with shipments.

Local importers rely on banks to help in the preparation and negotiation of letters of credit (LCs), but many other parties are involved in the complete transport process. Banks have little experience and expertise in the latter — for example, the description of the goods for customs purposes and freight rates.

"Only after goods have been received do clients discover problems, but it is often too late for errors made by the people involved to be rectified," says Otto.

He suggests the following:

- Exports — the seller must sell the goods and the services to get the goods as close as possible to the buyer's premises. By selling the goods and all associated services as a package ("delivered, duty paid", for instance) the supplier is "importing" more foreign currency for his exports, and
- Imports — here the buyer must, as far as possible, buy only the commodity — and pay for the services by importing through a local clearing and forwarding agent ("export factory", in other words).

"Only in this way can the company ex-

Farr says the introduction of its "compass" system two years ago has enabled the company to progress in the field of EDI.

He believes it will be vital to provide efficient services to customers — who must be linked to an EDI mainframe to issue uniform trade documentation.

"We already have a number of customers linked to compass," says Farr.

A host of quasi-government bodies, headed by the Reserve Bank, are also at the front of the queue.

Running

Reporting a fairly recent transformation in attitudes, SA Association of Freight Forwarders executive director Alan Cowell says the past six months have shown a dramatic increase in business demand for EDI facilities.

"It is beginning to roll fast now and local forwarders will have to start running to keep up with their in-techn minded associates overseas," he says.

Stiprosa (Simplification of International Trade Procedures of SA), executive director Joubert Klopper says EDI will have an enormous impact on the local clearing and forwarding industry.

Still, the major stumbling block preventing SA falling in line with the rate of progress made by overseas forwarders remains public-sector participation which, Klopper says, will have a decisive influence on all concerned.

Cowell reckons budgetary restrictions are generally to blame for slow public-sector progress.

"But at last government has grasped the nettle by instituting a wide-ranging viability study we believe may be completed next month."

Then, a further study to ascertain which equipment would be most suitable will follow.

The follow-up will also study how the system, including transportation of records and documentation from paper to electronic transmission, shall be put together.

"Much depends on government departments taking the lead, as well as their choice of software, standardisation of messages, codes, common data and the compiling of an intelligible directory of terms," says Cowell.

Parallel to its introduction at public-sector level will be some changes and upgradings in the private sector.

Forwarders take note

THE SA Association of Freight Forwarders says forwarders should provide commerce and industry with the following services:

- Planning and costing of routes with particular regard to their relative levels of reliability, speed and economy;
- Booking, co-ordinating and managing international transport movements;
- Detailed fulfilling of the documentary requirements before, during and after transit;
- Providing many specific transport facilities as principals (not agents) where this clearly meets a market need.

Offering ancillary services such as packing, warehousing, chartering, insuring and many others related to particular market segments, and

- Assisting a client's marketing effort by providing expert advice on costs and procedures.

A Danzas SA Transport spokesman says to achieve an exact pre-costing on the product and all ancillary shipping costs, an importer needs basic facts:

- Description of the commodity and BTN (Brussels Tariff Nomenclature) number for duty purposes;
- Exact location of the supply point of the goods;
- Weight and volume of the packed goods;
- Destination of goods, and
- Terms of sale ("ex-factory" and forwarding

Credit lines tightening up for imports

THE need for local clearers and forwarders to provide much larger lines of credit to SA importers has resulted in agents' cash flows becoming strained, as many clients do not pay the agent up front.

And in an adverse economic climate, this is a particularly onerous burden to carry.

Local forwarders act as "an extension of the client" by having to fund a client's import costs for up to 60 days. Recognising the implications, the Department of Customs and Excise introduced its deterrent-duty scheme in 1987 where, subject to certain up-front fees, agents were given two weeks to pay the delivery of goods.

Now Customs and Excise deputy commissioner Coetzee says the possibility of further relief is under consideration.

While importers in most industrialised countries open accounts directly with their customs departments and pay within 30 days, such a facility does not exist in South Africa.

Coetzee says cognizance has been taken of the abrupt, but he cannot elaborate further at the moment.

Meanwhile Burlington deputy chairman Bannister says the need to provide bigger lines of credit finance higher surcharges and pay the high duty freight charges which clients now face.

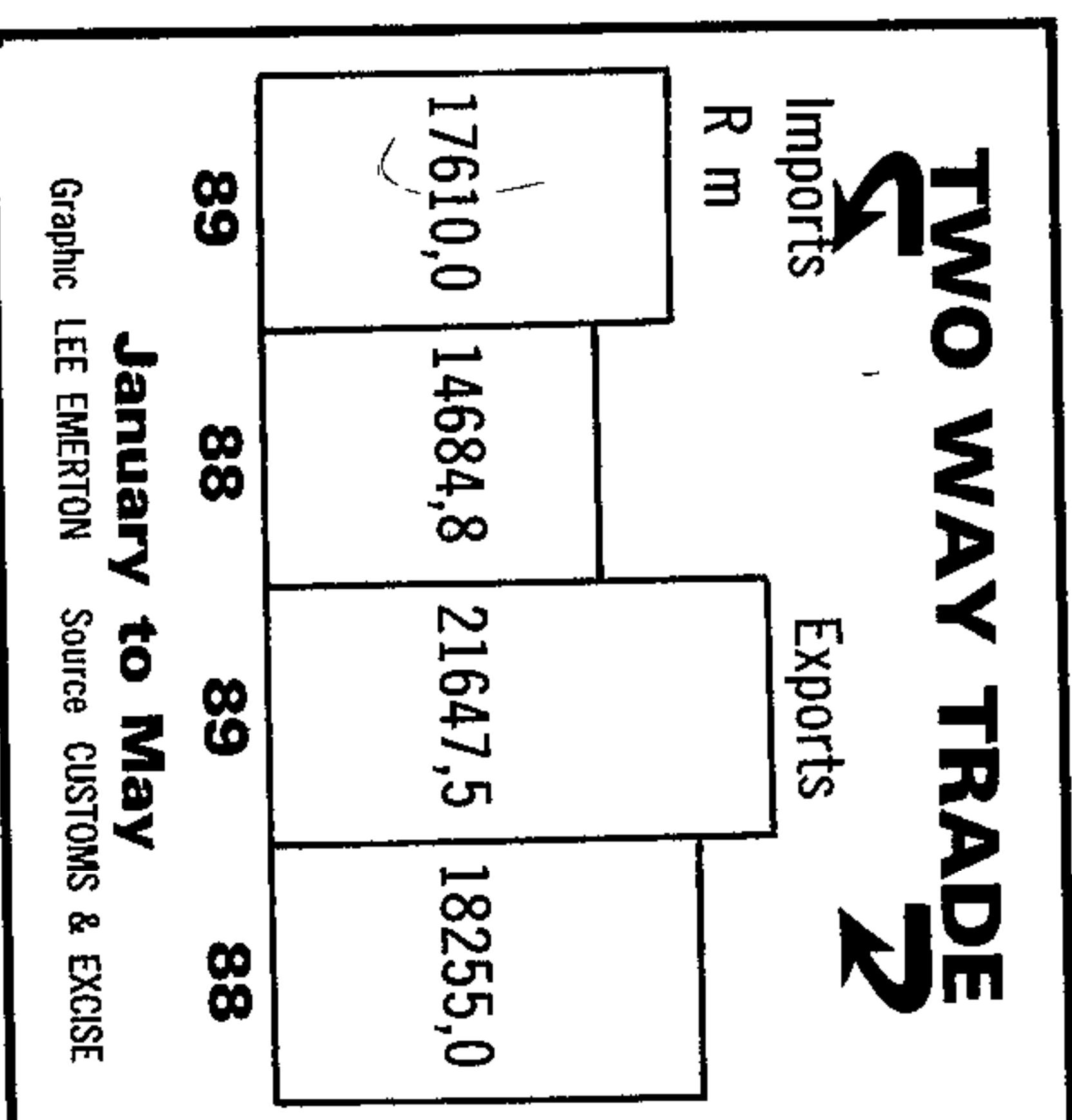
"The escalating problem of the level of clearing charges in the clearing industry is diminishing firms. Clearing agents are acting in a bank-like way with associated risk."

Usually an importer pays his agent after 60 days, but some are taking longer. In addition, importers have succumbed to the economic slump. Compounding the problem is the higher rate of imports (see graph) which has contributed to the problem of some importers.

Freelan sales manager Phil Edwards agrees risk has increased in line with the level of 2% surcharges.

He notes that, for example, two years ago an 10% duty on imports today, with SA's exchange rate less favourable too, the surcharge on this amount rocketed to 15%.

This is hurting smaller importers more than established companies — for the former may establish companies — for the former may meet bills on time because they, too, are kept for payment.



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19/07/89

agents could also assist clients better by advising them about description and routing of cargo.

The description for freighting purposes is often substantially different from the cargo description for customs purposes, and freight charges are based on the description.

"This could also yield considerable cost savings for importers and exporters," the spokesman says.

Container repairs are hotting up

THE weak rand has encouraged international cargo liner operators to place more business with SA refrigerated-container companies, says Durban-based SA Reefer Services MD Marius Els.

"Container owners are making a beeline for South Africa to take advantage of inexpensive, quality repairs."

Demand from foreign customers has been matched by increased domestic demand as container refrigeration becomes more popular.

Difficulties

Businesses requiring bulk cooling have also seen the benefits of using highly mobile and reliable refrigerator containers as a permanent storage facility.

However, all is not plain sailing for local maintenance companies, as keeping abreast of latest world container technology is proving difficult.

And because the country has to pay high prices for new containers due to the weak rand, SA is unable to afford to import new units to replace old stock.

Hence the swing is towards a high level of maintenance being carried out to extend the useful life of containers, says Els.

Durban gets about 30% of local container repair work with Cape Town landing the lion's share because of heavy demand from the fishing and deciduous fruit industries, which require a great deal of reefer (insulated containers) capacity for their export trades.

There will be 300 000 refrigerated containers in service internationally next year. In the manufacture of these, a high degree of technology is used. "We have to go to great lengths by importing foreign trainers to keep us up to date with latest technology so we can offer our services to foreign shipping lines using the latest containers," Els adds.

Free-market forces Sats to increase efficiency

PREPARING for open competition when it commercialises next year, SA Transport Services (Sats) is taking steps to increase freight efficiency

Converting its rail, road, harbour, air and pipelines divisions into five business enterprises that will function for gain under company law as from April 1 next year, Sats will change the face of the country's transport market

Sats chief director (marketing) Koos Meyer says it is acknowledged that its future market share will depend on two factors

Namely, the quality of its service and the extent to which its rates can com-

pete with those of other transport operators

Meyer is confident that due to progress already made and further streamlining under way, the rail-freight division will succeed in increasing its market share against road hauliers

Strategies to improve the service include

- The proposed development of a piggy-back service for privately-owned vehicles,
- Establishing a bimodal vehicle — or "spoortrailer" — for operation on both road and rail, and
- Extending the sphere of influence of the systems further afield from the "hub-and-spoke" automatic sorting systems (autosorts)

The objective of the two former concepts is to combine the advantages of the road and rail modes in such a manner that a more effective and cost-competitive service can be rendered to the end user

With the piggy-back system, privately owned road vehicles will be conveyed by rail on wagons between the main centres

"This will ensure a reaction in motorised vehicle fleets of users as less long-distance hauling will be done," says Meyer

Door-to-door

The spoortrailer is a bimodal vehicle equipped with permanent road wheels for road use and a detachable rail bogie for rail use

"These two concepts will ensure that Sats is able to render a door-to-door service to the client without having to physically tranship the goods from one mode of transport to an-

other

"As a result, we will be able to increase our competitiveness"

Following the approval of autosorts for Kazerne on the Reef, Durban and Bellville (Cape Town) — of which only Kazerne is operational so far — the "hub-and-spoke" system was introduced

Through autosorts, goods are no longer sorted at smaller depots, but are instead despatched by fast freight trains to a central point for sorting and are then distributed countrywide

Network

In order to rationalise the freight services further, it is intended to extend the "hub-and-spoke" principle outside the influence sphere of the three autosorts

"By establishing a network of collection stations for small parcels at strategic points, we will be able

to serve specific areas more efficiently"

This rationalisation process has necessitated the introduction of a comprehensive accounting, information and freight-tracking system (Intac)

"With this new accounting system, rating is done automatically. A faster throughput of documents is realised, while the capturing procedures of rail documents have been dramatically streamlined"

Segmented

Meyer says another policy development has been acceptance of the need to serve and fulfil the specific transport needs of targeted segments of the market while at the same time ensuring the optimal use of rolling stock

The rail-traffic section has therefore been segmented into autonomous product groups, each spearheaded by a senior Sats manager

Amerford International (Pty) Ltd
 Cargoworld (Pty) Ltd
 Delf Shipping cc
 Ferroimpex (Pty) Ltd
 FR Waring (International) (Pty) Ltd
 Galbraith's Chartering
 GEC Shipping
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 Speedline Accessories (Pty) Ltd
 ...and another 7 000 companies worldwide

When it comes to computensated international communications — especially on a LAN — they know it's cheaper by One-to-One — and faster too — and more flexible — and easy to operate — and very secure — and well, why not find out for yourself. You will be in good company too — our largest customer is the United Nations — so we have to be good!

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Hi-tech to be dominant

RAPID advances in information systems are the dominant feature of the international freight industry, according to industry leaders

The whole industry is becoming hi-tech, with greater speed and reliability becoming more important in reducing the time capital is employed in goods-in-transit and in stock levels

Renfreight Forwarding GM Eddie Stead says the freight and forwarding agent of the future will closely resemble a computer bureau

"Local clearing and forwarding agents who cannot keep pace with hi-tech requirements will be unable to compete effectively"

Renfreight, SA's leading clearing and forwarding agency, has invested millions in recent years in computer systems designed for both greater operating efficiencies and to meet client needs for timeous information

Burlington deputy chairman Barry Saxton says not only is hi-tech used to improve control of movement, but also to provide management with vital information to assist in such areas as production planning and unit costing

The physical movement of cargo is now so fast by sea, air and land that its arrival often precedes the documentation, which is processed manually

"The most efficient way electronically passing the an internationally agreed automatic processing on partner," adds Stead

Sub-sets of the inform partners can be used by c airlines and shipping lines to speed up the processing

Though standard nation be internationally standard opment of international t

This key element will public sector introduces (EDI) system, industry sc

The findings of a study 1 month

Saxton adds that amo enables pre-clearing thrc goods as they depart fro

At present, delays of up clearing airfreight consi

"The whole clearing an and EDI is becoming par

Forex saving by local company

SUBSTANTIAL savings in forex are claimed as a result of replacing imported ground-support equipment at SA's major airports with locally manufactured products

Taking the credit is Johannesburg-based Transport and Equipment Engineering (TEE) — sales director Dick Garzancich says local manufacture is seen as a means of countering rising import duties and the diminishing value of the rand

TEE first made pallet transporters, of which more than 60 are now in operation at SA airports.

Thereafter passenger boarding-steps, cabin loaders, medical-assistance units and water tankers were added to the production line

"We have just developed and produced a special jacking device to remove and replace the front landing leg of the airbus"

Previously imported from Germany, this hydraulically powered equipment called for extremely critical tolerances in its manufacture, Garzancich added

feature

handle documentation is by ormination and conforming to andard across networks for e computers of the trading

on passed between trading ring and forwarding agents, ustoms and port authorities, of documents

, documentation tends not to ed and this hinders the devel- le

fully overcome once SA's electronic data interchange es believe us regard are expected next

its many advantages, EDI i customs at destination of oint of origin

two days are experienced in nts after they have arrived rwarding game is changing our way of life," he says

Neutral waybills come to SA

GROWTH in local exports and airfreight have prompted the introduction of neutral airwaybills in SA — six years after they were introduced in Europe

Behind the new system is customs clearing bureau Compu-Clearing, which has designed its new waybills so that they are usable for all airlines as well as for domestic and international freighting

Compu-Clearing MD Arnold Garber says advantages of the new documetation include the user not having to resort to a variety of stationery for different airlines and then account for them

"Time savings are also considerable and accuracy improves due to a simplified pro-

cedure"

He says the neutral waybills have the full approval of SAA, including use of both the stationery and Compu-Clearing's computer system, which processes the neutral airwaybills

The system produces master and house airwaybills Also produced is a manifest with necessary and other reports and enquiries

Garber says that until now, emphasis has been placed on import-oriented systems

"But the growth market, especially when measured on the number of shipments, is definitely on the export side — and on the airfreight side in particular," he says

Executive hauls out a 'shopping list' of needed improvements

THE clearing and forwarding industry needs to increase staff training, encourage clients to change their purchasing terms and upgrade its technical capabilities, says Grimrod International Freight executive director Johan du Plessis

He believes training at all levels needs to be accelerated to ensure staff are technically competent to handle the maze of documentation required to move goods across international borders

The industry needs to encourage importers and exporters to change their purchasing terms to enable them to control movement of their cargoes around barriers which exist or could be introduced by the international community

Also, developments could make it harder for the UK and West Germany to continue their current support



JOHAN DU PLESSIS

if substantial political reforms are not seen to be occurring here

Increased pressure is also expected from the US with the introduction of the Dellums Bill this year

The US will also be in a strong position to influence the bilateral trade between SA and the Pacific Rim, making global trade for SA more problematic

Through offshore investment, the establishment of offshore facilities, operational agreements, trading houses and forms of barter, the SA forwarder will play a dynamic role in the future development of this country

The industry needs to upgrade its technical capabilities in the field of computerisation and electronic data interchange

"This is not only to process accurate and timeous information for the movement of goods across international borders, but also to supply add-on value to their products"

Further to the introduction of the Harmonised Tariff in SA and the SAD (Simplified Administrative Document) in Europe at year-end 1988, SA will have to move towards a similar system to reduce the amount of paperwork

Cargo system to integrate Customs and air carriers

SAA is looking at ways of expediting the movement of cargo using a system which will integrate carriers, clearing and forwarding agents and the SA Department of Customs and Excise

While this is still in its conceptual stage, an SAA spokesman confirms that definite attention is being given to the possible development of an airport community system

This will entail information-transfer capabilities to speed up the shipment, clearance and tracking of cargo

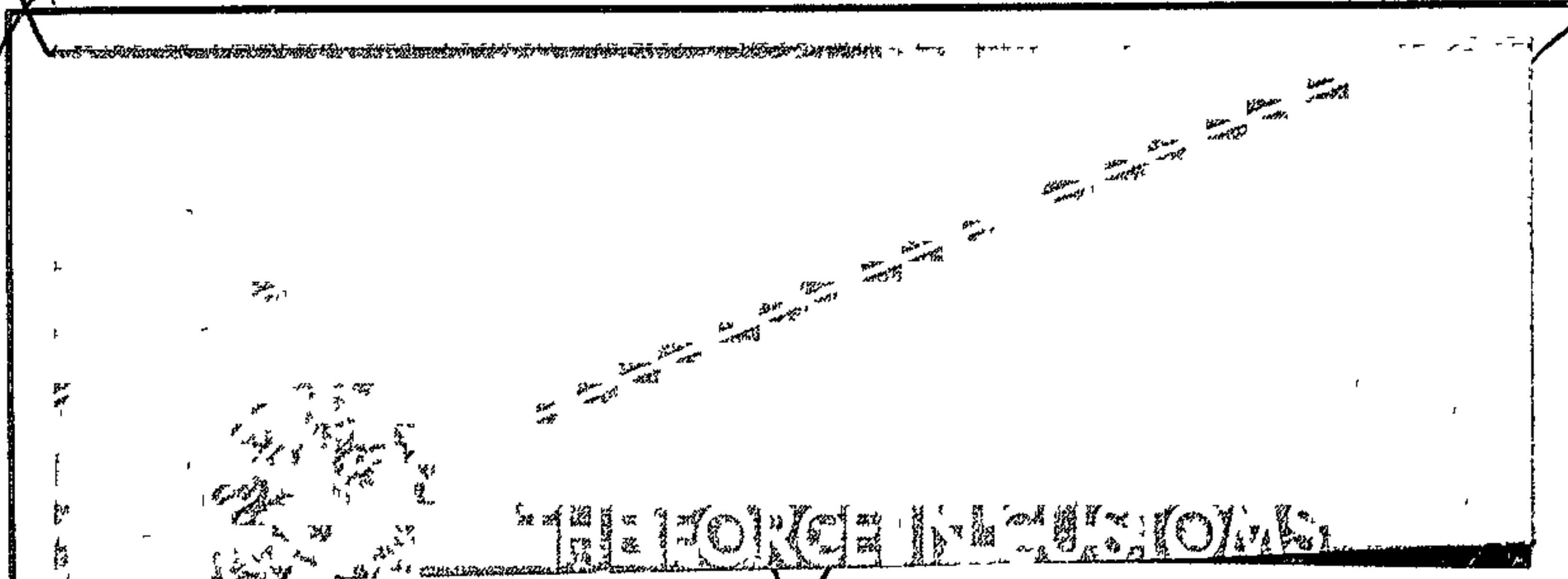
Speed

Among the numerous advantages forseen are the system will result in only one terminal being required in the agent's office, which will allow access to all automated carriers and customs

"Computerisation will enable the client to make reservations and process the airwaybills virtually simultaneously," the spokesman says.

Conservative estimates for the next 10 years indicate, for instance, that door-to-door cargo may make up 70% to 75% of the total airfreight market

Thus an integrated carrier, rendering an all-inclusive service with a market-related rate structure, will be that much stronger an airline.



B/Day 19/7/89

(269)
Freight & forwarding

Business Day SURVEY

Advanced restructuring of Sats, rapid changes in freight information techniques to conform with international practice, the strong possibility of a new airport community system for SA and introduction of the neutral airwaybill are some issues

Covered by LYNN CARLISLE, who reports on the freight and forwarding industry

One-to-one is faster

FAX and telex messages from local importers, exporters and freight agents can now be transmitted faster and cheaper worldwide — direct from personal computers (PCs) to a computer switch in London.

The new service, marketed under the name "one-to-one", is provided by Comtext International, through its Johannesburg agents EDI Services.

EDI Services marketing executive Bob Robertson says Comtext International operates offices throughout Europe, the UK, US and Far East.

With a customer base of more than 10 000, Comtext provides a computerised message-handling system with many value-added features not available from conventional methods.

Multiple message handling means messages prepared at a computer workstation can be queued in a file in the PC program and disposed of in a single, high-speed transmission via the Saponet international packet-switching service (IPSS) to Comtext's computer switch in London.

Automatic

This method dispenses with the usual practice of dialling individual communication numbers and the present trend to fax a message rather than have it sitting in the office in-tray waiting to be sent.

When the message is to go to multiple addresses, it is multi-addressed and is sent as one transmission from SA, while the computer switch in London automatically handles this requirement.

The one-to-one method produces "intangible savings in terms of high-speed disposal of messages.

Robertson says: "While final delivery costs over international post and networks may not appear cheaper to all foreign destinations as a 'rate per minute', they are cheaper to SA's major trading areas such as UK (by 50%), Europe (38%), Israel (24%), Hong Kong (22%), Canada (21%) and the US (16%)."

But conventional rates are charged per minute or part thereof, whereas one-to-one charges are in six-second time slices *pro rata*.

"Customer billing, charged in rands, can be departmentalised to show which messages are accountable to the various departments in a company."

Robertson notes that a confidential electronic mailbox (E-mail) facility, which is much cheaper than telex or fax, is provided for companies which communicate regularly with overseas associates.

Companies trading with politically sensitive territories can also rent a UK-registered telex number which appears on all messages directed to defined destinations, thereby disguising the SA connection.

Major changes herald a new epoch for SA

MAJOR changes and upgrades to bring SA's clearing and forwarding industry more in line with international practice have reached the implementation stage.

Both overseas influences and local deregulation of the transport industry, including the commercialisation of all five divisions of the SA Transport Services (Sats), are involved.

Deregulation of transportation spearheads local developments, while the introduction of electronic data exchange systems in forwarding, plus the international integrated-carrier trend, have also become dominant issues.

The SA Association of Freight Forwarders (SAAFF), an intermediary in the international transport chain, reports that certain residual issues will remain — even after Sats is commercialised on April 1 next year.

Among these issues are the collection and delivery of goods from ships-side at

SA's harbours — where Sats competes with its own customers — and the reduction of *ad valorem* wharfage.

SAAFF executive director Alan Cowell says "Reduction of *ad valorem* wharfage and of demurrage charges are definite possibilities when Sats starts operating as five autonomous profit bodies. So, too, is the elimination of cross-subsidisation."

Predators

But complicating the deregulation process within Sats is the fact that its personnel are accustomed to operating under a system protected by the Road Transportation Act.

Unfettered deregulation of the transport industry could create a situation for predators to gobble up smaller companies.

Theoretically, therefore, a public-sector monopoly could well be overtaken by a private-sector coalition of dominant interests.

"It is here the competi-

Harbour facilities in revamp

EFFORTS over the past two years to increase the role of the Durban Harbour Advisory Board (DHAB) are expected to result in improvements in the productivity, development and use of harbour facilities.

DHAB chairman Dick Brass says that in this period, the organisation has been revitalised and now plays a major part in assisting SA Transport Services (Sats) to make the country's biggest harbour more effective.

"A *modus operandi* of communication has been established, which has resulted in an increase in two-way communication between us and SA harbours."

Symbolic of its revitalisation, the DHAB — whose President-appointed members include representatives from the Durban Chamber of Commerce, the Natal Chamber of Industries, Die Sakekamer and shipping interests — holds regular meetings with the harbours' chief executive.

According to Brass, these meetings are attended by representatives from all harbour boards.

Brass, who also heads the Association of Durban Stevedores and is a member of a number of other port committees, says the co-operation is based in terms of the SA Transport Services Act 65 of 1981, Section 28, which states:

"The GM of Sats shall furnish harbour advisory boards with such information and

afford them such reasonable facilities as may be necessary for the determination of any matter under consideration, or for the due and proper fulfilment of their duties and functions.

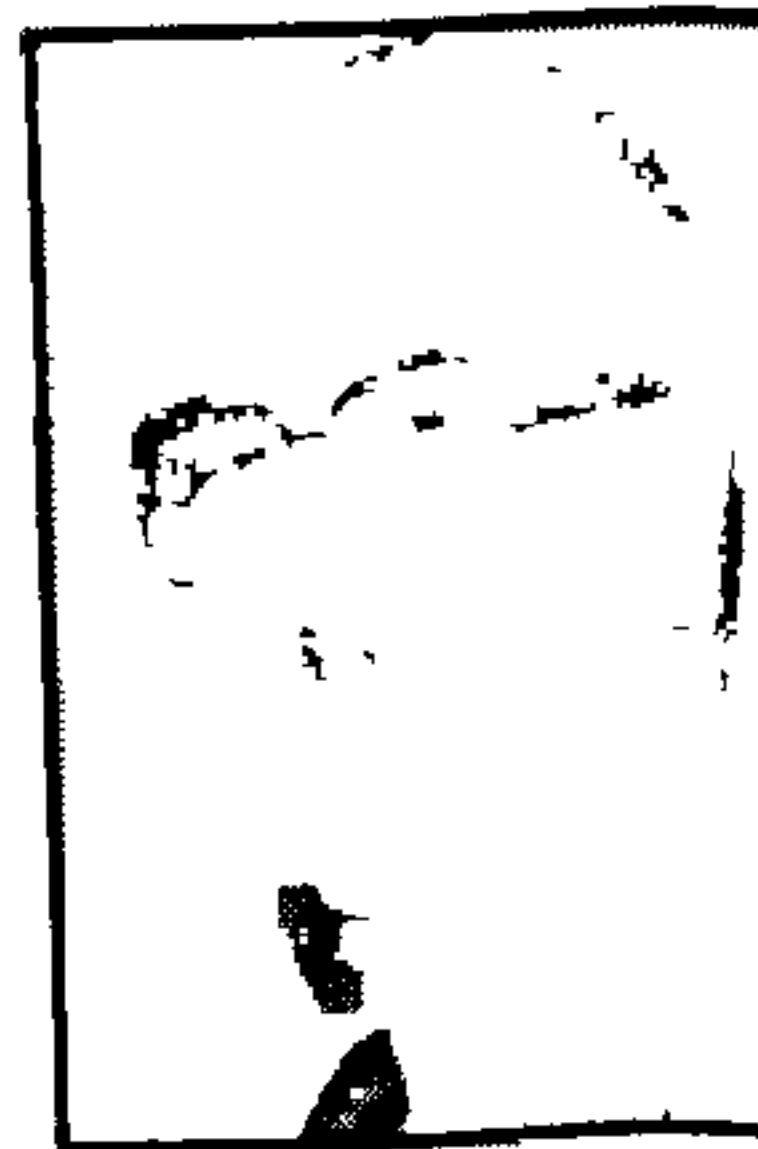
"It shall be the duty of the boards to advise SA Harbours on any matter affecting the interest or welfare of the respective harbours, the construction, maintenance and upkeep of harbour works; the landing, shipping and transhipping of cargo; the charges upon goods and shipping; the regulations affecting importers, shippers and the trade of the port generally, and they shall furnish Sats with their opinion on any subject or question referred to them for advice."

Brass said that until recently, SA Harbours was not making use of the board as was intended.

He says the DHAB will in no way detract from the role of other bodies, including sectoral associations, in their relation with Sats.

How DHAB will function when Sats is privatised next year is a matter which is still to be decided. But it is a fact that it will be reconstituted.

He adds that the formation of a national association would be the only way for the stevedoring industry to have better communications with Sats, SA Harbours and other government bodies.



ALAN COWELL

plied technology.

Although a few SA companies have introduced EDI in recent years, all key public-sector bodies need to adopt it before the full international benefits percolate through to local importers and exporters.

Affect

Accepted in principle by customs and excise, the findings of an initial investigation by private consultants will be made next month to the Department of Trade and Industries.

Burlington deputy chairman Barry Saxton says other developments overseas that will affect SA's forwarders include:

□ International forwarders are playing a bigger role in door-to-door control of imports worldwide, including SA; and

□ Specialist forwarders and airlines abroad are being challenged by a growing number of big "integrated-carrier" international operators who, in turn, are jockeying for top positions

among themselves.

"The big move underway is for them to own bigger fleets of aircraft. It looks like the trend for the future," says Saxton.

An example of an integrated operation is the US-based United Parcels Services that now operates 280 aircraft and provides a one-stop service, including clearing.

More recently, airlines such as KLM and British Airways have announced they are to enter the "vertically integrated" market by providing their own cargo-clearing services.

Remote

Similarly, some shipping lines are launching into one-stop services by offering various through-transit alternatives.

Because of SA's remoteness and its relatively modest trade throughputs, Saxton believes it is unlikely to be affected in the short term by the many issues surrounding integrated carriers.

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SATS has

a 'R6bn'

headache

OWN CORRESPONDENT

JOHANNESBURG. —

The deficit in the South African Transport Services pension funds, estimated at R6 billion, is a huge stumbling block in the way of privatising the corporation, experts say.

The R6-billion figure is the estimate of former Sanlam chairman Mr Andreas Wassenaar. Industry estimates vary, but most put the actuarial shortfall of assets to liabilities in the SATS funds as high as R5 billion.

SATS has yet to disclose the official figure. A spokesman said Minister of Transport Mr Eli Louw would make the information available "at his convenience".

The last actuarial valuation of the SATS funds was disclosed on March 31 1979, when there was a total deficit of R3,5 billion.

Stern 1/11/89

Luxavia (269) wants to fly domestic SA routes

Pretoria Bureau

Luxavia has joined the list of airlines which want to fly domestic routes in South Africa.

A notice in the Government Gazette says Trek Airways (Pty) Ltd, which flies under the name of Luxavia, has applied for scheduled services linking all the main centres of South Africa

It is asking the National Transport Commission for a licence for two flights a day between Johannesburg and Cape Town, one a day on the Johannesburg-George-Cape Town route, two flights a day from Durban to Johannesburg, and one a day from Durban to Cape Town, with stopovers at East London and Port Elizabeth.

The airline intends using a Boeing 747 and an Airbus A-300

The company is one of several which has taken advantage of the proposed deregulation of air transport, which has until now been a monopoly of South African Airways

Lanseria service downgraded due to ATC shortage

Staff Reporter

The quality of air traffic service at Lanseria Airport has been downgraded due to the acute shortage of fully qualified air traffic controllers (ATCs)

A notice from the Department of Civil Aviation, issued on July 19, states that the change is from aerodrome/approach control to aerodrome control only

This means that an extra onus will be

placed on the pilot. Not only will he/she be required to control the plane but also to ensure that he/she has a safe transition on the handover of traffic control from Smuts Air Traffic control to Lanseria Air Traffic Control and vice-versa.

Conditions at Lanseria Airport are believed to be critical, with much of the high altitude traffic control being handled by the already over-burdened Jan-Smuts Airport

ATCs at Lanseria are still awaiting the results of a one-man commission investigating their working conditions

Said a source who does not wish to be named "The ATCs were told they would be informed at the beginning of July of the outcome of the commission appointed by the Minister of Transport, but nothing has transpired so far"

B/Pay 25/7/89 (269)

Electronic age for Safmarine

LESLEY LAMBERT

CAPE TOWN — Safmarine, SA's major international shipping company, is developing an electronic information service it believes will improve its competitiveness both locally and abroad.

The new Compass system, to be launched early next year, will be the first to offer fully electronic communication to local customers.

It follows Safmarine's offer to Beltel subscribers of access to vessel and port schedule information and, says Special Projects executive Michael Veary, involves a major investment.

Users of the new system will have access to Safmarine's central data base via their own PCs and will be able to find out all they need to know about international cargo movements.

The system will tell them where their new shipment is and give customers the current status of cargo bookings and provide cargo release information.

It will answer inquiries about bill of lading details such as cargo origin and destination, port of loading and discharge, container numbers and up-to-date sailing schedules.

Safmarine hopes, in phase 2 of the system, to clear cargo while it is still at sea, says Veary.

The system's implications are significant. Safmarine claims the lion's share of the local shipping industry and has the capacity to carry up to 50% of domestic containerised cargo, says executive chairman Mike Finlay.

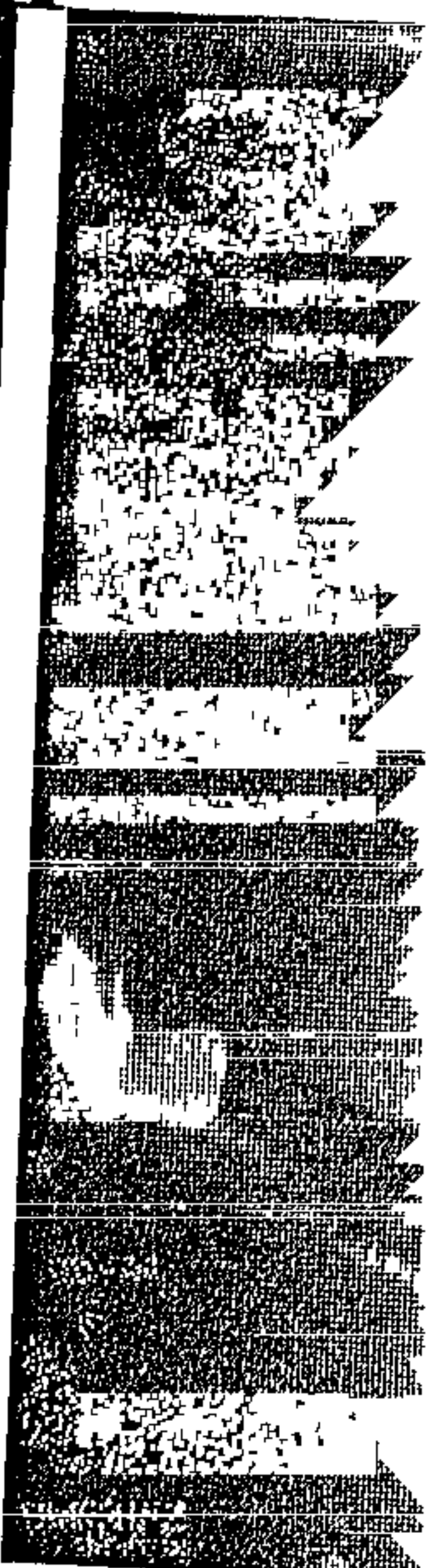
But competition from international conference lines and independent ship-owners has limited its share of the market to about 30%.

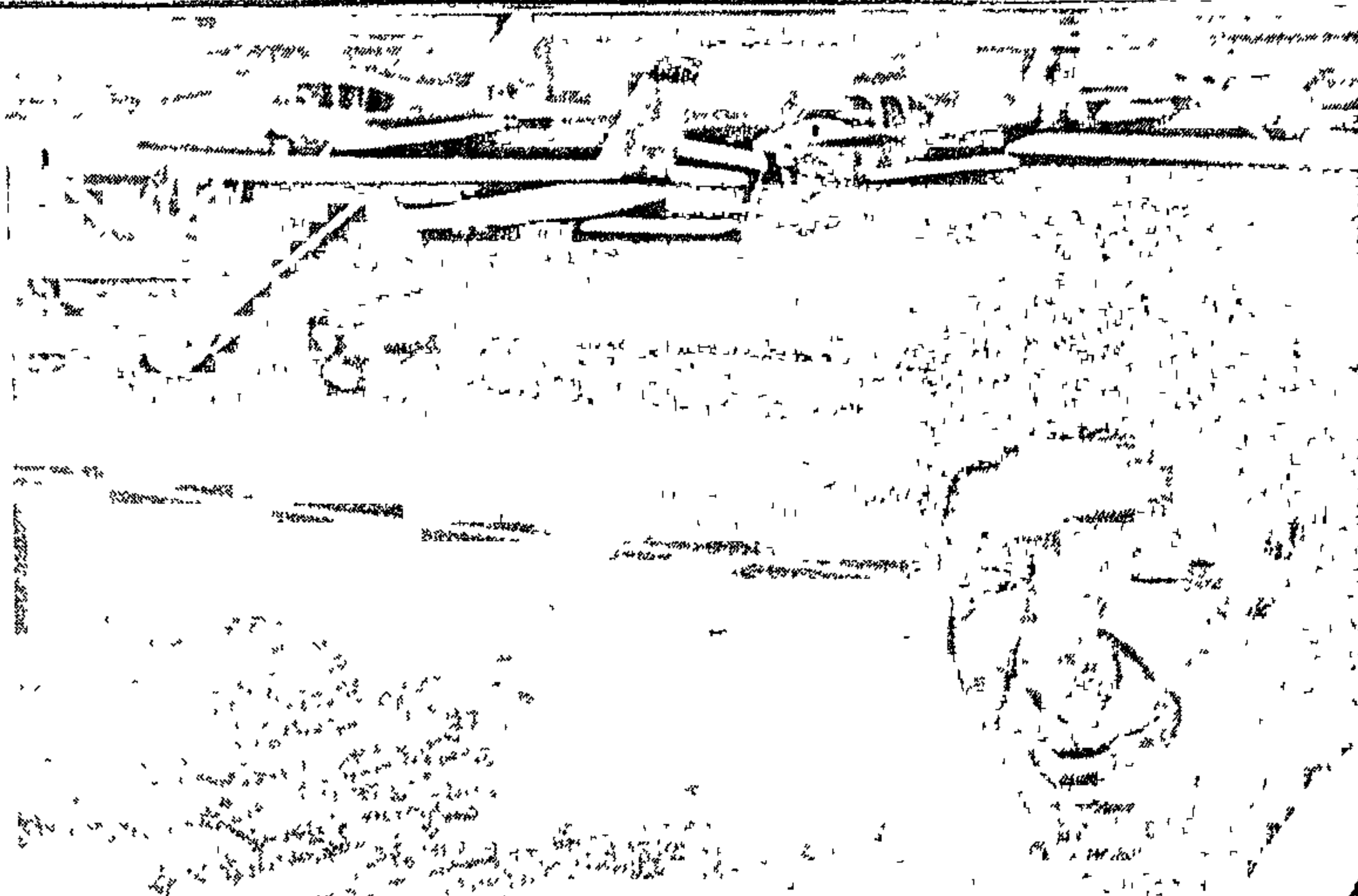
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Mr Evert van Eeden . . . airport management making efforts to upgrade facilities.

Shortcomings in the control tower

Star 26/7/89 (269)

Controversy is in the air yet again at Lanseria airport, one of the busiest in the southern hemisphere, where pilots are faced with soaring user-costs against a backdrop of service inefficiency

Airport users were shocked this month to discover a 66 per cent increase in landing fees, which makes it as expensive to land at Lanseria as at any State airport. In addition, pilots have had to contend with higher fuel costs and hangar fees than at other airports

Yet services are far short of those at State airports, say aircraft operators. One pilot claims there is still no air traffic control (ATC) at Lanseria on weekends and after dark.

"There is a small-time mentality at Lanseria, which is in fact a very busy international airport, controlling up to 370 movements daily. It is unheard of to be without ATC on weekends and after dark," he says

Shortage of air traffic controllers has plagued the airport since the beginning of the year, allegedly leading to one plane crash in March and a near disaster this month

At the time, aviation experts described the decision in February to allow the airport to

It's now as expensive to land at Lanseria as at any State airport, yet services are inferior there, say aircraft operators.
HELEN GRANGE takes a look at the situation

operate without controllers on the weekends as "disastrous"

Only four air traffic controllers were employed at the airport until July 1 this year when the Peri-Urban Board's share of the airport was bought by the Krugersdorp and Roodepoort municipalities, now the only shareholders

The reshuffle saw ATC being taken over by the Directorate of Civil Aviation (DCA), which placed eight controllers in the control tower on July 1, four of them fully qualified

Suspended

Problems at the airport are quickly being ironed out largely because of the Peri-Urban Board's absence, according to DCA chief air traffic service-man Mr Ken Edmunds.

The Peri-Urban Board allowed their controllers not to work, which meant the DCA's supplementary staff were the only staff

But things are going to be much improved once our four half-qualified controllers are fully trained. At the moment,

the control tower is open until 7 pm including weekends, although we have suspended the approach control function until all eight controllers can perform the function," says Mr Edmunds

Efforts are being made by airport management to upgrade airport facilities, according to airport manager Mr Evert van Eeden

"We are currently installing an instrument-landing-system localiser as well as distance measuring equipment. A landing system glide-slope will also be introduced soon," he says

The main runway has been retarred and all the cracks sealed at a cost of R800 000.

However, in spite of current improvements, many aircraft operators who use the airport facilities feel the airport is uneconomical and would reach its potential only if privatised

While they would have to pay more for most services for the airport to be run privately, they would get better value for their money, they say

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269

Sats competing unfairly, say road hauliers

EDWARD WEST

SATS has come under fire from public hauliers who accuse the service of competing unfairly and disrupting normal market conditions in the road-transportation industry in a possible attempt to grab market share ahead of privatisation.

Unitrans MD Eduardo Gutierrez-Garcia said yesterday laws regulating Sats defined it as a "consumer user service" and should prescribe the same conditions of service to all consumers.

However, transportation tariffs and discounts were decided by Sats on an ad hoc basis. These prices were usually well below normal commercial prices, he said.

Another example of unfair trading involved transportation to Sats-controlled ports. Harbour dues were higher if freight was not transported by the railways.

RAU transport economics lecturer Vaughn Mostert said the issue had not

been subject to much academic scrutiny. It had, however, come to his attention that Sats was using its financial muscle to underquote on container traffic tariffs.

This was possibly to gain a large market share in preparation for privatisation, he said. Sats also offered discount tariffs for longer term transport, he said.

Trencor chairman MD Neil Jowell said in his annual report the industry remained in a state of transition and uncertainty due to deregulation. However, the Trencor trucking company continued to have to contend with unfair competition from Sats.

National Association of Private Transport Operators CE André Jacobs said yesterday public hauliers had some legitimate gripes about unfair competition

from Sats, while there were also some unfair gripes.

He said Sats obtained benefits from the state that private hauliers did not. No tax, GST or levies, lower fuel prices and cross-subsidisation.

Jacobs said Sats, with more financial muscle, sometimes quoted lower tariffs to obtain a greater niche in the transportation market. Garcia, however, said Sats should not compete in the market until after privatisation.

Jacobs said rail transportation would remain the most economical form of long-distance transportation. Market forces would determine who obtained the larger share of the short-distance market.

People who wanted short-distance transportation would resort to the sometimes more expensive, but faster, public hauliers, said Jacobs.

JAN SMUTS AIRPORT

Do we have a liftoff?

269 *meil* 28/7/89.

The long-awaited upgrading of Jan Smuts airport, SA's rather tatty-looking international gateway, seems to be under way — even if bureaucratic wheels are turning as slowly as ever

Visible improvements include the removal of the yellow barriers on the international departures lane, work that has started on a permanent, less unsightly, curb on the ground floor road frontage, the re-arranging of chairs in the arrivals and departures halls, and a new information kiosk.

But while the changes are still mainly cosmetic, they at least point to a welcome



Jan Smuts . . . is the long wait over?

reaction to the growing chorus of criticism of the airport, perhaps best reflected in the *FM's* letters pages over the past few months

The Department of Transport's (DoT) Director of Airport Systems & Development, Stuart Huckwell, says the DoT's Division of Civil Aviation (DCA) has commissioned a team of private sector consultants to draw up a "strategic plan for the year 2000"

The consultants will investigate creating a corporation to "handle" all State airports, as was the case in the UK prior to the recent privatisation of British airports. Two separate corporations may be formed — one to look after the airports and the other to control the air traffic services

"The report has been submitted to the minister, but we have received no feedback yet. We expect the issue may also be raised with the Ministry of Privatisation, but at this stage it is still *sub judice*," says Huckwell.

The proposed corporation may well be the precursor of a privatised airport system, as happened in the UK. This would be a joyous occasion, but some doubts remain. Another consultant, who has been intimately involved in the issue, says the situation in SA differs

fundamentally from that in the UK

"We should rather look at the example of New Zealand, where a corporate airport authority was created only last year. The State still retains 100% control, but the airports now at least have to act as independent profit centres. I trust our government will follow suit," he says

If Jan Smuts was made a separate profit centre, the lack of proper centralised management and control, and the conflicting interests of the large number of State departments involved in running the airport (*Leaders* June 9), would be eliminated

Now the airport manager has to request the DoT's DCA to attend to any refurbishment and upkeep required at Jan Smuts. DoT then has to ask the Department of Public Works (DPW) to attend to the matter. If DPW's budget for the year allows for the expenditure, it will call for tenders from the private sector. Very often the matter is put on a back burner — or pigeonholed.

By creating an independent airport authority, a profit-orientated Jan Smuts could budget independently for any necessary upgrading or refurbishments

The bad news is that while the investigations reflect welcome new thinking, implementation could take up to 18 months, according to some sources. "The various reports are now being looked at by the department. As soon as we reach finality, we will make a meaningful decision," explains DoT Deputy Director-General Boy Claassens

In another positive development, parties and departments involved in the running of Jan Smuts airport met with representatives of the Witwatersrand Chamber of Commerce & Industry (WCCI) on June 13. Most "sensitive" issues were thoroughly aired, and the WCCI has been invited to serve on the airport's facilitation committee

However, Huckwell refused a request to create an airport liaison committee, similar to the one which has been so successful in Durban. "We already have a tourism liaison committee, and the facilitation committee meets once a month," he says.

Johannesburg Publicity Association director David Appleton has also negotiated with SA Airways (SAA) to take over their Rotunda facility in Johannesburg, should SAA decide to move. But SAA deputy director, marketing (domestic) Andre Kleynhans says he has received a "positive" public response for the retention of the Rotunda booking facilities in the existing complex.

"What we are now looking at is possibly moving the airport bus terminus to the street behind the Braamfontein Protea hotel. This

has been welcomed by the hotel management and would create better facilities for airport bus passengers," he says ■

269/Finmail 28/7/89

Battle royal for transport cake

SA Transport Services (Sats) and private-sector public carriers — those who transport goods for others by road for gain — are set on a collision course.

The sparring started about a decade ago when public carriers, irked by Sats' manipulation of the permit system, challenged it to come out from behind its tariff books and fight fair, in open competition with the private sector

Sats has accepted the challenge. Though only due to become a public company on April 1 1990, it has come out slugging and, by using market tactics (and some unconventional methods) it is beginning to maul public carriers.

While Sats has lost out to road transport

carriers' competitive edge by increasing their costs to a point where rail becomes an attractive option. It has drastically increased licence fees, heavily taxed fuel and imposed surcharges on essentials road transporters are forced to import," he notes.

Erasmus is also concerned over Sats' technical edge. While Sats can whip a fast goods train from Durban to Johannesburg in 20 hours, a round trip in a truck takes five days. Sats can also change its train drivers. But even with two drivers, trucks have to stop for determined periods.

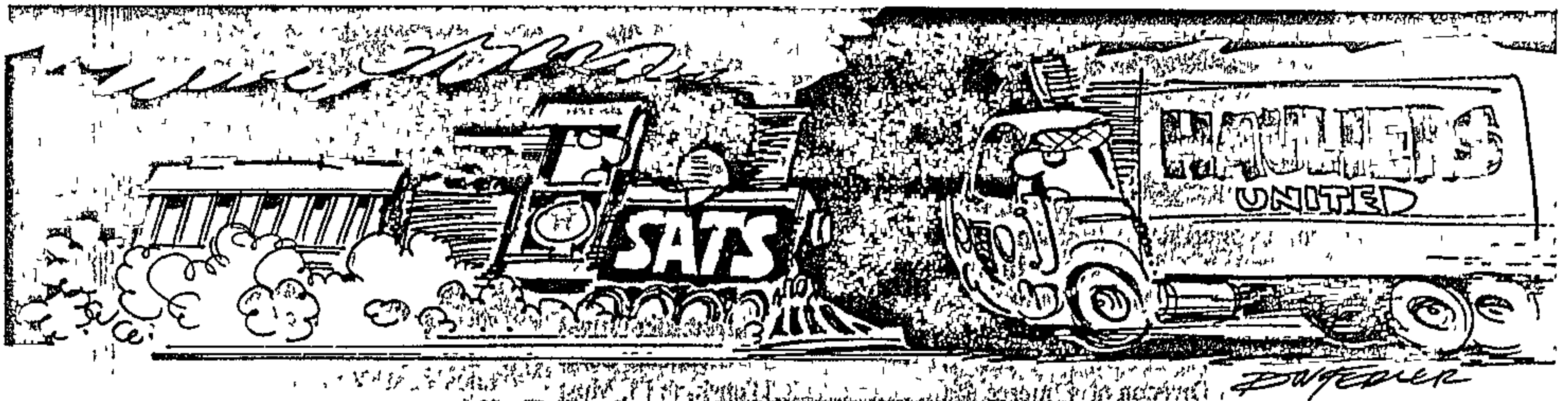
"Sats was able to bypass most of the increases we've had," says Erasmus. "We had to hike our charges by more than the inflation rate to stay in business. Sats, on the

us. We'll concentrate only on those areas where we have a definite advantage. We'll only take uneconomic traffic if, in the long term, we think we can make it economic," he says.

"The private sector seems to think government is favouring Sats. But the name of the game now is free competition, which is what it wanted. It mustn't squeal if it gets hurt because we're taking traffic from it."

Moolman says container rates were kept low to bring them into line with costs. He admits they were set too high at first, but explains it was because Sats needed the money to cross-subsidise its loss-producing services

"We're phasing out cross-subsidisation



for years, the latest Central Statistical Services (CSS) figures show that the 15,2 Mt it conveyed in March, by both road and rail, was 9,5% above the 13,9 Mt conveyed in February.

Although private-sector road hauliers were still well ahead and even increased their tonnages by 3,5% — from 27,4 Mt in February to 28,4 Mt in March — their earnings decreased by 0,7%: from R278m to R276m. The CSS attributes this to their having to drop their rates to more competitive levels in the face of increased competition

Public Carriers' Association (PCA) chairman Phil Erasmus says several contractors are feeling the pinch. He fears that, to cut costs, they will reduce standards and start overloading vehicles — which could become road hazards

"Government has deliberately reduced

other hand, has kept its rates fairly static and chased market share without bothering unduly about profit. For example, its container rates between Bayhead and City Deep rose by only 17% between 1982 and now," says Erasmus. "It should have increased by 17% a year"

Sats GM Anton Moolman makes no bones about "Sats competing fiercely," but warns that not too much should be read into Sats figures reflected by the CSS. Bumper grain crops and increased mineral exports have bumped them up. He says Sats is in low-rate, bulk conveyance, while private-sector public carriers are in the high-rate, consumer product end of the market.

"But we're now changing rail into a commercially orientated enterprise. From April 1, when we're no longer the common carrier, we'll be able to refuse traffic that doesn't pay

now. That means we'll increase the cost of conveying bulk commodities."

Rand Afrikaans University professor of transport economics Jackie Walters says public carriers cannot go into a loss situation and survive — but Sats can lower its tariffs without any ill effects

Cost inputs also differ. Rail uses less energy per ton and can transport thousands of tons behind one driver. The initial investment in rail rolling stock is high, but it has a lifespan of several decades. However, rail can compete with road transport only for goods transported for more than 250 km

"Public carriers must reduce their costs, but must remember that after deregulation they won't be competing only with Sats, but with each other as well," says Walters. By the sounds of it, only the strong will survive

TWO Boeing's take SAA jet order to R2bn

S/Times 35/7/89

269

"We are fussy about our interiors. We pioneered the long-haul international flights and know exactly what is required to keep our passengers comfortable."

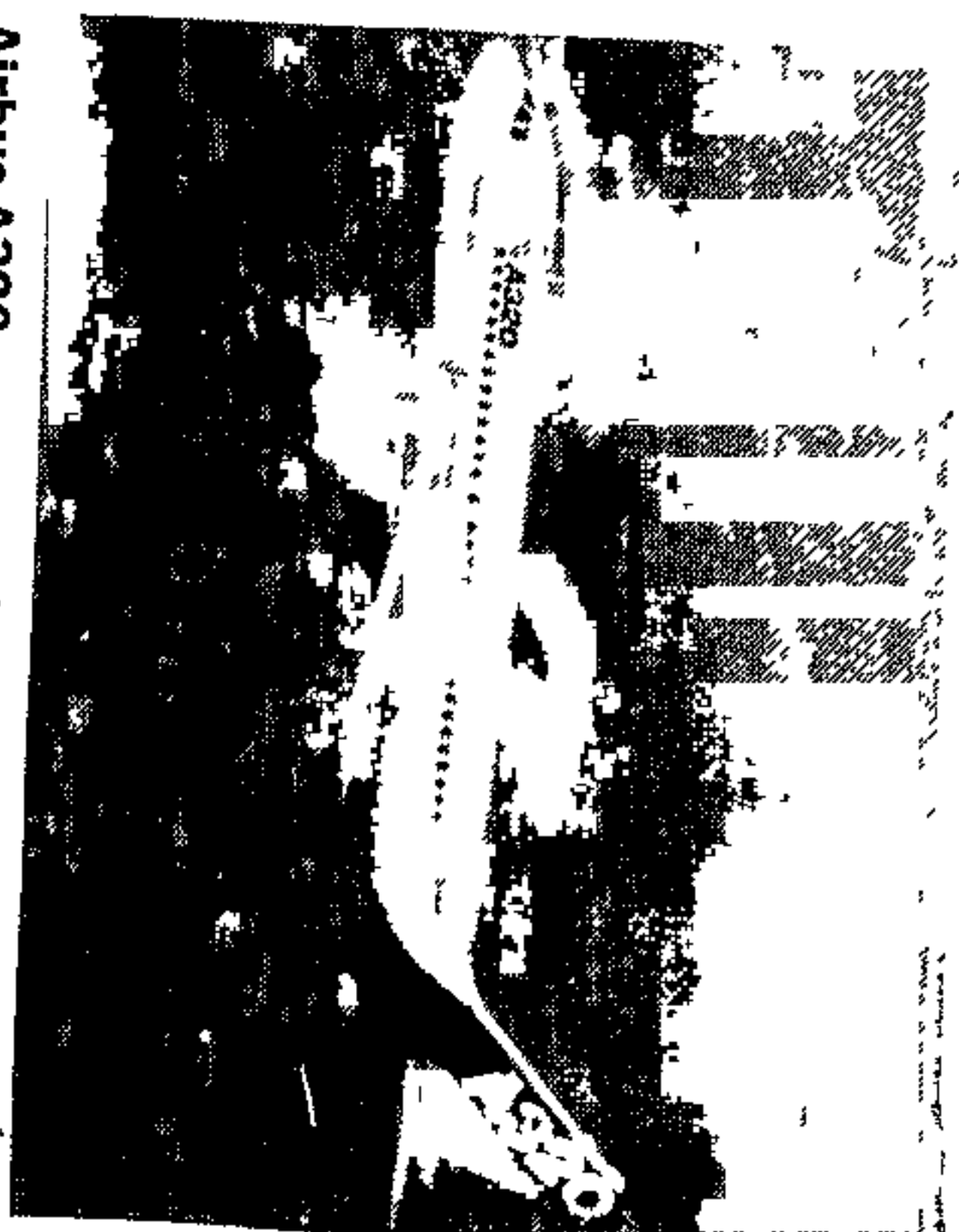
Ratios

Designers from the Boeing factory in Seattle recently visited SA to discuss the extra toilet and galley ratios per passenger which SAA insists on as well as choice of seats, fabrics and colours.

Mr Lewis says "We cannot afford to compromise passenger comfort for extra seating. Because of our long flights around the bulge of Africa, our levels of comfort have to compare with the highest international standards."

The B747-400's range has been increased by 1,900km and it can carry 385 passengers. Its Rolls-Royce engines will use up to 12% less fuel than the B747-300, providing a better non-stop service to Europe.

No decision has been taken on whether the Boeing's will



Airbus A320 . . . seven have been ordered and will begin arriving in SA in 1991

be equipped with seat-back television screens or satellite-linked air-to-ground telephones — technology which is available and under evaluation by British Airways. BA has taken delivery of its first B747-400.

Another benefit of the Boeing's and Airbus's is the new technology they will bring.

Asked whether the airline plans to sell off its older aircraft, Mr Lewis says "No firm decision has

been taken, but the situation is under continuous review."

Sources believe that SAA will start shedding its Boeing 737s. It could sell or lease them, whichever is the most advantageous, in the next couple of years.

SMA airlines, which desperately require jet aircraft to compete in the deregulation of internal routes as promised by Transport Minister E.H. Louw, are casting around abroad in search of aircraft.

Reliant

Mr Lewis estimates that 52 pilots will be trained to fly the 747-400s and 40 for the A320s. About 80 technicians will be trained to maintain them.

"But that does not mean that all these people will have to go to Toulouse and Seattle. We normally do not have to rely on full overseas training when a new aircraft

type is introduced. Core personnel go over and come back to supply in-house training.

"Since the early 1960s we have successfully introduced aircraft and built up an infrastructure that is capable of assimilating new technology without being totally reliant on the suppliers."

It will not be necessary to employ more staff to handle the extra workload because structural inspections and major engine repairs and overhauls will be required only after about three years. The aircraft will be fitted to SAA's stringent specifications.

"But these are not necessarily a cash drain on SAA because many of the tools and spares are financed from credits made available by the manufacturers."

The airline will also have to acquire pilot-training simulators for both types of aircraft. They, without aircraft purchase credits which SAA has, cost R40-million each after installation.

The flight simulation centre at Jan Smuts Airport is already stretched to capacity, probably necessitating extensions or even a new building.

Capacity

The retrofitting operation will be extensive. Both aircraft types are equipped with engines not in use with SAA.

The Airbus is powered by the European-built IAE V2500 and the Boeing's by the Rolls-Royce RB211-524G as opposed to the American-built Pratt & Whitney and General Electric units now in use.

This means SAA will operate four different engine types.

SAA technicians also face extensive training in instrumentation. Both the 747s and the A320s feature revolutionary electronic flight instrumentation systems (EFIS) instead of the mechanical avionics on its present fleet

By ROGER MAKINGS

SAA has also ordered seven French-built, fly-by-wire Airbus A320s at a cost of more than R800-million. It is believed that the airline has options on seven more.

The first of the four Boeing's is expected in November next year. Less than a year later, two of the seven new Airbus's will arrive — all of which represent a radical departure, technological, from any aircraft SAA now operates.

SAA deputy chief executive Viv Lewis says the R2-billion is spread over several years and will meet expected growth in domestic and international markets.

It will cost the airline R155-million in training and retrofitting before any of the two new-generation aircraft flies commercially.



VIV LEWIS

traces and records faults. It sends the information ahead to the destination airport, allowing technicians to be ready with the necessary spares when the aircraft lands.

Boeing 747-400 . . . SAA has four on order at a cost of more than R1-billion

CAT 7.113 5/17/87 (269)

Patients to defy race laws

DURBAN — More than 800 black and Indian patients, who "because of South Africa's race laws have to wait for up to seven hours in long queues in black hospitals", are to take part in a mass defiance campaign against race segregation this week.

The Mass Democratic Movement, an opposition group, said its supporters would be converging on five white provincial hospitals in the country on Wednesday and asking for treatment.

Dr Farouk Meer, general secretary of the Natal Indian Congress, an affiliate of the MDM, said people taking part in the campaign would be "genuine patients" who had waited for most of the day for treatment at black hospitals.

Durban's Addington Hospital is one of the hospitals that will be affected by the defiance, he said.

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Mrs Jo-Anne Patel . . . thrown off bus.

Manager assaulted

THE manager of a fast food outlet in the city was allegedly punched, pushed and handfuls of her hair pulled out by a driver who threw her off a whites-only bus.

Mrs Jo-Anne Patel of Hillbrow said she could not understand why she was thrown out because there were other blacks in the bus.

"I made three trips in and out of the city centre yesterday," Patel said.

"The trips were fine but the last one was a nightmare. The driver told me to get out. He punched me several times and

By NTHABI
MOREOSELE

pulled out my hair. I have never been thrown out of a bus before.

"I am a responsible citizen and manager of a restaurant. I cannot understand why he picked on me. I thought the city council was liberal. I am scared of everything that moves now."

A spokesman for the city council said he was aware of the incident.

"There was a scuffle and the driver was also injured. A departmental inquiry will be held."

Hawke's a hypocrite over SAA ban, says Aussie MP

5/11/89
6/6/89

(269)
AN Australian MP this week accused Prime Minister Bob Hawke's Labour Party government of "gross hypocrisy" for banning SAA flights while secretly permitting railway carriages to be imported from South Africa

Mr Phillip Pental, shadow Minister of Tourism in the West Australian Parliament, also slammed Labour Party federal and state government for maintaining links with China after the recent student massacre

He revealed that about a year ago — after sanctions against South Africa came into effect — Australia approved a plan for Western Australia's Hotham Valley tourist railway to import

NIC van OUDTSHOORN
Sydney

carriages from South Africa
Mr Pental said the deal was given an import permit by the federal government and also received the approval of West Australia's Labour Party premier, Mr Peter Dowding

The coaches were bought for R2.8-million and arrived in Fremantle, Western Australia, late last year

"To make matters worse, the Dowding government made the purchase possible by giving a treasury loan guarantee," Mr Pental said

This was done while the government said publicly

that all links with South Africa must be broken

Mr Alan Lubbe, South African Transport Services' deputy director of public relations, confirmed the transaction and said South Africa received R1.5-million for 25 carriages.

"The balance of the amount they paid must have been spent on shipping costs"

Mr Pental has written to Mr Dowding demanding that sanctions be dropped and SAA be permitted to land in Australia.

He said Perth alone was losing around R20-million a year as a direct result of the ban on SAA

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6/6/89

SAA jet for Namib Air

By Roger Makings

NAMIB Air launches its inaugural scheduled jet flight from Johannesburg, to Windhoek today.

It will be followed by regular flights from Windhoek to Cape Town — placing the airline in direct competition with SA Airways.

However, SAA cannot be too concerned by the service Namib Air will offer — it has leased the aircraft and crew to the Namibian operation.

Namib Air, which will probably acquire more jets, has received permission from the National Transport Commission to fly schedule routes from Windhoek to Johannesburg and Cape Town.

The inaugural flight will be followed by nine direct one a week from Windhoek to Johannesburg and six direct return from Windhoek to Cape Town every week.

Keith Petch, deputy general manager, air transport, of Trans Namib, parent company of Namib Air, says the new jet service, which may be expanded, is a historic de-

velopment for the airline, taking it from its 40-year-old role as a small domestic feeder to full-fledged regional and ultimately international carrier.

The flights to Johannesburg and Cape Town have several benefits over existing services.

- Morning departures from Windhoek to Cape Town, arriving at 9, and returning the same day, do away with the overnight stay.

- Weekend flights to Cape Town, arriving on Saturdays at 9 and returning to Windhoek on Sundays at 9 a.m. are designed for sports followers and shoppers.

- Earlier twice-weekly flights to Johannesburg will arrive before 9.

Mr Petch says that although its Boeing will be staffed by SAA crews, Namib Air intends to introduce its own crews as soon as training is completed.

In April this year Namib Air started cross-border flights to Botswana.

Second airline seeks US link

By ROGER MAKINGS

A SECOND airline has said it plans to provide a direct link with the United States after a similar proposal by a Lowveld company was revealed last week.

The announcement by Windhoek-based Namib Airways follows an objection by South African Airways last week against plans by Nelspruit-based Metavia to fly passengers to the US without a European stopover.

Namib Air says it plans direct flights to the US and other international destinations once Namibia gains independence.

This means that South African passengers would only have to fly to Windhoek before travelling direct to the US.

SAA, which opposed Metavia's bid in an appeal to the National Transport Commission, won't object to Namib Air's proposal as it will be operating from a foreign territory where the NTC has no jurisdiction.

Metavia says it has found a way around the US embargo imposed on landing rights for South African-registered aircraft, thus saving South African passengers' time and money.

Priority

SAA passengers first have to fly to Europe and connect with other airlines going to the US since its landing rights were withdrawn. SAA has opposed a licence for Metavia on the grounds that it would, among other considerations, "create competition".

Namib Air today launched its inaugural jet flight from Jan Smuts Airport to Windhoek with a Boeing 737 crewed by and leased from SAA.

This week Mr Keith Petch, the deputy general manager of Trans Namibia, Namib Air's parent company, said it was highly probable that Namib Air would start operating international services to other independence points after He said America was high on the airline's list of foreign destinations, but that Europe would take priority.

He added it would take at least eight to 12 months after independence before any over-cas flights got off the ground.

Minibus deaths average 3 a day

By Jacqueline Myburgh

At least three people died every day in minibus accidents on South African roads during the first three months of this year

Statistics of the National Road Safety Council (NRSC) say 71 drivers and 232 passengers were killed, and 4 353 people injured

Mr James Ngcoya, president of the Southern African Black Taxi Association (Sabta), which has control only over legal taxi owners, said last week that accidents could be reduced if pirate taxis were legalised, which would mean greater control over their operations

Sabta has about 50 000 members and most of the 140 000 minibuses on the road are taxis.

In the May/June issue of *Robot*, an NRSC publication, it was suggested that the reason for the tremendous number of pirate taxis was the inability of road transportation boards to cope with licence applications.

Mr Ngcoya said death on the road was not the responsibility of Sabta alone, and he hoped the Government would approve recommendations by a committee of the Department of Transport and Sabta on deregulation.

A spokesman for Eagle Insurance, which has close dealings with Sabta, said premiums for black taxis were the same as for any other public hire vehicles. But there was more risk with a minibus which is on the road all the time

Shooting sparks fears of city 'war'

The weekend assassination of Johannesburg Taxi Association vice-chairman Mr Nelson Mabena at his Soweto home has sparked fears of a flare-up in the taxi war between rival associations

Police said Mr Mabena (63) was shot dead in his backyard at about 8.30 pm on Friday.

He was shot in the head and chest by a gunman, who ap-

parently ambushed him.

Police have appealed for witnesses or anyone with information on the killing to come forward.

Colonel Chris Oosthuizen, commander of the Soweto Murder and Robbery Unit, is investigating and can be reached at (011) 980-8108 during office hours or at (011) 902-4265 after hours. — Crime Reporter.

Soccer referee stabbed

MBABANE — A top Swazi referee was stabbed when hundreds of fans ran riot at a soccer match here yesterday after he had awarded a free kick.

The referee in the game between Mbabane Highlanders and Denver Sundowns, Mr Sport Dlamini, was stabbed six times. Witnesses reported at least one player stabbed, as well as numerous spectators. — The Star's Africa News Service.

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Draft laws for domestic air travel 'ready by October'

Special Correspondent

Draft legislation for privatising South Africa's domestic air transport will be ready by October, according to Minister of Transport Affairs Mr Eli Louw.

Speaking at the opening in Pretoria yesterday of the Annual Transportation Convention, he said the new Air Services Act would embody four main principles:

- The "paramount importance" of safety.
- The consideration of "users' interests and views"
- The equal treatment before the law of all participants in the air transport market
- The resolution of economic decisions by market forces

Once the domestic air policy had been agreed on, said Mr Louw, a steering committee would study the country's international air transport policy with a view to similar deregulation.

The Minister held out new hope to road hauliers on the issue of permissible axle loadings (which decide the weight of cargo that can legally be carried by a heavy commercial vehicle), hinting at the possibility of an increase.

He said the practice of applying British and American axle limits of 8,2 tons to this country was under reconsideration

"In some countries of Europe the permissible axle loads have now been increased up to 11 tons and 13 tons," Mr Louw said

South Africa retained the lower limits because its older road bridges could not tolerate higher loadings.

He questioned the wisdom of allowing a few weak bridges to dictate "restrictions which at present inhibit the development of our entire transportation system".

Department of Transport Director-General Mr Ronnie Meyer echoed the Minister's commitment to deregulation, privatisation and free market principles.

He said "private sector involvement in the provision of commuter rail services to serve our rapidly growing urban populations is under investigation".

"The same applies to the informal sector, which will have to make a tremendous contribution to providing the employment that the formal sector cannot," Mr Meyer said.

Continuing the theme, general manager/managing director Dr Anton Moolman of the South African Transport Services (SATS) spoke on the "commercialisation" of the giant state transport organisation

"I am not even referring to the possible privatisation of SATS in part or as a whole, about which no decision has yet been made," he said.

He talked about the registering of SATS as a public company with the State as sole shareholder and the resultant changes in operational and administrative practices.

"A cornerstone of the new company is honesty, justice and fairness. With the approach that the new company has a singular assignment, namely to make profit, it will undoubtedly make the management framework of decision-making much simpler," he said.



SAA privatisation: Draft law due soon

The Argus Correspondent

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Speaking at the opening in Pretoria yesterday of the annual transportation convention, he said the new Air Services Act would embody four main principles

These were the "paramount importance" of safety, the consideration of "users' interests and views", the equal treatment before the law of all those taking part in the air transport market, and the resolution of economic decisions by market forces

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Department of Transport Director-General Ronnie Meyer echoed his minister's firm commitment to deregulation, privatisation and free market principles.

He announced that "private sector involvement in the provision of commuter rail services to serve our rapidly growing urban populations, is under investigation"

If the private sector was "unleashed" it could make "a major contribution to development"

"The same applies to the informal sector, which will have to make a tremendous contribution to providing the employment that the formal sector cannot."

The Minister held out new hope to road hauliers on the issue of permissible axle loadings (which decide the weight of cargo that can legally be carried by a heavy commercial vehicle), hinting at the possibility of an increase

He said the practice of applying British and American axle limits of 8,2 tons to this country was under reconsideration.

"In some countries of Europe the permissible axle loads have now been increased to 11 tons and 13 tons. Some of South Africa's neighbouring countries have also agreed, together with European countries, to increase their permissible axle loads"

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Sabta keen to run city bus services

Special Correspondent

Black taxi operators have challenged municipalities with loss-making bus services to privatise them by allowing the new operating company of the Southern African Black Taxi Association (Sabta) to take them over.

Speaking today at the annual Transportation Convention in Pretoria, Sabta deputy managing director, Mr Jabu Mabuza, said the company, Project Spear, would undertake to halve the subsidy in real terms within three years.

At the same time, it would tailor a wide range of services for local residents.

Said Mr Mabuza "Project Spear has targeted loss-making municipal transport services as an early opportunity Johannesburg subsidises its bus undertaking by R28 million a year for a ser-

vice which is increasingly recognised as no longer meeting the needs of all the population.

"Project Spear will offer a turnkey service in which it will undertake to reduce the municipal subsidy in real terms by 50 percent inside three years, provide a wide range of different services to meet the needs of all the population, and provide new business opportunities for large numbers of independent transport sub-contractors and franchise holders as part of the process of black economic empowerment."

He said the company would be approaching the management committees of all those municipalities which either run their own bus fleets or (like Sandton and Randburg) have subsidised contract services.

269 Email 11/8/89.

JAN SMUTS AIRPORT

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Slow, but how sure?

State ownership and control lies at the root of public dissatisfaction with the way SA's major international airport, Jan Smuts, is managed

And, while some officials are clearly trying their best to improve the situation, bureaucratic red tape also frustrates their best efforts

A glaring example is the number of large and very visible potholes that motorists have to negotiate on their way out of the Jan Smuts open parking facility.

The land on which the parking lot is situated belongs to the State, but the area is leased to a private sector operator on a 10-year lease. The concession was granted after a successful bid for the contract to the Department of Transport (DoT). As heavy concession fees are involved, the parking operator has a vested interest in minimising service and maximising tariffs.

Nevertheless, the DoT has now decided to upgrade the parking area by extending the existing parking lot to the north. To attract customers to this more distant area, shade netting will be provided for parked cars

But the potholes, creating an obstacle course for thousands of motorists, will only be attended to once a general refurbishment contract gets under way, hopefully by early next year. So, while the cost of filling up a few potholes and providing motorists with peace of mind is minimal, passengers will probably have to wait until next year for action

"It depends on the conditions contained in our agreement whether we can twist a concessionary's arm to attend to matters such as filling in potholes. Sometimes the conditions are too vague to give us leverage. But, in future, we will ensure that our concession agreements provide in greater detail for these things," says Division of Civil Aviation chief director Japie Smit. Smit adds the term of future concessions may also be shortened.

Another problem is that the substantial income received by the DoT from its concessionaries now disappears into the general Treasury Fund and can no longer be used for specific purposes such as airport upgrading.

"The Ministry of Finance has abolished all dedicated funds. These funds now 'lose their identity' and can no longer be used for specific purposes by the departments concerned," says Smit

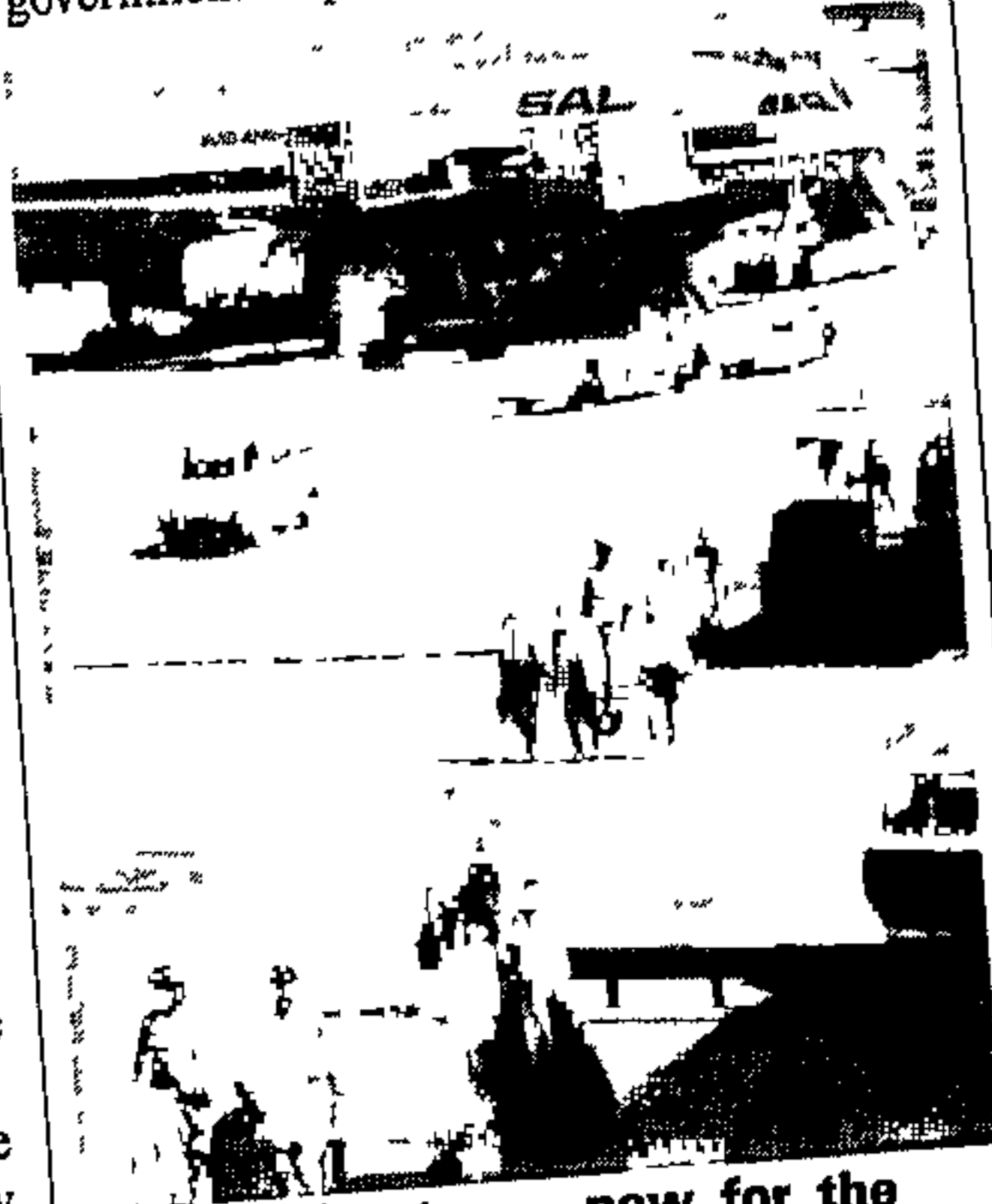
Apart from the financing problems, Smit doubts if Jan Smuts could ever be run as a profitable, independent concern. Essential capital expenditure cannot be financed out

of current income, even if the funds were dedicated. And, even in the case of the UK's privatised airports, certain functions remain the State's responsibility.

"We are now looking at the possible corporatisation of the airport. But one should pose the question whether the private sector would be interested in taking over a lame duck operation," he observes.

Director of Airport Systems and Development Stuart Huckwell says upgrading now being planned includes separate sets of exit pay booths for the underground and above ground parking areas. The total number of booths will also be increased, thus reducing congestion.

"I can assure you that dealing with the individual requirements of 21 airlines and 23 government departments operating at Jan



Jan Smuts ... now for the parking area

Smuts, apart from the needs of 5m passengers a year, is no easy task," he says.

Maybe this is where market principles should be allowed to play a bigger role. And making Jan Smuts a separate profit centre is where it should begin. Huckwell says these matters are now "under consideration" ■

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Gloomy figures on SA price rises

Special Correspondent

South Africa has the dubious distinction of occupying a top slot among Western nations for price rises, according to a major transport company executive.

Figures from the International Monetary Fund show that from 1983 to 1988 prices here have risen by 100 percent compared with 48 percent in New Zealand, 27 percent in Britain, 6 percent in Germany and 5 percent in Japan.

When it comes to economic growth, South Africa lags behind most other countries. Between 1980 and 1986 it recorded 0,8 percent growth compared with Japan's 3,7 percent, New Zealand's 2,6 percent, Britain's 2,4 percent and Germany's 1,8 percent.

These gloomy statistics were revealed at yesterday's conference of the Southern African Bus Operators' Association (Safboa) in Johannesburg by the

managing director of Group Co, Mr Norman Blem.

Speaking on "The marketing process in passenger transport", Mr Blem told delegates that bus companies would have to work harder to survive in future.

He likened the country's bus industry to the bicycle industry, which almost disappeared before re-emerging as a powerful market-oriented business.

OPPORTUNITIES

"That is the way your industry should be coming back, because the opportunities are undoubtedly there."

He said a truly marketing-guided strategy was the only answer for the industry's individual operators, who had to learn to understand the real needs of their customers and fulfill them. They also had to learn to listen to their passengers, and talk to them in their own language.

"In South Africa, the majority of the population has an IQ that

is average or below average. Only 30 percent are above average. Many have problems reading official forms or newspapers or even street signs, apart from the fact that the average adult's reading abilities start declining the moment he leaves school.

"This means you can't just produce a glossy brochure or a newsletter and give it out to your passengers and say you're communicating with them. You're not.

"You have to get out there and talk to them, and keep talking to them."

Size was no guarantee of future survival.

"Of the top 100 companies selected by Fortune magazine in 1974, only 14 are around today — 15 years later. The others have gone bankrupt or been bought or merged," Mr Blem said.

"The only guarantee of survival is to use the marketing concept to ensure your business's continued relevance."

Margo rejects call for 'black box' privacy

JOHANNESBURG — It is highly unlikely a full transcript of the ill-fated Helderberg "black box" will be revealed during the Margo Commission's hearings, set to resume today

This emerged yesterday when Mr Justice Cecil Margo held a press briefing on the latest developments after the Helderberg disaster on November 28, 1987

Flanked by seven experts from South Africa, Japan, Mauritius and Taiwan, Mr Justice Margo said there was resistance from the International Pilots' Association to the contents of personal conversations being revealed at public hearings

"The cockpit recorder has a duration of 30 minutes but only the final 80 seconds deal with the impending disaster. As a result, the Airline Association will oppose public scrutiny of the tape," he said.

"But we believe it is relevant in every degree and it ought to be published"

Mr Justice Margo said that they had set down two weeks for the hearing, after which they hoped to conclude a provisional report.

The board had examined more than 3 900 photographs and about 10% of the wreckage recovered from the scene

The twisted metal, torn seating and burnt wiring — neatly laid out at Jan Smuts Airport — was powerful testimony to the carnage that was wrought when the Helderberg plummeted into the ocean off the coast of Mauritius two years ago

But initial indications are that the tragedy was not caused by an explosion. — Sapa

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Last recorded moments from SAA Helderberg

'Good morning, we have a smoke problem'

JOHANNESBURG — The last recorded moments of the SAA Helderberg, which crashed into the Indian Ocean on November 28, 1987, killing all 159 on board, were read to a hushed board of inquiry at the Rand Supreme Court yesterday.

For the first time, details of what happened in the aircraft's cockpit as fire broke out on board the Boeing 747 were made public.

But at the start of the hearing, the board heard of the frustration of investigators that the vital last minutes before the aircraft crashed into the ocean were not on tape.

The aircraft's cockpit voice recorder, recovered from the depths of the Indian Ocean, show how fire alarms caused consternation among crew members.

Captain's surprise

"What the thunder is going on now?" asked Captain Dawie Uys in a surprised tone of voice seconds before the end of the tape — the last recorded comment from the captain of the Helderberg.

The tape transcript read to the court deals with the last one-and-a-half minutes on the cockpit voice recorder, from the time the first fire alarm sounded.

Also read to the court yesterday was a transcript of a taped conversation between the Helderberg and Plaisance control tower on Mauritius.

The transcript was read to the court by Mr Renier van Zyl, investigator-in-chief of the Department of Civil Aviation.

Captain Uys said at 23 49 "Eh, good morning, we have, eh a smoke, eh eh problem and we're doing emergency descent to level 15, eh, 140"

Tower "Confirm you wish to descend to flight level 140"

Pilot "Ja, we have already commenced a, due to a smoke problem in the aeroplane"

Twenty seconds later, the tower asked if the pilot wanted to request a full emergency. The pilot said "Affirmative."

Tower "Roger, I declare a full emergency, Rog-"
Pilot "Thank you"

At 23 51, Captain Uys said "Now we have lost a lot of electronics, we haven't got anything on the aircraft now."

The tower replied "Eh, Roger, I declare a full emergency immediately"

Just before 23 53, the pilot said "Hey, Joe (the chief flight engineer), shut down the oxygen left."

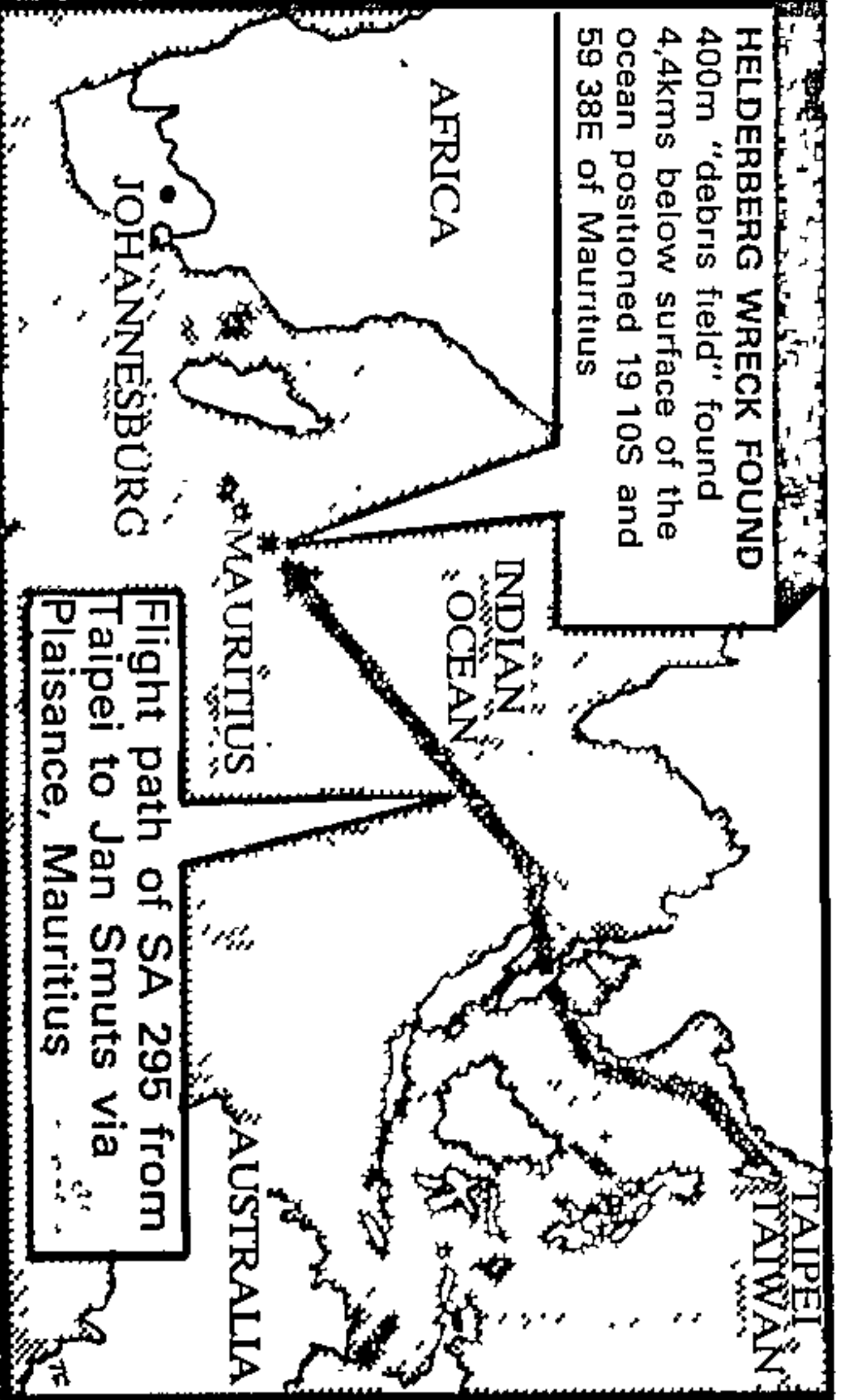
Forty-four seconds later, for a period of over a minute the transmission is unintelligible. But another minute later, pilot and tower were exchanging weather and approach information and it appeared from the transcript that the emergency was in hand.

Mr Van Zyl told the inquiry that the communications system through which an individual can contact an airliner aloft, had ceased to function.

He said that the last contact between the aircraft and radio control at Jan Smuts Airport had come about 4 57pm.

He said that as "the follow-on tape was apparently later inadvertently reused", there was no further communication on record."

At the start of proceedings, the inquiry heard that four radio centre employees at Jan Smuts Airport would be called "to explain the loss of the relevant tape at the centre at the time the Helderberg was lost" — Sapa



Pilot's frantic exchanges

JOHANNESBURG — Following are the last one-and-a-half minutes on the cockpit voice recorder.

Mr Justice Cecil Margo said he had heard the entire tape which contained private conversation, which was not confidential, before the sound of the fire alarm bell.

Captain Tony van Heerden of the South African Pilots' Association said he did not object to pertinent conversations from the "black box" being read in court, but was unsure whether the full contents of the tape should be divulged.

(Time Origin Conversation)
28 31 Fire alarm bell (stopped almost immediately)

28 35 Intercom chime
28 36 Joe What's going on now?
28 37 ? Huh?
28 40 Joe Cargo?
28 42 Joe It came on now afterwards
28 45 Strong click sound

29 12 Capt Ja
(Sound of movement can be heard with clicks and clunks)

29 33 Capt F 'It is the fact that both came on — it disturbs one

29 36 Intercom chime (while captain is speaking)
29 38 ? Ag s '
29 40 800 Hz test tone signal commences

28 45 ? And where is that?
28 46 Click sound
28 48 Joe Just to the right.
28 49 ? Say again?
28 52 Joe Main deck cargo
28 57 Joe Then the other one came on as well, I've got two
29 01 Joe Shall I (get/push) the (bottle/button) over there?
29 02 ? Ja
29 05 Capt. Read the checklist there for us, hear? (Double click sound)

29 08 ? The belly's (?) light is off
29 09 ? Huh? (Two click sounds)
29 11 ? Checklist main deck car go light

29 41 Capt. What the thunder is going on now? (This is said in a surprised tone of voice.)

29 44 Sudden loud sound
29 46 Large and rapid changes in amplitude of test tone starts
29 51 End of test signal, very irregular near end

29 52 End of recording. There is about one second of old recording on this side of the tape
The 800 Hz test tone is introduced on all four cockpit voice recorder channels. After about six seconds, rapid changes in amplitude commence. After another five seconds the signal ends

The tape ran for exactly 29 minutes and 52 seconds after it began. It was noted that neither the last HF communication with Mauritius at 23 13 27, nor the first VHF communication with Mauritius was recorded on the cockpit voice recorder — Sapa

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Are Soweto rail losses result of too low fares?

Municipal Reporter

It was vital that the real reason for the massive losses on the existing Soweto railway line was addressed long before the issue of a mass transit system for Johannesburg was decided, said Mr Pat Corbin, past president of the Witwatersrand Chamber of Commerce and Industry

"What has to be determined is whether fares are too low"

One of the major issues arising from the problem of massive subsidised losses was the gulf which had developed between the costs and fare increases, he said

He was commenting after his

nomination by the Association of Chambers of Commerce and Industry as its representative on the steering committee entrusted with guiding a full feasibility study for a mass transit system for Johannesburg

This follows the 1986 report of the Mass Transit Committee for Johannesburg appointed by the Minister of Transport, to do the preparatory work and give guidance for a full feasibility study for rail-based transport system for the city

Mr Corbin said nearly R2 billion losses on commuter transport countrywide made it clear the issue was economic and not racial

Transport

and WRONG VIEWS

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As in other parts of the world, transportation in South Africa is either ignored completely or totally overwhelmed with the wrong kind of attention. Nothing revealed this more than the past week, when there were five major conferences and two exhibitions.

There was the Government-organised Annual Transportation Convention (ATC) in Pretoria; there was the International Materials Handling conference at Sandton Sun, and the three big industry conferences at the National Exhibition Centre (Nasrec) outside Johannesburg. They were the Institute of Transport of Southern Africa, the Southern African Bus Operators' Association, and the Public Carriers' Association in conjunction with the Institute of Road Transport Engineers.

At the same time — and in the same place as the industry conferences — was ITEC, the international transportation exhibition, and its materials handling counterpart, Matex.

To call the week a clash of interests would be an understatement. What it did, however, was highlight yet again the complete lack of communication between the State — at the theoretical, some would say the blunt end of the industry — and the operators, at the practical or sharp end.

ATC was organised by the Department of Transport. It is supposedly the transport get-together of the year, originally designed to attract those associated with all modes of transport for an exchange of ideas and to thrash out the burning issues confronting a beleaguered industry.

It was also a clever way of reducing the State's payout for officials quasi-officials and general hangers-on who had made quite a thing out of attending transport conferences all over the country.

The thinking might be good, but the execution has become progressively more inept. This year the ATC was mostly a waste of time and money.

Over the years ATC has moved further and further away from the nuts and bolts issues of practical transport operation. Now it has become the domain of academics, researchers and engineers. Any connection with real issues is purely coincidental.

Transportation is undergoing fundamental changes which will decide the shape of South Africa's industry in the 21st century. It is confronting deregulation, re-regulation, privatisation, restructuring — and an onslaught by a Government desperate for money which has targeted the industry as an ideal source.

Transportation in South Africa has been debated widely for the past week, and many people and organisations have voiced opinions, but what is really being achieved? **MARION DUNCAN** reports.

Yet ATC tackled little or none of this. It offered 19 sessions with more than 175 papers over five days, on the theme "An Appraisal of the Southern African Transportation System". Why it needs a "theme" is inexplicable. It is not a matric dance, after all. Surely a transportation convention already has a more than adequate theme: transportation.

What made it even more ludicrous was that most of the papers did not even relate to the theme. How does "management of road financing" or "pre-feasibility economic evaluation — a relatively low-cost method of indicating the economic worth of a transport infrastructure project" help assess the subcontinent's transport system or contribute to the raging debate surrounding the industry?

The physical organisation of ATC also left much to be desired. Of the 19 sessions, one attracted more attention than most of the others put together combined. It attracted all that attention because it was a relevant, important issue in the transportation world right now.

Yet the organisers put it in one of the smaller conference halls in the centre, while the main hall had only a small part of its space taken up by the Interurban and Rural Transport Infrastructure talks.

There was standing room only at the combi-taxi presentations, with the press warned that they could not take up valuable room until all paying delegates had their seats.

Organisers announced that the session was "over-booked", but made no attempt to do the sensible thing and move it into a bigger hall.

Meanwhile, the people who could have got the

most from that session — the bus-operators — were happily conducting their own conference more than 100 km away.

Where was the interchange of views so vital to any conference? Where was the valuable meeting of the two major protagonists in the passenger transport industry?

Come to that, interchange was the last thing the ATC promoted. Questions were not permitted at the end of each paper. They were restricted either to a panel discussion after lunch, or a half-hour "discussion" at the end of some of the days. Several sessions were devoid of any scheduled discussions, however, which meant nobody was allowed to ask any questions at all.

Journalists covering the ATC had to try to corner speakers during tea breaks, or perhaps — if they were prepared to pay R35 a day — over lunch. Nor could they even be sure of getting the papers presented to the convention. A complete set was pegged at R500 and was unavailable to anyone without the money. Individual papers could be requested, but quite a few just could not be found when they were needed.

The ATC was originally designed to be the "C" in ITEC — the International Transport Exhibition and Convention. These days it has fallen out of the alphabet.

ITEC, however, was exactly the opposite superbly organised and beautifully presented. For the first time, South Africa put on a show that could be compared with the big transport exhibitions overseas.

The stands were well designed and manned with people who could answer questions with expert knowledge, making the event both an exciting visual spectacle and an excellent source of information.

The industry conferences which coincided with ITEC were equally well organised, concentrating on important and relevant issues and actively encouraging questions and debate.

Operators who attended the conferences and the exhibitions went away with knowledge and information they could apply to their daily work. Few of them even knew what the ATC was — never mind where or when it was taking place. And that is the ultimate indictment.

Centrist Says Jettison

UPI Telex
12/8/89

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Own Correspondent

JOHANNESBURG. — The Margo board of inquiry into the Helderberg airliner disaster in which 159 people died on November 28, 1987, has been told that blood tests conducted on bodies of victims showed extremely high levels of carbon monoxide and soot.

The acting director of forensic medicine for the Northern Transvaal, Dr. Vernon Kemp, said yesterday that some of the bodies retrieved from the ocean had been so badly mutilated that they could not conduct blood tests — there was no blood in the bodies.

The inquiry also heard two Jan Smuts Airport employees being quizzed about the whereabouts of a tape recording on which Helderberg Captain Dawie Uys may have asked what cargo he was carrying on board, minutes before the crash.

The question was put by counsel for the board of inquiry, Mr. Brian South-

Women

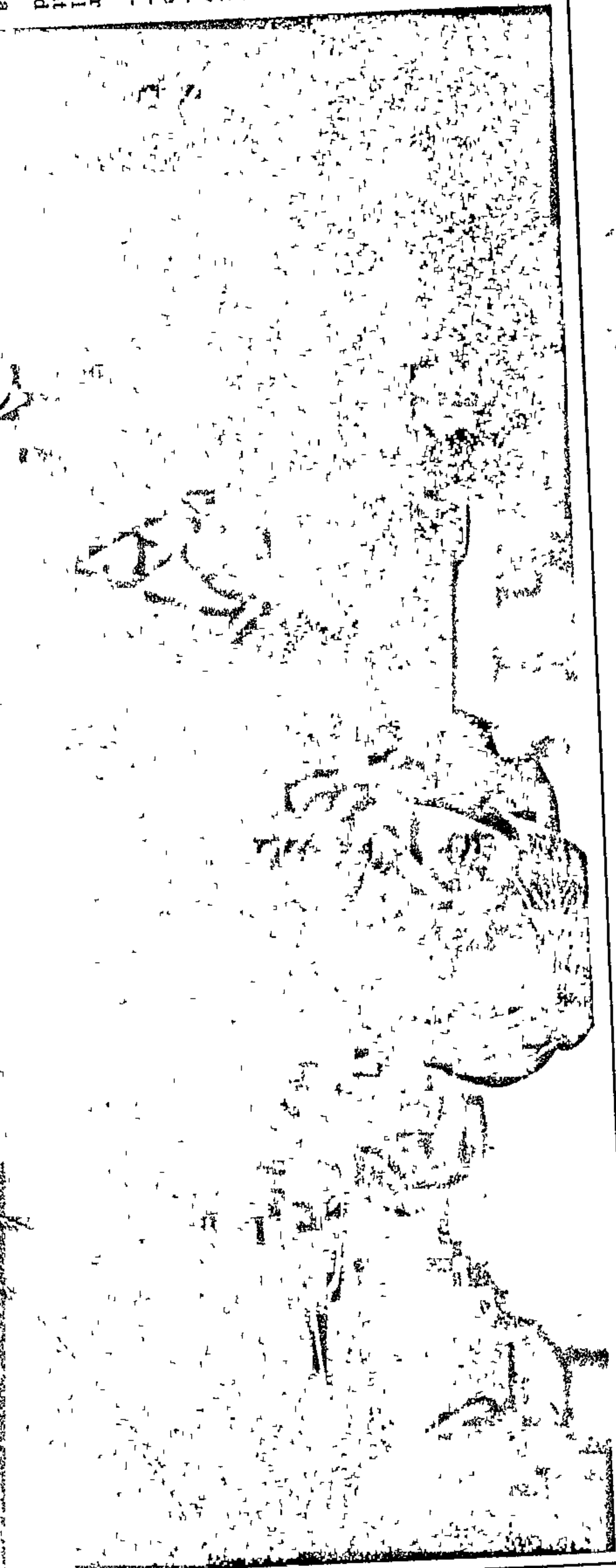
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Tutu ²⁵¹
march ³⁷⁵

by MARIUS BOSCH

OUT 150 marchers by Archbishop Desmond Tutu in a protest against the emergency regulations were yesterday surprised to be ordered in the city centre by a squad of police women.

Archbishop Tutu later said it was "a small matter in their cap" that police had used men.

The march followed a vice in St. George's



From page 1

commission chairman Mr Justice Margo asked Mr Dick: "Have we heard the truth about the tape which has been lost or mislaid?"

Mr Dick: "I do not deal with the tape recordings at all I have told the truth."

In earlier evidence, an air traffic controller at Plaisance Airport, Mr Yacoob Khodabacus, described the last few minutes of communication between Helderberg and the control tower. He said he had received a call from the captain of the aircraft at 11 48pm

"He told me he was making an emergency descent to flight level 140 as he had a smoke problem. He requested me to alert emergency services at the airport and I cleared him for the descent"

Mr Khodabacus said he immediately alerted the emergency services and then tried to contact the aircraft on two occasions.

"There was no reply. There was a radio silence of eight minutes. But I did not interpret this as loss of communication as they could have been very busy dealing with the problem.

"Then the pilot called again and said he was 65 miles north-east of us. I then cleared him to descend to flight level 50 and gave him full instructions on landing. We expected the aircraft to land at runway 14, but we watched both landing routes intensely. Our emergency services were already in place"

As the minutes ticked by, he became anxious about the non-appearance of the Boeing and after a five-minute lapse, Mr Khodabacus immediately telephoned Mauritius's director of aviation, who instructed that a full and immediate search be launched for the missing aircraft. The inquiry continues

igby-man Jacques Springboks play at te selected for the vedding Now Jac-e for the aisle.

Picture GLENN SHERRATT

Dr Vernon Kemp, said yesterday that some of the bodies retrieved from the ocean had been so badly mutilated that they could not conduct blood tests — there was no blood in the bodies

The inquiry also heard two Jan Smuts Airport employees being quizzed about the whereabouts of a tape recording on which Helderberg Captain Dawie Uys may have asked what cargo he was carrying on board, minutes before the crash

The question was put by counsel for the board of inquiry, Mr Brian Southwood SC, about the functions of Jan Smuts-based SAA Springbok Johannesburg Radio Station (ZUR)

ZUR communications officer Mr Etienne du Toit said the function of the station was to keep track of SAA's fleet and to offer assistance to aircraft.

Mr Du Toit said that while on duty at the ZUR station on the afternoon of November 27, 1987, he established the only contact with the Helderberg shortly after take-off from Taipei

He said that according to SAA regulations, SAA aircraft flying eastern routes would make contact with ZUR and give their positions every 90 minutes.

Mr Du Toit said it was SAA standing orders to record all conversations in a log book and that all conversations were recorded on tape over a 24-hour period

Asked if he had any knowledge of the missing tape which held the recorded conversation with the Helderberg's captain shortly before 12pm, Mr Du Toit said he had no knowledge of its whereabouts "I have no knowledge of a tape disappearing," he said

ZUR communications officer Mr Colin Dick later told the commission that the Helderberg had not radioed its position at 6pm, when it was expected to

Mr Dick said he informed duty officer Mr Vernon Nadle and asked if he should try to call Mr Nadle told him not to worry

He said that after two hours he approached his duty officer again, stating that Helderberg had not radioed its position

Mr Southwood "Why is this second visit not recorded in your statement to SAA security chief Major Isaac Bosman?"

Mr Dick said that according to standing orders, he should have tried to contact the Helderberg, but had not

Mr Southwood told the commission that 2 1/2 hours later, ZUR had still not received radio contact and had also not initiated contact

Mr Southwood "If I said that the Helderberg had a conversation with Johannesburg shortly before midnight, what would you say?"

Mr Dick "I would have told the duty officer and recorded it in the log book, because it was a transmission"

Mr Southwood "Was there a radio conversation about the Helderberg's cargo?"

Mr Dick "No" He said ZUR was informed of Helderberg's predicament when Mauritius's Plaisance Airport telephoned, saying that the Helderberg had declared a full emergency

Before stepping down from the witness stand,

CAP
Tink
18/11/87
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SAA man denies disaster rumours

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19/8/87

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JOHANNESBURG — A senior official of the South African Airways office in Taiwan yesterday told the Margo Board of Inquiry into the Helderberg disaster that he had heard rumours that the aircraft's captain was dissatisfied with some of the cargo loaded on to the Boeing several hours before it plunged into the sea off the coast of Mauritius on November 28, 1987.

Cross-examined by Mr Brian Southwood for the board, the country manager for SAA in Taiwan, Mr Maartinus Jacobs, said he had also read media reports about Captain Dawie Uys's reluctance over certain aspects of the cargo.

But there was no substance to the rumours, as the captain had not informed him of his suspicions before the plane took off from Chang Kai-Shek Airport in Taipei.

Asked whether SAA had examined the cargo before departure, Mr Jacobs said the Taiwanese authorities did not

allow airlines to tamper with any cargo.

"According to instructions laid down there, all cargo has to be dealt with by a freight agent appointed by the Taiwanese airport authorities. We do not touch any cargo."

Mr Jacobs said security around cargo handling at Taipei was strict and far above that of most other airports.

Cargo danger

The SAA official said that on the morning before departure, two pallets of cargo had arrived from Japan. This meant that six pallets of the Boeing would be filled with goods. The seventh pallet at the back of the plane was left empty.

"It is not possible that further cargo containing dangerous substances was loaded into the seventh pallet, as all our documentation showed that nothing was taken aboard in that cargo hold," said Mr Jacobs.

However, Mr Jacobs admitted that he was not present

when the cargo was loaded aboard the ill-fated aircraft.

Captain Uys did not show concern about any cargo as it would have been recorded on a special form which he would have to sign and leave with the airport authorities.

In his evidence, Captain Michael Mitchell, the Director of Flight Operations, said pilots and their assistants were first trained to fly aircraft, then handle emergencies and finally to communicate with ground stations.

"It is unreasonable for Captain Uys to have contacted the Springbok radio centre. His priority in terms of communications would have been to remain in contact with Mauritius air traffic control, who were better placed to deal with emergencies such as fire alerts and ground control."

Captain Mitchell denied that their training procedures were inadequate, as found by a study conducted in August last year.

"An international expert on safety has described our emergency training procedures as excellent. He said it

was far in advance of similar programmes abroad."

Captain Mitchell said it was reasonable to assume that the tail snapped off and hurtled ahead of the rest of the Boeing when it hit the water about 145 miles (233km) north-east of Mauritius's Plaisance Airport.

Giving evidence, the Manager of Physical Chemistry at the SABS, Mr Martin Venter, said that during analysis of wreckage, he suspected an explosion had downed the plane.

Wreckage

"I saw wreckage which was fairly intact, but then I came across pieces of wood which had splintered into hundreds of pieces. This was unusual to me and at the time I thought an explosion had splintered the wood."

The specialist said that from his analysis, temperatures in the burning section of the aircraft had reached as much as 600°C. His examination had shown that certain metals could have melted only at that temperature.

The board hearing continues on Monday.

SAA adds 15% to seating capacity

SOUTH African Airways plans a shake-up of its domestic services that will increase seating capacity by about 15% in the next three months.

This is good news for travellers — but bad for private airlines hoping to get in on the deregulation of internal routes.

On its major trunk routes from Johannesburg to Durban and Cape Town, SAA plans an extra three return flights a day, making a total of 8 000 seats a week to Cape Town and 6 500 to Durban — 2 000 a day.

Comair and Safair Holdings parent Safmarine have both applied to fly these routes. Using three Boeing 737s and an Airbus A300 they will offer a combined capacity of 2 500 seats a day when deregulation is introduced.

Warning

With the introduction of SAA's extra flights and applications by the two airlines some weeks ago, this leaves a balance of about 500 seats.

Assuming that Comair and Safmarine are awarded the routes they have applied for, by October next year there would be about 4 500 extra seats a day.

Comair managing director Piet van Hoven says "We will monitor the seating development on the routes we have applied for."

Piet van Aswegen, chief executive of Safair Holdings, does not see the move as threatening.

"If SAA wanted to hurt us, it would have introduced the extra flights closer to the time we planned to go into operation. But it has given us a year's warning."

Negotiations

"I see the plan as a reaction to increasing passenger demand," he said.

Johan Kuit, director of domestic routes, says the move is not designed to outflank smaller private operators seeking a slice of the SAA cake.

Market research this year shows that of all SAA's potential business clients, 23% nationwide are using their cars — including as many as 40% of its PWV-Durban travellers.

Mr Kuit says "In the case of Durban, we found that this was because the travelling time of about 5.5 hours by

By Roger Makings

road was only slightly more than it would take the passenger once he had travelled to Jan Smuts, boarded, landed in Durban, collected his luggage, hired a car and driven into the city.

"But we intend to change that through greater use of aircraft and crews and negotiations with back-up services at the airports."

Mr Kuit says SAA's aircraft are in the air for between 7½ and 8½ hours a day. By revamping the timetable, extending the operational day and optimising crew schedules, the airline could keep its aircraft flying for about nine hours a day.

The new timetable would result in an aircraft leaving for Durban every hour from early morning and more

flights to and from Cape Town.

Asked if there is demand for so many extra weekly flights, Mr Kuit says, "The cost of overnight accommodation is going up, as is the price of cars, fuel, and running costs. There are also toll roads. These factors make air travel more appealing

Discount

"If we make significant inroads into the road-travelling public with our new service, there will be demand."

Mr Kuit says the airline is also looking at the introduction of an early flight from Cape Town to Johannesburg. Cape Town businessmen would land about 6 30am, giving them a full working day. They could return to Cape Town at night.

The extra seating will not

bring down the price of peak-time tickets, but Mr Kuit foresees more innovative discount deals for off-peak travellers.

"Nobody can afford aircraft standing idle. Airlines will be bidding competitively for the day-time tourist trade."

Mr Kuit does not discount the possibility of competing carriers working out a mutually beneficial schedule.

"The market will grow by 15% in the next year and I am convinced there will be work for all."

Gary Webb, SAA deputy director of planning, says the airline is streamlining its service and gaining more effective use from equipment and personnel.

"We have employed more pilots and aircraft have returned from foreign leases."



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The Argus, Wednesday August 23 1989 3

'Anti-fire' on many Boeings inadequate — FAA

The Argus Foreign Service

NEW YORK. — The Federal Aviation Administration has ruled that the smoke and fire protection measures in a wide range of Boeing airliners are inadequate and, if left unchanged, could lead to a repetition of the Helderberg disaster.

In a direct response to the crash of the Helderberg, a Boeing 747-200 Combi airliner, the FAA has called for operational and equipment modifications aimed at improving fire detection and control in these and other jetliners.

Accepting the expert evidence presented to the Margo board of inquiry that the Helderberg developed a fire in its main deck cargo compartment before plunging into the Indian Ocean, the FAA found that "this condition, if not corrected, could result in an uncontrolled cargo fire that could cause systems and structural damage, leading to the loss of the airplane."

In a new "airworthiness directive", which has been handed to the board of inquiry, the FAA's ruling calls for new and better fire detection and prevention systems to be applied to Boeing models 707, 727, 737, 747 and 757 and McDonnell Douglas DC 8s, 9s and 10s.

In essence, it calls for the introduction of flame penetration resistant cargo containers equipped with smoke detection and fire extinguishing systems, and a system permitting the entry of crew members to the compartment to fight a fire without flame or smoke escaping into other parts of the aircraft.

Asked how it was that the present anti-fire and smoke systems, which had now been found unsafe, had been tolerated for so long, a senior FAA spokesman in Washington, Mr. Fred Ferrar, said: "Our investigations have been extensive, conducted over a long period, and we are profiting now by the analysis of much data and, of course, from accumulated practical experience."

Tests at the FAA Technical Centre, it added, had shown "the rapid exponential growth of cargo fires and the quick loss of visibility in the (cargo) compartment".

It also concluded that in any type of cargo compartment without a fire suppression system "cargo fires can easily reach dangerous proportions, — the most likely cause of the Helderberg crash."

US expert testifies

CMT hints 23/8/87 269

JOHANNESBURG. — An American expert yesterday told the Margo Board of Inquiry into the Helderberg air disaster that he could not rule out the possibility of an incendiary device causing the fire aboard the aircraft

SAA's Flight 295 — the Helderberg — plummeted into the ocean off the coast of Mauritius on November 28, 1987, killing all 159 people on board

A second witness, senior accident investigating officer at the Department of Civil Aviation (DCA) Captain R C Downs, told the board that it was more than likely that the pilot and his crew were incapacitated several minutes before the Helderberg plunged into the ocean

Yet another witness, an SABS expert, testified that materials consistent with a gaseous action or exploding fireworks were found in the debris of the disaster plane.

Giving his opinions on the cause of the fire, Mr G Hill of the US Federal Aviation Authority (FAA) said most fires in jumbo jet cargo holds were caused by dangerous products such as matches and liquid gases. But flammable goods were usually in the right sort of packaging that inhibited the outbreak of fires

"In the case of the Helderberg, all evidence points to the ignition source being powerful enough to ignite the packaging," said Mr Hill

Describing the spread of the fire, he said flames usually spread rapidly through the aircraft and smoke generation is rapid and intense. FAA tests proved that tem-

Helderberg fire caused by 'device'?

peratures could reach as high as 1 500 C

Mr Hill said it was safe to assume that the temperature in the Helderberg before it plunged into the sea was much higher than the 200-600°C noted in a report by the DCA

Earlier, the hearing took a dramatic turn when a retired SAA pilot, Mr D Cronje, took the stand and questioned the Civil Aviation Department's lack of an in-depth investigation into whether Armscor or South Africa's military machine had cargo aboard the ill-fated flight.

Mr Justice Margo intervened and said unless Mr Cronje had hard evidence of secret shipments from foreign countries, his testimony would not be admissible

During his turn on the stand DCA investigating officer Captain Downs told the board it was most probable the flight crew could not act against mounting warnings of approaching water or land as they were sedated by the smoke and fumes that had poured into the cockpit cabin

"The pilot did indicate — according to

the voice recorder — that they had lost all their electrics. But even during a total electrical failure the hydraulics would not be affected and the plane could still be kept under control, which was not the case in the last few minutes."

He also inferred that the flight crew did not take seriously the first of many emergency warning lights

"From the cockpit voice recorder transcript, we see that only when the second light came on did the crew decide to respond in an emergency manner. Two weeks before the fatal accident defects were discovered in the smoke detectors and the crew might have associated the first warning with previous defects."

The SABS expert, physical-chemical division manager Mr Martin Venter, told the board his suspicions about fireworks as a possible cause were based on the discovery of chemicals embedded in a piece of plastic from the main cargo hold

The plastic had melted into a ball due to high temperatures, he said.

The presence of chemicals such as barium sulphate, calcium carbonate and niterites were consistent with substances found in fireworks.

Iron particles embedded in the plastic and found in other places in the aircraft may have come from sparklers, he said.

In his evidence, the SAA's director of technical services, Mr Thinus Kruger, said they were able to pinpoint the location of the cockpit voice recorder through a series of tests which involved dropping a similar object into water and monitoring its fall pattern

Helderberg 'had power at time of crash'

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23/8/89
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From DAN SIDE

The Argus Correspondent

JOHANNESBURG — Hydraulic controls were probably in working order and there was still generator power when the South African Airways Helderberg crashed into the Indian Ocean near Mauritius, killing all 159 on board, an expert witness has told the accident investigation board in the Rand Supreme Court.

Captain Roy Downes, an inspector for the Directorate of Aviation Safety, yesterday told the board, headed by Mr Justice Cecil Margo, that even total electrical failure due to the fire in the main deck cargo hold would not have caused hydraulic failure and affected control of the Boeing 747 Combi.

He was also convinced there was not a total loss of generating power.

The aircraft was equipped with several warning devices

to signal it was flying too low and if it had continued its descent to below the designated emergency level of 14 000 feet, then "the pilots were not functioning", said Captain Downes.

He said the quality and intermittency of the plane's VHF radio transmissions to the tower on Mauritius indicated the aircraft was as low as 3 000 feet, but this was unlikely.

He did not agree with previous testimony from tape transcription expert Dr Len Jansen that radio transmissions indicated the crew was not wearing oxygen masks.

Microphones in masks

Captain Downes said inadvertent conversations between the crew indicated they were speaking through microphones contained in the oxygen masks.

"A lot of smoke" could have found its way into the cabin and the crew could have lost consciousness before a build-up of carbon monoxide gas caused their deaths.

Mr Richard Hill, a fire safe-

ty expert on transport aircraft with America's Federal Aviation Administration, told the board that the type of fire he discerned from the wreckage of the Helderberg was consistent with one fuelled by "ordinary packing materials".

Ignition could have been caused by an electrical arc, a spark, matches or "even a small incendiary device".

He said research showed the type of combustion that happened in a cargo hold was in the line of a "flash fire".

After ignition, gases were produced by the smouldering packing materials, which suddenly burst into a hot flame consuming all the oxygen in the compartment.

Heat was intense and a great deal of smoke was produced.

He said a reversal of airflow from the marginally more compressed passenger compartment forward of the cargo bay was because of the heat of the fire overcoming the slight differential pressure.

WEDNESDAY

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Changes to Boeings follow Helderberg crash

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Orders upgrade of planes worldwide

The Star Bureau
New York

Were fireworks aboard?

By Dan Side

Materials consistent with a gas-eous action or exploding fireworks were found in the debris of the SAA Helderberg, a witness told the inquiry in the Rand Supreme Court yesterday.

Mr Martin Venter, manager of the physical-chemical division of the SA Bureau of Standards, was giving evidence on the cause of the fire that on November 28 1987 contributed to the crash of the Boeing 747 Combi, killing all 159 aboard.

Mr Venter said his suspicions were based on chemicals found in bubbles embedded in a piece of plastic knotted around a tie-down cargo net from the main cargo hold.

The plastic had melted into a ball.

The presence of chemicals such as barium sulphate, calcium car-

bonate, nitrates and aliphatic carbonyls were consistent with substances found in fireworks.

Iron particles in the plastic and in other places in the plane may have come from sparklers, he said under questioning by Mr Fanie Celliers, SC, for Boeing.

But Mr Venter admitted to Mr Celliers that pyrotechnics was out of his field.

He later agreed, under questioning by Mr Cedric Puckering, SC, for SAA, that he was discussing "possibilities" rather than "probabilities".

Mr Venter said that experiments conducted with sparklers bought in South Africa gave similar, but not exact results — and iron particles, when examined under an electron microscope, were not exactly the same shape and were consistently covered

with barium sulphate.

Mr Venter said that the covering of barium sulphate could have been washed off in sea water for of manufacture.

He also said he had read of the possibility of there being fireworks aboard before he began conducting his analyses.

He agreed that evidence of clay, which could be found in fireworks, could have come from footprints.

He also agreed that the iron particles could have similarities to those in a consignment of "ferrites" being carried aboard.

Ferrites would also be found in magnets used in certain electronic equipment listed in the cargo manifest.

• 'Hydraulics not lost before plane crashed' — Page 5

Robbers lock

The Star Bureau
New York

A directive has been issued by the Federal Aviation Administration in the United States for airlines worldwide to upgrade the fire detection and prevention systems on a wide range of Boeing and McDonnell Douglas models.

The "airworthiness directive" has been issued following extensive investigations conducted over two years since the crash of the SAA airliner Helderberg.

It is in addition to the ban the FAA has placed on the "Combi" configuration used in the Helderberg. The directive calls for new and better fire detection and prevention systems.

The FAA order has been issued in the face of strenuous opposition from some international airlines and aviation organizations.

The models affected by the latest order are Boeing models 707, 727, 737, 747 and 757 and McDonnell Douglas DC 8s, 9s and 10s.

Tolerated

Asked how it was that the present anti-fire and smoke systems, which had now been found unsafe, had been tolerated for so long, a senior FAA spokesman in Washington, Mr Fred Ferrar, said "Our investigations have been extensive, conducted over a long period, and we are profiting now by the analysis of much data and, of course, from accumulated practical experience"

South Africa's Directorate of Civil Aviation was among the 38 worldwide organisations that commented on the existing fire-fighting regulations aboard passenger airliners, not all of which found fault with them.

Among the airlines opposing the proposed new regulations are Air France, Qantas, which has not had a serious accident in 25 years, KLM and Boeing (Canada). The association IATA also opposed them.

Most stated that not enough technical/research data was available, said the FAA, "to substantiate that a safe condition exists to determine a consummate design modification to address the unsafe condition". They suggested the proposal be withdrawn.

Repetition

The FAA ruled that the smoke and fire protection measures in a wide range of Boeing airliners are inadequate and, if left unchanged, could lead to a repetition of the Helderberg disaster.

In a direct response to the crash of the Helderberg, a Boeing 747-200 "Combi" airliner, the FAA has called for operational and equipment modifications aimed at improving fire detection and control in these and other jetliners.

In essence, it calls for the introduction of flame penetration resistant cargo containers equipped with smoke detection and fire extinguishing systems, and a system permitting the entry of crew members to the compartment to fight a fire without flame or smoke escaping into other parts of the plane.

CMT Tms
24/8/89 (269)

'Incendiary device' caused air disaster

JOHANNESBURG — A senior British accident investigator specialising in applied chemistry yesterday ruled out the possibility that the Helderberg disaster was caused by a "high-intensity explosion", but acknowledged that an intense fire in the hold was probably caused by a small incendiary device.

He said there was a strong probability that the blaze on board the ill-fated aircraft was caused by a "low" incendiary device which caught alight inside a box in Pallet PR — the cargo section identified as the area of the initial fire

One hundred-and-fifty-nine people died when SAA Flight 295 fell out of the sky into the Indian Ocean on November 28, 1987.

Giving evidence before the Margo Board of Inquiry in the Rand Supreme Court yesterday, Mr Greg Southeard described the initial fire as "not larger than an armchair"

"A 'high' explosion — which releases a shock wave with a travelling velocity higher than the

speed of sound — can be ruled out as it would have blown a hole in the underside of the aircraft. Except for molten metal which dropped down from the sides, there was no damage to the floor of the main deck cargo compartment.

"Thus, a 'high' explosive did not cause the fire on the Helderberg"

Furthermore, Mr Southeard said, the electrics of the aircraft did not show signs of abrasion and a short in the wiring could therefore also not have contributed to the fire

"The initial fire had its own oxygen supply which could mean that a small incendiary device had sparked off the blaze inside a box within Pallet PR."

Mr Southeard said the fire could have remained in the cargo hold for a considerable period before it was detected by smoke detectors in the compartment.

As it was a "promoted fire" — a fire which intensified after coming into contact with inflammable substances such as plastic and cardboard — it would have billowed in the crown of the aircraft

"It could have been undeclared cargo that contained the substances," ventured Mr Southeard

Under cross-examination, the British expert, who formed part of a panel which investigated the Lockerbie air disaster in Scotland, said the fire extinguisher on board the Helderberg could have contributed to the intensification of the blaze because, in certain circumstances, the liquid in the containers promoted fires when used against certain substances.

Earlier in the hearing, US metallurgical engineer Dr Gary Fowler said temperatures in the main deck cargo compartment had ranged from 288 to 300 deg Centigrade.

The heat was so intense that it was sufficient to melt insulation blankets designed to prevent the spread of such blazes.

However, the outer skin of the aircraft had remained relatively cool due to the airflow as it plummeted towards the ocean. Dr Fowler said the crew would have been unable to enter the area to fight the flames without protective clothing.

The hearing continues. — Sapa

JOHANNESBURG — The Boeing aircraft company moved yesterday to rebut theories that the Helderberg broke in two before it fell out of the sky into the Indian Ocean on November 28, 1987

The disaster claimed the lives of 159 people who were on their way back from Taipei airport in Taiwan

Testifying before the Margo Board of Inquiry at the Rand Supreme Court yesterday, Mr J Viquesney, a safety inspector from Garrit engine manufacturers, said he was approached by Boeing to analyse engine

Cvt 7nd 25/11/89

Boeing disputes Helderberg split in two

debris.

The objective was to indicate that the plane landed horizontally on the water while still under the crew's control.

Mr Viquesney said photographs showed that the engines were under thrust when the plane hit the water

If, as suggested by Mr Theuns Kruger of SAA's

Technical Department, the plane had broken in two and tumbled into the sea, the engines would have ripped away from the wings and fallen at different angles, said Mr Viquesney.

Cross-examined by Mr Cedric Puckering representing SAA, Mr Viquesney admitted that his evidence contradicted a report by Pratt and Whitney, the manufacturers of the Helderberg engines

Mr Viquesney also conceded that it was the first time he had studied such an engine "although the principles are similar" — Sapa

SATS PRIVATISATION

Going the Eskom route

The countdown towards the April 1 1990 deadline, when SA Transport Services (Sats) will be split into a potentially profitable, taxpaying public company, and a State-owned corporation which will take over its loss-making commuter services, is "going smoothly."

Sats GM Anton Moolman says that though the State will initially own all the shares in the public company, it will be run along private-sector lines with its own board of directors. It could also pave the way for future privatisation.

"Four or five directors will be chosen from the public sector and between three and five from the private sector. It will be chaired by someone from the private sector," says Moolman. Sats thus seems to be following the route first taken by Eskom, which is today successfully run by CE John Maree, originally seconded from Barlow Rand.

Moolman says he has already identified a number of private-sector "heavyweights" who are likely to be appointed as directors. He refuses to identify them because Transport Affairs Minister Eli Louw and the Cabinet will first have to give their approval.

"They must be behind their desks and working before the end of the year," says Moolman. "They will have to help prepare our next year's budget, which will be the first that won't have to be presented to parliament."

Almost by definition, the new directors will have to be heavyweights to manage and control an organisation the size of Sats. The utility boasts a total asset base of R56bn, at replacement value, and 1988 turnover was a massive R11bn.

There will be other disciplines Sats will have to get used to. For the first time in its history, it will have to appoint and work with private-sector auditors, investment analysts and bankers. Its accounting system will have to comply with the generally accepted accounting practice, a requirement of the Companies Act. It will, for example, no longer be entitled to subtract replacement costs before declaring profits, as has been standard practice for decades.

The public company will consist of five of Sats' existing divisions: rail transport (including mainline passenger services), harbours; SA Airways, pipelines; and Sats' Road Transport Services. With the exception of the road transport operation, which is marginal, and passenger services, which hasn't shown a profit in years, all divisions are profitable.

Each division will have its own head office. The group head office will be in a three-storey, 15 000 m², newly-leased building in

Parktown, Johannesburg. Sats' present head office, Paul Kruger Building in Wolmarans Street, will become the head office of its rail transport division.

On April 1, Sats' liabilities and contracts will be transferred to the public company. Its assets will be reassessed and split into two, part of which will be handed to the commuter operation, which is to be run as a State corporation. A centralised group company



Sats' Moolman ... see how we run

will run business-support units, such as data-processing, legal services, housing, pensions, medical aid and personnel.

The minister will appoint a board to govern the commuter corporation, which will have its own management structure. Sats will operate its services on a contractual basis.

Initially, central government will absorb its losses, which have been running at about R1bn/year, but, later regional services councils and other local authorities may have to shoulder some of the burden.

These changes, which are a prelude to the eventual privatisation of Sats, are being made in terms of the Legal Succession to SA Transport Services Act (No 9 of 1989), which was passed by parliament earlier this year.

Moolman, who has never disguised the fact that he intends to be a fierce competitor for any traffic available, says he isn't at all happy with Sats' recent profit of R147m. He regards it as insufficient return on the assets employed. However, he feels increasing profits in future shouldn't be too difficult. Being

paid to operate the commuter services and not having to contribute roughly R300m/year to its losses (central government compensated Sats for the rest) will make a tremendous difference to the bottom line.

Sats is at present in a "commercialisation period," designed to make it more competitive, says Moolman. That will end in April, "after which, the fine-tuning will start. Commercialisation is the giant step. It means changing the entire operation, its thinking and its image. It's much more complicated than the eventual privatisation of Sats."

"Even Sats' name will change. We are assessing a number of new names, but haven't decided which one to choose yet." ■

COMPETITION BOARD

Changing the line-up

The Competition Board is being reshuffled. Long-time member Brian Kantor will not be reappointed when his second, three-year term expires at the end of next month.

The University of Cape Town economist, a strong proponent of free markets, says: "I would be happy to continue but if they want fresh blood, then that's their prerogative."

In addition, three original members of the board, which was formed in 1980, left when their terms expired at the beginning of the year: Jan de Villiers Graaff, an economist and Cape Town businessman; Dawid Mouton of Sanlam; and Albert Marais of Volkskas. One spot was filled on May 1 with the appointment of Tony Norton, president of the Johannesburg Stock Exchange.

Economists who urge less government interference in the economy fear that Kantor's departure will mean a heavier hand for the board. "It's a definite loss," says Henry Kenney, a business economist at Wits. "There's a lot of obsolete thinking on the board. It's more concerned with what's going on in an industry — the actual number of companies in an industry — rather than with what barriers exist to entering an industry. The board could do with more good economists."

But board chairman Pierre Brooks believes the board "has a reasonable mix of economists and lawyers; we're certainly not top-heavy with lawyers considering that we're interpreting an Act (that established the board)." Aside from Kantor, the board's 10 members include four economists and three lawyers, notes Brooks.

It is not certain whether the other vacancies will be filled. The Act creating the board states it may have anything from eight to 13

SATS PRIVATISATION

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Mail 25/8/89

Helderberg findings awaited

9/17/71 1515

26/8/89

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JOHANNESBURG. — The public hearing of the Margo Board of Inquiry into the Helderberg air disaster ended yesterday with final submissions by the Directorate of Civil Aviation, South African Airways and the Boeing company, being fire extinguishers along the side of the plane

Four possibilities contributed to the plane-crash Pilot incapacitation; pilot error; control failure and structural failure in that the aircraft broke up before it hit the water

Mr Cedric Puckering, for SAA, disputed suggestions of pilot error

Announcing the closure of the hearing after sitting for eight days in the Rand Supreme Court, Mr Justice Cecil Margo said the board had found the evidence submitted most interesting.

"The board must recognise that pilots are trained to fly aircraft. They are not expected to know full details of electrical circuits, the wiring and makeup of controls

He did not indicate when his deliberations would be completed.

"The cockpit crew were under immense stress, they had to deal with this emergency, check the effects it was having on the passengers and deal with the loss of controls on the plane."

Mr Gavin Southwood, counsel for the Directorate for Civil Aviation, said yesterday that there was no doubt the crash was caused by a fire on board the Helderberg

"Yet, Mr Chairman, the captain continued flying the aircraft"

In his final submissions before the board, which is investigating the disaster that cost the lives of 159 people, Mr. Southwood said. "The ignition source has not been established. It is also not clear what attempts were made by the crew to extinguish the blaze

However, SAA agreed that the aircraft had broken in two which elevated the problems beyond control

Break-up claims contested

Mr Fanie Celliers SC, for Boeing, contested claims of a break-up on the grounds that they suggested an inherent structural weakness in the aircraft

"Our belief is that the fire was a slow-burning 'diffusion' fire which went undetected due to the method it spread. With a slow-burning fire, the flow of air is downwards — away from the smoke detection system in the main cargo deck hold."

"Mr Chairman, there is no evidence whatsoever of structural failure.

Mr Southwood said the methods available to fight the fire were insufficient with the most important item

"The fire — and we believe it was caused by a promoting agent in undeclared cargo — did not burn through the skin to allow the frame to weaken and break in two," he said — Sapa

Business Day SURVEY

SAA enjoys a virtual monopoly on main domestic routes. However, Civil Aviation-director Japie Smit says implicit policy on air transport, enshrined in the 1949 Air Services Act, is no longer in line with government's current economic policy.

Also, a committee has been set up to oversee radical changes to airline industry MANDY JEAN WOODS reports on airline deregulation in SA

A new horizon for air travel

IMMINENT deregulation of the air travel industry has given rise to speculation whether or not the SA domestic market is big enough to accommodate a number of domestic carriers flying the same routes.

Van Wyk & Louw's Victor Prins, leader of the study group which investigated air transport policies in New Zealand, Australia,

Statistics for non-scheduled air services - 87/88

Number of operators	121
Number of flights	59 200
Aircraft hours	89 000
Aircraft kilometres	28,7 million
Number of passengers	532 200
Amount of freight	19 500 tons

Source VAN WYK & LOUW
Graphic FIONA KRISCH



AIRLINE DEREGULATION

tion is functioning successfully. We believe the circumstances in SA are not so different from those countries overseas."

The air services industry generated about R720m in revenue during 1987/88.

About 81% of this was generated by SAA, while scheduled air services generated about 85% of the total revenue.

SAA's contribution towards the revenue generated by scheduled air services was about 95%.

SAA is also the major employer in the industry, with 86% of all domestic airline industry staff being employed by it.

Pilots, flight engineers and flight instructors represent about 10% of the total employment number.

More than 100 000 passengers a year are carried on one of SAA's scheduled routes.

One of the principles of the new Air Services Act is that of equal treatment.

Prins said it would be up to the market to determine exactly how many carriers the domestic market would

be able to carry — not the National Transport Commission.

Industry sources say the money in a deregulated air transport industry lies in scheduled routes and freight services.

In the period 1987/88, 4,61-million passengers flew on domestic airlines of which 88% flew on scheduled routes.

While there were 19 operators licensed to operate scheduled routes to 120 centres, only 53 were regularly serviced in July 1988, he said.

Of the 120 centres, only four were linked to more than 12 destinations — Johannesburg — 29, Durban — 19, Cape Town — 16, and Lanseria Airport — 13.

"The majority of these links are poorly served. On average, there were two or less return flights per week offered on 19% of the links.

"Only the four major links offered more than 100 flights a week while the Johannesburg-Cape Town route offered the maximum number of flights — 184," he said.

Prins said 67% of all passengers (about 2,7-million) were carried on the four major links.

Interestingly, 77% of all passengers had an origin or destination in Johannesburg — 44% for Cape Town and 36% for Durban.

SA operators and 28 foreign airlines provide international scheduled air services between SA and 32 other countries.

At present, there are 20 air-service operators providing scheduled services within SA and 143 non-scheduled or charter operators.

There are 4 341 aircraft registered in the SA aircraft register.

SAA dominates the domestic market, ferrying about 96% of all domestic passengers. It also dominates the freight market.

In the period March 1987 to April 1988, more than 47 000 tons of freight were conveyed on scheduled air services. Of this 97% was conveyed by SAA.

But several small private airlines believe they can snatch some of SAA's passengers by offering an equal, if not better service.

Already Comair, Trek Air (trading as Luxavia) and Salmarine have applied to the National Transport Commission for licences to fly the four main routes previously operated solely by SAA.

Prins notes that the non-scheduled air services industry is dominated in all respects by one operator who is responsible for carrying about 60% of all passengers and 91% of all freight during 1987/88.

"This means the remaining operators carried an

average of 1 800 passengers and 15 tons of freight."

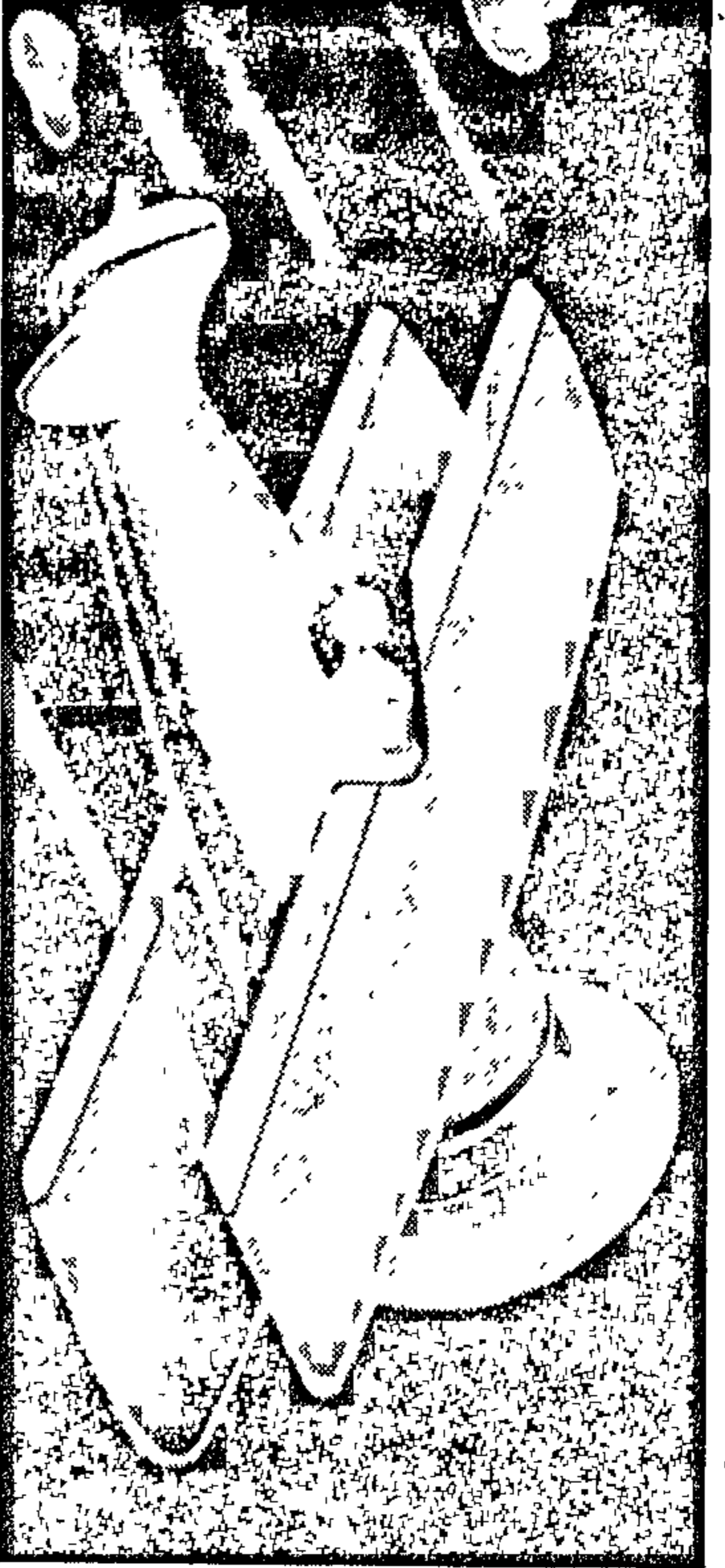
So do the views of proponents of de-regulation or those of the opponents prevail?

Prins notes that New Zealand, like SA, was dominated by one airline prior to deregulation in 1984.

"A second privately-owned airline entered the market in New Zealand after deregulation and captured about 35% of the market within a year after entry," he said.

According to Air Crew Operating and Recruitment Network (Acorn) MD Blake Flemington, only through the Acorn option will deregulation be viable and successful, ensure quality and safety to the travelling public and allow all airline operators to be able to survive profitably and grow naturally.

Flemington explaining what the Acorn option is says: "What we intend making available to the industry is a service comprising new, modern, medium-to-large fully crewed and fully-maintained aircraft to



2101

Air traffic personnel 'leaving the profession at an alarming rate'

A LACK of proper planning, vision and finance are the primary causes of SA's air traffic control (ATC) crisis, Department of Civil Aviation air traffic services chief Ken Edmunds says.

"SA has kept up with international ATC procedures throughout but unfortunately SA, like many countries around the world, has not kept up with ATC systems development."

Department of Transport director-general Ron Meyer says the ATC system in SA consists of only 123 posts and resignations therefore have a serious impact.

He said ATC's were "leaving the profession at an alarming rate" because they were being paid poor salaries in relation to the stress and responsibility of the job.

"It is also because they have inadequate career prospects," he said.

Edmunds noted that an efficient ATC system was costly both in manpower and equipment.

But Meyer said: "A new financial package has virtually halted resignations and recruitment brought about by financial improvement has resulted in an upsurge of appointments, particularly of personnel holding ATC licences with an aerodrome control validation."

Edmunds said: "To attract the suitable candidates it is imperative that a competitive salary is offered."

Competitive salaries were also necessary to keep experienced ATCs.

In March this year, Transport Minister Eli Louw announced ATCs had

been granted "large" increases "generous enough to entice former ATCs."

"Because of the ever-decreasing numbers of ATCs, the inability to replace these controllers fast enough and an ATC system which is unable to cope with the ever-increasing air traffic load, it is inevitable delays to flights will occur," he says.

He said ATC systems needed to be dynamic and cater for ever-increasing air traffic movements through a given airspace.

"But with the decrease in ATCs, fewer control sectors can be manned, leading to the overloading of the remaining sectors."

Therefore if insufficient staff is available, control sectors are closed or when the radar is unserviceable, the time between flights is increased," he said.

gating training methods both here and abroad, and have determined a timetable for setting up a central flying training establishment for training pilots and potential pilots from an initial stage to academic degree courses," he said.

There was a need for routine simulation, training, and Acorn had contacted simulation equipment manufacturers and maintenance organisations "with a view to making this essential type of training available to all," he said.

to the fore while formulating his proposals.

"Initial thoughts are that deregulation will centre around a form of fragmentation of the national airline, with all the present commuter and feeder airlines granted slices of the present SAA cake.

"SAA pilots believe that such a move, instead of being beneficial to the public, would lead to an overall decline in services. We do not believe that this is what is meant by de-regulation.

"We have been investi-

gating training methods both here and abroad, and have determined a timetable for setting up a central flying training establishment for training pilots and potential pilots from an initial stage to academic degree courses," he said.

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Employment in domestic air services industry March 1988

Pilots	520	414
Flight engineers	115	165
Flight instructors	62	62
Maintenance staff	528	2236
Others	1698	7869

Graphic FIONA KRISCH Source VAN WYK & LOUW



claimed, did not tell a lie

WHITES ONLY BUS 3 HELD

269
Sowetan
30/8/84

THREE members of the "Stand for the Truth" campaign who were arrested when they allegedly tried to board a whites-only bus on Monday afternoon will face charges of conspiracy to commit a crime, police said yesterday.

Colonel Victor Haynes of the police public relations division yesterday said the three men were due to appear in the Pretoria Regional court for staging "a campaign against a law."

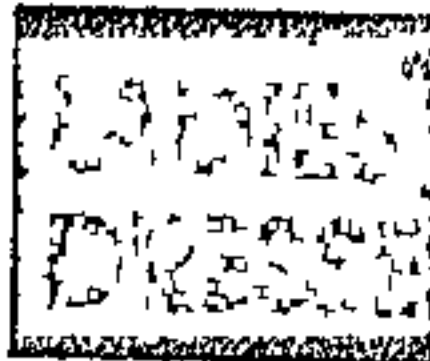
The Reverend Gideon Makhanya, a Pretoria Council of Churches field and reconciliation member, his colleague, Mr Sandy Lebese who is restricted, and Mr David Setsepa were arrested while allegedly trying to board whites-only buses in Pretoria.

Haynes said although the three were initially charged with conspiracy to commit a crime, he did not know if these charges would be altered when they appeared in court.

The three were due to appear in Court 14, according to a spokeswoman at the Pretoria Council of Churches offices.

An official at Court 14 however said the three were probably going to appear in court this morning

REDI



Panties.....

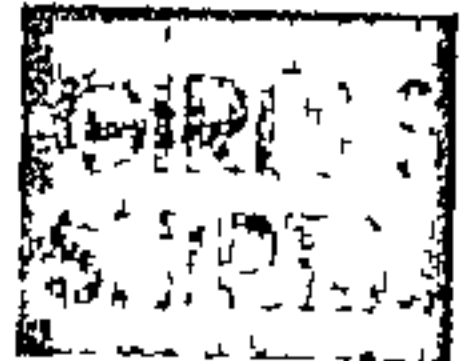
Scarves.....

T-shirts.....

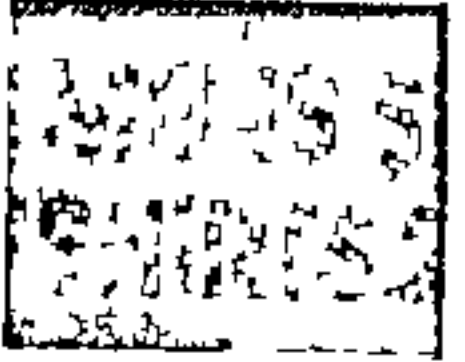
Sweat shirts

Pants.....

Skirts.....

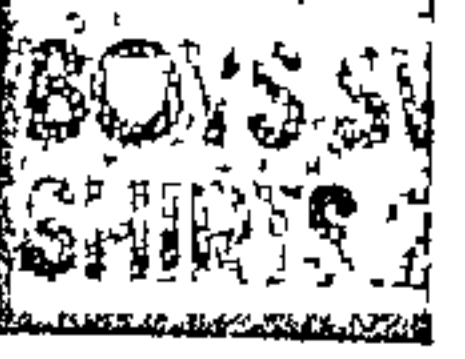


Skirts.....



Rugby Shirts

Trousers.....



Tracksuits.....

B1 Day 30/12/89

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AIRLINE DEREGULATION / 2

Govt policy is changing

A PROJECT to review the 1949 Air Services Act, which regulates the air transport market in SA, was initiated recently by the Department of Transport.

Civil Aviation director Japie Smit says this is because the implicit policy towards air transport, embedded in the Act, is no longer in line with government's current economic policy.

Smit says a committee has been set up to:

- Review SA's existing domestic air transport policy;
- Propose new principles of domestic air transport policy;
- Evaluate the effect of these principles on current government international air transport policy; and
- Draft a new Air Services Bill to embody these principles.

Transport Minister Eli Louw has indicated the draft Act will be ready by October.

The White Paper on deregulation concluded, regarding the applications of its goals.

- There should be full-

- Equal treatment of all participants in the market is ensured, and
- Public interest in terms of safety, trade practices and predatory pricing, are carefully monitored.

Based on these findings, four principles on which the new Air Services Act will be based have been identified by the committee.

The first principle is that detailed regulatory control over entry into the market — like frequencies, airfares and capacity — should be abandoned.

Monopoly formation or over-concentration should be prevented.

The second is all participants should be treated equally in terms of legislation, rules and opportunities.

Safety is the third principle.

The fourth principle, user participation, means users interests and views should be taken into account in all processes of deregulation both during any possible transitional period as well as in the new system.

It is also essential for the phase-in period to be kept as short as possible.

SAA's awaits its new A320 airbus (above) ... the delivery date is November 1991.

scale private-sector participation on all domestic routes.

Deregulation should enhance user choice, needs, satisfaction and should further effective and equitable competition.

Deregulation should precede or accompany privatisation of SAA, and

Air traffic control services and related navigational equipment, airports and auxiliary services could be privatised.

Overseas experience has

shown deregulated skies are beneficial to all.

Some factors regarding structural changes necessary to facilitate deregulation which are common between SA and several other countries with a similar industry are

- Services, such as airlines, airports and air traffic control services, previously operated by the State, have been "corporatised" (converted into statutory companies) with the degree of government influence and

The Department of Transport — or its equivalent in other countries — is responsible for setting and policing of standards

It is relieved of operations connected to any service — like air traffic control or airport supervision — to enable the department to assign blame or to penalise any guilty party, even if such a party is a government-related company,

rules for financial assistance clearly defined,

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Stale customs?

Jan Smuts airport is undergoing a facelift and, after a series of complaints, customs officials are trying to dust off their image too

Deputy commissioner for Customs & Excise Isak Coetzee says he views recent complaints about the dress and behaviour of customs officers at the airport in "a serious light."

Says Coetzee: "Following recent public complaints, I immediately went to Jan Smuts to address the staff on the necessity of acting in a proper fashion, in view of their high profile and the fact that they may embarrass SA

"We have fired officials in the past, and are adamant that the best standards must be continually applied"

The *FM* approached Coetzee for comment after a reader complained that, on a recent trip through Jan Smuts, "most of the customs officials were sloppily dressed in civilian clothes, including jeans, tennis shoes and tracksuit tops," and that "none of the officials made any attempt to be friendly or helpful."

Coetzee says customs officials "are supposed to be neat and tidy," but it was possible that new recruits were working that day and had not yet been issued with uniforms.

He stresses that while the staff is "properly trained," it has a tough job because it operates in the "difficult market" of human relations. People can get impatient and even

aggressive, he says "Our staff members are not always sophisticated people and can sometimes get upset under trying circumstances" He adds that government is examining whether to increase salaries and improve training to upgrade the staff

Coetzee says a staff of about 60 uniformed Customs & Excise officers comes into contact with passengers at Jan Smuts and their work is regularly monitored by senior staffers

Another concern for the department is that with the large amount of money charged in excise duties and penalties, customs officials may be offered bribes Over the past five years, the department has prosecuted three customs officials for taking bribes "The last case was about seven months ago and involved R2 000," Coetzee says

Customs officials collect just over R10m a year in excise and penalty receipts at Jan Smuts, roughly R60 000 per international arrival Coetzee says figures on how much it costs to staff the airport with customs officials are not available ■

1/9/89

Aspect of protest

After two weeks of crippled public transport and congested traffic, there is no clear indication of when the Durban municipal bus drivers' strike might end

In fact, some Durban Transport Management Board officials, who are involved in trying to negotiate a settlement, believe that the strike will continue until after the September 6 election, with little hope of any constructive dialogue before then

The high profile strike has had a marked effect on Durban, with more than 200 000 commuters having to make alternative arrangements to get into the city. One effect has been a marked increase in the number of private vehicles and taxis converging on the city, leading to massive snarl-ups and parking shortages.

This week, after a series of meetings with reconstructed offers being made to the close to 900 dismissed drivers, the board is now publicly accusing the drivers of using their 20% wage increase demand as an excuse for supporting the nation-wide defiance campaign. They are also questioning the sincerity of the forum of three unions representing the drivers who have been taking part in discussions.

In response, a shop steward says drivers regarded the board's accusations as "defamatory," adding that union members had made it clear at the beginning of the strike that their basic demand of a 20% increase was non-negotiable.

"We rejected their latest offer last Friday (a range of between 16,5% to 18,8% linked to employee's gradings) and are still waiting for their response to the 20% demand. It should be remembered that other municipal employees were awarded a 20% increase, and drivers want the same," he said.

On Tuesday, union representatives were also meeting with lawyers to consider their response to an Industrial Court hearing scheduled for Thursday. Most of the board employees (more than 400) are represented by Cosatu's Transport & General Workers' Union, with the balance evenly divided between the Durban Integrated Municipal Employees Society and the National Association of Municipal Transport Employees.

The board's general manager, Marshall Cuthbert, is recruiting new staff and taking on part-time drivers. He said little interest had been shown by dismissed drivers in re-applying for jobs. A skeleton fleet of about 20 Mynah buses, the smaller buses which service inner city areas, is running.

"This strike has been one of the saddest points of my career. More than 60% of my staff had over 15 years service with the board — that represents a lot of benefits they have

FINANCIAL MAIL SEPTEMBER 1 1989

lost "

11/9/89.
On the board's side, the strike has cost an estimated R2m, though this is off-set by savings in fuel costs and wages. ■

STimes 10/9/89

HOP IT!

SAA turns down cheeky Aussie appeal for planes and pilots

By ROGER MAKINGS

CHEEKY Australians have asked SAA to assist them during their pilots' strike — but the airline has "politely declined to fly their way".

The Queensland Government asked SAA to lease it Jumbo aircraft — and, especially, crews — to bail out travellers stranded during Australia's nationwide domestic airline pilots' strike.

And the Aussies hoped SAA would co-operate, although in the last two years they have:

- **BANNED** SAA from Australia and stopped Qantas, the national airline, from landing here, re-routing it to Harare instead;

- **SNATCHED** all the trade from the highly lucrative Johannesburg-Sydney route, but;

- **PLEADED** with SAA to increase its flights to Harare to connect with the extra flights Qantas planned over busy holiday seasons so that passengers could get to Johannesburg, and then;

- **REFUSED** SAA's counter-offer to meet flights in Mauritius — as this would have cut Qantas profits.

According to reports in the Australian capital of Canberra, the Queensland Government asked the South African Embassy to inquire whether SAA had any crews and aircraft it could lease.

The South African Ambassador to Australia, Mr David Tothill, said in an interview from Canberra yesterday that the Queensland Government had made an informal approach to him on Tuesday, inquiring whether SAA would be interested in leasing aircraft and crews to fill the vacuum left by the Australian pilots' strike.

"I referred the request to Pretoria who in turn passed it on to SAA. The airline replied that it was unable to assist as all aircraft and crews were spoken for.

"Queensland is the premier tourist destination in Australia and it is suffering more than other states. The Minister of Tourism in Queensland was merely sounding us out," he said.

He added that one could only speculate on the reaction of Mr Bob Hawke's Labour Government had SAA been in a position to assist.

The publication of the request has caused great embarrassment to the Queensland authorities, according to reports from Canberra.

Cope

Australia's domestic airlines have been paralysed since August 24, when 1 640 pilots went on strike demanding 29 percent pay increases. When these were refused, the pilots resigned en masse.

Since then, military aircraft have been called in to ease the situation, but they cannot cope.

A spokesman for the Australian Federation of Airline Pilots, Captain Glen Adamson, said that, although the AFAP had not heard of the approach to SA, it would be most unhappy with SAA pilots "breaking an industrial dispute".

Capt Adamson said: "The domestic airlines have been trying to recruit crews all over the world, without much success. Nobody seems keen on getting involved in an industrial dispute."

Soaring

The Australian Labour Government withdrew SAA's landing rights in 1987 and also stopped government-owned Qantas from flying to Johannesburg. Qantas then changed its southern African destination to Harare.

But, over the busy Christmas season of 1987, with soaring demand for tickets between the two countries, Qantas asked SAA to increase its weekly flights to Harare so that passengers would not have to make other arrangements to get to Johannesburg.

SAA did not have the aircraft to spare on the low-profit route, but offered Qantas a block booking of 150 seats on extra flights it had laid on to Mauritius over the Christmas period.

Shorter

This was turned down as, in effect, the Australian carrier would only be flying three-quarters of the way to Africa, losing the other 25 percent of profits to SAA.

The fact that this arrangement would be popular with passengers, as flights would be shorter and lengthy stopovers avoided, did not impress Qantas.

SAA has to fly its Australian-bound passengers via Hong Kong, Taipei or Singapore.



Dr Bart Grove . . . on the firing line, but he is not intimidated.

Grove takes on daunting task 269

When Dr Bart Grove becomes chairman of the South African Railway Commuter Corporation on April 1, he puts himself in the proverbial firing line. Huge losses in the commuter service, coupled with increased competition from the taxi industry makes his task daunting. He is, however, not intimidated. **PAULA FRAY** reports.

On April 1 next year, South African Transport Services will become a public company with the exception of the commuter train service, which will remain under the Minister of Transport. Until then, Dr Bart Grove, recently appointed by the Minister as chairman of the SA Railway Commuter Corporation, will act as an adviser.

His task seems daunting.

The commuter service has been making a nett loss of between R400 million to R500 million over the past few years. And it is facing increasing competition from buses and the fast-growing taxi service.

Apart from this, there is no structure for the corporation as yet. Dr Grove, who has a doctorate in economics, retired as general manager of Transport Services last year after 33 years with the railways. At 64, he sees his new job as a challenge and an opportunity to do something concrete.

His initial task will be to set up a structure and hire a limited number of staff. The corporation will not run the service; this will continue to be operated by Sats.

"We have one basic function — to ensure there is a proper and well-planned commuter service," said Dr Grove.

For this reason, initial research will be done on what commuters think of the service, what they want, and what can be done to meet their needs.

The commuter train services are centred mainly around Johannesburg and the Reef, Pretoria, Durban and Cape Town.

In Johannesburg and the surrounding areas, the main routes are from Johannesburg to Soweto, Germiston, Tembisa and Daveyton.

More than 50 percent of the commuter service is situated in and around Johannesburg. Dr Grove said 1,5 million commuter journeys were made daily throughout South Africa.

The change, he said, should not affect the commuter at all, except perhaps in improved efficiency and quality, without undue increases in fares.

Staff reduced

He is quick to add that the railways' efficiency has improved over the years.

"Over the past seven or eight years, the number of staff was reduced from about 279 000 workers to about 180 000 . . . with an increased volume of traffic."

Dr Grove said the demand for the commuter service was mainly during peak periods.

"For a number of years already, the Treasury has been paying a certain amount of compensation (for losses on commuter services)."

However, the nett loss for the past few years has been between R400 million and R500 million.

Will this mean a reduction in the number of trains?

"We will be very careful not to reduce the service level unless the patronage is very poor."

Dr Grove said he was not about to declare an all-out competition war on the taxi and bus services. "There is room for all of us. With the large volumes of commuters, one sector can't provide the service alone."

Dr Grove said he would want to increase the volume of train commuters as much as possible and, price-wise, he believed the train services will be able to compete with the private sector.

Although the losses could not be wiped out, Dr Grove aimed "to try and reduce them as far as possible without reducing the level of service."

S/Times

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17/9/89

Tourism lift-off as airways freed

Business Times Reporter
DEREGULATION of
the airways over South
Africa will bring economic
benefits from
tourism.

Forecast for late next
year, deregulation will free
the skies to charter flights,
bringing the cost of fares
down and boosting tourism

This prediction comes
from John Fryer, new chief
executive of Gundelfingers
Travel Group, which is under
the wing of listed United Service
Technologies (Uniserv)

Mr Fryer sees a lucrative
niche for his company in specialist
tourism

He says "For instance, we
could bring in a planeload of
people interested in visiting
Anglo-Boer War battlefields
— or we could attract steam-
train enthusiasts"

Gundelfingers — under
Uniserv an independent entity
for the first time — is concentrating
on improving and expanding
its business travel operations

Mr Fryer believes that
businesses could slash their

annual travel budgets by
planning. He claims that
through planning the cost of a
round-the-world trip could be
less than for a shorter direct
return flight to a destination

One sample alternative
itinerary shows that a customer
could take in stops in Tokyo,
Los Angeles, New York and
European destinations and save
R229 on an intended scheduled
return trip to Taipei

Perk

Many frequent business
travellers receive an annual
perk of being able to take a
spouse on a foreign trip. Mr
Fryer quotes a "special" offered
on the fare to Hong Kong-Taipei
as a sizeable saving to a company

A businessman and his
wife can upgrade to first class
at less than the cost of two
business-class tickets

"Two business-class tickets
cost R17 448. The first-class
special 'spouse' fare for two
costs R16 725 — a saving to
the company of R723"

He believes in the "industrialisation
of the retail travel

agency". Gundelfingers has
restructured its personnel to
solve the problem of "under-
travelled travel agents". It
also has consultants to attend
to specific travel needs

"In the past, the industry
has attempted to educate junior
and senior consultants to be
fundis on a broad base of
travel knowledge. That's not
working any more. Travel
educationals are a luxury —
they cannot be handed out
as freely or taken as easily on
junior salaries"

Gundelfingers — founded
50 years ago — now has five
offices and has introduced a
computerised travel accounting
system, which can provide
information reports to track
budgets by departments and
type of service

"The traditional approach —
mainly reactive in responding
to corporate customers' travel
requirements — will not be
good enough in future," says
Mr Fryer

"Our intention is to become
increasingly proactive in
understanding and meeting
customers' needs and to cut
unnecessary client expenditure"

Local content measures are a national disaster

Star 18/9/87. (269)

The Board of Trade and Industry's recent decision to enforce additional local content measures on heavy commercial vehicles, has put the road transport industry at risk of reduced safety and economic stagnation

This is the view of Phil Erasmus, chairman of the Road Freight Association (the newly renamed Public Carriers' Association)

Speaking at the organisation's AGM last week, he told members that the BTI's decision to include heavy commercials in Phase Six (a move from local content by mass to local content by value) "has placed considerable doubt on the prospects for future investment in the road transport industry."

"Obviously, neither the BTI nor the National Association of Automobile Manufacturers of SA (NAAMSA) has taken cognisance of the fact that the products produced under the now succeeded Phase Five programme are not economically viable in a motor carrier business.

"By further aggravating this situation with the introduction of Phase Six, NAAMSA members are jeopardising not only their future business opportunities but are, in fact, contributing to inflation and a deterioration in road safety as the ability and willingness to invest in new vehicles declines

"One thing is certain: our industry cannot continue to invest in vehicles which inflate in purchase price at the rate we have experienced since 1981 - an annual escalation of over 24 per cent"

Erasmus stressed that road transportation is not an earner of foreign exchange. It is rather "a strategic service industry" that provides a cost-effective logistics link for the country's exports

The RFA, he said, could not accept a policy that actually encouraged vehicle



While hauliers bemoan the fact that prices have risen on average 24 percent since 1981 SA Transport Services has ordered 170 truck-tractors worth R34 million from MAN. Scheduled for delivery by February next year, the order consists of 60 specially-developed 15.170's (for minicontainer cartage), 30 6x4 30.380 DFT units with double bunk sleeper cabs (shown in the photo) and 80 4x2 19.280 FT's for fast freight 20t container transportation. Looks like SATS is out for blood - if it takes every MAN it has.

manufacturers to increase prices to achieve a higher local content

Hauliers at the meeting were also told of the association's continued opposition to toll roads, although efforts to discuss privatised toll roads with Government had so far been "impossible or fruitless"

Erasmus sounded another warning about moves from Government to restructure SA Transport Services (SATS) without consulting the industry

"In recent months it has become quite obvious that Sats intends to increase its road transport involvement to improve the viability of its rail services. We must insist that Government adheres to the undertakings which were given that the road transport services of Sats will be privatised, and that expansion of the road transport section will not be allowed until privatisation has become a reality.

"Government cannot be seen to allow a monopoly which controls five modes of transport in South Africa."

Cross-border transport agreement in the bag

B/day 20/9/89

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SA, BOTSWANA, Lesotho and Swaziland have reached an agreement in which the countries will share the multi-million rand cross-border transport business previously dominated by SA

The business would be shared by means of quotas, Swaziland's Ministry of Works and Communications has announced. The agreement, signed last Thursday becomes effective next year.

Swaziland's Ministry of Works and Communications, acting principal secretary Gilbert Dhamini said yesterday the agreement was a breakthrough for the landlocked kingdom, as negotiations had started in 1970.

Before the new agreement, Swaziland could only transport goods to railheads on the SA border which deprived the country of valuable trade and transport business.

In terms of the new agreement, goods would be allowed to be transported further than SA railheads on SA's borders, said Dhamini. The new agreement also solved difficulties Swaziland had in obtaining transport permits from SA. From next year transporters in Swaziland could obtain permits from the

EDWARD WEST

Swazi Road Transportation Board.

The agreement, however, depended on the quality of transportation services from Swaziland. New staff, like qualified train operators, would be employed, and in some cases vehicle safety standards would be improved, he said.

The quota system would work equally for SA and its neighbours. SA would hold half the value of the cross-border transport permits while the neighbouring country involved would hold the other half, said Dhamini.

SA would also, in terms of the agreement, have to reimburse neighbouring countries with revenues to repair roads which suffered damage by heavy trucks in transit from SA.

Road Freight Association spokesman Hugh Sutherland said the effect of the agreement on private road hauliers would depend on whether the Road Transportation Board was prepared to issue permits to hauliers travelling into the countries concerned.

Sats could not be reached for comment.

Merger forms commuter airline

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Star 20/9/89

By Norman Chandler
Pretoria Bureau

The groundwork is being laid for the take-off of the country's biggest private commuter airline following the merger of Magnum Airlines, Citi Air and Border Air.

The partners have not yet divulged the new name for their airline.

In what is believed to be the first move, Magnum — on its own account — has applied to the National Transport Commission for new cargo tariff rates on various routes.

The new tariffs would cover, according to the latest *Government Gazette*, routes from Johannesburg to Nelspruit, Newcastle, Vryheid, Ladysmith, Pietersburg, Welkom and Bloemfontein, from Durban to Nelspruit and Matsapa (Swaziland), Welkom to Bloemfontein, and Newcastle to Ladysmith.

Magnum is asking for a minimum of R2/kg on cargo charges, with a minimum of R17

The three airlines are expected to merge or rationalise a number of routes which they fly on an individual basis at present. Many of the routes link small towns with major airports served by South African Airways.

A key factor in the airline's operations will be that it has landing rights at Jan Smuts Airport, Durban's Louis Botha Airport, and the Ben Schoeman Airport at East London.

It is believed in aviation circles that the new airline will introduce Durban to Port Elizabeth flights via Umtata and East London, and compete against National Airlines and Comair on routes between Johannesburg, the Natal coast and the Free State/northern Cape.

● Also in the *Government Gazette*, National Airlines — not involved in the merger negotiations — has applied for licences to be renewed for their Johannesburg (Lanseria)-Kimberley services, as well as Bloemfontein-Durban, and Uppington-Kimberley-Bloemfontein routes. It plans several services each day.

SAA voted the best!

By ROGER MAKINGS

SAA has been voted the "Best Carrier to Africa" by the London-based Executive Travel magazine (269)

The award was presented to SAA's manager for Britain and Ireland at a banquet held at the Grovenor Hotel in London this week.

Executive Travel's readers, mainly businessmen, voted SAA as the top carrier flying into Africa

British Airways and the Dutch airline KLM took second and third spots.

This is the second consecutive year SAA has won the award

Onslaught

AT least 17 people were killed and 38 injured when Mujahideen rebels unleashed the most ferocious attack in weeks on the Afghan capital of Kabul.

S/Times 24/9/89

SAA lays on direct

By ROGER MAKINGS

SOUTH AFRICAN Muslims, plagued by difficulties in getting to Saudi Arabia for religious festivals, can relax — SAA has organised direct flights for them from Johannesburg to Jeddah

The airline has chartered a Boeing 747 from "a third party" which will overfly Africa to the Arab kingdom.

SAA spokesman Leon Els said yesterday that for the Umrah festival, SAA would organise 11 flights, from December 4 to January 22 next year, which will carry about 2 035 pilgrims from Johannesburg to Jeddah

"There will no longer be visa problems, long waits in airport terminals, lost baggage or connections with other airlines. Flights originate here and end in Jeddah without any stops.

"Visas will be issued to pilgrims on arrival and not at interim points as was the case in the past."

charter flights to Mecca

He said SAA had long sympathised with the Muslims whose problems in getting to Jeddah in time for festivals were legendary

The charters, which will cater only for Muslims travelling to Jeddah, would continue throughout the year enabling pilgrims to attend all major festivals

"Essentially we have accepted responsibility for meeting the religious travel requirements of SA Muslims and have provided the shortest direct route to their destination," he said

The charter airline would only be flying the aircraft, with SAA doing all the administrative work and preparation.

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SAA's regional cargo up 28%

b1 Day 26/9/89
REGIONAL traffic carried by SAA between SA and neighbouring countries was up by 28% this year, according to CE Gert van der Veer

The reason was the marked increase in regional trade. He said SAA flew to Lubumbashi in south Zaire once a week, and that since SAA had been granted landing rights in Abidjan two years ago, other opportunities were opening up even further north.

On co-operation and development in the region, Van der Veer said "We work with all our neighbours on just two preconditions — that anything we do is economically feasible and that both parties must benefit — otherwise the co-operation would not last.

"This is the only way to build a solid foundation for

the future. Africa is realising that it has to stand together. South Africa is the potential powerhouse for Africa. We are part of it, we can deliver the right products for the environment, reliably, and efficiently.

"With the easing of political relationships there are benefits to trade. Airlines are closely linked to trade, and SAA looks at the southern African continent as its market. The countries of the region may be competing with one another to some extent but by increasing traffic we all develop in the same way as Europe does.

"Look at the beauty of our combined tourist attractions such as Victoria Falls, and Botswana's game parks. We are happy to assist the airlines of our neighbouring countries

with equipment, maintenance and manpower because if we increase their capacities, we increase the market."

SAA, as Africa's largest airline, provided services for many international airlines with maintenance, spares and training.

The airline had a high degree of self-sufficiency (98%) in conducting its own maintenance. It had 3 500 maintenance staff at Jan Smuts Airport and about the only thing it didn't do was turbine blade reconditioning, which was only done in two places in the world.

He said SAA had turned that situation to our advantage. The airline did maintenance for many international airlines serving this route — among them Lufthansa, which allowed

only five airlines around the world to work on its aircraft. SAA provided this service to all European airlines serving Jan Smuts.

"We also provide training to many foreign airlines such as British Airways and El Al because we have flight simulators for almost all types of aircraft."

SAA travelled to Nairobi and Mauritius to service foreign airlines. In addition, it provided services for "almost all countries in southern Africa but at present, only occasionally for Zambia and Zimbabwe."

It had conducted all aircraft engine maintenance for Mocambique since the seventies, and given assistance in the BLS countries and in Malawi, he added.

Transport — no quick solutions

12/Day 26/9/89

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SA ports and transport routes are vital to southern Africa. But SA assistance in management training and rehabilitation of "natural" transport routes will stimulate regional trade

Since major disruptions to Southern African transport routes began during the sixties with political upheaval, a mass exodus of skilled labour and management and economic problems, the rate of regional progress has been one step forward and two steps back

Transport and communications is one of 11 areas targeted for inter-regional co-operation by the countries which formed the SADCC (Southern African Development Co-ordination Conference) in 1980

The organisation's transport commission in 1988 listed 192 projects valued at US\$4.3bn, of which just 39% were funded and in line for implementation

The main regional rail transport routes towards the most potentially viable ports include the Benguela rail line linking Angola and Zaïre, the Tazara line, completed with Chinese funding and manpower in 1975 which links Lusaka with Dar es Salaam in Tanzania, the Nacala line, important to both Zimbabwe and Malawi,

and one of the most important routes, the Berra Corridor, linking SA, Zimbabwe and Mozambique through the port of Berra

There is also the direct line between Maputo and Zimbabwe through Chitucua

lacuala, known as the Limpopo line

But this is no Cape to Cairo route. According to Tom Kennedy, a transport economist and author of a study on the region, the SA to Maputo line suffers in-surgency attacks.

The Beira Corridor — one of the SADCC's most successful projects — functions only during daylight

The Nacala line is virtually closed because of recurrent attacks which include removal of track

The Maputo to Chitucuala line has for most of the past two years been closed to through traffic for security reasons — the same problem that has consistently blighted rehabilitation programmes

Dar es Salaam suffers operational inefficiency, a lack of handling equipment and weak port supervision resulting in a great deal of pilferage, particularly theft of and damage to imports

It has earned a reputation as a port that can move exports reasonably well, but to be avoided for handling valuable imports

The Tazara rail line is single track, and operates an average of 3.5 freight trains and one passenger train a day

Tanzanian sources say the road system is crumbling, in some cases cutting off parts of the country during the production season resulting in crop pile-ups and spoilage

South African transport routes and harbours are undoubtedly the most efficient and serviceable in the southern African region

Of 14 ports in the region, seven of them are located in South Africa and Namibia

According to Kennedy, "If the SA border was to close to Malawi, the country would run out of fuel in two weeks and out of bread within three

The economy would come to a virtual standstill"

The heart of Zaïre's economy is the movement of copper and other minerals out of Shaba province in the south-east to ports for export

The choice of transport routes is either the all-rail route to SA ports of East London or Durban, or to the port at Matadi on the west coast, which involves rail, river and rail again

The difference in time is as long as two-and-a-half months via Matadi compared to two-to-three weeks via SA

Zambia, like Malawi and Botswana, is a landlocked country and depends on sea routes that go through neighbouring countries

Zambian railways, desperate for locomotives, spares and track repairs, has been described as "suicide track"

It is this level of disaster, and security risks, that have forced southern African countries, including the Frontline states, to use SA's ports and routes — notwithstanding political embarrassment

Zimbabwe continues to attempt to avoid using SA routes at a cost of millions

And despite these efforts, the country is still very much dependent on SA routes

From 1986 to 1987, 77% of its railed imports and 64% of exports went via SA

It has succeeded to reduce its goods traffic via SA by only 4%

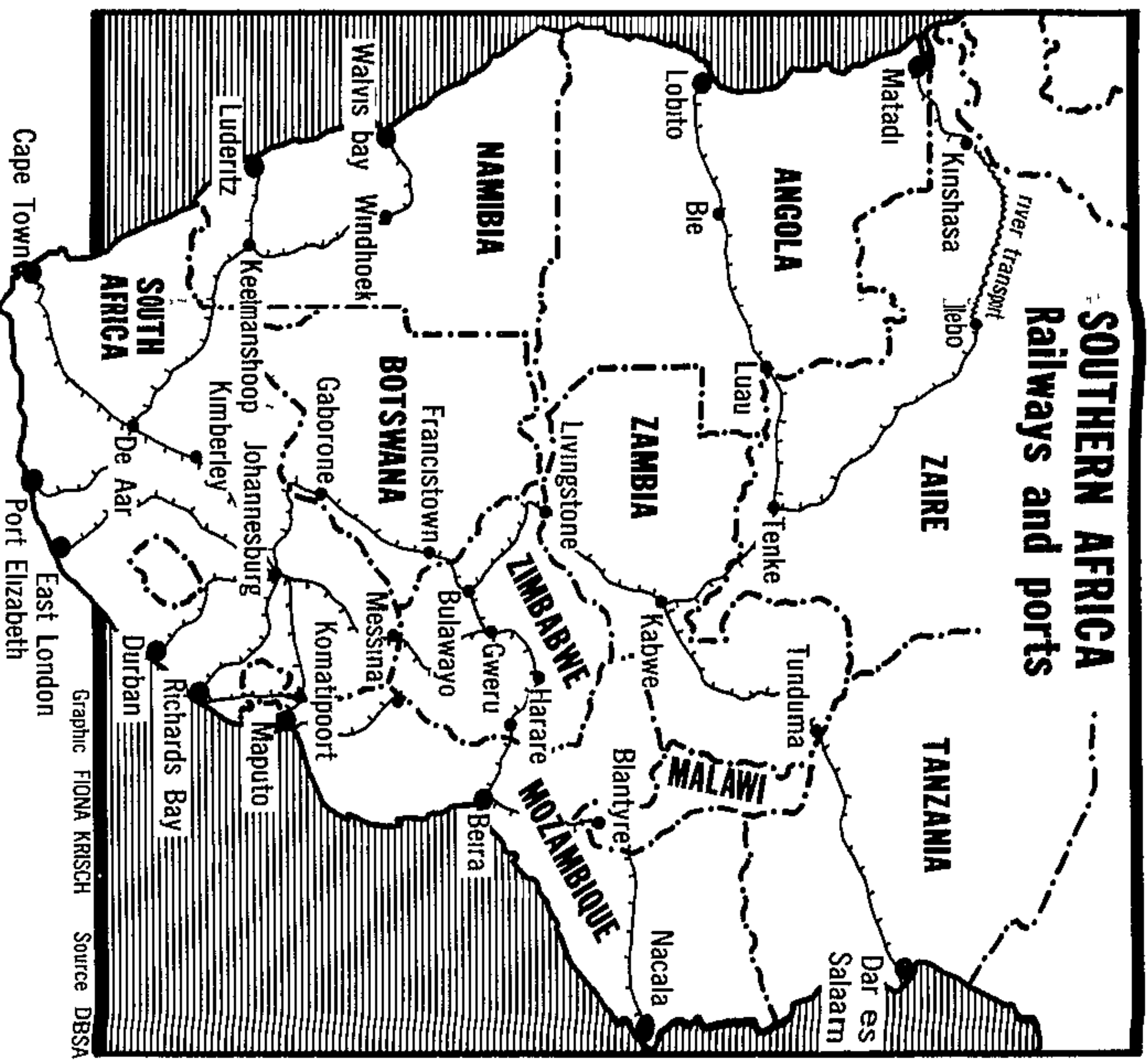
More than half of National Zimbabwean Railways locomotives are out of commission, replaced by SA Transport Services locomotives on a loan that includes maintenance

The degree to which the region depends on SA resources — not only on transport routes but on transport equipment and maintenance — makes news abroad

Describing central and southern African countries as "hostages of their geographic position", French magazine *Jeune Afrique* made "revelations" in February of SA goods easily available all over Africa — "from Dakar to Brazzaville, Lome or Lagos"

The February 1989 article wrote of SA goods camouflaged as products of the BLS countries (Botswana, Lesotho, Swaziland) or labelled of "unknown origin", of incognito Boeings with tell-tale "Maak vas

SOUTHERN AFRICA Railways and ports



you sitplekgorde!" signs on the interior, of similarly incognito passenger rail coaches with tell-tale Protea patterns on interior upholstery

Is the picture one of a dependence dangerous to southern Africa as the SADCC seems to believe? SA transport officials and private enterprise eager to build markets for their products to the north are fully supportive of greater self-sufficiency for Frontline states

The impact of a viable and reliable transport and communications network for the region would certainly benefit all players.

Kennedy asks the question, can rehabilitation be successful? His study, published by the SA Institute of International Affairs in November 1988, answered positively

Since then, with growing support for a cessation of hostilities in Mozambique and Angola, the likelihood of success is even greater

Can a viable transport network for southern Africa displace dependency on SA? Kennedy says no

"Southern African countries have only one long-term solution — additional technical assistance for both road and rail, possibly from SA transport experts

These countries must develop an action plan to address their own transport problems before the financial burden of doing so becomes any more onerous"

Kennedy notes that foreign and programmes have often been of only short term help as equipment is provided but no maintenance or management skills and no infrastructure is developed

Recognising this, the World Bank now insists that a properly designed and implemented maintenance programme exists before granting additional funds for equipment

Kennedy also draws attention to the fact that not a single SADCC project is specifically directed towards the training of management staff

Colonial powers may have failed to leave a legacy of skills, but the problem has not been redressed in subsequent improvement programmes

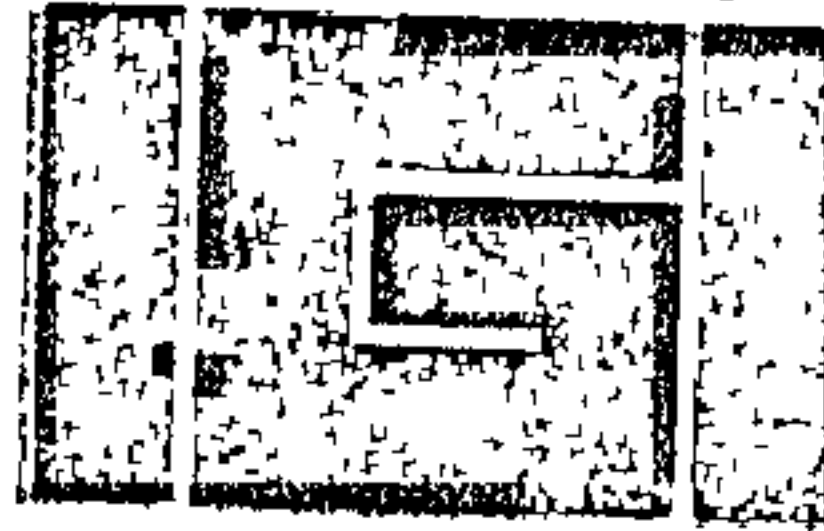
"If true co-operation is ever to be achieved, governments must look beyond their own self-interest

The region's resources are limited — if each country jealously guards its own, no development will be possible," Kennedy added

Action plan

Since then, with growing support for a cessation of hostilities in Mozambique and Angola, the likelihood of success is even greater

Can a viable transport network for southern Africa displace dependency on SA? Kennedy says no



Insurance

Now you're talking

Road transport permits to be scrapped

BIDAY 26/9/89

DEREGULATION of road transport will be finalised early in 1991 when regulations scrapping the permit system come into effect, effectively allowing free entry into the road transport market

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The deregulation will precede the introduction of Road Transport Quality Systems (RTQS), designed to replace the permit system which has irked private transporters for a decade due to the alleged manipulation of permits by Sats

Leader of the Inplan team — a consortium of consultants working for the Department of Transport (DoT) planning deregulation legislation — Hennie van

EDWARD WEST

Tonder, said last night RTQS would finally allow free entry into the road transport market

RTQS is a system based on the quality of the transport service and will replace the commodity based permit system

RTQS will entail laws that regulate aspects of the industry such as professionally trained drivers and overloaded vehicles

Formerly, transport permits had to be fought for by the private parties and were only issued where Sats did not have an alternative service

The structuring of a new information system called the National Traffic Information System to implement RTQS is expected to begin by August 1990, said van Tonder. This entailed development of an information system replacing the outdated systems of the four provinces

A senior Sats official recommended the DoT implement the legislation according to the recommendations of the National Transport Policy Studies group as he believed the DoT did not have the manpower to staff the weighing bridges necessary to

To Page 2

Road transport

enforce RTQS

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The weight control stations, necessary to police vehicle loads, will be constructed on routes around major centres in SA. The preliminary designs for these structures have already been completed, van Tonder said

The Road Freight Association's Hugh Sutherland (formerly the Public Carriers Association), said private carriers were experiencing fleet growth problems because of shortened planning horizons

BIDAY 26/9/89

From Page 1

This was due to confusion and uncertainty concerning Sats' deregulation. They were initially told RTQS would be in place by January 1990. Now they recently heard RTQS would only be in place a year later.

Sutherland described the delays in implementing RTQS as a smokescreen enabling Sats to throw away tariff books and undercut market prices giving Sats time to gain market share as it moved towards commercialisation

Challenges for SA with single European market

LESLEY LAMBERT

27/9/89

CAPE TOWN — To succeed in a single European market after 1992, SA exporters would have to control the delivered price of their products by arranging their own transport rather than shipping on an fob (free on board) basis.

This was the advice of new Safmarine MD Tony Farr, given to delegates at an Exports and Europe 1992 conference here organised by the SA Federated Chamber of Industries in conjunction with Barlow Rand and Deloitte, Haskins & Sells.

He said changes in the distribution patterns within Europe and the services provided by transport operators, together with a more competitive marketplace, made it vital for shippers to control the delivered price of their products.

"Too many SA exporters ship on an fob basis, leaving the European importer to control up to 25% of the final delivered price of his product."

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Global

A first step in this direction would be for SA exporters to change their selling terms from fob to cif (cost of insurance and freight) where they negotiated their own transport.

Farr told delegates the ability of SA shipping and transport companies to compete in Europe after 1992 would depend on their being able to remain abreast of current global developments and trends.

Farr said the major SA transport operators would undoubtedly base their future strategies on the provision of a total logistics service to their customers.

An important trend, linked to the development of logistics services, was the increasing use of information technology, he said.

Bus shake-up planned after desegregation

b/day 28/9/89

A MAJOR revamp of Johannesburg's transport system will get under way following the council's decision to desegregate all the city's facilities.

Applications by the Johannesburg City Council to carry black passengers and by Putco to carry white passengers have been lodged with the Transportation Board

Transport Department director Ed Curtis said the applications would be heard simultaneously within six to eight weeks. Johannesburg's application went to the Board last week, he said

Putco applied in June to the Transportation Board for permits to carry white passengers in the Witwatersrand on 2055 "black" buses

While the desegregation of the municipal bus service would cut costs, it was doubted whether the move would stop the buses running at a loss.

© Comment: Page 12

The municipal bus service ran at a loss of R21m in the 1987/88 financial year and was expected to lose up to R28m this financial year, Curtis said

Putco director Vic Coetsee said objections to the company's June application were received from the Johannesburg City Council as well as from other councils on the Witwatersrand

However, Putco was in negotiation with the council's Transport Department and he was sure a compromise would be reached. Putco could oppose the council's application

There could be an overlap and competition between the two bus services along common routes. However, it was in the pipeline that the Central Witwatersrand RSC would take full responsibility for

EDYTH BULBRING

transport services, Coetsee said

It would therefore not be economically viable for the RSC to subsidise two competing bus services, and routes would be put out to tender.

At present, the Johannesburg City Council subsidised the municipal bus service while Putco was subsidised by central government

Curtis said a survey conducted this year showed that 4% of all daily passengers on white buses were black. This occurred at the discretion of individual bus drivers. However, once permits were granted bus drivers could not refuse to carry black passengers and would be disciplined if this occurred

Curtis expected that desegregated buses would run more economically, as improved bus loads would be achieved with members of both races being carried in both directions

It was possible that routes would have to be changed to accommodate the requirements of all passengers.

Another cost-saver would be the closure of the black depot in Fordsburg and a relocation of buses to the new multiracial depot in Milner Park

Standardised seats would have to be put into some of the black buses, while the department would have to look at extending season tickets to black passengers, Curtis said.

Racial bus stops would come down after the permits had been granted by the board, and all races would have the same facilities, for instance benches and bus shelters

Curtis said he believed the municipal service would win black custom from

□ To Page 2

Shake-up

b/day 28/9/89

Putco and the combi taxis, while losing white passengers in the initial period

Violent reaction from white passengers in conservative areas could occur, but this would be closely monitored. Any abuses of passengers would be dealt with by the law

Curtis did not expect any problems with the permit application to the Transportation Board. Any objection would come from Putco, he said

He did not know how the streamlining of the service would affect bus fares, which

went up 20% in July

There were, however, 11 black routes which had operated at 60% of the white bus fare and this would be retained

Putco GM, operations, Mike Oldham said there would be fairer competition between the bus services if Putco's permits were granted. The desegregation of the municipal bus service meant there would be three-way competition between the municipal bus service, Putco and the combi taxis, especially in the afternoon

□ From Page 1



Waiting for the bus . . . and for desegregation. Johannesburg officially abolished petty apartheid this week, but the city's bus service will be opened to all races only in about eight weeks, once permits have been granted by the Local Road Transportation Board. See Page 3.

Star 28/9/89.

● Picture by Ken Oosterbroek.

(269)

Ex-SAA jet banned in Australia

STW
29/9/89
The Star's
Foreign News Service

A former South African Airways jet is at the centre of a row in the long-running Australian pilots' dispute.

The jet, a relatively new Boeing 707-300, is now owned by the Irish Company, Omega, and was chartered by Australian Airlines.

It arrived with a British crew early this week to join other chartered aircraft from the United States, Canada, Poland and Brunei in providing a skeleton air service following the resignation of all the country's pilots.

However, the airline's maintenance check found a crack in the drag strut of the main landing gear and it was banned.

The federal government's Civil Aviation Authority will now inspect the aircraft to determine whether it meets Australian regulations.

If not, it will return to Ireland.

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'Generally, whites accept move'

Racial friction not expected on buses

By Shirley Woodgate,
Municipal Reporter

The scrapping of bus apartheid in Johannesburg would not result in massive overcrowding of white buses or racial friction, said Transport Department director Mr Eddie Curtis.

The main reason was economic, determined by the differentiated racial tariff, which would be retained on more heavily loaded vehicles for several years after the service was desegregated, he said.

At present, passengers on buses reserved for blacks, coloureds and Asians paid less than those using the white, coloured and Asian service.

In cash terms this meant a "black" Zone 2 trip paid for by coupon cost 58c compared with 90c on a "white" bus. The daily cash fare was 90c for blacks and R1.40 for whites.

"Racial bus stops may be replaced by common stopping points, but although routes for the different races are basically

the same, destination points will still have to differ to accommodate passengers' needs.

"For instance, the black and white Bellevue East routes are identical but, in the city, black passengers alight mainly at Park Station and Bree Street terminus and whites at Vanderbijl Square," Mr Curtis said.

He said special steps would be taken to minimise racial friction in certain areas.

"A survey of the 'white' service shows that 6 000 or 4,3 percent of the total daily passenger load of 135 000 is already black, occurring mainly in areas without a black bus service.

"This situation has built up over the last four years and although there have been isolated complaints and incidents, whites have generally accepted it."

Mr Curtis warned it was unlikely that desegregation would make a major dent in the massive losses incurred by the transport service. This year's loss was expected to be in the region of R28 million.

"Although 75 percent of the fleet stands idle in the depots at off-peak times, it would be uneconomic to buy midi-buses for these periods since it merely means acquiring even more vehicles. This has to be weighed against the fact that 53 percent of the costs of running a bus is the driver," Mr Curtis said.

The main advantage after the service was fully integrated was an increase in fare income as buses would carry good loads on inward and outward legs of trips. There would be a saving when only a single group of buses was used after the Passenger Transport Bill was enacted.

Blacks would then have to pay the higher rate and the present cheaper "black" service using more heavily loaded vehicles would be phased out.

All existing black buses would be housed and serviced at the new Milner Park depot when it was completed next year and savings would be effected by closing the present black depot.

Call for 'fare play' on Jo'burg buses

STAR 3/10/89
Municipal Reporter

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Plans by the Johannesburg City Council to desegregate buses amounts to nothing less than a "con job" if the two-tier tariff system is retained, says Democratic Party chief whip Mr Paul Asherson

Reacting to transport chief Mr Eddie Curtis's claim that the differentiated fares for "black" and "white" buses would remain in force at least for a few years, Mr Asherson said yesterday that if bus apartheid was to be scrapped, there had to be "one system, one fare for all passengers".

"In the past, the whites have paid the higher fare for the privilege of living off apartheid — now all must pay the same.

"If it means obtaining the same subsidies from the Government that Putco now enjoys, then we must claim the same subsidies," he said.

Mr Curtis said passengers on the "black" buses paid about 40 percent less than commuters on the white service. After the two services were combined, passengers who now used the less comfortable, more heavily loaded and lower-tariff buses should be allowed temporarily to continue paying less, otherwise they would experience considerable hardship.

Mr Asherson said the Transport Department had to become more business-oriented. "They must look at getting smaller, more efficient and faster buses.

"What we need now is men of vision who can upgrade the whole transport system and get the people out of their cars and into the buses."

Putco spokesman Mr Vic Coetzee said he did not expect serious problems for his service after Johannesburg desegregated its buses, as the demand for public transport was enormous and growing

This was particularly noticeable among black commuters, with recent statistics indicating that up to 180 families were being resettled on the East and West Rand every week.

"We applied in July to open our service and at that stage Johannesburg put in an objection, but since they have applied we have been talking and we do not expect any further objections.

"Where we have routes in common with Johannesburg, for instance along Louis Botha Avenue, it will boil down to price and quality of service. At this stage our black prices are cheaper."

5712 3/10/89 269 Commuters see multiracial buses as mere formality

By Jovial Rantao

The Johannesburg Transport Department (JTD) application to be made in two months' time for official permission to allow its buses to carry people of all races is regarded by many commuters as a mere formality.

This emerged from discussions with black and white commuters who travel on Johannesburg's whites-only buses. A great number of buses had been mixed for some time now, they said. One passenger said that besides not being worried about sharing buses with people of other races, the JTD should also look at the favourable financial considerations of a fully multiracial service.

Reporters from The Star found on bus rides on four routes that commuters appeared to be prepared for a multiracial service after the Johannesburg City Council decision last week

officially to abolish apartheid in swimming pools, recreation centres and buses.

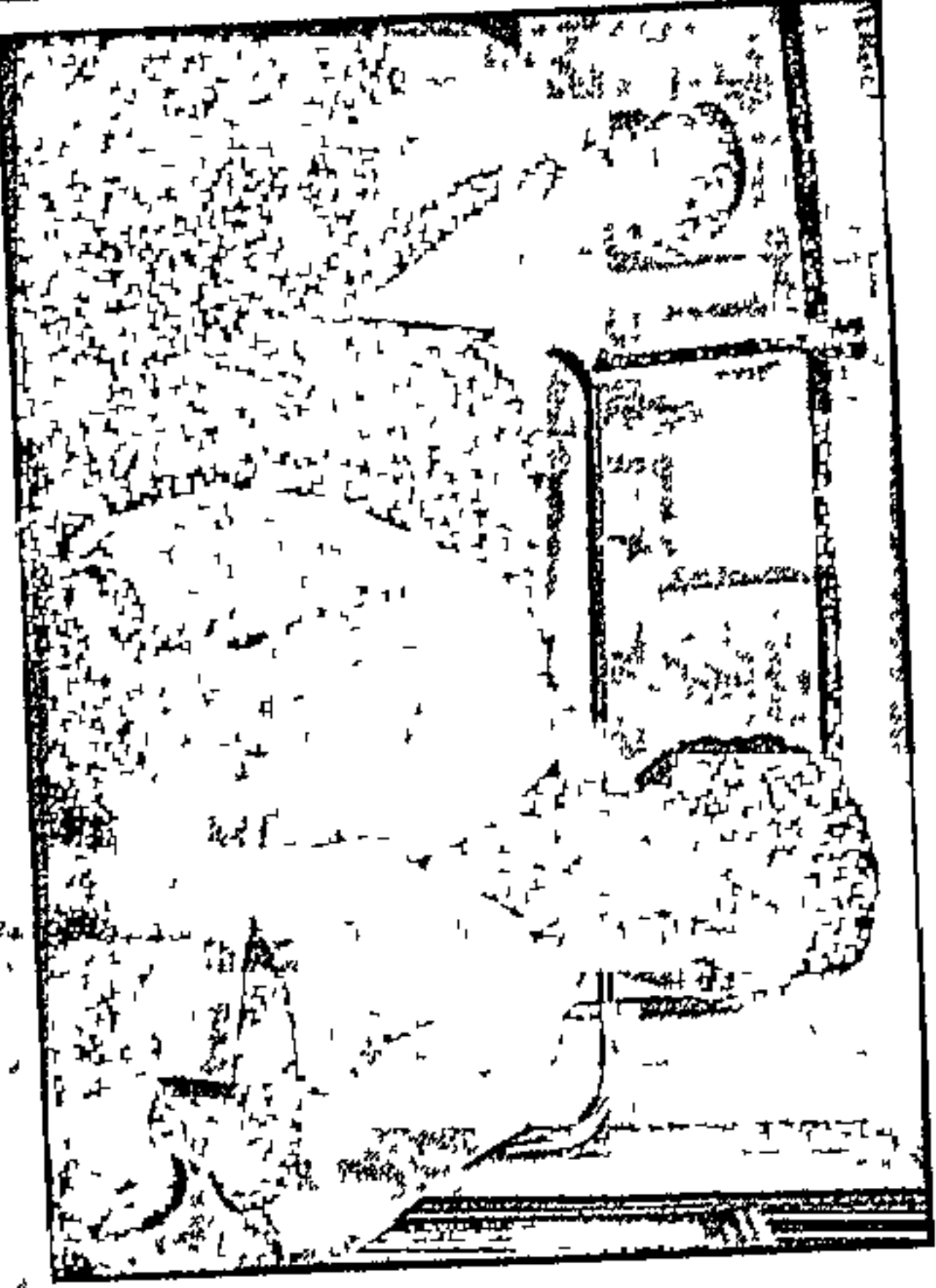
Mr Steven Lee (30), who works for an auditing company, said the move was overdue. "We pay the same fare, go in the same direction and maybe to a common destination. So why not go together?" he said.

Miss Maria Penaar of Craighall Park said "I don't mind at all. I think it also means that we will have a cheaper and better service."

Mrs Joyce Cohen, who rode in the same bus as Ms Penaar, was against the move. "It is ridiculous. You (blacks) have your own bus service. Why doesn't the council upgrade buses for black people and let them enjoy them and not share with us," she said.

Said a Johannesburg man who refused to be named: "It doesn't matter who sits next to me, as long as they mind their own business."

● See Page 2.



Trying it out... reporter Jovial Rantao rides on a Johannesburg Transport Department bus.

Public's needs to be studied

A BROAD study into the public transport needs of the central Witwatersrand area has been commissioned by the Department of Transport and is due to be completed by the end of March 1991

The study is being undertaken by Masstran, a consortium formed by four engineering firms - Keeve Steyn Inc, Scott and de Waal Inc, Stanway Edwards Associates Inc and Watermeyer Legge Piesold and Uhlmann

Full details of the study will be released at the end of October.

Masstran's Bob Stanway says "All aspects of land use and transport planning are being taken into account

"Special attention is being given to the financial, economic, environmental and social impacts of the transport systems that will be studied.

"Masstran will seek pro-active involvement by interested groups such as commerce and industry, property owners, concerned parties and the general public"

CHARLOTTE MATHEWS

The study will focus on the Johannesburg area between Lenasia in the south, Midrand in the north, Krugersdorp in the west and Germiston in the east.

The consortium will do its coarse level planning to 1995, but the actual design year, taking into account population growth and employment levels, is targeted at 2005

Although the study is due to be released in 1991, Stanway said the time period for the implementation of the scheme would depend on the extent to which new infrastructural development was needed.

If existing systems were used - such as the upgrading of the present bus system - the plan could be implemented sooner

Stanway said the project would be carried out on the basis of free and open communication with all interested groups to avoid the ill-feeling that sometimes occurred on major development projects.

Unilateral bid for peace in Natal

THE UDF/Cosatu alliance is to go ahead with the Natal peace process whether Inkatha takes part in talks or not.

The alliance told a Press conference in Johannesburg yesterday that it believed KwaZulu Chief Minister and Inkatha president Chief Mangosuthu Buthelezi wanted to use the peace talks to establish a national political position

UDF acting publicity secretary Murphy Morobe said Buthelezi and the Inkatha Central Committee had repeatedly scuttled talks between the delegations of the alliance and Inkatha

Morobe said Inkatha Central Committee had placed a moratorium on talks between Inkatha and the alliance "This has jeopardised existing local initiatives at peace in certain areas even more disturbing is that very serious new areas of violence have opened up Any peace initiatives to solve these problems are blocked by the Inkatha Central Committee decision. Meanwhile, the deaths and injuries escalate once again," he said

The Natal death toll in the last two years

THEO RAWANA

has been estimated at 2 000.

"Cosatu and the UDF believe that now, more than ever, a peace process must continue We are therefore deeply concerned at the latest position adopted by the Inkatha Central Committee on the peace process and the proposed meeting between Cosatu, the UDF, the ANC and Inkatha.

Asked how they hoped to continue peace talks if Inkatha was not included, Numsa education officer Alec Irwin said church, employer, labour and other organisations would take part

Morobe said Inkatha had scuttled previous agreements by not adhering to signed documents, insisting that matters other than the Maritzburg violence being discussed, by taking no action against offenders and raising various objections.

No comment could be obtained from Buthelezi's office at the time of going to Press

Financially... and

Financially...

72 robbed on SATS property

Commuters tell of gang terror on trains

Staff Reporters
At least 72 people were robbed on South African Transport Services (SATS) property during the past two months, and commuters have warned that the unofficial figure is much higher.

Police said that during the same period they received reports of one murder, four rapes and nine thefts, but cautioned that the figures must be seen alongside the fact that SATS had transported an estimated 20 million people during the same period.

One must take into consideration the number of people they (SATS) transport, police said.

A spokeswoman for the Heidelberg Residents' Association disputed the figures, saying there were many more cases. But she said she realised that many attacks are never reported.

At the moment we are working on a project on gangsterism which will include attacks on trains. We need people to come forward and give us details so that we can compile some sort of record, she said.

Police said their Mobile Unit, which travels on the trains and patrols SATS property, arrested 14 people for robbery, one for murder and one for rape during the past two months.

The unit, which is based at Cape Town station, uses uniformed and plainclothes policemen to patrol SATS property and police refused to disclose the size of the unit, saying the unit was deployed where problems were encountered.

Police said there were "no major problem areas" and that reported crime was spread throughout the Peninsula.

Commuters interviewed by the Cape Times blamed a lot of attacks on gangs which travelled on the trains.

Last Wednesday two 17-year-old youths claimed they narrowly escaped injury after being threatened by knife-wielding thugs while travelling in a third class coach near Kalk Bay.

Milos Mazalek of Kenilworth and Ashley McKenzie of Gardens said they managed to elude their assailants — and help a young boy and an elderly woman to safety — after being surrounded.

Milos said they had spent Wednesday at Fish Hoek and did not have enough money for a first class ticket home.

"We got on a third class coach and at Kalk Bay a gangster jumped onto the train and immediately broke a bottle to make a weapon of the bottle neck.

PATROLLING THE TRAINS. A member of the police's Mobile Unit searches a train commuter's bags for weapons. During the last two months the police have received 72 reports of robbery on trains.

He was followed by four friends who also had bottles and knives. I was threatened with the broken bottle and asked for money.

"I told him I didn't have any money and the rest of his friends gathered around us and stared at my neck.

As they approached St James, Milos pretended to take it off and the two then "pushed past the gangsters and ran to opposite sides of the coach" when the train approached the platform. He said he helped a "scared little boy" jump out of the window before Ashley had meanwhile managed to push open the sliding doors and cape and "managed to help an old lady out". They then jumped into the first class coach.

Ashley said at Muizenberg station other passengers who had boarded the third class coach after their escape "came running from the train". He said a woman had told him she had mugged passengers on the train



POLICE INSPECTION. A policeman from the Mobile Unit checks a commuter's bag for concealed weapons. The unit, based at Cape Town station, uses uniformed and plainclothes policemen to patrol trains and railway stations.

Picture: GLENN SHERATT

Picture: GLENN SHERATT

9/10/89

2 Cape Times, Mond

Second ²⁶⁹ take-off problem for SAA in 3 days

Staff Reporter

A SOUTH AFRICAN Airways aircraft had to make an emergency landing at Jan Smuts Airport after having tyre problems at the weekend, in the second such incident in three days.

The aircraft, flight SA 315, was carrying 229 passengers to Cape Town. The problem caused a three-hour delay making rugby supporters, who were rushed to the Newlands Currie Cup final by an SAA bus as soon as they arrived at 3.30pm, late for the match.

The pilot became aware of the fault straight after take-off, but had to circle the airport for an hour to burn up excess fuel before landing for repairs.

Another SAA aircraft, flight SA 517, with 270 passengers on board, had to turn back to Johannesburg on Thursday after a tyre burst soon after take-off on a Durban-bound flight.

After an emergency landing, passengers resumed their flight in another aircraft.

SAA public relations officer Miss Zelda Roux said last night that Saturday's hitch occurred after "someone noticed some surface wheel rubber on the tarmac after take-off".

"Concerned as we are to get people to the rugby on time, we could not ignore a sign like that," she said.

Asked whether pre-flight checking would be improved since the two incidents, she said: "Such coincidences seem to crop up in twos and threes. Checking is always rigorous but if investigations show up areas for improvement, these will be implemented."

C Flats trains ^{Cape Times} delayed ^{12/10/89} by stolen cable ²⁶⁹

Staff Reporter

TENS of thousands of train commuters were late for work yesterday morning and then delayed on the way home again in the evening because a 40m section of cable had been stolen from Philippi station.

Mr Brian Lotter, a public relations officer for SATS, said that all trains from Mitchells Plain, Kapteynsklip, Philippi and Khayelitsha had been affected.

He said the delays had ranged between 12 and 36 minutes, but one irritated commuter told the Cape Times he had waited from 8 20am to 9 35am at Heideveld station, and had then given up and taken a bus instead.

The missing cable was a portion of signalling and electrical cable, Mr Lotter said. Eventually a dual solution was found. A by-pass electrical line was brought into operation, and trains were allowed through without the signal.

Trains from both directions were affected.

Some commuters thought "the system" might have deliberately stopped the trains so that fewer people went to the Athlone or Vygieskraal stadiums to celebrate the release of Mr Oscar Mpetha and the Rivonia trialists.

But Mr Lotter said the missing cable had been the cause.

SATS (269) F. Mail

Splitting up 13/10/89

Bart Grové, recently-retired GM of SA Transport Services (Sats), has been appointed chairman of the Rail Commuter Corp Ltd (RCCL) and adviser to George Bartlett, Minister of Transport, Public Works & Land Affairs. It is perhaps ironic that the man whose administration was castigated by the Cross inquiry for Sats' R3bn forex loss has now been put in

FINANCIAL MAIL OCTOBER 13 1989

charge of its commuter operations. (269)

RCCL, which will be funded entirely by government, has been created in terms of the Legal Succession to SA Transport Act (No 9 of 1989), which will split Sats into a public company and a State subsidised commuter corporation.

It will take over commuter services on April 1 when Sats becomes a State-owned public company

While Sats was responsible for commuter services, government picked up slightly more than half of the R800m a year losses Sats had to find the rest, which it did by resorting to cross-subsidisation through making excessive profits on goods traffic

RCCL will now inherit some of Sats' assets and pay it to operate its commuter services and maintain its assets

"In terms of the Act, we must negotiate an agreement with Sats to run the service. We haven't arrived at a figure yet," says Grové, who is also trying to find people to staff his operation as well as nine board members

He is convinced RCCL will be able to reduce the losses on commuter services, "because there's always room for increased productivity and reduced expenditure. We'll also have to look at the level of fares and concentrate on marketing."

SAA gives reasons for weekend delays

By Karen Stander

Technical faults and catering delays caused several South African Airways flights to be delayed at the weekend, according to an SAA spokesman.

He said two aircraft were removed from the schedule and replaced by others after they developed technical faults on Friday evening. This had had a "ripple effect", causing other flights to be delayed.

A number of international flights also departed on Friday, resulting in pressure on the catering department.

On Saturday and Sunday a few flights were also delayed, but only for short periods.

The spokesman said the delays "definitely" did not mean a recurrence of problems experienced early last year before a major campaign to improve SAA's record was undertaken.

He said the airline had improved dramatically and between 87 and 93 percent of flights now left on time.

All delays were monitored and discussed by a committee, he added.

Handwritten notes:
269
12/10/81

FINANCE

Ports handled 10-million tons of cargo in August

PRETORIA — The amount of cargo handled at SA ports topped the 10-million ton mark in August, with Natal and East London enjoying record tonnages *B/pcam 8/10/89*

Both Richards Bay and Durban handled more cargo than they had done in any of the previous 20 months

with a record combined total of 7,78-million tons

East London enjoyed a revival of activity, with more than 400 000 t — nearly four times its usual monthly average — crossing the wharves of the Buffalo River port *(269)*

Export tonnage from Durban harbour was about twice that of imports,

while in East London the tonnage landed was nearly 10 times the amount shipped. *(724)*

Country-wide, exports accounted for about 86% of all cargo handled, in large measure due to the five million tons of coal shipped from Richards Bay during August — Sapa

PORT OWEN (269)

Crest of a wave

Continuing demand for timeshare units at Port Owen on the Cape West Coast seems set to justify developer Owen Wiggins' eventual goal of 400 cabanas in the marina complex.

He says all available weeks in the original 17 cabanas have been taken, while 80% of the newly completed second phase of 12 units and 40% of the third phase of 12 now under construction, have been sold. Prices for a week in the two-bedroom units range from R11 600 to R30 800. Wiggins tries to have 80% of a phase sold by the time workers move off site. Though the 400-unit goal is obviously long-term, it is in line with the developer's original objective.

Wiggins says the controversy over time-

FMW 20/10/89

share has actually benefited the scheme. "People are now more careful before committing themselves to timeshare. They look for security and stability and want to buy from an established company. We meet those standards. Everything at Port Owen is paid for and we provide a top-of-the-market product."

He claims the development is unique in SA. It offers a waterfront setting with yacht moorings and easy access to St Helena Bay through the Berg River estuary on which a marina has been developed.

The 100 ha site, 140 km from Cape Town, was bought by Wiggins 20 years ago. Though most of it was marshland, he realised its potential and has spent the last two decades and over R26m developing it. Apart from the timeshare cabanas, the scheme includes 750 residential sites around 3,2 km of man-made, self-dredging waterways. Nearly all the sites have been sold.

Wiggins says there was initially considerable land speculation, but it has now stopped. Most owners have either built or are holding their properties as long-term investments or for building retirement or holiday homes.

Sites initially sold for as little as R3 500 in 1980. He says investors had little confidence in the scheme and this kept prices down for some time. However, growing demand and recognition of the development's potential has pushed the current top selling price for prime waterfront sites to R150 000.

Business Times Reporter

SOUTH African Airways has hired a Safair Boeing 707 which will be chartered to groups wishing to fly anywhere at cut prices.

The Skybird charter service will provide trips from Johannesburg to Durban at about R150 a person return instead of the scheduled cost of R294.

Johan Kuit, director, domestic services, said the 170-seat Boeing would be available at an all-in cost of R9 000-R10 000 an hour of flying time

"If you wanted to take a group of 176 to Mauritius for a long weekend, it might be necessary to arrange a back-to-back flight from Mauritius to Johannesburg

"We would not want the plane grounded in Mauritius for a weekend

"Skybird is marketed by outside experts (Marna Grobelaar of Travel Market Advisors — TMA) and they should be able to tailor packages for customers"

Voting

Skybird's first flight will take voters to Windhoek on November 7. Passengers will cast their votes and fly back soon afterwards.

Two black radio stations have arranged to fly about 170 Johannesburg listeners to Durban for a fun weekend. A back-to-back flight will bring 170 Durban listeners to Johannesburg, Gold Reef City and Sun City.

A group of Hansa Dusu can-

SAA hires jet for cut-price charters

oeists has also booked Speedbird.

Mr Kuit says the service is ideal for businesses holding conferences and product launches, for sports teams and supporters, and for any large group wanting a short holiday

Strippers 269

Speedbird will be able to fly directly to Sun City and Mmabatho. It will work closely with hotel groups such as Southern Sun and Sun International and with tour companies. Bookings for Skybird can be made through

any of Computicket's 80 offices.

TMA will try to accommodate groups of fewer than 176. S/Times 24/10/89

Mr Kuit says Speedbird will add to SAA's scheduled business, not compete with it. The service is intended for the fun market. Most cheap flights from the UK to Continental fun spots are chartered.

Speedbird will lay on special facilities, such as cabaret and disco — "even strippers" — if passengers want them.

"Something like 30-million

South Africans have never flown and we know everyone wants to. The market is huge."

The SAA fleet is fully occupied with scheduled flights, hence the need to lease Safair's underworked 707.

Mr Kuit says that if demand warrants it, other aircraft will be leased for the Skybird project, some of them smaller than the 707.

...radie, to investigate claims by death row pris-
er and former policeman, Butane Nofemela
He was convicted of the murder of activist Mr
iffiths Mxenge. He was granted a stay of exe-
tion by Justice Minister, Mr Kobie Coetsee, last
ek after he claimed that he was acting on in-

...plain many other murders and disappearances.
In a joint statement, Law and Order Minister
Mr Adriaan Vlok and Mr Coetsee said a high-level
investigation was ordered because Nofemela's al-
legations were seen in a very serious light

Jan Smuts closed as rain affects flights

By Jovial Rantao

Ten flights, involving 600 passengers, which were to land at Jan Smuts Airport yesterday were either diverted or did not leave their departure points after the airport was closed because of bad weather.

Mr Leon Els, a South African Airways (SAA) spokesman, said the airport, which was closed from 10 pm yesterday due to heavy fog, opened to traffic early this morning. The first flight left at 5 am

The airport closure came as widespread rain fell over the Transvaal, bringing some relief to the drought-stricken platteland and flooding several Lowveld rivers.

More than 30 mm were recorded in Pietersburg, Louis Trichardt and Potgietersrus, while parts of the Springbok Flats near Warmbaths had 50 mm.

It was still raining steadily over parts of the north-western Transvaal bushveld last night.

DIVERTED FLIGHTS

In the PWV area yesterday the Pretoria weather station reported 11 mm between 8 am and 2 pm and Jan Smuts Airport reported 9,3 mm between 8 am and 6.30 pm.

Mr Els said passengers on the diverted flights were accommodated at hotels and those whose flights did not leave the airports returned home.

"All passengers in diverted flights are being re-routed and the diverted flights would be brought to Jan Smuts as soon as possible. Everything is back to normal," he said.

Two overseas flights from London and Lisbon were diverted to Windhoek. Flights from East London, Cape Town, Mauritius and Nairobi were diverted to Durban.

Two flights which were to leave

Louis Botha Airport in Durban were grounded

A second flight from Cape Town did not leave DF Malan Airport and the flight from Port Elizabeth was grounded at the Hendrik Schoeman Airport.

● In a violent 30-minute rainstorm near Badplaas in the Transvaal, 13 cattle drowned after being swept away in a swollen river at the weekend.

Mr Jan Pieterse of the Boshhoekfarm said the storm started just before 10 pm.

"It must have been a cloudburst. Water just kept pouring down and in less than half an hour we measured 114 mm," he said

Reports of good rain have been received throughout the Lowveld.

Komatipoort, Malelane, Barberton, Nelspruit and Hazyview and the southern Kruger Park all had heavy rain.

A spokesman for the Weather Bureau said the forecast for the Transvaal for today was cloudy and cool with rain and thundershowers except in the south-west where it will be partly cloudy.

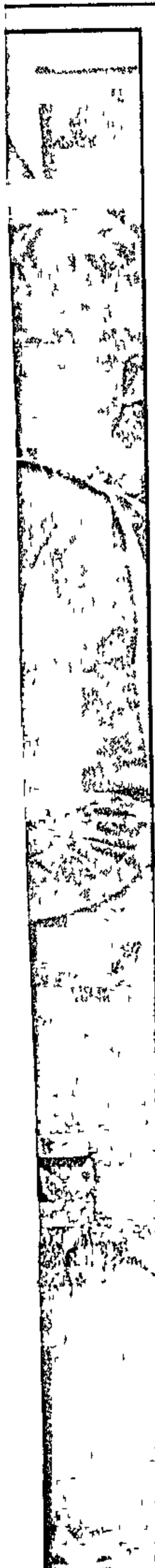
Heavy falls were recorded in Natal on Saturday with Gollela receiving the heaviest fall of 52 mm for the 24-hour period ending at 8 am yesterday.

Areas that received 30 mm and more were Louwsburg (36), Port Edward (34), Poligo (33) and Bushy Vales (30). Zululand, Ubombo received 32 mm and Mtubatuba 19 mm.

Areas which received less than 30 mm were Vryheid (14), Durban (14), Mooi River (7), Greytown (14), Kloof (13) and Ladysmith (6).

Restrictions

The Star is being produced under the severe restrictions of the emergency regulations



269
Jov
23/10/89

Leading industrialist to head new-look Sats

AMUS
26/10/89

269

By HELENA PATTEN, Staff Reporter
INDUSTRIAL Development Corporation chief Mr Marius de Waal has been appointed to head Sats in the next step along the road to privatisation.

Dr Dawie de Villiers, Minister of Mineral and Energy Affairs and Public Enterprises, made the announcement in a statement last night.

He said Mr De Waal had resigned as chairman of the Industrial Development Corporation to take up the new post of chairman of the directorate of the public company to be instituted according to the Legal Succession Bill of the South African Transport Services from April 1 1990.

The names of the other members of the directorate are expected to be made known before the end of the year.

The announcement also said Mr De Waal, who played a leading role in the privatisation of Iscor, would remain chairman of that giant company, which is soon to be listed on the Johannesburg Stock Exchange.

Mr Jasper Walsh, Democratic Party spokesman on privatisation, said: "The appointment of Mr De Waal is an encouraging sign because he is a



Mr De Waal

man of proven management ability in the private sector.

"He will be able to steer Sats into identifying suitable parts of the organisation for privatisation."

Mr Walsh said the DP wholeheartedly supported a piecemeal approach to the privatisation of Sats.

Dr De Villiers said: "In the process of changing Sats into a public company with the single aim of achieving a profit and an acceptable return on investment, the appointment of a directorate and especially a chairman, is of utmost importance."

Sats has been looking increasingly attractive as a privatisation prospect. Transport Minister Mr Eli Louw in recent months announced that the organisation had turned an expected R115 million deficit into a whopping R147 million surplus for the year ending March 1989.

Made profits

All divisions — SAA, harbours, pipelines, trains and road transport — made profits.

But a major remaining stumbling block to the privatisation process is the massive R6 billion deficit estimated for the Sats pension fund.

Although the transformation of the SA Transport Services will take place only on 1 April 1990, Mr De Waal and other directors will familiarise themselves with Sats and its activities until then, said Dr De Villiers.

New MD

Mr De Waal was appointed IDC chairman in 1986 after 25 years with the corporation, during which time he held the positions of general manager and MD.

Mr Koos van Rooyen has been appointed in Mr de Waal's place and will take over as chairman of the IDC board on March 1 1990. He has been MD of the IDC since 1986 and is currently chairman of Foskor and was chairman of Alusaf. He is also a director of numerous other companies.

The IDC board has appointed Mr Carel van der Merwe as the new MD and chief executive of the IDC.

Transport study gears up

B. Bous 11/1/89 (92)

Business Day Reporter

JOHANNESBURG's population will increase from approximately 3-million in the Jomet area as measured in 1985, to 4-million by 2005, a study undertaken for a mass transport system in the area has shown.

Masstran consortium director Bob Stanway told a news conference yesterday that in the "collar" zones the expected population increase would be from 500 000 (1985) to more than 2-million (2005).

"Public trips are expected to increase from approximately 300 000 (1985) to more than 500 000 (2005) and private vehicle trips from 300 000 to approximately 430 000," Stanway said.

He said a major feasibility study into a mass transit system for Greater Johannesburg would be submitted to the Department of Transport by April 1991.

Masstran, a consortium of consulting engineers appointed by the department in February this year, would undertake a broad-based study into alternative land uses, modes of transport and policies, to establish optimum land use and public transport strategy, Stan-

way said

"It was found that, if buses and a modified heavy-rail service are to be the main mass public transport mode by the year 2000, the available street capacity will not be able to make provision for the transportation of people in private vehicles to the city centre — even with a three-hour peak traffic period and with occupancy as high as 2,5 people per vehicle

Urgent

"It was also found that the high cost of building, land and construction of roads and parking garages in the city centre, will place serious restrictions on the provision of additional street and parking capacities," he said

Stanway said it was evident from previous studies that urgent attention should be paid to the transport problems of the Greater Johannesburg area.

He said the study has been divided into two stages. Stage 1 started in April 1989.

A coarse level model of the 1985 transport system had been developed. With this model and infor-

mation from the Jomet Lutsplan exercise, forecasting would be done to 1995, using various alternative transport systems

Stanway said the preferred public transport system or systems would be tested in the detail level Stage 2 and forecasting would be done to 2005

The transport modes under consideration, he said, were private vehicles, bus-rapid transit, kombi taxis, guided transit, conventional rail, light rail, and combinations of these

The finances and economics working group would be responsible for data collection on costs and various modes

An economic and financial feasibility study into the present and proposed future mass transport systems would be done based on factors such as cost and return on investment

The environmental working group would review the environmental issues associated with urban transportation and the impact of existing transportation systems in the Johannesburg metropolitan area

The main objective of the programme was to create a well-informed awareness of Masstran, its

brief from the Transport Department, the goals and objectives of the study, the nature of the planning process and to invite feedback from the public.

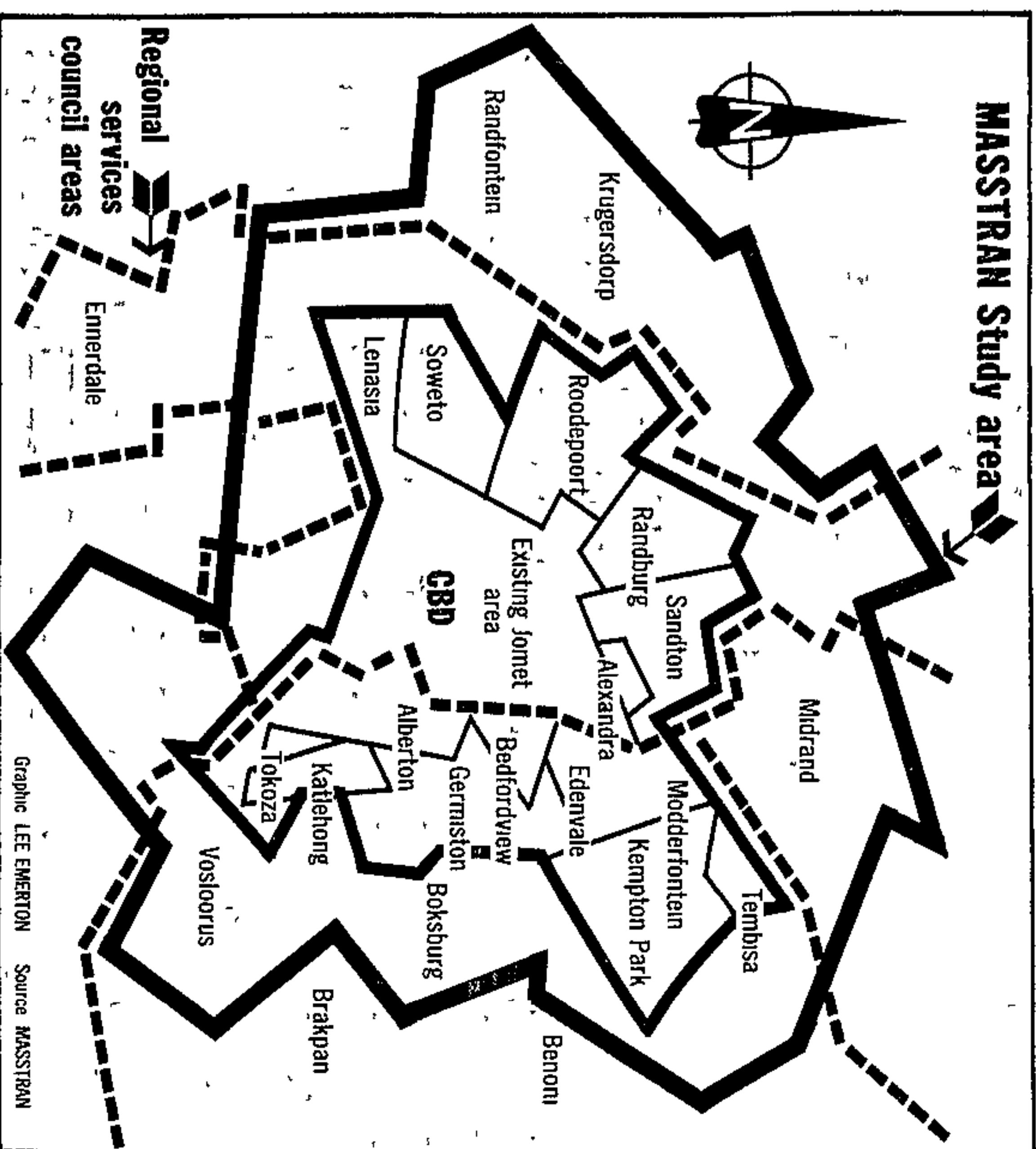
The group has set up offices in Braamfontein, which members of the public are welcome to visit to obtain additional information

Masstran consists of Keeve Steyn Inc, Scott and De Waal Inc, Stanway Edwards Associated Inc and Watermeyer Legge Presold and Uhlmann

Represented

The consortium is guided by a steering committee of representatives from the Transport and Finance Departments, the TPA, Sats, Jomet, the Johannesburg City Council, and the regional services councils of the Witwatersrand, Pretoria, Vaal Triangle, East and West Rand

Also represented on the steering committee are the Johannesburg CBD Association, Sabta, the SA Long Distance Taxi Association, the Passenger Transport Association of SA, the SA Bus Operators Association and the Witwatersrand Chamber of Commerce and Industries



CAPE TIMES 1/11/87

Sats appoints five pension fund managers

JOHANNESBURG — Sats has moved closer to privatisation by allocating part of its pension fund to five private fund managers — Old Mutual, Southern Life, Liberty Life, Sanlam and independent portfolio manager Allan Gray

The allocation of an undisclosed part of the fund, which has a cash flow of about R40m a month to invest, follows a period of about 18 months in which major portfolio managers pitched for the account.

Sats pensions chief Gideon van Zyl yesterday confirmed market talk that the five managers had been appointed but declined to reveal the amounts involved

"We have appointed private fund managers to improve the returns on our investments. Previously, Sats was forced to invest in gilts and semi-gilts but now that the fund no longer faces those constraints we are going for the best returns," Van Zyl said.

He added further allocations would be made to private fund managers.

Asked whether the fund would now invest mainly in equities, he said "Obviously I cannot say that is what our fund managers will do. We will go for maximum returns."

But since the Sats fund currently has no exposure to equities, it is likely to invest in JSE stock to gain a more balanced book

Private management of the pension fund will go a long way towards reducing the fund's deficit — the actuarial shortfall between liabilities and assets. The deficit has been cited as a major obstacle in the way of selling government's stake in Sats to the private sector

Former Sanlam chairman Andreas Wassenaar put the deficit at R6bn but industry sources say it could be considerably lower. The last official statistics are for March 1979, when the shortfall was R3,5bn.

Steps such as increasing members' contributions have been taken to reduce the shortfall

In addition, the Sats fund is also putting in place efficient new administrative systems based on private sector methods

9 000 tons of coal spilt as trucks overturn

Derailment blocks Richards Bay line

269
Star 7/11/89

Own Correspondent

DURBAN — The railway line between Vryheid and Richards Bay is expected to be cleared today after one of South Africa's worst train derailments, in which 111 coal trucks overturned on the line at Nhlazatshe at the weekend.

No one was injured

The accident occurred just before noon on Saturday when a 200-truck train carrying 16 800 tons of coal was en route to Richards Bay

The train, which was 2,6 km long, ripped up 200 m of track and spilled more than 9 000 tons

of finely ground coal in the remote area 70 km from Vryheid and 35 km from Ulundi.

A board of inquiry has been set up to determine the cause of the derailment. Sabotage is not suspected

One of the two lines was blocked until 6 am yesterday and it is expected that the second line will be cleared today.

The train was being hauled by four electric locomotives and was manned by a driver and a driver's assistant, whose names have not yet been released.

It had just emerged from a tunnel and was negotiating a curve in the track when the accident occurred.

Civil and rolling stock crews were immediately sent to the area and have been working around the clock to clear the lines

Sats spokesman Mr Willem Kuys indicated that about 15 full trains had been delayed because of the accident. The volumes of coal being railed to Richards Bay would be made up in a month, he said.

A spokesman for Richards Bay Coal Terminal said the derailment would not affect exports of coal through the port. "We have sufficient buffer stocks to tide us over until the rail supplies are back to normal."

Hitting Capetonians

SA Airways' government-sanctioned monopoly works against travellers in many ways. Cape Town travellers, for example, are furious over the "add-on" fares on direct flights from Cape Town to London and Cape Town to New York via Rio de Janeiro.

Even though the distance between Cape Town and London is shorter than that between Johannesburg and London, travellers from Cape Town must pay an extra R310. On the flight from Cape Town to New York via Rio, the "add-on" is R540 — the full return fare between Cape Town and Johannesburg.

This means that on a round trip between Cape Town and New York via Rio, travellers must pay R540 for a leg they do not fly (Cape Town-Johannesburg return).

The inequity is that travellers who fly from Johannesburg do not pay extra, though they fly a greater distance. Moreover, travellers who fly only the Cape Town to Rio leg don't pay the "add-on" either. It's only when they continue on to New York that the extra R540 fare kicks in. Again, travellers from Jan Smuts have a "zero add-on".

According to Cape Town business leaders who have been involved in discussions with SAA officials, the airline claims that pressure from its International Air Transport Association partners forces it to apply the

FINANCIAL MAIL NOVEMBER 10 1989



"add-on" fares. In terms of its association agreements, only Jan Smuts is classified as a "gateway" airport and any flights overseas from other airports are subject to an "add-on".

The Cape Town Chamber of Commerce, however, believes the issue can easily be resolved by a "zero add-on". The chamber's executive director, Alan Lighton, says there can be no argument against an "add-on" fare when the distance flown is farther than that from the "gateway". But when the flight is shorter, there is no justification for asking travellers to pay more.

He says the basic principle of "add-on" fares is that they are set in relation to distance travelled. In cases where the distance is shorter than that from the "gateway," a "zero add-on" should be applied.

He concedes that the airline has already relented to an extent by giving a "concession" on the Cape Town to London "add-on" by only charging an extra R310 instead of the full return fare of R540 between Cape Town and Johannesburg. But he believes this is merely a "sop" and that the full R540 "add-on" for the New York flight via Rio is totally unacceptable.

He argues that the airline has in fact accepted the principle of "zero add-on" by applying it to the fare between Cape Town and Rio. In effect, this means that the airline concedes that it is unfair to apply an "add-on" when the distance travelled is shorter than that from the "gateway". Yet SAA shows considerable inconsistency by severely penalising travellers from Cape Town to London and Cape Town to New York via Rio.

Lighton says the "zero add-on" is applied in various parts of the world and there is no reason why the airline could not apply it on the Cape Town route. He believes that SAA

could resolve the problem to everyone's satisfaction if it really wanted to.

SAA spokesman Leon Els says the structuring of international airfares is a complex procedure involving all association partners. Fares are based on the shortest direct routes between "gateway" airports and not on actual distance travelled.

This procedure is adopted all over the world and is regarded as the most efficient system for regulating fares. In terms of this procedure, the Cape Town-London route is 6 011 miles while the Johannesburg-London route is 5 634 miles. The distance between New York and Johannesburg is also shorter if calculated on this basis.

But the theory of international airfare calculation is unlikely to be of much comfort to Cape Town travellers faced with having to cough up extra cash for flying what are in reality shorter overseas routes. ■

Top SA ¹⁹⁶⁹ airports

S Times 27/11/89

Blacklisted

By ROGER MAKINGS

A CRITICAL shortage of air traffic controllers and deficient services at three major South African airports has led to their being "blacklisted" by international pilots.

Local pilots have also expressed alarm at deteriorating services at Johannesburg's Jan Smuts, Durban's Louis Botha and Bloemfontein's J B M Hertzog.

They say controllers at Jan Smuts are working unacceptably long hours, raising fears of near-misses and even collisions in peak hours during bad weather.

And the air traffic controllers have warned that unless working conditions are dramatically improved the profession will continue to lose members — increasing workloads and the risk of catastrophe. The over-stressed controllers say all their members due to go on pension in the last few years were retired early for medical reasons.

They claim that at Jan Smuts alone controllers sometimes work 200 hours a month and sometimes 18 hours a day, leading to stress-related disorders such as spastic colons, boils, skin disorders, ulcers and hypertension.

In a statement, the president of the SAA Pilots' Association, Captain Ian Dommissie, revealed that Jan Smuts, Louis Botha and J B M Hertzog airports were all considered "deficient" by international pilots.

Grading

Capt Dommissie said the airports had been graded "red star" by the International Federation of Airline Pilots' Associations because of shortcomings in air traffic control and services.

The grading is one step up from "black star" where the services provided by the airport are considered "critically deficient".

Louis Botha is graded deficient not because of a shortage of controllers, but because it is closed at certain off-peak times over weekends.

Capt Dommissie said yesterday: "Saapa has been concerned about the ATC (air traffic controller) situation for a long time, and last year convened a subcommittee to address the problem."

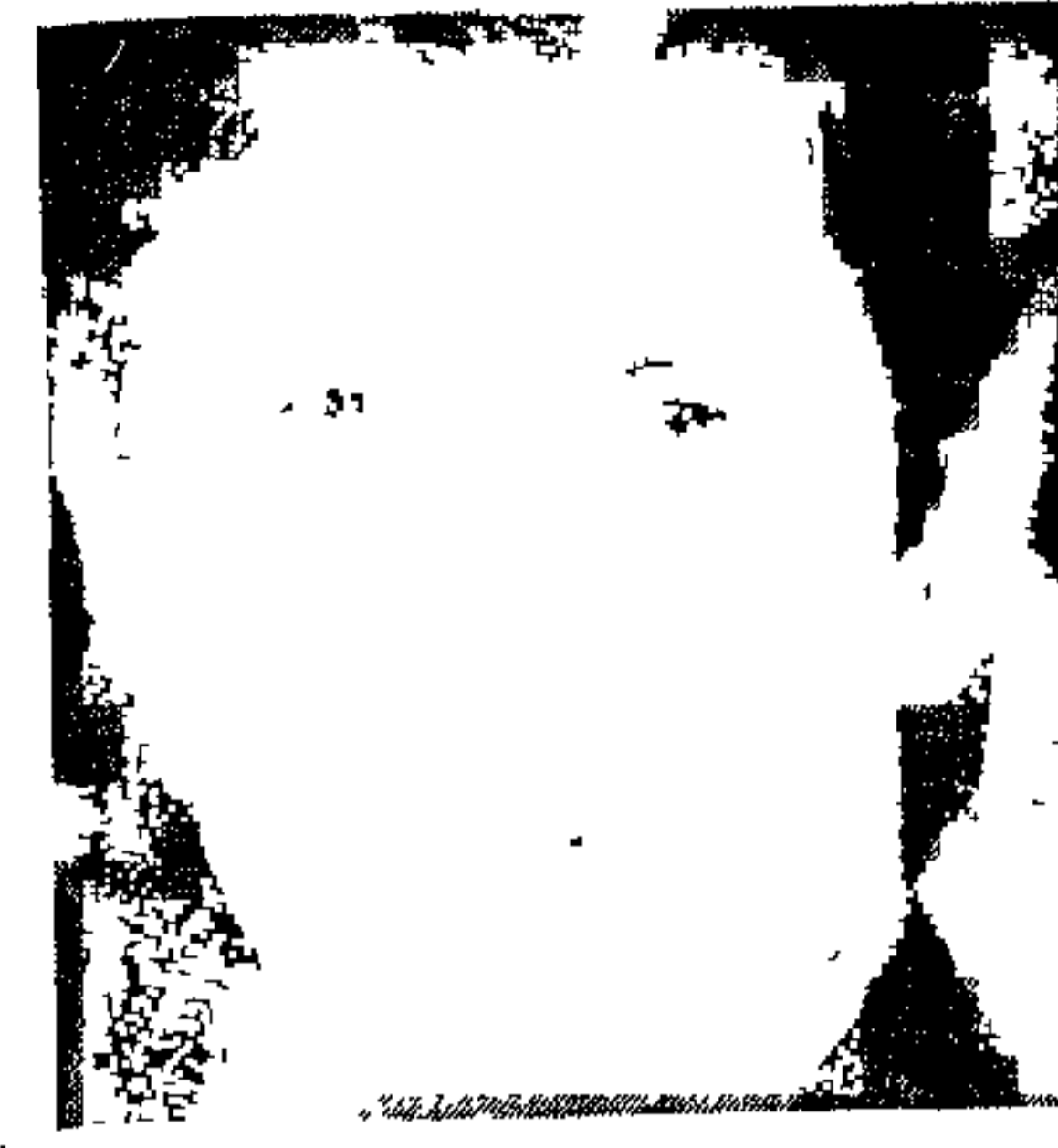
Among the actions taken by Saapa were:

- Informing the previous Minister of Transport, Mr Ell Louw, of their concerns which is believed to have helped him review ATC wage packages;

- Informing Ifalpa of deficiencies in air traffic services at the three airports;



CAPTAIN IAN DOMMISSIE



CAPTAIN CHARL DU TOIT

Pilots fear disaster due to air traffic controllers' workload

- Bringing the situation to the attention of the South African Aviation Safety Council.

Capt Dommissie said the situation remained critical even though many new controllers were being trained.

"The decline in the level of experience is particularly alarming," he said.

Capt Felix van der Merwe, divisional operations man-

ager for Safair, said: "The hours our controllers work are unacceptable by international standards."

"Pilots don't need the added stress of worrying about overworked ATCs while flying in busy airspace in bad weather."

Another worrying factor, he said, was that no follow-up training was apparently carried out because controllers

could not be spared from their duties.

Capt Gerald Cacho, a senior pilot for the National Airways Corporation, said he understood that 300 controllers were required country-wide but that SA only had 110.

"We now have areas that are uncontrolled at certain times, increasing the danger of collision."

He cited the busy Lanseria

airport, which had no controllers on duty between 7pm and 6am, as a prime example.

Anglo American Corporation's chief pilot, Capt Pat Meddows-Taylor, said there was cause for concern, "and I think instances where ATCs have to work 18 hours a day are ridiculous."

"The government will have to improve conditions

and legislate against the hours controllers are working now."

According to a report compiled by the SA Air Traffic Controllers' Association, SA controllers worked many more hours than most of those in the rest of the world.

It stated that 10 years ago the International Labour Office recommended that a reasonable working week for controllers should not exceed 32 hours. SA controllers work a 42-hour week and more.

The report added: "In the last few years, not one controller due for retirement made the limit in good health. They were all boarded for medical reasons, bar one who died before retirement."

"The retirement age for SA controllers is 65 years, compared with Germany where it is 53 years."

SAA's acting chief director of flight operations, Capt Charl du Toit, said yesterday that the matter of the ATCs should receive the urgent attention of the Directorate of Civil Aviation at the highest level in the interests of air safety.

Employed

But many of the ATCs' claims have been rejected by the chief director of the Directorate of Civil Aviation.

Mr Japie Smit said that since the beginning of the year although seven controllers left the service 21, all trained, were employed.

"In fact, we have no vacancies at Jan Smuts or the other major centres," he said, adding that 17 cadets were under training and 26 applications would go before the selection board next year.

Mr Smit said the SAATCA report contained many inaccuracies too numerous to mention.

He said that in March this year ATCs were awarded significant increases and he had not received any complaints about pay since.

Stint

"We have identified a number of issues that are receiving our attention, including training, working conditions, hours and organisational structure," he added.

The chief air traffic controller at Jan Smuts, Mr Arthur Bradshaw, said yesterday he was fully aware that controllers were working hard, but denied that any had done an 18-hour stint.

"We are looking at reducing hours gradually, but until we get more controllers on line we can't dramatically reduce hours."



THE SKYBIRD JET ... flying high despite a shaky start to its new charter service this week

'People's airline' flies into a storm

By ROGER MAKINGS

SKYBIRD, the new South African Airways charter service, has flown into turbulent weather in its first week of operation.

After its inaugural charter flight to Windhoek this week, Skybird's leased Boeing 707 had its feathers ruffled — first by Swapo and then the Travel Agency Board.

On Tuesday Namibians based in South Africa chartered Skybird to fly them to Windhoek, to cast their votes at special airport polling booths before returning to SA.

But Swapo supporters had been bussed to the airport booths hours before — and they weren't about to let their compatriots who had their return flight to catch jump the long queues.

So Skybird's passengers were forced to take their place at the back of the line. But the queue was so long the aircraft was unable to get back to Jan Smuts in time to pick up the next day's charter passengers to Windhoek. They had to be flown to Namibia in an SAA Boeing 747.

Later in the week the Travel Agency Board objected to tickets for the "people's plane" being sold by Computicket

on the grounds it was not a registered travel agency and as such was contravening the law.

SAA argued that if Computicket was permitted to sell bus tickets, why not airline tickets?

Now Computicket is believed to be applying to the Government for exemption from the Travel Agents' Act.

Meanwhile, SAA has said all booked flights will still go ahead.

SAA public relations director Leon Els said the low-cost service was introduced to make cheap flights available to the man in the street.

SAA FARES

269 Final
17/11/89

Defending add-ons

SA Airways is adamant that it's not to blame for the higher cost of flying directly from Cape Town to London. The fare from Jan Smuts to London is cheaper even though the route is shorter from Cape Town (*Business* November 10)

SAA deputy director, international, John Smith, says the airline has made several requests to the International Air Transport Association for a "zero add-on" for the Cape Town-London route but has been opposed "on each and every occasion" by international airlines that serve SA but not the Cape. They argue that SAA's proposal would make rivals uncompetitive.

Smith says a zero add-on from Cape Town would give SAA and British Airways — which flies the Cape Town-London route via Jan Smuts — a marketing advantage over airlines that don't operate the route. He adds that unilaterally to buck the association's system to gain a short-term financial advantage for travellers from Cape Town could have severe long-term disadvantages.

He says the Cape Town-London add-on is already at a concessionary level (R310) and makes it less expensive to take the direct flight than to pay the full return fare (R540) from Cape Town to Johannesburg and then catch a flight to London.

British Airways' South African GM Malcolm Freeman agrees with Smith's explanation of the fare structure. He says the add-on system for the Cape Town-London route is applied in terms of an association agreement and there's nothing that can be done about it now.

Smith says there is no add-on to the Cape Town-Rio de Janeiro fare because SAA and Varig, the only airlines flying the route, reached an agreement within the association with the approval of other members. But there is an add-on to the Cape Town-Rio-New York fare because some other airlines operating in SA offer flights via Europe to

New York

So, in terms of association agreements, an add-on must apply to SAA's Cape Town-Rio-New York flight so that the other airlines operating in SA are not disadvantaged.

Smith says add-on fares apply worldwide on all routes. Each country has a designated gateway airport. Fares are calculated on the shortest distance between gateways. Fares for direct flights to non-gateways are subject to add-ons. He concedes that in some cases there is no add-on but these are exceptions.

He denies that it's possible to structure fares on the basis of distance travelled rather than the shortest direct route because these differ among operators. Letting airlines set their own fares and compete more vigorously is, of course, out of the question in the tightly regulated and expensive world of international air travel.

Is the association simply a protectionist, price-fixing cartel? Smith says no, arguing that the price agreement is a minor aspect of the association's work. One of the most important advantages of membership is access to a single booking and ticket facility for multiple flight journeys that may require a number of different airlines. If this facility did not exist — and SAA could lose it if it unilaterally fixed fares in opposition to association agreements — it would require multiple bookings and individual tickets for each leg of a journey. This could cost a traveller much more than the add-on. ■

269 B. Day 2/11/89

Road transport faces tough Sats rivalry

SA TRANSPORT Services (Sats), is entering the road transport market on an increasingly competitive basis, threatening the already highly competitive private road transport industry.

Sats senior marketing business manager André Heydenrych said yesterday that Sats had entered the marketing age. To make more money, Sats had to spend more. He said Sats had launched a marketing campaign to capture new business.

The drive was being managed by 200 marketing employees around the country. Nearly R1m a month was being spent on advertising and 10 business managers catering for specific traffic types had been appointed.

Another step to capture more business was tariff cutting. Traditionally private transporters pegged prices just below Sats prices. Sats tariffs were artificially high so profits could be used to subsidise unprofitable services.

Sats was now eliminating cross-subsidisation by increasing rates of previously uneconomical items and goods conveyed. A Sats' spokesman said it would quote even lower prices after April 1990 and reduce rates wherever possible to retain business.

EDWARD WEST

At present 45% of Sats customers had special tariff agreements, details of which were not published. As business increased so this percentage would increase. However, casual customer tariffs would always be published.

Sats was working on a scheme where customers could specify exactly when and where they needed to receive goods, with an option to hasten or delay delivery. This spelt further danger for the private transporter. One-stop distribution business was traditionally his market, said Heydenrych.

Sats had also reduced operating expenses in some areas, increased train speeds and increased tons per kilometre conveyed. The Road Freight Association has said the

combined road and rail transport infra-structure give Sats an unfair edge in the market

Indicating the increasingly competitive nature of the private road transport industry, Longrail recently attributed its 33% drop in interim earnings to operational costs which outstripped escalation contract clauses and the continued rate-cutting by competitors.

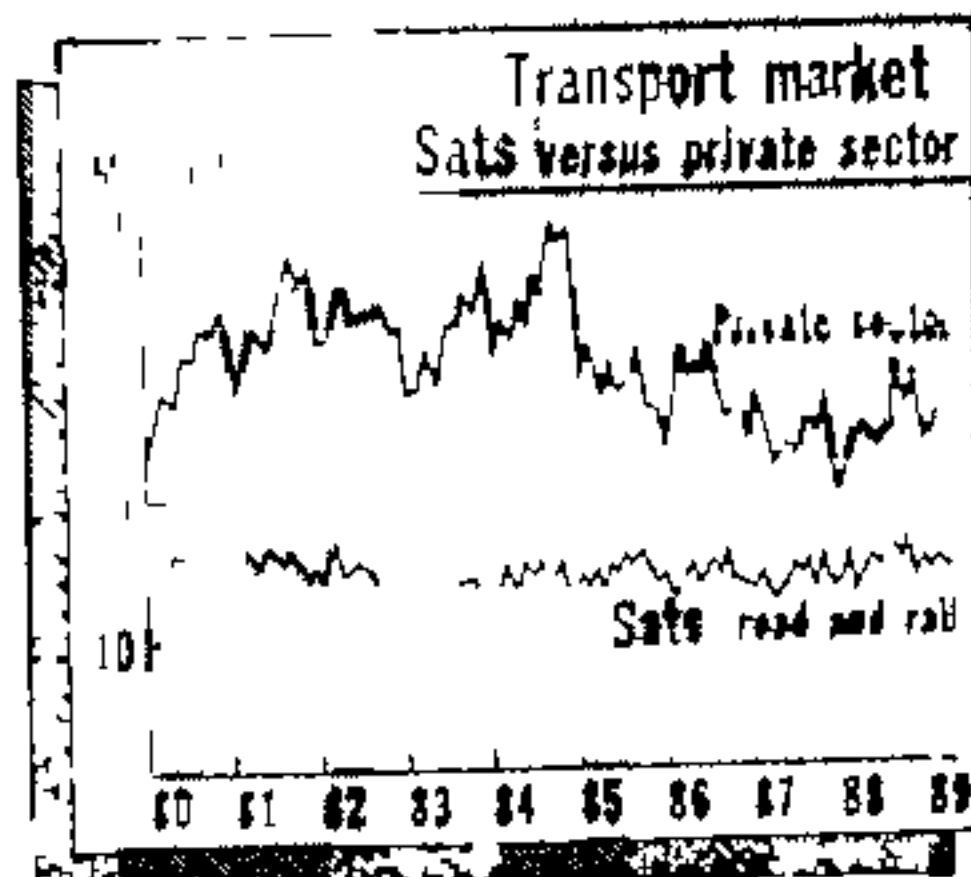
Furthermore, according to the Road Freight Association, fuel increases, licence levies, toll roads, taxes and high capital equipment replacement costs were eroding the investment base of the private road transporter

Sats has forecast that a number of small transport operators would go out of business due to its increased competitiveness and professionalism in the industry.

The Public Carriers Association (PCA) has said government was deliberately raising private carriers' costs to make rail more of an attractive option.

Private transporters carried 83% of all goods in 1988, a large market which Sats had yet to break into, Heydenrych said.

However, as was said at a recent transport conference, the private haulier would have to become more professional to succeed against the threat which loomed with Sats' privatisation.



Graphic: FIONA KACZDI

269 Fmail
24/11/89.

regarded as the highest tariffs charged to freight anywhere in the world, making them uncompetitive on foreign markets.

The rehabilitation of Mozambique's Beira corridor — a 300 km road, rail and pipeline connection to Zimbabwe — will cost \$345m. The trickle of cargo now traversing the route enjoys protection by 10 000 Zimbabwean soldiers and just two trains a day move in each direction. The World Bank is hoping that the present capacity of 2,4 Mt of cargo a year could be increased to 5 Mt by the end of next year.

The World Bank says deepened harbours in Beira and Maputo would result in lower transport costs and quicker connections with the interior and give Durban stiff competition. Maputo is receiving \$55m in rehabilitation funds.

Nacala, to the north, also needs extensive rehabilitation but there are no immediate plans. The progressively rundown infrastructure, the scarcity of locomotive power and the staff desertions caused by rebel attacks have left the port handling a fraction of its former tonnage. The Nacala-Malawi line is guarded by 1 000 Malawi troops trained for the job in Western Europe.

SA Transport Services must take the improvements in Mozambique into account when it considers extensions and improvements and the long-term outlook for Durban. If Mozambique's instability is corrected and the traditional trade routes renewed, it is inevitable that business through Durban will be sharply reduced. But, of course, competition from Mozambique will be healthy for all of southern Africa if it spurs reductions in rail rates and other concessions. ■

SHIPPING

269 Fmail

Durban's soft spot

Durban's harbour bustles with traffic from as far afield as Zaire — but how long will the good times last?

A large share of Durban's most lucrative tonnage comes from Zaire, Zambia, Zimbabwe and Malawi — areas that are closer to the Mozambique ports. Most of the rest of the cargo comes from the Transvaal, which could also save money by shipping through Mozambique, if that was possible.

But shippers tend to avoid civil wars, so cargo is sent through Durban. However, with the prospects of peace possibly brightening and a US\$400m facelift and dredging of Mozambique's harbours now under way — paid for with international aid — Durban may eventually be faced with shrinking traffic.

Nine-tenths of Malawi's traffic and three-fifths of Zimbabwean exports flow through Durban. Maputo handled 15 Mt of cargo in 1974. Last year, 1 Mt. Not only do these exports have to make the long detour through SA, they also must pay what are

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the number of inter-city trains by 58%, from 601 a week to 225. The decision didn't consider whether the country's economic problems were causing a temporary drop — or whether a marketing campaign was needed to woo back lost passengers. The effect was to chase away more passengers, especially blacks. With fewer trains, black patronage plummeted by almost 5m trips in 1988.

This year the picture changed a little. Passenger traffic is still down — to less than a fifth of the 1983-1984 total — but revenue is up for the first time in five years. Sats' February-to-July revenue from inter-city passengers increased 5% over the same period last year; July revenue was 15% greater than a year ago.

The reason is fare increases and improved efficiencies but the gains are still below the inflation rate.

Hiring a consultant

The real battle to fill seats will start when Sats becomes a public company on April 1. Inter-city services — which don't include suburban or commuter lines — will be absorbed by Sats' rail division and have five years to get on track to profitability or face shutdown. Inter-city services may already be profitable but Sats' strange bookkeeping (*Sats Survey* November 17) puts it in the red.

Faced with these problems — fewer passengers and yearly deficits — Sats has enlisted the help of a Johannesburg consultant, Business Performance Strategies. Sats' chief director (passenger services) Gerhard Booyesen says the consultant will study inter-city services to determine how they operate and compare to other transport modes, to identify profitable market segments and outline how Sats can cater for them.

"An important part of the research will be to determine when people want to travel and what our fares should be," Booyesen says. "When we have all the information we will decide which niches we will go for and develop a marketing strategy that will include

price, product, marketing and promotion. We intend — but this must still be approved by management — to spend at least R10m next year on upgrading our rolling stock."

He hopes to regain the market share Sats lost to luxury road coaches and also to enter new areas, such as the market for black tourism.

Booyesen says his gut feeling is that Business Performance will propose dividing Sats's market into several narrow segments. These could be:

- The top upmarket segment, typified by the Blue Train, where people board a train for the experience and not to get from one place to another;
- An upmarket segment between the Blue Train and current name trains such as the Trans-Karoo Express. People in this segment also ride more for the experience than to get from one point to another.

"We are toying with the idea of catering for that market with another train that will offer nearly everything the Blue Train does," Booyesen says. "It won't quite be the Blue Train but won't be far short of it. It will be air-conditioned and offer superb facilities and service, but won't be air-suspended,"

- High-speed, high-density rail transport with aircraft-style reclining seats.

These trains still need a lot of research and development, Booyesen says. "But the intention is to let them travel at up to 110 km/h with the tracks we have now and 150 km/h when the improvements we are planning are in place; they will also have hostesses;"

- A similar but down-market service to serve low-income groups;
- A holiday package for the black market, called Trains 2000, which includes travel, hotel accommodation, sightseeing tours and an enjoy-now-pay-later credit scheme through Standard Bank. Sats will begin providing the package on December 22; and
- The nostalgia market which will tap people interested in the history and preservation of steam. These include overseas tourists prepared to spend R4 000 for a 14-day holiday on a steam train.

The need to serve this market was highlighted recently when a British steam enthusiast booked a train from Sats for next year and will fill it with overseas tourists.

Though Sats hasn't started advertising next year's Eastern Cape Safari steam ride, scheduled for March 25 to April 8, it has already received 50 confirmed bookings from foreign enthusiasts.

Another two of these special trains will be run next year. They benefit the tourist industry more than Sats: "Usually about 30 carloads of steam enthusiasts, who don't want to ride on the trains but want to photograph them and record the sounds, hire cars and travel ahead of them," Booyesen says. "They stop on the road and line the track wherever they can get a good view of trains, usually at the exits of tunnels, and watch them pass."

"We call them linesiders. We make nothing out of them but some of the hotels and cafés along the way do a roaring trade."

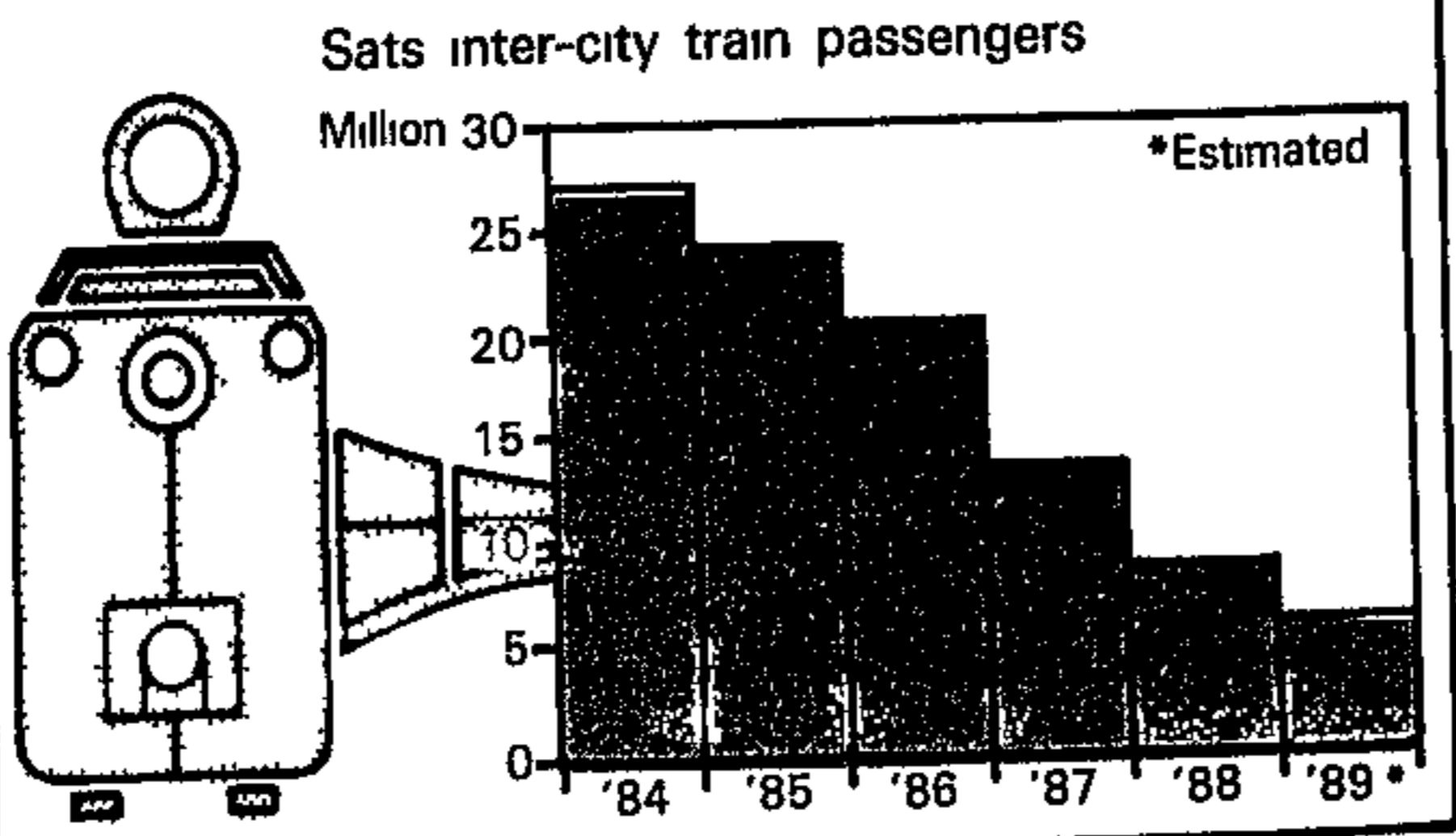
Why think they can

SA Transport Services has finally embarked on a costly drive to win back the enormous market share its trains have lost to buses, cars and aircraft.

Over the next few years Sats' passenger services division plans to spend millions of rands to make its aged coaches more attractive, develop the potentially lucrative nostalgia market and possibly introduce a quality leisure train approaching Blue Train standards.

Sats' main-line — or inter-city — trains slowly lost passengers for years. By 1983 passenger figures were plunging (see table), and, in November 1987, Sats panicked. It reduced

Emptying seats



Fiscal	1984	1985	1986	1987	1988
1st class	648 600	498 000	368 000	250 000	216 000
2nd class	1,6m	1,5m	1,4m	0,9m	706 000
3rd class	25m	22m	18,6m	12,1m	7,3m

Fiscal year ends on March 31
Source Sats

Sabta air landing plan will not work

CHT Times 25/11/89

769
SAA
Staff Reporter

PLANS by the South African Black Taxi Association (Sabta) to branch into air travel and secure landing rights in the United States and other countries where SA Airways is banned will not succeed.

This was said yesterday by SAA public relations manager Mr Francois Louw. Asked for reaction to Sabta's long-term plans to branch into air travel, he said that whatever Sabta did to disguise the fact that the aircraft were owned and operated by South Africans, they would still have to be registered in SA.

They would therefore be banned from landing.

"It is not just a question of an aircraft going to another country," he said, "but involves decisions at government levels.

"A bilateral agreement between our government and the government of the US would have to be reached."

Sabta president Mr James Ngcoya revealed recently that the granting of landing rights in other countries was being investigated.



Minister of Mineral and Energy Affairs Dr Dawie de Villiers cuts the tape at the official opening of the Hex River Tunnel, the longest in the southern hemisphere. With him is Mr H Moolman.

New Trans-Karoo railway tunnel opened

CAPE TOWN — A ribbon-cutting ceremony in the Karoo this week was the last small step in a decades-long endeavour to shorten the Trans-Karoo railway route by a series of tunnels

Minister of Mineral and Energy Affairs and Business Enterprises, Dr Dawie de Villiers, snipped the ribbon at the Kleinstraat entrance to the newest and longest tunnel of the route.

The gesture was the official opening of the route which has been planned and constructed in four distinct phases since 1946.

Trains have been using the new route since March this year, shortening the journey by 23 minutes on the up run to Johannesburg and by 36 minutes on the down run

Resident engineer Mr W Lok said trains previously had to make their way along the top route over the Matroosberg

Mr Lok has been involved throughout the construction of the 13,5 km-long tunnel between Kleinstraat and De Doorns — the fourth phase of the scheme which was started in August 1980.

The other tunnels in the chain have lengths of 1,2 km and 1,1 km and one twin

tunnel of 0,5 km and are situated at intervals between De Doorns and Touws River on the main Cape Town to Johannesburg route

Built at an estimated cost of R130,52 million, the project will save SATS R60 000 a day. The scheme was initially sanctioned at a cost of R2,8 million in 1946.

Mr Lok said at the height of construction activity, 800 people were working on the project, housed temporarily in De Doorns and in a compound on the Karoo end of the Heks River Pass

Transport of freight and passengers to be freed

GERALD REILLY

PRETORIA — Economic regulation of freight transport would be abolished just as soon as the Road Transport Quality System could be implemented, Transport director-general Ronnie Meyer said here last night

Giving the Dirk de Vos memorial lecture at Pretoria University, Meyer said this would mean any registered operator with a public driver's permit and who owned a roadworthy vehicle could convey goods anywhere in SA.

"In other words, anyone meeting the quality requirements will be granted a permit to operate freight or passenger services without having to prove the need for such services"

Meyer said that under the proposed legislation, non-subsidised passenger routes and services would be open to free competition. Only subsidised bus services would be given a limited protection

He stressed that deregulation of transport did not mean a free-for-all as was claimed by "anti-deregulators"

It did mean market forces would control the number of operators and that entry to the market would be made easier.

Operators would enter the market until saturation point was reached.

"This will inevitably result in more com-

petition on the basis of quality and price — something which would support the revitalisation of the SA economy."

Meyer said that although priority was in the past given to the movement of freight, there was increasing evidence that passenger transport played a key role in economic and social development.

The transport policy should be in line with, and be supportive of, national policy and objectives

Transport goals were set out in the White Paper — furthering private initiative, encouraging small business development and furthering effective competition.

It was certain that a new SA would be a more urbanised SA, and public transport would play an even more important role than it did now, Meyer said

In fact, he said, transport could help bring a new SA into being by helping normalise relationships with its neighbouring states.

On the manpower shortage, Meyer said that as SA could no longer supplement its high level manpower through immigration "we in the transport industry will also have to start making more use of black, Coloured and Asian high level manpower".

Cut-price flights from UK

By Don Robertson

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MASTERBOND has beaten the stranglehold of scheduled air carriers and has arranged six flights from the UK to SA for Christmas.

The flights are being handled by subsidiary Masterleisure and will bring in 2370 visitors.

Masterbond applied to the Department of Transport for 21 flights.

The company has been unable to persuade SA Airways to allow it to fill the first and last return flights. It has appealed to the Department of Transport for permission to fill them.

Masterbond managing director Johan Brits says at least 500 people are on the waiting list for flights to the UK over Christmas.

"Running two empty legs is counter-productive and reduces the profitability of the exercise" *S. Times 3/12/89*

Passengers are offered a package which includes accommodation at Masterbond's Club

Mykonos and Park Avenue hotels in Cape Town and Fancourt in George.

The basic price is £600 for a week, rising to £799 for three weeks. The scheduled fare is £650, excluding accommodation.

The deal has been put together with British Caledonian. Wide-bodied TriStar aircraft seating 393 passengers will be used. Permission has been granted for two landings at Jan Smuts and four at DF Malan airports.

The first aircraft will arrive on December 11

The charter has been arranged to meet heavy demand over Christmas and will not be extended, says Mr Brits. Scheduled carriers are able to meet passenger demand in the rest of the year.

Star 1/2/89

269

Cut-price charter flights to SA in jeopardy

By Tom Hood

CAPE TOWN — The first cut-price charter flights to South Africa are in danger of being scuppered because the British airline, Caledonian Airways, is being forced to return to Britain with some of its planes empty.

Six flights carrying about 390 passengers each were due to start arriving at DF Malan Airport next week.

Passengers paid between \$600 and £799, including hotel accommodation in the Cape, for a stay of one to three weeks.

South Africans pay more than this for the cheapest return air fare.

When Caledonian — the charter arm of British Airways — applied for landing rights for 21 flights, it was turned down earlier this year.

However, Masterleisure of Cape Town decided to apply for landing rights for eight flights and was recently given rights for six return flights.

"The snag was there were no

upliftment rights for South African passengers, which could make the flights unprofitable," said Masterleisure's managing director, Johan Brits, yesterday.

We appealed to South African Airways three weeks ago but they have not changed the situation.

"We are considering cancelling the whole programme if we do not get South African upliftment rights."

A leading travel agent said yesterday the ban on picking up

South African passengers made no sense because regular flights were almost fully booked at this time of year and South African Airways would not lose any business.

Agents welcomed the charter flights because they brought more tourists into the country.

Millions of rands were expected to flow into the Western Cape economy from the hundreds of visitors.

Mr Brits estimated the tourists would have spent R10 million in the next two weeks alone.

July 11 1989

not be tolerated.

SAA may scrap extra flights to Comores

CANCELLATIONS on SAA flights to the Comores could lead to the airline scrapping additional flights planned for the holiday period. *By Day 3/12/89*

SAA spokesman Francois Louw said yesterday a 10% cancellation on flights to and from the Comores had been recorded since the assassination of the Comorian president two weeks ago. *(269)*

Louw said SAA was considering cancelling additional flights to the islands —

TANIA LEVY

planned to commence this Sunday. *(269)*

SAA flies to Moroni weekly on Saturdays. Because the 260-seat Airbus was so popular, SAA had planned an additional flight, seating 60 passengers, for Sundays, until mid-January. Louw said SAA would gauge cancellations and decide by Friday whether to continue with the extra flights

SAA snags plans for cheap flights

Chart flights 7/12/89 269

Staff Reporter

SOUTH African Airways has refused rights to allow a British air charter company to carry SA passengers, jeopardising a plan for six cut-price tourist flights from Britain to SA.

The first of six flights, which was due to arrive in the city on Sunday, has been cancelled.

If the British airline, Caledonian Airways, cannot get SA upliftment rights, some of the flights will have to return to Britain empty.

However, SAA is standing firm on the issue.

"To expect SAA to jeopardise its normal scheduled services to

subsidise peak time charters is quite unreasonable," said SAA spokesman Mr Gerhard Fritz.

He said SAA was not against passenger charters "and certainly supports any effort to increase SA's share of overseas tourists".

While SAA supported full deregulation of the domestic air transport routes and welcomed the competition, such competition on international routes was more complex.

"SAA has a competitive disadvantage because of the routes we are permitted to operate," he said.

The British airline, the air charter arm of British Airways, first applied in August for landing rights for 21 flights over the peak season.

Local agents Masterleisure subsequently applied for landing rights for eight flights on behalf of the airline, and were recently given rights for six return flights.

Mr Johan Brits, Masterleisure's managing director, said the question of upliftment rights "was left for SAA to decide and they indicated they were not interested in supporting such a move.

"With 21 flights, upliftment isn't so important — even with eight flights. But with only six flights it becomes critical that we have the opportunity to ferry South Africans to Britain too."

Waiting lists did exist on some flights over the peak period, but there was also spare capacity on other flights.

RAIL STRIKE ERUPTS INTO VIOLENCE

CITY PRESS, December 10, 1989

PAGE 5

By CONNIE MOLUSI

THE SA Transport Services strike enters its sixth week tomorrow - leaving in its trail four people dead, many more injured and damage estimated at R17,2 million. Observers fear more trouble could erupt if the SA Railways and Harbours Workers' Union (Sarthwu) and Sats do not reach a settlement.

The strike started when Sarthwu and Sats reached deadlock over wage and recognition demands. Sats deputy director of public relations Allan Lubbe said seven motor coaches and nine passenger coaches had been destroyed and their replacement would cost about R17,2 million.

In another incident, a train was set alight near Ellis Park station destroying one coach and causing more than R500 000 damage.

So far, 5 601 workers have been dismissed and another 16 464 are facing dismissal.

Sats was granted court interdicts barring striking workers from entering company property in Durban and the Natal north and south coasts.

Lubbe accused strikers of resorting to violence to force Sats to negotiate on wages.

One worker was shot dead at Johannesburg Station for allegedly attacking a security guard employed by Sats and about 15 others were treated at Hillbrow Hospital after being assaulted by other Sats workers.

Gruesome attacks were reported on Friday as workers who had gone back to work launched indiscriminate attacks.

Workers gathered at Westgate station waiting for those on strike. When the strikers arrived in town, the workers attacked them.

Later, the workers moved to New Canada where they searched trains.

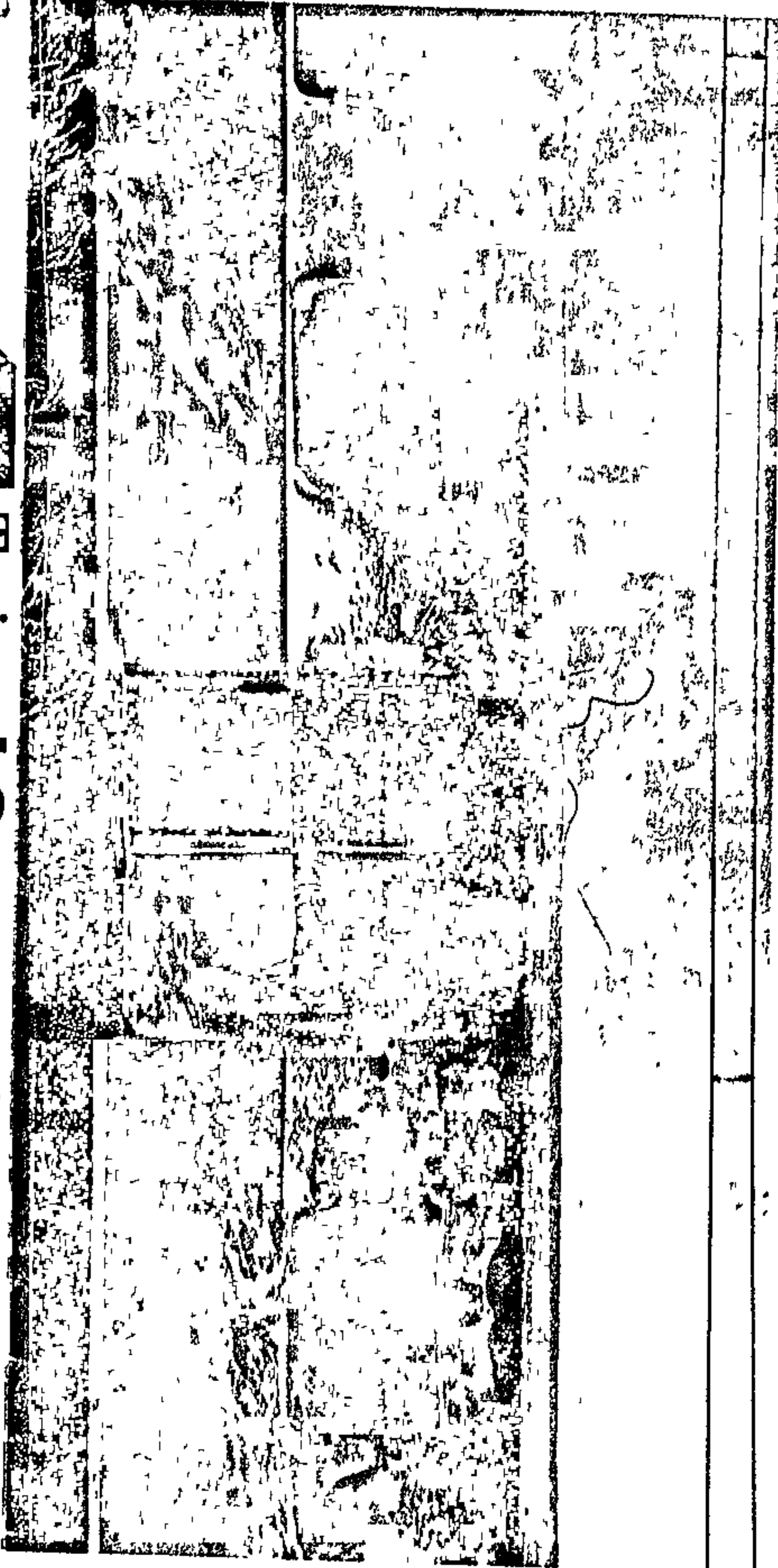
When they found strikers, they assaulted them and allegedly handed them over to the police.

Three strikers were assaulted at New Canada when the attackers spotted them and gave chase.

The regional organiser of Sarthwu in Southern Transvaal, Darkey Africa, said any person who got off the train at New Canada was assaulted.

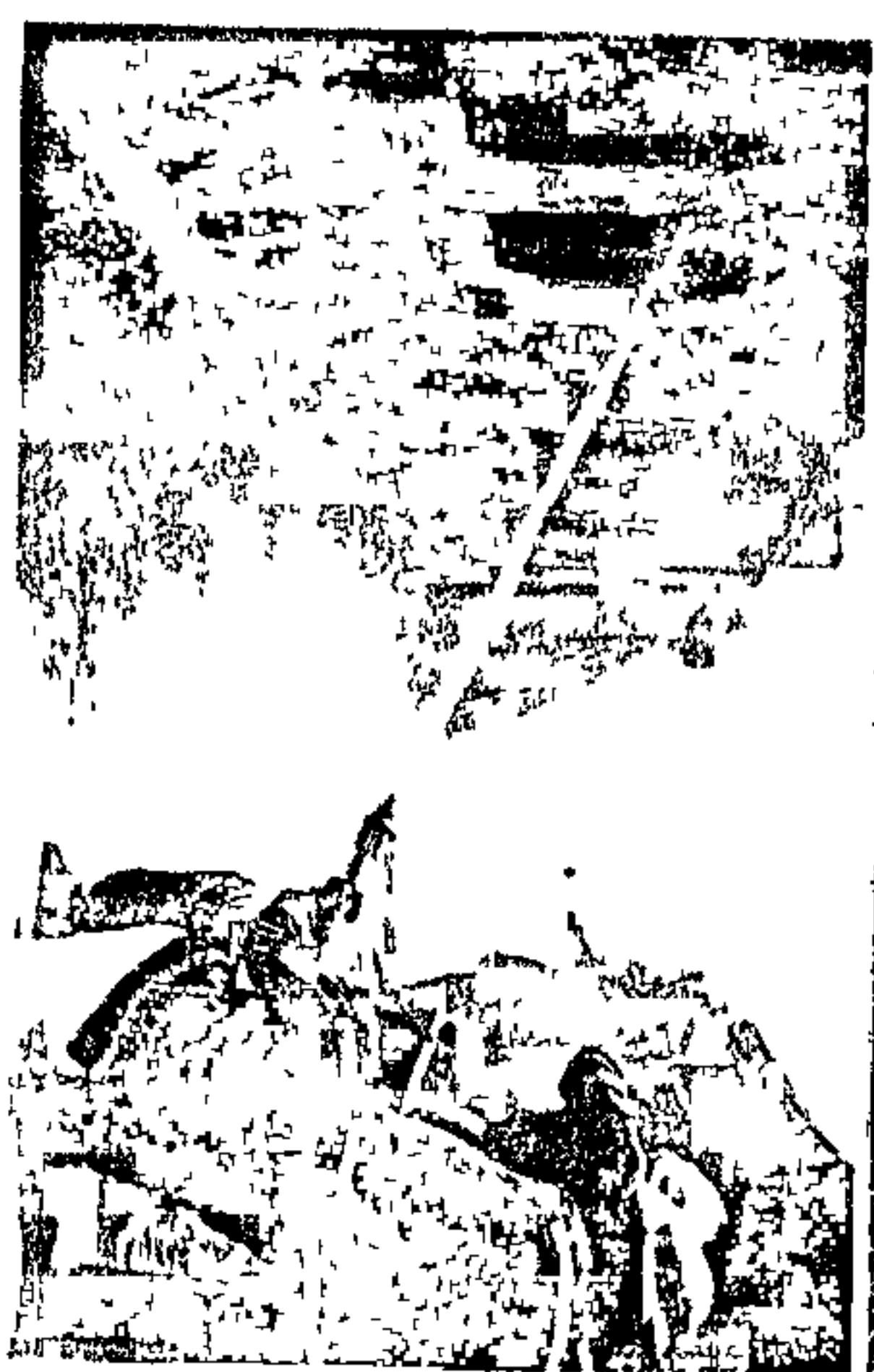
Africa said the claim by Sats that strikers were attacking non-strikers was absolutely false.

He said that at Braamfontein station on Thursday, several workers had massed at the running shed and moved to the platform with one aim - to attack commuters and strikers.



Trains burn

Damage to trains vandalised in the six-week-old railways strike has been estimated at R17,2 million. Four people have died and several have been injured. Above, a train burns in Johannesburg. Left, firemen battle to extinguish the blaze.



Sarthwu said Sats was implicated in the attacks which were taking place on Sats premises. He also claimed the company had given the workers time off.

Sats was using a two-pronged strategy to break the strike, he said. They were dismissing workers and at the same encouraging others to raid trains.

Court order restrains priest, police and chief

By SELLO SERIPE

RESIDENTS of Acornhoek, near Bushbuckridge, have been granted a court order restraining a local priest, a tribal leader and Lebowa police from assaulting and harassing them.

The order against the Rev P Pako chief Nkotohana Chiloane and the police follows an incident a fortnight ago when an armed mob allegedly burnt seven homes belonging to members of the local youth congress.

Other residents thought to sympathise with the Mass Democratic Move-

ment, were allegedly assaulted.

The interim order was granted last Sunday by the Pretoria Supreme Court in favour of Langson Modipane and Prince Lekoba - whose homes were burnt - and to Lawrence Mogakane and local Lebowa MP Lemos Mashile - whose homes were targeted by the mob.

The respondents have until December 27 to show cause why the order should be declared void.

Other homes burnt by the mob belonged to Jacques Modipane, Tumele Mashego, William Searane, Sello Mogaane and Patrick Malebe.

SA prisons based on violence, says ex-Death Row man

By CONNIE MOLUSI

THE government is calling on people to abandon violence but at the same time is running a prison system based on violence, according to recently-released Death Row inmate Menzi Thafeni.

He made the comment at a meeting organised by the Society for the Abolition of the Death Penalty in South Africa (SADPSA) to protest against the continued use of capital punishment.

The worst time for us in the condemned section is when our fellow brothers are going to the cells, where they must wait for seven days before they go to the gallows.

Thafeni said it was painful when loved ones died because of accident or illness but the pain was terrible when a mother said goodbye to a child knowing he was not sick but would soon be dead.

SADPSA executive member and Wits law professor, Etienne Murenk, said the death penalty was the fourth evil - along with slavery, colonialism and racism - uniting the modern world in condemnation.

He said the abolition of the death penalty was becoming the standard by which to judge whether a country was civilised.

He said South Africa had one of the highest judicial execution rates in the world, despite having cut executions by two thirds in the past two years.

"Racial psychology begets the kind of contempt for people that makes it possible to hang seven human beings at a time," he said.

He called on the government to put a moratorium on further hangings while investigating the system of capital punishment.

Lawyers for Human Rights (LHR) member Shucks Setanyatsso said little co-operation has been received from the Department of Justice since Butana Nofomela's claims on death squads were exposed.



Menzi Thafeni

'Free' tickets to UK offered

'Incredible' response to cheap flights

269
Call Time 14/12/89

Staff Reporter

PUBLIC response to a "free air tickets to London" offer has been phenomenal and the local organising company has been inundated with calls, according to a spokesman for Masterleisure.

Masterleisure is the company organising the first cut-price charter flights to South Africa from the UK.

Several charter flights from London to Cape Town were almost cancelled when SAA refused to allow return flights to carry passengers.

The company then advertised the "free" tickets in the press on Monday, indicating that the return airfare would be £499, or about R2 200.

The company resorted to this move after six charter flights were allowed landing rights, but "upliftment rights" permitting them to sell tickets to local passengers wishing to fly to Britain were refused by the Department of Transport.

According to Mr Johan Brits, managing director of Masterleisure, the company would have had to fly empty aircraft back to London.

"Our intention is not to sell the flights but to fill them. When we were forced into the situation we decided that if it came to the push we would give the flights away."

He said that the first flight, due in Cape Town on December 18, has already been over-booked by 40.

"What's been most interesting is the response we've had from South Africans who want to bring out friends and relatives from Britain.

"But generally, we're amazed at the demand for flights — specially from people who want to book return tickets with us," Mr Brits said.

A one-way air ticket to London usually costs in the region of R3 200 and in effect, Masterleisure was now offering return flights for about R2 200.

Passengers travelling to the UK on return tickets would be limited to one, two, or three-week stays only.

There was nothing to stop a person flying one way only on the free ticket, but Mr Brits said preference would be given to return-ticket customers.

"Only when there are seats we cannot fill will we hand out free single tickets on a stand-by basis."

Sacked

Sowetan 15/12/89

269

THE South African Transport Services fired more than 2 200 striking workers yesterday, the SABC-TV news reported last night.

This brings to more than 10 000 the number of sacked employees so far since the bloody strike started more than a month ago.

More than 8 000 other workers are still on strike.

Workers are demanding a minimum monthly salary of R1 500.-Sapa.

Hawkers' party

THE South African Black Hawkers and Informal Business Association will host a party for its members in Daveyton tomorrow.

It will be held at Timken swimming pool.

Strike costs Sats R37m

209

PROPERTY losses incurred by the South African Transport Services since the beginning of the strike by about 22 000 railway workers totalled a staggering R37 million, a Sats spokesman said yesterday

Mr Alan Lubbe said the strikers, all members of the SA Railway and Harbour Workers Union, have lost R16 million in wages to date

Three railway trucks were set alight on Wednesday as the number of dismissed strikers rose to about 17 315 Yesterday, SATS management fired a further 2 322 workers

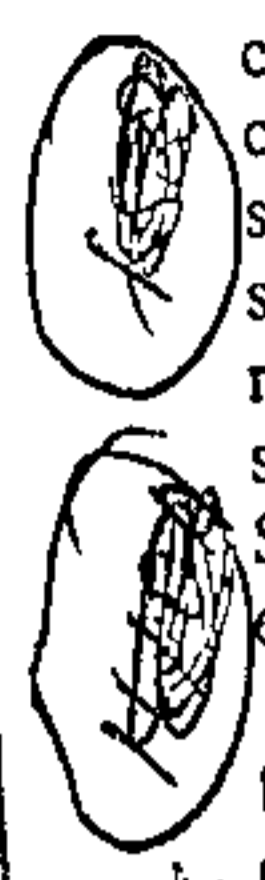
Sarhwu's general secretary, Mr Martin Sebakwane was not available for comment. The union

has rejected the dismissals saying it is still in dispute with the parastatal over wage demands and the issue of its recognition

Lubbe said 8 902 railway employees were still on strike

A total of 24 coaches, with a replacement value of close on R25 million, have been destroyed since the strike started on November 2.

Negotiations between Sarhwu and Sats have deadlocked, with Sarhwu accusing management of failing to make any wage offer. No further talks are planned between the two parties



Supervisor
15/12/89

Shock hike in air fares

269
CMT Tariff 16/12/89

Staff Reporter

SOUTH AFRICAN AIRWAYS' sudden 13% hike in domestic air tariffs was greeted with shock by city travel agents yesterday.

The increase is the second this year and comes into effect today. In February tariffs were increased by between nine and 13%.

The price of a return flight from Cape Town to Johannesburg will now cost R610 — and increase of R70.

SAA's director of public relations, Mr Leon Els, said travellers who had already bought and paid for their tickets would not be affected.

"Anyone who buys a ticket from December 16 will pay the increased price," he said.

"However, nearly all our domestic flights are fully booked so the increases will only truly come into effect in early January once the rush is over."

Mr Els said the fares had been increased for three reasons — in recent years the cost of domestic flights have shown a loss tendency, the profit margin or return on capital investment had to be pegged at an acceptable

level as a result of next year's deregulation and it was decided the domestic fare structure was too low.

The cost of a single Durban/Johannesburg flight rises from R147 to R166. SAA compared this with a British domestic flight of the same distance — the flight from London to Glasgow, which would cost the equivalent of R337 one-way.

"The Consumer Price Index has risen by 60% since April 1986, the petrol price has risen by 72% and SAA fares have only increased by 17%," he added.

Travel agents said the increase had come as a total surprise.

One travel agent said the timing of the increase "was the worst ... how can they increase it just before Christmas?"

She said many people who had reserved plane tickets could not be contacted yesterday to warn them of the increase.

At the SAA offices in the city, long queues formed as people paid early for their tickets to beat the increase and some people had to wait up to an hour to get their tickets.

Seven firms bid for R14m Sats audit

STimes 17/12/89
CHARTERED accountants are bidding for a piece of the lucrative SA Transport Services auditing pie.

Seven bids — some firms have combined forces — have been received since Sats called for audit proposals two months ago.

Sats — revenue for 1987-1988 was R10-billion — is privatising its auditing.

It is estimated that the Auditor-General's office, responsible until now for inspecting the transport giant's books, spent about 200 000 hours on the job.

This would mean 100 people working full time every working day on an account.

Chartered accountants, charging an hourly fee of between R60 and R80, put the Sats audit price tag at about R14-million

● Tiger Oats, whose turnover was R5,7-billion in its latest year, spent R4,1-million on audit fees.

● Malbak turned over R7,3-billion and paid R6-million in audit fees.

269
By Charmaln Naldoo

Chartered accountants say, however, that the methodology adopted by private firms varies widely from that used by the Auditor-General. As a result, the number of hours on the Sats audit could be reduced.

Sats group general manager, finance, Giel Holz says: "We have had a good response from all the big firms. The accepted tenders will be announced by mid-January."

Mr Holz says recommendations have been made to Transport Minister George Bartlett who will make the final decision.

"We have studied the tenders and made our choice."

Mr Holz says that more than one firm will be taken on "depending on its specialities and on the needs of the sector it will audit".

Internal auditors at Sats will be retained, says Mr Holz.



Sats strike is in bad odour with commuters

CP Correspondent

269 ~~11/11/89~~ C. Press

THE Sats labour strike, now in its fifth week, is taking its toll on commuters. The dispute, which has been marked by dismissals, violence and allegations of intimidation on both sides, is now forcing commuters to use other forms of transport to get away from the smell of trains and stations which have not been cleaned for days.

Worst affected are third-class coaches, township stations and the more isolated areas, where non-striking workers fear to tread.

Commuters have complained about the unhygienic conditions, but Sats says it is experiencing manpower problems because of the strike.

Sats Pretoria spokesman and transport manager Marius Butler said the problem could not be solved overnight and appealed to commuters to be patient.

To alleviate the problem, Sats was using white employees to do menial work abandoned by the strikers, but he denied they were "scabs".

"There has been a good response from Sats employees who help with cleansing and other jobs. I can assure you they are full-time employees of Sats," Butler said.

They did their normal jobs during working hours and took over the jobs of striking workers as overtime, he said.

Taxi operators are making a killing as train commuters switch to road transport to avoid the smelly trains and stations. Many commuters said they were also unhappy about the heavy presence of the police and Defence Forces who

Death and misery in wake of strike

By CONNIE MOLUSI

THE six-week-old Sats strike has left a trail of death, destruction, bitterness, misery and losses to both the company and striking workers.

The strike, which was sparked by workers' wage and recognition demands, has developed into one of the worst incidents of industrial violence in recent years.

Parties have become deadlocked over the issue of wage increases, which Sats has stated categorically it is not prepared to negotiate with the SA Railways and Harbours Workers' Union (Sarhwu).

Sats says it is prepared to talk about ending the strike, but will not negotiate with Sarhwu on wages or a disciplinary code because it does not recognise the union, which is unregistered.

Strike violence has caused damage to motor coaches and commuter carriages estimated at R26,3 million, and there are other losses which cannot be calculated easily.

Sats spokesman Allan Lubbe said such losses were, for example, when commuters did not buy tickets. He said although there were people manning ticket checkpoints, there were not enough of them to check all commuters.

Sats has called in police at stations to protect workers not on strike and the public, while several court orders have been granted preventing strikers from intimidating other workers at goods depots or entering the premises.

To date 19 667 people have lost their jobs and 6 863 are still on strike, but Lubbe said these figures represented only 28 percent of the Sats black labour force.

Seventy-two percent of black workers are still working and, as a result, there has not been any major disruption of operations as passenger, mainline and goods services are operating well.

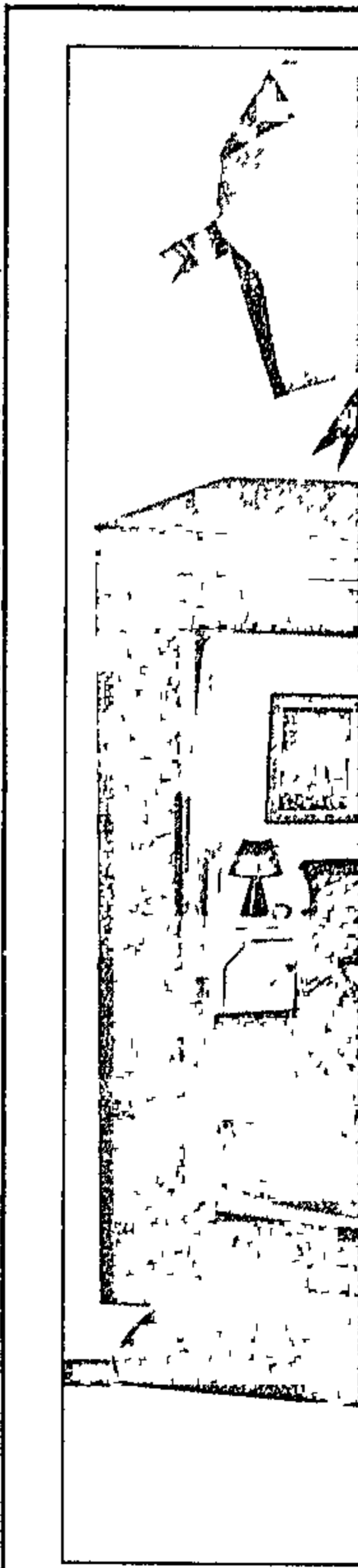
Lubbe said workers had lost R16,7 million in wages, excluding bonuses and overtime.

"turned railway stations and platforms into parade grounds"

Butler said apart from the smell, several factors drove commuters off trains, particularly at this time of year.

"There has been a lot of intimidation. Certain elements are confiscating tickets from commuters and there are violent incidents. Sats normally experiences a drop in commuters. It is difficult to link the drop in commuters directly with the prevailing conditions," said Butler.

These commuters appear undecided on which transport to use for the journey home. The Sats dispute has created a situation where the lack of cleaning staff is making it impossible for the average travellers to use the smelly trains and stations.



Two kids burnt to death as rail strike spreads

269
S
RCA

VIOLENCE continued to characterize the six-week-old strike by SA Transport Services workers with two limpet mine blasts on Cape Town suburban railway lines and a fatal firebomb attack on the home of a Pretoria railways employee on Friday

Another 2 352 strikers were sacked on Friday bringing the total number of dismissals to 19 667 since the start of the strike, Sats said. *C. Press*

About 10 000 workers downed tools seven weeks ago, demanding recognition of the SA Railways and Harbour Workers' Union and a R1 500 monthly wage.

There were still 6 863 workers on strike of which 2 300 were Pretoria workers who walked out on Thursday "demanding police protection from intimidators", a Sats spokesman said. *6/12/89*

Damage to Sats property had exceeded R26-million and workers had so far lost R17-million in wages.

In Cape Town a man was arrested following two explosions which caused slight damage to railway lines early on Friday, police said.

In Alandgeva near Pretoria two children were burnt to death when the home of a Sats public relations officer was razed, police added.

They said the incident appeared to be strike-related. The Sats employee was not at home during the attack, but his mother and a relative were in a "serious condition" with burns.

The strike had moved to Durban harbour on Friday, where shifts were slashed by half and schoolchildren were employed to clean railway lines and coaches, a Sats spokesman said.

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19/12/89

Staff Reporters

The decision by South African Airways to increase its domestic fares by 13 percent has been slated by travel agents, but defended by the airline.

The Association of South African Travel Agents says:

The increase is ill-timed in every respect, according to the vice president of the association, Mr Barney Singer.

He also criticised SAA for attempting to justify the "very steep" rise by comparing internal flights for equivalent distances in America, Britain and France.

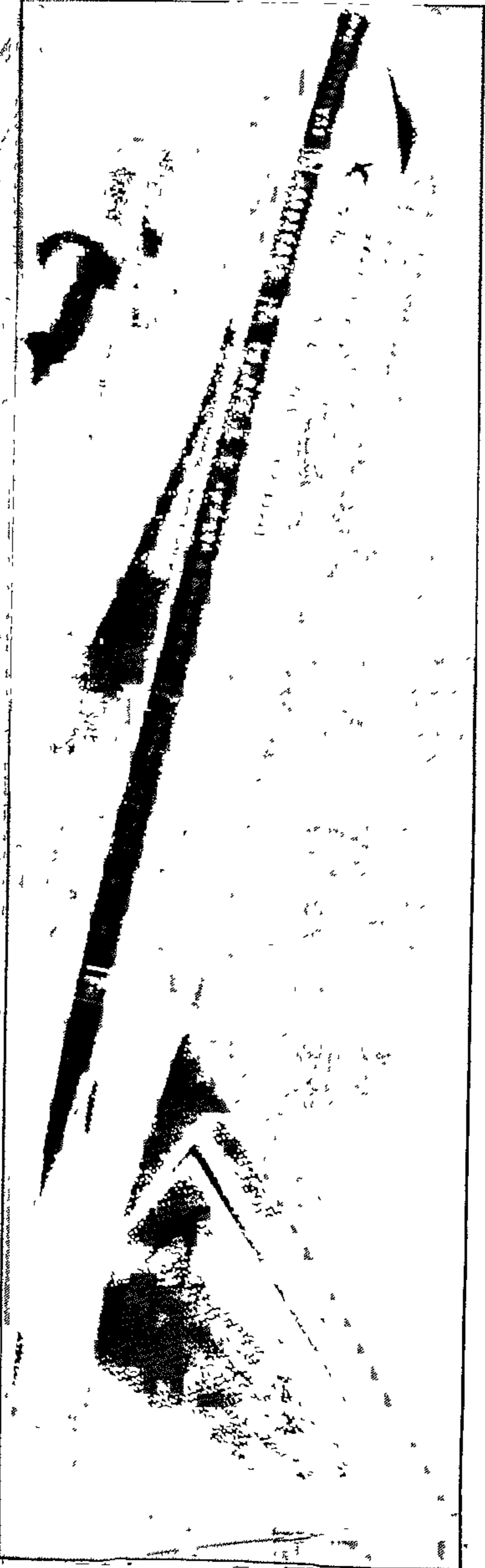
His comments were based on comparisons between the 665 km flight from Las Vegas to San Francisco which cost the equivalent of R582 while the Durban/Port Elizabeth flight of 674 km cost only R209.

Mr Singer said: "They have converted the dollar against the rand but we have a bad rate of exchange and, therefore, our price is lower if it worked only on the conversion."

"But it is an unfair comparison as if one takes the buying power of the dollar compared with the rand, the discrepancy disappears. What I am talking about is that a Coke which costs a pound in the UK costs a rand here."

Mr Singer said the main reason why the Friday announcement was ill-timed was that it prevented travel agents from giving their clients the maximum benefits of pay-

SAA defends fare increase



ing the lowest fares by warning them in advance.

"It is likely to have a marked impact on internal travel with people cutting down on all flights as the prices will increase proportionately across the board."

Appealing to the SAA to take the public into its confidence, Mr Singer said a more likely scenario at this stage when the rand was improving was a decrease in fares rather than the latest price hike.

South African Airways says: The timing of the increase, which

was announced on Friday, was justified, said spokesman Mr Leon Els.

Mr Els said that when the increase was announced the majority of holidaymakers had already purchased their holiday tickets and therefore a very small number of potential passengers would be subjected to the higher fares during the festive season.

He said from December 15 to January 7 the airline would carry 360 000 passengers on scheduled

flights with an additional 12 special flights being planned.

He said during this period there were almost no seats available. The only way a passenger could now get a seat was by waiting for a cancellation or to go on the standby system.

"As from April 1 1990, we will fall under the Companies Act and as with any other private company they do not give any warning about price increases."

Mr Els said that the other airlines in South Africa were in agree-

ment that SAA fares were too low at present to make it profitable. "Deregulation is not going to bring down airfares"

Mr Ivan Jackson general manager of Magnum Airlines, said the 13 percent fare increase was justified and long overdue

He said even when deregulation takes place other independent airlines would find it extremely difficult to compete against SAA, and in fact Magnum Airlines would look at co-operating with SAA

Sats tries to woo strikers back to work

19/12/89

Soweto

SOWETAN Correspondent
and Sapa

269

IN A bid to encourage fired strikers to reapply for their jobs, SA Transport Services yesterday launched an advertising campaign in the Natal Press.

Sats PRO Mr Leon Els said another 500 strikers were due to be paid off in Natal yesterday, rounding off the dismissals process in the region.

Natal has been hardest hit by the rail strike, with more than 11 000 workers being fired there. Close to 20 000 have been dismissed countrywide.

Els said 6 000 workers remained on strike elsewhere in the country, and that as dismissals were concluded in other areas, further Press advertisements would be placed.

Re-employment would be selective, he said.

The advertising campaign is a sign that the dismissals have so far not had much effect in weakening the strike. Els confirmed that few dismissed strikers had reapplied for their jobs.

On the prospects for fresh negotiations between Sats and the SA Railway and Harbour Workers Union, Els said management was waiting for proposals from the union.

Meanwhile, an explosion on the railway line near Wittebome Station rocked surrounding neighbourhoods at about midnight on Sunday night.

A police spokesman said the explosion happened about 100m from the station, on the Simon's Town side.

It caused unspecified damage to the lines and there were no injuries, he said.

Soweto and Lekoa face cash crisis

THE Soweto and Lekoa councils face a financial crisis following the Transvaal Provincial Administration's disclosure yesterday that the sources of its bridging finance had dried up, writes SY MAKARINGE.

The two councils, which have been given a two-month ultimatum to mend their ways, have been relying mainly on bridging finance provided by the TPA to run their affairs in the wake of the on-going rent boycott in their townships.

Mr Olaus van Zyl, a member of the Executive Committee of the Transvaal, yesterday confirmed the TPA had run out of bridging finance to help the two local authorities and 80 others pay their electricity, sewerage disposal and water bills.

Van Zyl said the TPA had "recently" provided the Soweto Council with more funds, but did not know for how long these will sustain that local authority.

"We're trying to obtain more funds from the Government. Whether we'll succeed we cannot say," Van Zyl said.

Jubilant crowds meet first 'free' London flight

Staff Reporter

SHRIEKS of delight, ear-to-ear smiles and tear-filled eyes marked the arrival at D F Malan late yesterday of the first of a series of five cut-price charter flights from London.

For many Capetonians in the huge crowd that set the international arrivals hall abuzz, the plane's arrival meant happy family reunions after many years.

Excited passengers were welcomed to South Africa in style, despite the battle that continues to rage between SA Airways and Masterleisure, the local company that organised the flights.

Several charter flights from London to Cape Town were almost cancelled when SAA refused to allow return flights to carry local passengers.

Masterleisure then advertised "free air tickets to London" in the press, indicating that the return airfare would be £499, or about R2 000.

A special surprise was in store for Oxford student Mr John Morris.

For nothing more than being first off the flight, Mr Morris won a free three-day holiday at Club Mykonos. He was handed his prize by Masterleisure chairman Mr Koos Jonker.

Mr Tim Colman, who has lived in London for the past three years, came well prepared for a fun-in-the-sun South African holiday with his windsurfer.

A total of 292 passengers arrived in Cape Town — 100 passengers disembarked in Johannesburg — after a gruelling flight from London's Gatwick Airport, via Athens, Mombasa and Johannesburg.

Early increase blamed on costs

Sats to raise its tariffs on January 1

269
~~269~~

B/Dan
20/12/84

SATS is to increase rail, road, pipeline and harbour tariffs from January 1 — the second multiple tariff increase in nine months.

Tariff increases on rail goods ranged from 13% to 20%, while there was an across-the-board 13% tariff increase on harbour services.

The increases on crude transported by pipeline and on commodities by road were unobtainable yesterday.

The April 1 Sats increases included a 12% rise in tariffs for the conveyance of crude by pipeline and an 8,6% increase in rail goods.

Chief director (marketing) Koos Meyer said yesterday the reasons for the early increases — and not April 1, as expected — were higher costs and inflation.

They would not affect existing contracts.

Rail passenger services director Gerhard Booysen said rail fares would not rise on January 1.

Although fares could be increased before April 1, he said the public would be advised in good time.

Outlining the average increases on rail freight, Meyer said tariffs on low-rated traffic, which included ores and minerals, would increase by 17%.

High-rated traffic, which included engines, cars, fridges and stoves, would see a tariff increase of 16%.

Rates on all truck-load traffic, which normally transported ores and minerals, would increase by 17,8%.

Transport of cement would increase by 16%, container rates by 13,9%, timber by 19% and livestock by 20%.

EDYTH BULBRING

The increase on the transportation tariffs for livestock in April was 13,5%.

As a separate commodity, the transport of coal would increase by 17,5% and the hiring of miscellaneous Sats equipment would have an increased rate of 16%.

The transport of petrol would rise by 8% and the cost of diesel by 15%, Meyer said.

CE (harbours) Duke Davidson said only services that had run at a loss would be affected by the January 1 increases.

The across-the-board increase was 13%.

Tariffs on marine services, which included port dues, tugs and dry dock usage, would increase by 14%.

Deputy director (harbours) Sidney Bird said the increase in harbour service tariffs was an attempt to eliminate cost subsidisation between services.

Regarding the handling of cargo, Bird said tariffs on crane usage for general cargo would increase by 15%, containerisation by 13%, break bulk cargo handling by 13%, grain elevators by 15% and bulk appliances by 14%.

However, concessions on wharfage would be introduced in order to do away with the 25-ton requirement on high-value imports.

This would benefit importers and exporters of high-value goods.

Sats rail services were expected to make a loss of R469m this year, road transport services a loss of R12m, harbours a profit of R575m and pipelines a profit of R319m.

Few fired Sats strikers reapply for jobs

269 Labour Reporter

Less than 20 of the 11 000 dismissed railway strikers in Natal have re-applied for their jobs, SA Transport Services senior labour manager Mr Victor van Vuuren revealed yesterday

After the conclusion of the dismissals in Natal — the region hardest hit by the rail strike — Sats placed advertisements in the local

press calling on strikers to apply for re-employment

Yesterday a further 22 strikers were fired. Over 20 000 have been dismissed countrywide and 5 765 workers remain on strike, according to Sats

Mr van Vuuren said there was a possibility of a further meeting between management and the SA Railway and Harbour Workers Union tomorrow.

On Monday the parties' legal representatives exchanged fresh proposals in the first official contact since talks deadlocked a fortnight ago.

"We are looking at structuring a long-term relationship with Sarhwu, and see this as the way to break the deadlock," Mr van Vuuren said.

No further incidents of violence had been reported, Mr van Vuuren said, adding that this was the pattern when negotiations were under way.

20/12/89

Sats price increase

2/12/82
Cowellan (269) (2414)
INCREASES in the prices of a wide range of commodities - possibly including food, petrol and diesel - are expected as a result of a 16 percent average increase in rail, road, pipeline and harbour tariffs announced by South African Transport Services (Sats) on Monday.

It is the second time in less than a year that the tariffs are being raised to meet rising costs. In April, rail goods tariffs went up by 8.6 percent and pipeline costs by 12 percent.

The new tariffs do not include hikes in the price

of passenger road transport services. These, however, may go up in mid-year, according to Sats officials.

A spokesman for SATS also put the blame for the hike - which comes into effect on January 1 - on "increased costs".

Rail goods will go up between 13 percent and 20 percent, and harbours by 13 percent.

For the man-in-the-street, this could mean an increase in fuel costs, as well as in the cost of engines, cars, refrigerators and stoves because these are rated as "high-rated traffic".

Appeal for help

THE Katlehong Town Council and school authorities have appealed to local residents to help with donations towards the burial of three youths who drowned while on an outing in Transkei at the weekend.

The funeral arrangements are being organised by a committee consisting of school representatives, local residents, a councillor and families of the deceased.

Mandla "Mkhulu" Nhlapo, Siphon Mtambo and his younger brother Bafana, all from Katlehong, will be buried on Sunday at the local cemetery at 2pm. A funeral service starting at 10am will be held at the D H Williams Hall.

Donations can be forwarded directly to the families at 666 Ramokonopi Section in Katlehong and A9 Mazibuko Street in Tokoza, Alberton.

Prices set to rise across the board after Sats tariff hikes

B/Daw 21/12/89

2205

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THE prices of most commodities would be forced up by Sats's tariff increases, customers said yesterday.

On Tuesday Sats announced a 13%-20% increase in rail freight and a 13% increase in harbour services tariffs from January 1.

SA Lumber Millers Association (Salma) executive director Andries Swart said the 19% timber increase was "bad news for the industry".

"What has happened about President F W de Klerk's call for cutting inflation? It's crazy," he said.

He said the 114 Salma members exported timber to the value of R120m a year by sea, and a greater amount by rail. SA wanted to increase its exports, but the Sats increase was making it impossible, he said.

The forestry branch of the Environment Department was attempting to persuade Salma to raise log prices by 30% and general timber prices would have to be raised from January 1 to absorb transport costs, said Swart.

Furniture prices, housing costs, crating and packaging would be affected.

EDYTH BULBRING

A Sats spokesman said the tariff increases affected only rail goods, some road transport feeder services and the harbour services running at a loss.

Rail commuter and pipeline tariffs would not be affected by the increase.

Sats Roads Transport director (goods-general) Charl Moller said there would be no general increase in tariffs for goods transported by road.

However, an average 17% increase in tariffs on goods transported on rail-link services, excluding tariffs for the transport of fuel on a rail-link service, would come into effect on January 1.

The tariffs for all other goods services were special market-related tariffs, negotiated on a continuous basis with clients. These would not be influenced by the tariff increase, he said.

DP spokesman for consumer affairs Harry Schwarz slammed the increases, saying they would add "fuel to the fire of inflation". He said they were inconsistent with the government and Reserve Bank's commitment to combat

"this scourge". Schwarz said the rail tariff increases will have a "ripple effect" throughout the economy.

"One must therefore not be surprised when the cost of other goods go up and when workers ask for salary increases to meet rising living expenses."

Assocom said it noted the increases with "grave concern". The inflationary effect would be felt throughout the economy, a spokesman said.

The increases exceeded the consumer price index and raised the question of Sats's ability to operate within its budget, the Assocom spokesman said.

Sugar Association national marketing director Frans Oosthuizen said at the end of the day, all commodities made with sugar would be affected.

He said the increases were "sad and unexpected".

He expected the price of sugar to stay the same in Durban, but that it would increase further away from Durban as consumers picked up the travel costs.

The Sugar Association would absorb the cost of the rail to road transport between the mills and the terminals.

● Comment: Page 4

1/Day 21/12/89

Timing takes economists by surprise

269

CHARLOTTE MATHEWS

THE timing of Sats's 13% across-the-board tariff increase announced on Tuesday was its most surprising feature, economists said yesterday, but they did not expect the rise itself to have a significant impact on the inflation rate in 1990.

"This is not earth-shattering news and it is not out of line with increases elsewhere, but it is surprising that they have chosen the time that they have," Standard Bank economist Nico Czipionka said. "Why they announce it in December is difficult to say. It may be because they believe they are launching that kind of thing when nobody reads the newspapers."

"I think it will only affect the rate of inflation insofar as it has happened three months earlier than expected," Rand Merchant Bank economist Rudolf Gouws said. "The rise will have some impact but I don't think this is sufficient to make me change my view that inflation will be on a downward trend."

Conservative

Gouws said in the past administered prices and tariffs had been kept artificially low and then had had to jump, which gave an impetus to further price rises. "So I don't think it would be clever of the authorities to hold specific prices back in the hope of fighting inflation."

"They should stick to a conservative monetary and fiscal policy but should not keep prices artificially low."

Trust Bank economist Jacques du Toit said they were forecasting an inflation rate of around 14,5% early next year, which could be slightly higher after the Sats increase but was unlikely to exceed 14,7%. This compared with an average inflation rate of 14,8% in 1989.

He expected inflation to decline in the course of 1990 to around 13,5% by the end of the year.

"The rise in Sats costs and the resulting tariff increases is part of the whole inflationary spiral," UBS economist Christo Luúts said. "Ideally at some stage one should try to break it but imposing price and income controls will lead to all sorts of distortions."

"This move is in apparent conflict with government policy of keeping down inflation," Nedbank economist Edward Osborn said.

"But there is another policy which says all enterprises should be run on a profitable basis and should not involve state subsidy."

Light at the end

Breaking the deadlock of the violent seven-week strike, Sats and a fairly desperate SA Railway & Harbour Workers' Union met on Monday — "with a view to exploring ways to resume negotiations" as union spokesman Elliot Sogoni put it.

Sats labour relations director Vic van Vuuren said he hoped the dispute would be resolved soon.

The parties undertook not to make public what is on the table. However, he adds there was "a lot of common ground."

Sogoni confirms that lawyers are "busy registering the union."

Formal registration (which Sats' 12 other unions accepted) has been a condition for recognition. Van Vuuren says Sats is prepared to recognise it.

The wage demand remains. Sats is adamant it will not deal on wages (for this year) even though the union is now prepared to modify its demand for a minimum R1 500 a month.

How will the union sell this to members who, according to Sats, have forfeited R18m in wages, excluding bonus and overtime pay? Sats losses, in terms of destroyed and dam-

aged coaches, amount to R38m (plus lost business).

The union's national executive committee was due to meet on Wednesday or Thursday. Sogoni says: "We will tell the members what the Sats proposals are and see how they react."

While neither side will disclose the fresh proposals, these no doubt centre on the wage issue and rehiring. Sats placed ads this week inviting those dismissed to reapply for their jobs; they'd be given preference until Tuesday.

However, Van Vuuren rejects the idea that it will reinstate all 20 464 sacked strikers. The union, which claims 40 000 members (out of 80 000 blacks at Sats) thinks this is simply tough talk to frighten workers into returning. ■

More buses over Christmas

South African Road Transport (Sart) will provide 100 extra buses to and from homelands and neighbouring states from today to cope with the expected increase in passengers over Christmas.

Sart's public relations officer, Ms Engela Smith, said the extra buses would carry passengers from Johannesburg, Pretoria, Cape Town, Bloemfontein and Durban, to Transkei, Ciskei, Venda, Bophuthatswana, kwaZulu, QwaQwa and Gazankulu.

Sart has asked passengers to limit their luggage. Tickets are obtainable at railway ticket offices or direct from bus drivers. — Staff Reporter. (269)

Flying high on success

w/f MBUS
23/2/89

269
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By TOM HOOD
Business Editor

THE first charter air flight to touch down in Cape Town this week could be the pathfinder of many more next year

At least that is the aim of Mr Johan Brits, managing director of Masterbond Trust, the local organisation behind the cut-price flights bringing tourists to South Africa

"We will be applying for further charters from Britain next year and we are also investigating the German market. It is a logical extension from England to Germany," he says.

"That's why we started looking at charter flights — it looked like a money making venture"

Masterbond was largely a participation mortgage bond business when Mr Brits and chairman Koos Jonker left Owen Wiggins Trust to start it five years ago. Now it is heavily into the holiday, leisure and tourism businesses.

Investigating the tourist business, Mr Brits discovered the established air lines could not cope with demand at the end of the year. He started off by getting Caledonia Airways to organise 21 flights, but most of these were grounded when South Africa was able to pre-



Johan Brits...tourism ahoy!

vent return flights picking up fare-paying South Africans. Eventually, five charters from London to DF Malan were allowed.

Mr Brits believes the attitude of SAA to protect its own business is short-sighted. More tourists have an important spin-off in internal flights as visitors go to other parts of country.

If a tourist came here on a R2 000 flight and spent what

he saved on fares inside the country, that could not be termed an outflow of capital. Each British tourist, for example, normally spent about £100 a day on holidays.

"If we could get 21 flights, we would have more than R42 million coming into the country," he said

Support from Captour, Wesgro and the public had been "tremendous" and he believed there was a good chance of

more flights being allowed next year

Mr Brits, a chartered accountant who qualified at UCT, lists sking and sailing among his interests so he obviously fits well into the big business of leisure.

When he took over the helm at Masterbond, the group controlled only R20 million of funds — it now controls about R240 million. This exceptional growth he attributed to aggressive marketing.

The company got into the leisure business as Mr Brits and colleagues looked at new investment opportunities for its client base of 8000.

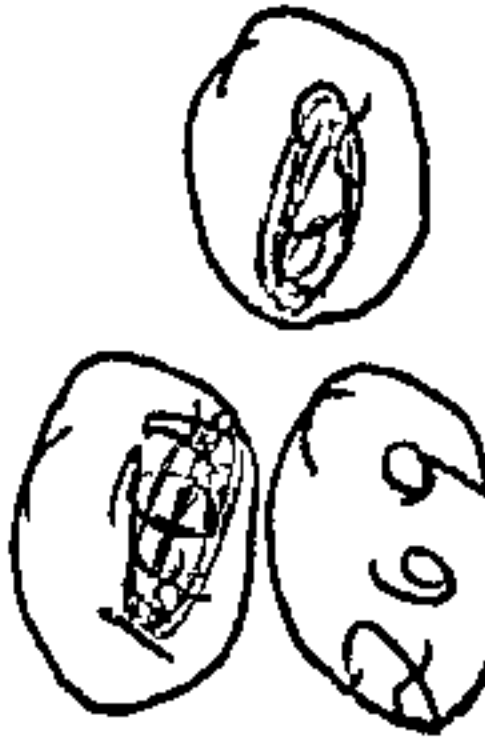
"The stock market was booming in 1986 and Masterbond could not afford to invest in equities for growth, but we decided on property type investments to give capital growth," he recalls.

Industrial and commercial properties had very good potential. But he realised that the area of best growth was going to be the leisure business, especially the leisure business of property. But it had to be soundly researched. For a start there is a serious shortage of hotels and leisure type accommodation.

"When the tourist boom started three years ago we could see the potential in tourism. Leisure properties and holiday properties will see good growth in the next 10 years."

Cape Town is seen as one of the best growth areas for hotels and a 60 to 100 room hotel is planned for the Rosenfontein

Sarhwu and Sats will talk again



Sowetan 27/12/89

NEGOTIATIONS between the South African Railway and Harbour Workers Union and railways management are expected to resume this week.

The talks follow Sarhwu's decision last week to approach the South African Transport Services "to return to the negotiating table and negotiate seriously."

Sarhwu's national executive committee met last Thursday to assess the strike and seek a new mandate from union members. It is expected that the union will table its mandate at the next round of negotiations.

The seven-week-old strike has left at least 16 people dead and scores injured.

Nearly 21 500 Sats workers have been sacked at the last count on Thursday last week, with 523 dismissed on that day. A further 4 256 strikers face dismissal.

The dismissed workers represent over 25 per cent of Sats' black labour force of about 80 000.

Strikers have lost R18,5 million in wages and damage to Sats property stood at R37,9 million, according to Sats.

The two parties could not be reached for comment.



OUT COALED . . . Part of the pile of 47 crushed and overturned trucks and 4 000 tons of coal which blocked the country's main coal line between Vryheid and Richards Bay after a derailment yesterday.

47 coal trucks of train crushed in huge derailment

Own Correspondent

FORTY-SEVEN fully-laden railway trucks were crushed like tin foil, spilling thousands of tons of export-coal, in a massive derailment on South Africa's main coal line near Richards Bay yesterday, causing damage of more than R5 million.

Sabotage has not been ruled out. This follows four other derailments in Natal this month — two of which were the result of sabotage.

According to SATS operations manager for Northern Natal Mr Cas Fouché, the back quarter of a 200-truck train — bound for Richards Bay from Vryheid mines — derailed about 6 45am, throwing trucks over each other and off the track.

No one was injured and the four electric engines at the front of the train were not damaged.

Almost 4 000 tons of coal blackened the surrounding veld. More than 400 metres of track were ripped out of the ground. Several poles carrying overhead cables were knocked down, cutting off the supply for electric locomotives.

Inspectors were not yet able to determine the cause, as there was so much debris spread over such a wide area.

A reporter observed scores of men working feverishly to remove the wreckage and to right the 70-ton trucks which had keeled over. Many residents of a nearby shack settlement also turned out to watch the operation.

Mr Fouché said of the four tracks in the line, two were damaged. One is totally destroyed and the debris will only be cleared by Saturday, but the other three should all be working by today.

"We have diverted traffic on to the other tracks and we have had no disruption to our coal export programme whatsoever," he said, adding that the aim to ship 44 million tons through Richards Bay in 1989 was going according to schedule.

"If it is found the derailment was SATS' fault we will have to foot the bill for the coal, which still belongs to the mine. Hopefully, however, most of it can be recovered, as it is lying on a flat area.

"Fortunately the derailment took place right next to a depot where we have some sleepers stored and it will be easy to get them on to the line."

Argus 28/12/87 269

Sabotage ruled out in train crash probe

The Argus Correspondent

DURBAN. — Sabotage has been ruled out as the cause of the derailment of a 200-truck coal train on the Richard's Bay line.

Sats regional manager for Northern Natal, Mr Willem Kuys, said today investigators had found no evidence indicating the line had been sabotaged.

The cause of yesterday's accident, which crushed 47 trucks and spilled almost 4 000 tons of coal on to the veld, is not yet known.

ONE TRACK OPEN

"Our investigators are still examining the debris. At the moment their task is extremely difficult because the tracks have been destroyed," Mr Kuys said.

The accident damaged two of the four tracks on the line.

Mr Kuys said one track was opened last night but that the second would only be operational in several days.

The spilt coal will be moved next week.

Mr Kuys said no one was injured in the derailment and that overhead electricity wires would be in place by this afternoon, enabling normal traffic movement.

"He said the accident had caused just eight hours' delay in moving coal to Richard's Bay for export "and I am sure we'll be able to catch up".

He said there was enough coal in storage at Richard's Bay harbour to meet immediate demand.

Repair gangs worked on the damaged rails throughout last night and will continue to work in relays until the line is repaired.



SIGN OF THE TIMES: Although black commuters are making use of Johannesburg's white bus service the system is still not officially desegregated.

Jo'burg bus apartheid still largely the ticket

JOHANNESBURG'S municipal buses are still not "officially" desegregated despite the city council's announcement in September that they had abolished petty apartheid on buses

But, said council liaison officer Mr Jan Pretorius, the council did not intend prosecuting black commuters for making use of the city's buses at this stage

Inner-city bus trips taken by the Saturday Star this week indicated that more black commuters were taking advantage of the white bus system. However, buses to the suburban areas remained almost exclusively white and, aside from the occasional domestic worker, often almost empty. "Only once the formality of permits for the desegregation of each route has been passed by the

SKW 20/11/78
PAT DEVEREAUX
269

local Road Transportation Board — will buses be officially open to all races," Johannesburg's Transport Department director Mr Ed Curtis said

"More than 21 days — the legal period in which objections can be lodged — have past since the gazetting of the move to open Johannesburg's buses to all race groups, and we are now waiting to set a date for a meeting with the Road Transportation Board, which should be early next year.

He added that monitoring showed that black commuters were making more use of white buses "Even before any decisions about opening the facility was made they were using the buses. We moni-

tored at least 600 black commuters making use of white buses each day"

Asked whether the old rule of the bus driver's discretion was still being applied, he said: "There are some drivers of certain political persuasion who refuse to let black passengers on to their buses. As things stand, they are acting completely within the law. Once the permits have been passed, however, it will no longer be up to the driver.

"But total bus desegregation in Johannesburg will only be completely done away with when the Group Areas Act goes," he added

About 13 million black commuters use the council's black-service each year. The 40 percent lower tariff fares and routes to townships and stations ensure that the pattern will not alter overnight.

Maureen Tladi ran to her neighbours for help, but when she returned her husband was dead, with four bullet wounds in his chest.



He was killed for working to pay off his house bond

By CONNIE MOLUSI

A MAN who put the needs of his family first paid with his life when he decided not to join the seven-week-old black railway workers' strike

Sats worker Joseph Tladi was shot dead by unknown gunmen on December 5, apparently because he continued working after the strike began on November 10

After staying in a backyard room and in a dingy Hillbrow flat, Joseph and his family had just moved into their dream house in the smart Marmiba Gar-

dens area near Vosloorus on the East Rand. For Joseph it was a dilemma whether to join the strike or not. He had to find R800 a month to meet his bond repayments.

He had worked for Sats for 17 years, was dedicated to his job and the welfare of his family and paid with his life when three assailants stormed into his house on that

fateful night. His grieving widow, Maureen, vividly recalled the attack.

"It was raining that afternoon and he had just come back from work. A man knocked on the kitchen door and before he was told to come in, he was already inside the house carrying a plastic bag."

When she asked him what he wanted, the man

retorted arrogantly that he was selling, but had no time to show what his business was.

As Joseph emerged from the bedroom, half-dressed with his shirt still in his hands, the man said "Ja, jy werk maar ons werk me" ("Yes, you work but we are not working"). The man grabbed Joseph and the two began fighting.

Maureen told City Press she dashed out of the house to alert her neighbours, but on her way back she heard gunshots and saw three men running away. Joseph lay on the ground dead with four bullet wounds in his chest.

He had died for his dream of owning a house - and his two children, aged 14 and 11, were fatherless.

Sapa reports that the strike will enter 1990 with 22 380 striking workers fired, following the dismissal of another 109 strikers on Friday

Handwritten notes: 269, C.Press, 21/12/89

CESS ... Top matric student Albertinah Ngwezi
latory hug from sister Deliwe.

Matele said ... started screaming and howling frantically, she said ...
elder brother, Stanford, trying to push the truck away
from him and the truck hit them both.

Don't penalise busless workers, pleads mayor

By SOPHIE TEMA

THOUSANDS of East Rand workers are likely to be without transport when most firms re-open in the new year, while authorities are sorting out a municipal bus fleet sale to a black council.

Yesterday, Daveyton mayor Tom Boya sent out an SOS: "I want to appeal to employers on the East Rand and other areas to bear with their workers during this period by not penalising them for arriving late at work or sometimes not turning up at all."

He went on: "I also

wish to make the same appeal to the traffic authorities not to harass taxi-owners and drivers or others who may want to assist in conveying passengers to and from work."

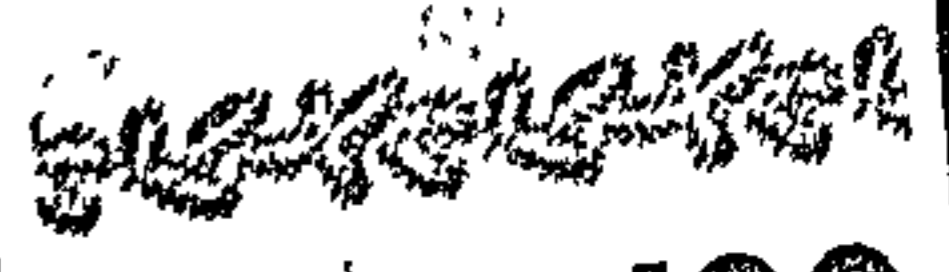
Boya also told *City Press* that while his council awaited the results of negotiations between the white Benoni Town Council and the Transvaal Provincial Administration (TPA) more than 10 000 black workers faced the bleak prospect of being without transport.

This was the result of the Benoni Council-owned transport services

being stopped from today. Benoni Transport Services' 50 buses were recently offered for sale by the Town Council to Daveyton Town Council for R2 million. Boya said his council had agreed to buy the buses and was awaiting TPA approval.

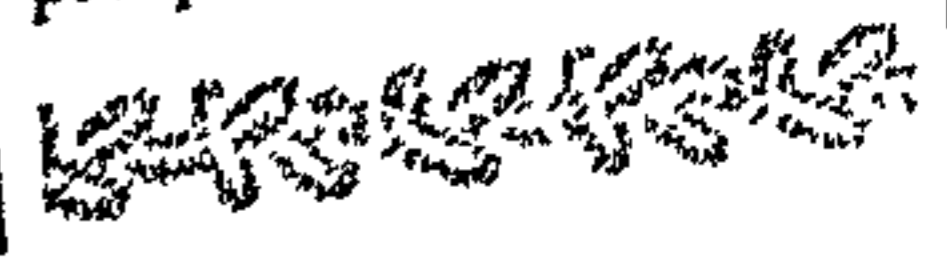


Mayor Tom Boya



Happy '90

The editor and staff of *City Press* wish readers a happy, peaceful and prosperous 1990.



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C.Press 21/12/89
A

PUBLIC SECTOR - TRANSPORT GENERAL

1990

JANUARY — APRIL

East Rand bus crisis goes on

269
Some Jan 2/1/90

By MZIKAYISE
EDOM

The transport crisis faced by thousands of bus commuters on the East Rand remains unsolved.

This follows decisions by two white councils who withdrew their services at the end of last month.

The Benoni and Boksburg town councils withdrew their services because of financial problems. Townships affected by the termination of the services are Daveyton and Wattville.

The Daveyton Town Council has agreed to buy 50 buses from the Benoni council at a cost of R2-million and is still awaiting the approval of the Transvaal Provincial Administration.

Meanwhile, commuters will have to rely on taxis - which are inadequate.

Alternatively, the local taxi association will have to allow pirate taxis to help transport the thousands of commuters.

The Benoni council claims that it has lost more than R18-million in the past three years and about R6-million this year alone.

Buses open to all this month

411190 ^{Skw} Staff Reporter

(269)

Johannesburg buses will officially be open to all races by mid-month, but a few "difficult" bus drivers continue to harass black commuters trying to board white buses.

Commenting on the latest racial incident yesterday in which a white bus driver shouted at a black woman trying to board his bus, a Johannesburg Transport Department spokesman said buses would probably be open to all races by January 15.

Yesterday afternoon, Ms Patricia Majeke (41) was humiliated when a white bus driver on the Johannesburg to Hillbrow route was allegedly aggressive towards her.

"The impression I got was that he did not want me on the bus," she said. "If I am not allowed on the bus I want to know, as a human being. I felt humiliated to be treated like that. My dignity is gone. Black as I am, I respect other races and only expect the same," she said.

The transport spokesman said the incident involving Ms Majeke was regrettable and would be investigated.

"Legally, blacks are still not allowed to travel on white buses. We have only had a few incidents in the past few months with some of the drivers who are a bit difficult.

"Most drivers don't enforce the rules, but if a person admits he is black the driver can refuse permission to board."

He added that a driver was not entitled to ask about a person's race — and not permitted to act in an aggressive manner.

First-class rail cars back for Plain

By PETER DENNEHY

FIRST-CLASS rail carriages on the Mitchells Plain line, which were withdrawn in November, will be reinstated when the current troubles are over, SATS spokesman Ms Letitia Ashbury said yesterday.

She could not say with certainty whether or not the withdrawal of the carriages was related to the ongoing railway workers' strike.

"It is not for us to say that strikers damaged the carriages," she said. "The damage could be unrelated to the strike."

"But the withdrawal of the carriages is definitely related to the many cases of arson," she said. "The first-class carriages were damaged far more than the other ones, because of the materials they are made of."

More than 20 first-class carriages had been damaged to varying degrees in the Western Cape alone, Ms Ashbury said.

She was responding to a complaint from a regular commuter from Mitchells Plain, 50-year-old Mr Noble

Roussouw

He said he had been living in Mitchells Plain for 13 years and commuting to work in the city. Trains had often been damaged in the past too, he said, but the first-class carriages had never been withdrawn before.

"Many of us prefer to travel on the first-class carriages," he said. "Professional people who wear suits and carry briefcases often feel they are targets for muggers in the third-class carriages."

"Besides, the third-class ones are very often terribly crowded."

He felt it was unfair that the first-class carriages should be removed, and suggested that they should be better guarded instead.

Ms Ashbury said SATS had thought it best to remove the carriages, just till the situation had stabilised.

Extra third-class carriages had been provided to replace the first-class ones in the meanwhile, she said.

In the Western Cape, only the Khayelitsha, Mitchells Plain and Kapteynsklip trains had had their first-class carriages uncoupled, she said.

CAPT Tim JS
4/11/1990
269/8

Buses open to all this month

4/11/90 ^{SW} Staff Reporter (269)

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He added that a driver was not entitled to ask about a person's race — and not permitted to act in an aggressive manner.

Soweto police to pull out Casspirs

4/11/90 ^{SW} By Craig Kotze

Police Casspirs are to be withdrawn from Soweto, the township's new police chief, Major-General Johan Swart, told a press conference yesterday.

The Casspirs are to be replaced by ordinary vehicles to help restore normal relations between the SAP and residents

General Swart said should Mr Nelson Mandela be released, his presence in Soweto would not constitute a policing problem.

It was also decided that:

- A Neighbourhood Watch system be formed in Soweto, Lenasia, Kliptown and Eldorado Park
- Meetings would be held with civic leaders to determine what residents expected of the SAP
- The presence of troops in the township would be evaluated



A spe
kind
pleas

John Play

Anger over refused entry to 'white' buses

209
Lawyer
20/1/69

A white Johannesburg bus driver this week allegedly threatened to disembark from his vehicle if a coloured inspector insisted on allowing two black commuters on board.

This allegation was made by Mrs Virginia Dzingwa, a Vosloorus private nursing sister, who described the desegregation of Johannesburg buses as a farce after she was refused to board one on Wednesday afternoon.

Dzingwa, who works at Rand Heart, said she and another black commuter were refused to board the bus by the driver at a Jorriksen Street bus stop at about 5.45pm - because they were blacks.

A spokesman for the Johannesburg City Council's transport department said the incident was regrettable and would be investigated.

He said legally blacks were still not allowed to travel on white buses. "The buses will officially be open to all races by mid-month," the spokesman said.

Dzingwa said when a coloured inspector tried to intervene, the driver became angry. She said: "The driver

By SY MAKARRINGE

became furious and told the inspector he would let him take the steering wheel if he continued to insist that we should board the bus. There was a big fight, but the inspector eventually gave up and the driver pulled off.

"This whole desegregation business is a big farce. We look after their children and their parents but they regard us as lepers. I'm very angry because I'm a regular commuter. I buy a coupon every week and I want someone to give me an explanation," Dzingwa said.

Commenting on a similar incident, a spokesman for the Johannesburg Transport Department said Johannesburg buses would probably be officially opened to all races on January 15.

"We have only had a few incidents in the past months with some of the drivers who are a bit difficult," he said.

SATS

FIM 5/11/90

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Were the tariff hikes needed?

SA Transport Services' Christmas present to the nation — an average 13% increase in its rail freight and harbour tariffs effective from January 1 — has been thoroughly condemned by commerce and industry.

It may yet prove to have been an ill-advised decision.

It could well give private hauliers a competitive edge and reverse the success Sats has enjoyed in its 10-year battle to win back market share in road transport.

Sats should be containing its charges to protect its growing share of the haulage market (see graph) The amount of traffic available is not unlimited

In fact it's likely to decrease because of the cooling economy. With permits much easier to get now (*Business* December 15), private sector hauliers are in a better position than they've ever been to mount a determined challenge for whatever freight is available

The move does nothing to inspire confidence in Sats as an operator in the private sector and even less for its image — coming exactly three months before its debut as a public company.

In reality, Sats does not need an increase. It turned a projected loss of R114m for 1989 into a R148m profit. Rail traffic contributed 85% of this performance

The hackneyed reason it advances, that the increases are needed to counter rising costs, doesn't wash

Sats' tariff hike breaks a promise it made to commerce and industry last year that it would give 30 days' notice before implementing any increases. Moreover, this is its second increase in less than a year. With its 8% increase on April 1 it has effectively raised tariffs by around 22% in nine months

However, Sats MD Anton Moolman claims the 8% tariff increase in April was below the estimated 10,5% increase in consumer prices since then. Further, he argues this week's 13% increase is below the expected inflation rate for the coming year.

"This will have to sustain us for at least a year. Bear in mind harbour increases amount to very little and we didn't increase pipeline charges — all of which is a definite move towards the reduction of cross-subsidisation." FIM 5/11/90 (269) (269)

The increase would have been extremely good news for hauliers before road freight transport was deregulated on September 6. Those with permits to transport the commodities Sats is now charging more to convey would have been able to increase their prices by a similar percentage and still remain competitive while enjoying increased cashflows and margins

They would, for example, have been able

to match the Sats increases and take an additional 16% on high-tariff goods such as clothing and white goods, 17% on low-tariff goods such as farm produce, 17,8% on truck-loads, 16% on cement, 19% on wood, 8% on petrol and 15% on diesel fuel conveyed in drums or tankers (there was no increase in pipeline tariffs), 13,9% on containers and 17,5% on coal

Phil Erasmus, chairman of the Road Freight Association (the former Public Carriers' Association) says "Sats' increases are very necessary and they make us more competitive" FIM 5/11/90 (269) (269)

That may be so but any corresponding increase from hauliers will have to be tempered with the reality of increased competition in the private sector.

Deregulation blurred the division between a public carrier conveying the goods of others by road for gain and a private carrier, such as a retailer, conveying only its own goods.

The permit system also protected public carriers against competition by giving those who had permits the sole right to transport specific categories of goods between specific points

That is no longer the case. Permits are freely available and there is nothing to stop private carriers, whose trucks have valid certificates of fitness and are driven by qualified drivers, from applying for and getting permits for goods, all classes, countrywide, and touting for business, particularly when faced with the prospect of costly empty return legs.

Another danger hauliers must face is that their increased cashflows and profitability, handed to them on a plate by Sats, may be the preamble to another round of government-inspired cost increases designed to swing the pendulum back in rail's favour. For example, there is already talk of yet another fuel price increase

Transport Minister George Bartlett has yet to demonstrate his impartiality. When he was Deputy Minister of Economic Affairs and Technology he claimed the increases inflicted on hauliers by government in 1988 and 1989 were needed to boost rail traffic. Now he is even better positioned to help boost rail traffic at the expense of hauliers

The 13% increase in the rail tariff of containers is good news for hauliers.

Competition between the two modes for container traffic, mainly between Johannesburg and Durban, has been fierce since 1980 when a monumental snarl-up of containers at City Deep handed much of the business to hauliers

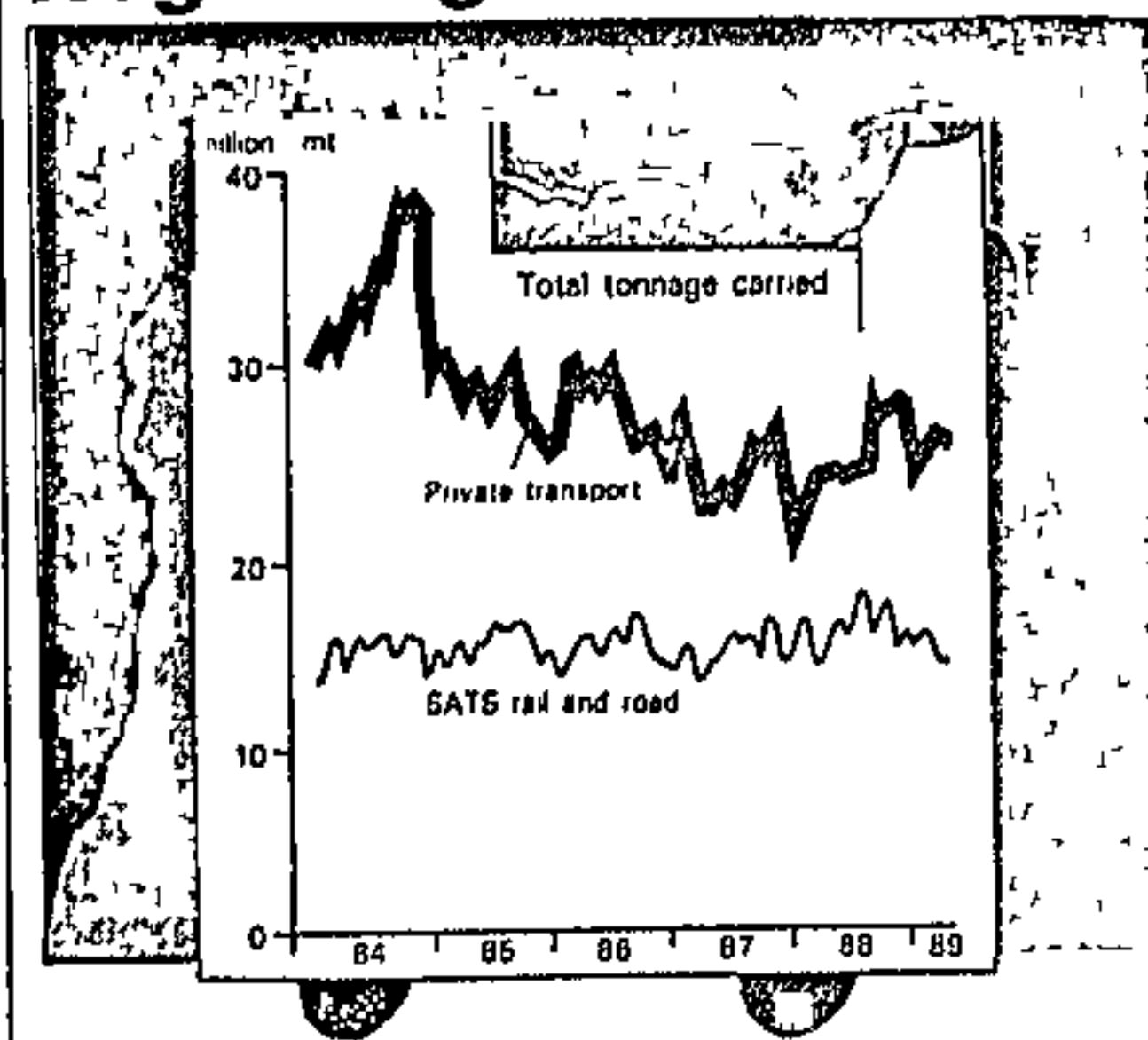
By then hauliers were already eroding Sats' market share by quoting marginally below its rates, which, considering the value

of the rand then, were astonishingly high

Understandably, Sats was piqued, having invested billions of rands in rolling stock and infrastructure. It countered by virtually pegging its rates. They rose by only 17% between Bayhead in Durban and City Deep in Johannesburg between 1982 and 1989

This angered hauliers who had to increase their tariffs because of cost increases they

FIM 5/11/90 (269) (269)
Regaining market share



could not control, such as the price of fuel, which climbed from 60,9c/l on the Reef in March 1982 to more than R1/l now.

There were also dramatic increases in the cost of licensing their vehicles and an almost out-of-control escalation in the cost of vehicles. Erasmus notes that truck tractor prices have been increasing by 27% a year, compounded, for the past three years

SAA FIM 5/11/90

Fighting US flights

In May former Transport Affairs Minister Eli Louw, speaking on the deregulation of civil aviation, announced that private airlines could apply for routes to compete against SAA (*Business* May 12).

More recently, SAA CE Gert van der Veer reaffirmed his belief in competition by saying the public should have an alternative to the national carrier (*Sats Survey* November 17)

But SAA doesn't really believe in competition. Competition on domestic routes is stifled and foreign competitors are not allowed to charge less than SAA. Several weeks ago it prevented a London-Cape Town charter operation from selling tickets in SA (*Business* December 26).

Now it's opposing an application by a small company backed by black shareholders to offer direct, scheduled flights between Johannesburg and New York, Miami and

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Houston

There have been no direct flights to the US since 1986 when the Comprehensive Anti-Apartheid Act withdrew SAA's US landing rights. So travellers to the US have to switch aircraft in Brazil or Europe. The new company, Liberty Airlines, says its service would trim up to 16 hours off the time it takes to get to the US, though the fare would be about the same.

SAA may not land in the US but it is jealously guarding the route. In a letter the airline's attorneys sent to the National Transport Commission and to Liberty, it claims there is no need for the service and that it would be uneconomic. The letter also says Liberty's flights would overlap SAA's service — flying passengers to Europe or Brazil and then arranging transfers to the US. F/M 5/1/90 (269) (269)

Liberty, undeterred by SAA's opposition, says it's raised R1m to set up the company and enter the international airline business. It was formed two years ago and is based at Umhlanga, north of Durban. When it started, it briefly flirted with the Southern African Black Taxi Association for backing and the holding company's name remains Air Taxis International.

The company is headed by a nucleus of white businessmen. South African Bill Fourie is MD, Briton Chris Kingdom is financial director and American Larry Latimer — a former Trans-World Airlines captain — is director of operations. But blacks, mostly from Soweto, put up 55% of the capital and fill five of the nine board seats. The chairman is Steven Ramatlo, who owns a Johannesburg insurance brokerage and has business interests in Botswana and Lesotho.

Based on information from lawyers and officials in the US, Latimer is confident that Liberty can get US landing rights. He believes that US sanctions are aimed at government and government-owned companies, such as SAA, while designed to encourage the economic development of blacks.

He says the company expects criticism that it is using black businessmen as a device to gain landing rights, but points out that, because blacks own 55% of the shares, they will receive the bulk of the financial benefits. Latimer says the company has also committed itself to devoting about 20% of its profits to black education.

Fourie says it took two years to find enough black partners to buy a majority of the shares. "We didn't want to be a white company with a black face. We had to overcome a lot of suspicion, some of our directors have had previous bad experiences with white businessmen."

So the main problem now is getting past SAA's objections. The commission is expected to conduct a hearing on Liberty's application in the next few months. The air freight company Safair is also challenging Liberty's application.

"I'll be putting a lot of questions to SAA at the hearing," Fourie says. "My only question, if our application is turned down, will

be. what sort of State communism is this?"
An SAA spokesman declined to comment on the proposal because a hearing has still to be held. F/M 5/1/90 (269) (269)

in the Transvaal and Natal because of the convenience of neighbouring states.

but often do not have are unable to prove has been stolen"

Jo'burg buses not mixed this month

By DMS/1/90

EDYTH BULBRING

(269)

JOHANNESBURG municipal buses would not be legally opened to all races this month, a spokesman from the Road Transportation Board said yesterday.

The bus service could not be legally desegregated until the necessary permits were granted by the board. Although six weeks had passed since the permit application was gazetted, no date for a board hearing had been set.

The spokesmen said the board received thousands of applications for permits, but as this was a priority, the application would go before the board "as soon as possible".

It was possible a hearing date would be made for February, the spokesman said.

Johannesburg City Council acting transport director Gert Tighy said yesterday the department had a Press statement in the pipeline announcing the legal opening of the buses.

Understanding



However, this could only be released once the permits had been granted. He said they were at the "mercy" of the board and had to await a hearing date.

Tighy said he did not anticipate any objections to the permit application as there was a tacit understanding between Putco and the Transport Department that no objections would be made by either party.

Putco applications for permits to carry all races would be heard on the same day.

As the permits would be for existing routes, Tighy said he did not anticipate any competition between the two services.

He hoped the board would make the applications a priority and name a date.

Desegregation of routes in focus

All Reef buses may be open soon

By Toni Younghusband

All buses on the Witwatersrand could be open to all races by mid-month if applications by Putco and the Johannesburg City Council Transport Department are successful.

The applications are expected to come before the Road Transportation Board next week. Once permits for the desegregation of each route have been passed by the board, all buses will be officially open to all races.

Operations general manager at Putco, Mr Michael Oldham, yesterday confirmed the bus service for black commuters had applied for the desegregation of all its routes.

Previous application

He was confident it would succeed in the light of the current "climate of change" in South Africa.

Objections to a previous application had been for "purely economic" reasons and not on racial grounds. He said it had just not been economically viable to open Putco buses to all routes already serviced by the Johannesburg municipality.

"That basic problem still exists, but we believe there is a place for everyone in transportation. What we need is co-ordination and an overall transport plan for the country," Mr

Oldham said.

He believed Putco's lower fares would be an attraction.

The service's biggest problem remained the one-car commuter. Too many South Africans still used their cars to travel to and from the city.

Mr Gert Tighy, acting director of the Johannesburg City Council's Transportation Department, said although municipal buses were not yet officially desegregated, black commuters were already using "white" buses. He believed an open bus service would be very well patronised by black commuters, especially during peak hours.

Mr Tighy did not believe minibus taxis presented any serious competition as they operated mainly between the city and Soweto.

The city council's black bus service will continue to charge a lower fare once all routes have been desegregated.

"This is a small service covering only 12 routes, operating from railway stations into the suburbs. The fare for cross-city services (which are at present utilised chiefly by whites) is extra but we hope that over a number of years we can close the gap and have one service.

"For the moment we want to see what effect the opening of all the services to all races will have," Mr Tighy said.

Transport (269) crisis on ER ^{5/1/90}

THOUSANDS of East Rand commuters face a transport crisis when they return to work today.

This follows the Benoni City Council's decision to terminate its bus service from the end of last month.

Wattville and Daveyton residents have used the bus service for more than 60 years.

The council said it was ending the service because it had lost R18 million in the past three years.

This year alone, the council claims to have lost R6 million.

To ease transport problems in the area, the Benoni Taxi Association has arranged extra taxis to ferry Daveyton and Wattville commuters to work

Meanwhile, Putco has

By MZIKAYISE EDOM

threatened to close its Springs depot if the 150 bus drivers on strike do not return to work this week.

The drivers went on strike early last month in protest against poor working conditions.

They are also demanding the removal of the local divisional manager Mr P Gerber.

Domestic workers were the worst affected people in KwaThema following the strike.

A spokesman for the Putco Support Committee said the drivers had agreed to conditionally go back to work pending an inquiry into their grievances

However, he did not say when the workers would resume their duties.

Good Samaritan

helps little ones

Woman houses abandoned village kids

By SOPHIE TEMA

A DURBAN woman has made her home a refuge for scores of children whose parents have fled from Natal's trouble-torn villages

The woman, who does not want her name published for fear of reprisals, is presently housing about 90 children who have lost contact with their parents

Several white homeowners have given refuge to

desperate families who deserted their homes in Inanda, Umlazi, Inchanga and Mpumalanga

Several of the homes are reported to be so packed that the people have to sleep in relays

The abandoned houses in the villages - most of them a lifetime's investment - have been gutted by fire as the violence spreads

The situation has become so tense that Operation Hunger has not been able to enter some of the villages

East Rand workers face transport hassle

BY LULAMA LUTI

THOUSANDS of East Rand commuters will return to work tomorrow to face the transport problem they left at the start of the Christmas holidays

The problem, which arose from a strike by about 150 Putco bus drivers, started at the beginning of December

In KwaThema, the strike is still on and the Benoni City Council controlled bus service that operated in the Daveyton, Wattville and surrounding areas was withdrawn last week because of financial problems

In KwaThema the worst affected are domestic workers, who have to pay extra for taxis to their workplaces in the suburban areas

Meanwhile, the Benoni Taxi Association (BTA) has arranged for extra taxis to ferry workers from Daveyton and Wattville to their places of work.

A spokesman for the Putco Support Committee this week told *City Press* Putco management had issued a warning to workers to go back to work immediately or face the closure of the division. He said workers agreed to

conditionally go back to work pending an inquiry into their grievances

However, he did not say when the drivers would return to work, as they are still awaiting management's response to their proposals

The bus ordeal which saw many KwaThema residents left almost stranded, started in December after drivers complained about local-divisional manager P Gerber and demanded he be transferred

Talks between management and the Transport and General Workers Union reached a deadlock shortly before the festive season

BTA chairman Samuel Mtshali expressed his shock at the withdrawal of the bus service but said there were enough taxis and the situation was under control. He said pirate taxis would not be allowed to help ferry passengers to their destinations

He added that fares to the various destinations would be R1,20 a single trip and that in case of problems, passengers should not hesitate to contact him at 845-3960 during office hours.

Some villagers have been without rations for some time as drivers of delivery trucks are too scared to enter the troubled areas.

Some refugees leave the worst-hit areas carrying as much of their belongings as they can salvage and frequently with nothing more than the clothes they are wearing

Operation Hunger regional director in Durban Dot Collins said the scale of the violence was difficult to imagine, making it impossible to even estimate figures on the number of people killed, injured and those who have been left homeless

Collins said even before violence broke out, Operation Hunger had identified a number of children in the first stages of kwashiorkor

Collins said Operation Hunger had decided to call on churches to help deliver food supplies

While police reported Christmas Day was quiet, a later report said that on New Year's Eve 10 people were killed and 15 injured in Wartburg

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'Cheap' tour plan collapses

Cape Times 8/1/90 (52) 256
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ABOVE: Nadia Ballot, 11, gets a lift from fellow swimmers Brian Mellville (left), Bevan Johnson (centre) and Anthony Pearse after all four finished yesterday's mile swim at Clifton in 9 C waters. Johnson won the race, with Pearse finishing second and Mellville third. BELOW: The swimmers set off from Clifton. Picture: ALAN TAYLOR

THE cut-rate air charter shuttle service between London and Cape Town has collapsed, leaving hundreds of travellers stranded briefly on opposite ends of the globe.

Only swift action by the British Civil Aviation Authority (CAA) ensured that some 75 South Africans, stranded in London for the weekend by the folding of Masterleisure (UK) Ltd, were on their way home last night.

The Caledonian Airways Tri Star flying the South Africans home will return to London tonight with 351 Britons caught in South Africa when Masterleisure, trading also as Inflight Travel, ceased trading on Friday.

The company secured unprecedented clearance from the National Transport Commission (NTC) in October last year for six of eight non scheduled package-deal flights — part of a major new tourism initiative. The de restriction deal was lauded as a R30-million tourism boost for the Western Cape by local travel and tourism agents but stiffly opposed by South African Airways.

Masterleisure (UK) Ltd then caused a minor sensation by advertising "free" air tickets for January 2 and 16, indicating that the return fare would be in the region of R2000. This was prompted by the NTC's refusal to allow them to sell air tickets on their return charter flights to London's Gatwick Airport. The company was inundated with inquiries.

'Service going ahead'

Last night Mr Johan Brits, the managing director of Masterbond — the parent company of Masterleisure and the SA company behind the cut price flights, said he had no knowledge of any tourists being stranded at Gatwick Airport and denied that the local company was in financial difficulties.

He insisted that the company had not folded and attributed the controversy to "some disputes we have had with Caledonian regarding payments". "They may have said we have folded but the service is going ahead."

Yesterday a British CAA spokesman said the charter company was protected by the ATOL (Air Travel Operator's Licence) — which meant the cost of rescue flights was borne by insurers. Anyone holding an unused ticket bought from the company in Britain was also guaranteed all his or her money back.

But the CAA said they could not say if the same applied to people who bought tickets inside South Africa.

The CAA spokesman advised travellers immediately to contact their travel agents to check.

Mr Brits said last night's flight was as scheduled and was not an emergency measure.

He referred further inquiries to the London company.

There was only one more shuttle flight planned for next Sunday and all passengers "will be covered whether we have to use Caledonian or another airline", he said.

Govt orders matric probe

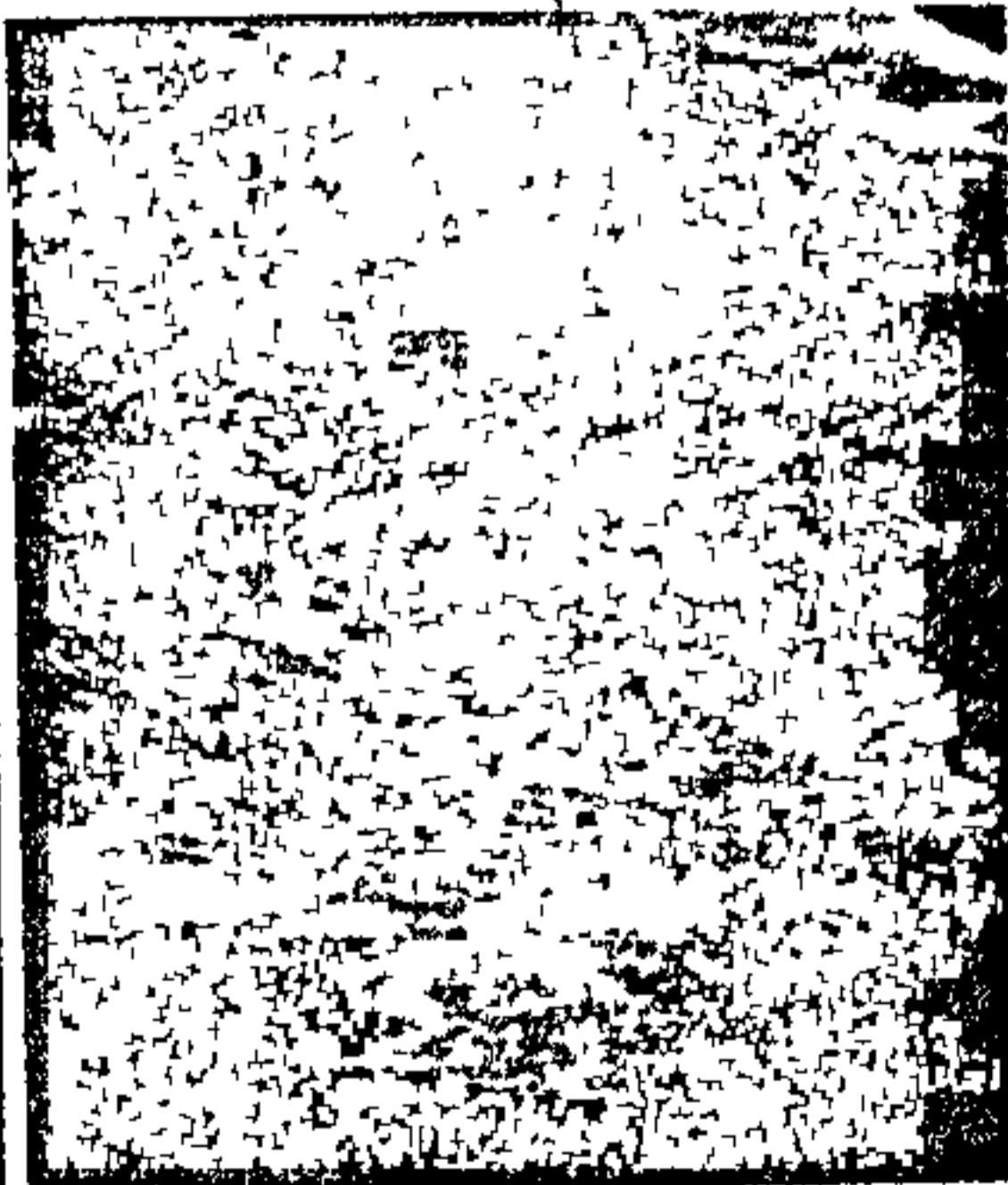
Cape Times 8/1/90 (52) 256

THE government has ordered an urgent probe into last year's black matric results. Only 58% of 159 690 Department of Education and Training candidates passed the examinations.

The announcement that the Minister of Education, Dr Stoffel van der Merwe, had instructed the department to investigate the crisis came as mass rallies in Cape Town and Soweto called on failed pupils to return to school in defiance of the ruling that

The markers should be identified by the black community and should also be accountable to the community, and examinations should also be regionalised where university skills could be used, Dr Mboya said.

He said more than 100 000 pupils would not be allowed to return to school, which meant they would not have the skills to compete in the job market. They would be on the streets, giving rise to gangsterism.



Flights

CAK Trm's
9/1/90
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MASCO: SA blamed

From IAN HOBBS

LONDON — The South African civil aviation authorities were blamed last night for the collapse of a major tourist venture and the use of emergency procedures to fly more than 350 British passengers home to London.

About 350 British tourists were being flown from Cape Town and Johannesburg to London last night on the orders of Britain's Civil Aviation Authority (CAA).

The CAA intervened last Friday at the request of Caledonian Airways, the wholly-owned British Airways subsidiary after the travel firm Masterleisure, which operates in Britain and South Africa failed to make advance charter payments.

In London, Caledonian issued a guarantee that all British passengers still in South Africa who had booked fares through Masterleisure, trading under the name Inflight Travel, would be flown home on January 16.

Caledonian sales manager Mr Mike Lewin said Masterleisure had been "unable to fulfil payment commitments after negotiations for 21 jumbo jet flights had been limited to just six."

Mr Lewin said Caledonian and Masterleisure were bitterly disappointed that a major new venture for South Africa which had already brought 1 000 new tourists to the country, had been halted.

Mr Lewin said the issue of the South African authorities limiting land rights to just six charter planes and problems with foreign currency, had wrecked the "promising venture."

At Masterleisure's office in Marlborough, Wiltshire, financial director Mr Neil Wishure, of Cape Town said the intervention of the CAA last Friday had come as a total bombshell to him.

Mr Wishure said: "I have no doubt that the South African authorities were being protectionist on behalf of the pool agreement between SAA and BA. We managed to sell 1 000 seats, at £600 (R2 500) a time, in a very short time and perhaps somebody did not like the business we were generating."

"We keep hearing about free enterprise privatisation and deregulation but when we get a responsible and promising venture going we end up being damaged."

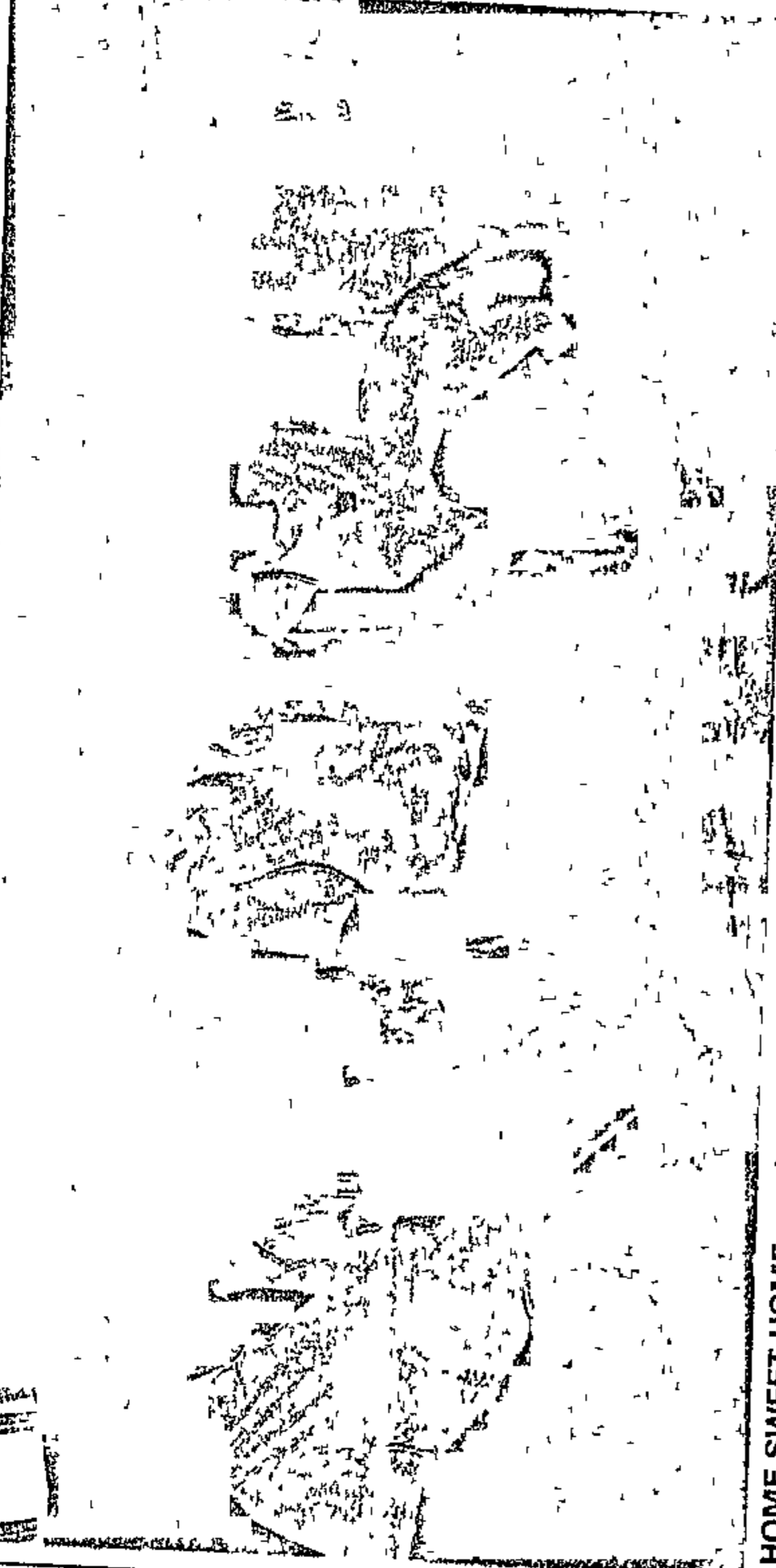
A spokesman for British Airways last night strongly denied they had acted against Masterleisure to protect their pool arrangement with SAA.

Killer hippo

LUSAKA — A rogue hippopotamus crushed to death an illegal border-jumper and seriously injured his son when the two were trying to cross the border into Zimbabwe at night near the Victoria Falls.

No Share Garze

BECAUSE of technical difficulties in obtaining the full Johannesburg Stock Exchange share listings for both editions of the Cape Times, there is no Share Challenge competition today.



HOME SWEET HOME Among the hundreds of passengers to benefit from the short-lived cut-rate charter flights, this group arrived at D F Malan Airport from Gatwick Airport, London, yesterday. From left are Mr David Fowkes, Kerry Fowkes, 8, Michael Fowkes, 4, Mrs Jean New and her husband Mr Peter New, Mrs Wendy Edwards and Mrs Mercia McLean.

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PICTURE CREDIT: ZUMA

JSE HITS RECORD

JOHANNESBURG — The Johannesburg Stock Exchange's overall index soared to a new record yesterday.

The forceful re-emergence of institutional buyers on Diagonal Street yesterday boosted share prices, pushing the JSE to a new record.

In hectic trading the index chalked up a gain of 96 points or 3.1% to sweep past its previous high of 3 119 set on December 13 scaling a fresh peak of 3 186.

The rally led by gold and mining-house shares spread to all other sectors of the market with the industrial index posting a gain of 41 points or 1.4% to reach a new high of 2 933.

The strong rise in share prices came amid a shortage of scrip and a weaker firmand to help boost the JSE all gold index 107 points (5.1%) to 2 202 coming within a whisker of its 2 260 December 13 peak.

a modicum of pressure and the metal eased 10c to close in London at \$404.65 despite the dollar falling on news of prime rate cuts to 10% from 10.5% by major US banks.

The dollar was also hit by the mark, which resumed its upward swing after a round of technical adjustments last week. The US currency fell from DM 1.6923 to DM 1.6685.

The rand closed marginally firmer against the dollar but eased against most other leading currencies. It closed at R2.5422 from Friday's R2.5478 to the dollar while the firmand weakened by 5c to R3.6000.

Analysts said gold might be suffering from slack demand after surging last week on fresh worries about possible political instability in the Soviet Union.

There was still some nervousness on financial markets but a small rally on the Tokyo stock market provided some relief yesterday.

Investors are discounting a higher gold price, and as long as the trend is bullish share prices will move to higher ground a dealer said.

The market should also be buoyed by the weight of institutional funds — estimated by some analysts at R22 billion — seeking an investment outlet this year.

With the scrapping of prescribed asset requirements, more of this money is expected to find its way into the equity market.

Furthermore, most of the big disinvestments of the past couple of years seem to be out of the way and it is unlikely that large amounts of cash will be drained off for large rights issues such as the Gencor offer and the Iscor flotation.

Rampant bullish sentiment was undimmed as gold traded in a narrow range above \$400 when Japan and Swiss traders turned sellers and Australian producers offered some gold.

Profit taking placed gold under



Masterbond: Flights will continue

CAPE TOWN — Cut-price flights to SA from the UK would continue and the service would be expanded in the high tourism season later this year, Masterbond chairman Koos Jonker said yesterday.

Reports that the service had collapsed were due to a financial "dispute" between Masterbond and Caledonian Airways, Jonker said.

8/10/91 9/1/90
The original contract between Caledonian Airways and the SA company had made provision for 21 charter flights, but the airline could not get permission for landing rights.

Subsequently Masterbond — through their travel arm Masterleisure — received landing rights for six flights.

Jonker said the airline demanded 10% of the cost of the original 21 flights and the balance of the remaining two flights to be

Own Correspondent

paid in advance. (269)

"They thought they could put us over a barrel by calling in the Civil Aviation Authority (CAA), which they did," he said.

However, the return flight to Gatwick airport later today had been fully booked and Masterbond was negotiating with an Austrian charter company headed by former champion racing driver Niki Lauda for further charters to SA, Jonker said.

British tourist Roy Fox said the charter flight to SA on December 17 was delayed for about five hours and that after the plane made an unscheduled stop Johannesburg, one of its engines "did not start".

When passengers asked for blankets or pillows on the plane, they were told "you get what you pay for", Fox said.



TO CLOSE . . . Mrs Jenny Nicholson (left) of Clovelly and her children James and Sarah. With them are Mr and Mrs I Minnikin from England who are holidaying in Clovelly and Miss Elsie Mbambisa. They use Clovelly station every day and are opposed to the closure.

Picture ANNE LAING

Outrage at plan to close Clovelly station

By CLAUDIA KING
SOUTH AFRICAN Transport Services (SATS) is to close Clovelly station on Monday — and residents, who have had no prior warning of the closure, have reacted with shock. Clovelly station lies on the Simon's Town railway line between Kalk Bay and Fish Hoek. A SATS spokesperson said yesterday that the pedestrian bridge which provides access to the

60-year-old station was "run down and potentially very dangerous".
 "It would not be viable to rebuild the bridge as only around 30 people use the station each day and we don't want people walking across the line," she said.
 SATS intended informing the public of their decision by means of a press release on Friday. MP for Simon's Town Mr Jannie Momberg

has sent a telegram of protest to the Minister of State Enterprises, Dr Dawie de Villiers, asking for an immediate suspension of plans till the whole matter has been reviewed.
 Councillor for the area Mr Abe Katz immediately contacted city administrator Mr G Hofmeyr, who told him that the city council had "always strongly opposed" the closure of Clovelly station.

Mr Travis 10/1/90 (269)

Private commuter airline now official

ZILLA EFRAT

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AHEAD of government's deregulation of air routes, SA's biggest private commuter airline, the result of a merger between Magnum Airlines, Citi Air and Border Air, has been formally constituted.

Shareholders consist of the three airlines' previous owners, merchant bankers Alpha Bank and a British investment group *BIDM 11/11/90*.

The airline will get a new name and image. Until the name is launched later this year, it will operate as Magnum Airlines.

Director Lu Dowell says in addition to being a commuter airline in the business and tourist markets carrying cargo and freight, the airline will provide other aviation services such as maintenance and charter.

The airline will concentrate on routes between major centres, as well as serving the hinterland, filling the gaps where air services have not been provided and feeding the major airlines.

Dowell says the combination of the routes held by the airlines party to the merger already provides a substantial network.

Destinations include Johannesburg, Durban, East London, Port Elizabeth, Bloemfontein, Nelspruit, Newcastle, Maritzburg, Vryheid, Pietersburg, Skukuza, Richards Bay, Umtata, Welkom, Ladysmith, Ulundi and Maputo.

The initial fleet, to be upgraded and expanded, will consist of four Metroliners and eight Chieftans. These smaller aircraft

To Page 2

Commuter airline

will be used to provide a practical, efficient and high frequency service.

A team of professional consultants is handling the consolidation of the airline's operations to ensure the best use of combined resources and the quickest profit growth.

At the first board meeting on Tuesday, Dick Flemming was elected chairman. Directors include Edwin Scholtz and Peter Lawrence of Byrne Flemming Consult-

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 From Page 1
ants, Charles van der Walt of Alpha Bank, Magnum's John Morrison, Citi Air's Dave White and Border Air's Dowell.

Dowell says the new airline's strength is highlighted by the wealth of experience of its board's members in professional management, finance and aviation.

Together with its policy of entrepreneurial aggression in the market, the new airline wishes to achieve service excellence, says Dowell.

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11/11/90
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2-month reprieve for Clovelly station

Staff Reporter

SATS have given the Clovelly station a two-month reprieve after the Cape Times yesterday reported the railways' intention to close the station on Monday

A spokesman for SATS said an earlier press release confirming that demolition work was to begin on the run-down pedestrian bridge on Monday and that for "economic reasons" the station was to close, was to be ignored.

He said the whole matter would be looked into and that the criteria of the investigation would be the "economics" involved in keeping the station open.

An urgent report regarding the proposed closure of the station is to be presented by deputy town clerk Mr Gys Hofmeyr at the executive committee meeting of the City Council today

An earlier statement released by SATS yesterday said the 60-year-old bridge, which provides access to the platform, was beyond repair and posed a potential danger to commuters. Demolition of the bridge would begin on Monday

"As only approximately 30 commuters use Clovelly station every day, it has been decided to demolish the bridge and close the station for economic reasons," the statement said

On Tuesday, the Cape Times spent 15 minutes at the station over a non-peak period and at least nine people used the station

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LADIES' TOILET
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wicket... today on

'Cash-flow' problems force cuts

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Sats slashes rail orders to save R100m

N/day 12/11/90

IT WAS confirmed yesterday that the railways division of South African Transport Services (Sats) is to cut back on about R100m worth of orders — mostly for rolling stock — in an attempt to bolster ailing cash flows.

"About R100m in orders will be cut back or delayed in the current financial year," said chief of procurement (railways division) Hannes Venter.

The cost-cutting had nothing to do with the Sats privatisation programme.

"We are cutting back because some areas asked for more money than is available," he said.

"We are now rescheduling funds within the available limits."

Venter said Sats's railways division was undergoing severe cash-flow restrictions.

"As a result, some areas are receiving priority with regard to capital expenditure."

Sats planning chief Chris Badenhorst confirmed the contractual figure would involve "not much more than R100m".

Because rolling stock was a major area of investment, it was logical that cutbacks would be most visible in this division.

However, Badenhorst said the budgets of other railway divisions had also been cut — some even more radically than in the case of rolling stock.

This was confirmed by Venter.

"Other areas of spending, for example on new motorcars, have seen budgets slashed to almost zero," he said.

He and Sats's suppliers would shortly be holding discussions to re-negotiate certain contracts.

The cutbacks will involve the delaying of orders placed with internal Sats workshops as well as those placed with outside

NEIL YORKE SMITH

firms contracted to deliver new wagons and locomotives.

Venter said most of the delayed internal work involved projects to refurbish and renovate vehicles.

The delays would be between six months and two years, depending on which projects were involved.

"Outside contracts will be postponed for about six months," Venter said.

He named Dorbyl Engineering, Mitsui, Union Carriage and GEC as some of the firms with which Sats could be negotiating.

But sources at the companies said they were unaware of plans by Sats to delay contracts, and that they had not been contacted about re-negotiation plans.

GEC financial director Dave Rawlinson said yesterday his company had not been approached.

Both Dorbyl and Union Carriage sources delivered the same response.

A Dorbyl source said Sats had already drastically reduced spending in recent years, but he confirmed the company did have some "relatively small orders" to fill for the railways division.

"In the event of re-negotiation," he said, "Dorbyl will simply continue to focus on helping the customer."

Another source said that in cases where material agreements had already been completed, requests by Sats for the postponement of contracts were likely to be reasonable.

"Buyers are aware that materials are the major contractual cost component and that the value-added portion is relatively small," he said.

"With this in mind, negotiations with suppliers are likely to be reasonable."

SATS GEARS UP FOR PRIVATISATION

FIM 12/1/90

SA Transport Services is rationalising its computer facilities in preparation for becoming a public company on April 1. The transport conglomerate has ordered two large mainframe computers and associated equipment worth R46m. It is also rewriting some of its essential software applications.

(269) (23)
The two mainframes — an IBM-compatible Amdahl 5990-700 and an IBM 3090-280J — are being supplied by Siltek subsidiary Large Scale Systems and local IBM agent Information Services Management Corporate Management Services is to supply two StorageTek Nearline robotic systems capable of loading computer tapes at "near on-line" speeds. The equipment is due to be installed at the organisation's Johannesburg and Durban computer centres next month.

Sats data processing director Trevor O'Sullivan says the increased computer power is needed to support the organisation's more sophisticated information systems. Sats is redeveloping its truck control system and intends adapting or replacing its integrated accounting and financial applications.

According to O'Sullivan, the shift from State corporation to public company has necessitated substantial changes to the organisation's information systems, which have to become far more client-orientated.

The latest order is the organisation's first major expenditure on mainframe computers since 1986, when it spent more than R20m on a variety of equipment, O'Sullivan says. Much of the earlier capital outlay was a hedge against possible sanctions.

Govt cuts cash for city roads

Cape Times

12/1/90

~~200~~

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Municipal Reporter

THE government has cut back drastically on money being spent on Cape Town's roads.

The reduction amounts to 40% in real terms. The expenditure programme for the metropolitan area, originally planned for five years, would now have to be stretched over 19 years, according to Mr Clive Keegan, chairman of the Cape Peninsula Regional Development Association.

Cape Town's future inability to provide an adequate road network would "act as a major disincentive to investment in the region", he added.

He said the Department of Transport had allocated R14,5 million to Cape Town in the past financial year, but this year the amount had been reduced to R11,2m.

This 23% reduction in nominal terms amounted to an actual reduction of about 40% when inflation was taken into account, he said.

"The department proposes to make the same allocation for next year, which is equivalent to a further reduction of about 18%," Mr Keegan said.

The Voortrekker Road/Vanguard Drive interchange alone cost R29m at present prices. Reconstruction of the Koeberg Road Interchange on the N1

would cost R81m. Both these projects would now have to be spaced over an uneconomically long construction period.

Reduced transport allocations and the non-recognition of inflation would also have a serious impact on the city's ability to provide new bus termini and roads needed to cope with ongoing urbanisation.

Allowing the transport infrastructure to decline and thus discouraging investment in the region would "severely aggravate" the Western Cape's already high unemployment level.

Metropolitan areas made a major contribution to the country's tax base, and the development of their roads should be funded accordingly.

Mr Ronnie Meyer, director-general of the Department of Transport, said yesterday that it was not only Cape Town which was suffering cutbacks.

"They apply to everyone, and to all government departments. The government is trying to get the economy back on track by decreasing its share of overall expenditure."

He said careful consideration had been given to areas in which cuts in expenditure could be made, and the National Roads Fund had been found to be such an area.

Rail commuters complain about arrests

By Jovial Rantao

269

Commuters on Johannesburg-bound trains from Soweto were allegedly arrested by a contingent of South African Transport Services (Sats) ticket examiners and police yesterday because they did not have tickets. *Star 12/1/90*

Mr James Matseng, one of the commuters who claims he was arrested, said that when he and other commuters boarded trains just after 5 am yesterday the ticket station at the Inhlanzane Station was closed and there was nowhere they could buy tickets

Mr Matseng said that on arrival at the Long-

dale Station, he and 80 others were told they had to pay R50 admission of guilt fines. However, Mr Matseng said, some passengers were issued with receipts after paying, but others like him were not given any receipts

"At one stage we were told to leave one shoe as a pledge and go to look for money."

He said he needed the receipt as proof to his employers for his late arrival at work

A Sats spokesman could not comment until Mr Matseng or any of the commuters involved complained formally to Sats. However, he said he would investigate circumstances surrounding the incident.

They're chocker about chocca

PLANS to build SA's first private harbour at St Francis Bay have caused an outcry against the R120-million development.

Residents of the picturesque village and members of the public have inundated the Administrator of the Cape with protest petitions.

The housing and harbour development, envisaged as a base for SA's entire chocca (squid) industry, is planned on an 8,5 hectare site between St Francis Bay village and Cape St Francis Point, about 80km from Port Elizabeth.

Residents claim the natural resources and character of the village would be endangered.

But John Bridgman, managing director of Santareme Harbour Heights, the company owning the ground behind the proposed harbour, believes the St Francis Bay community and others could miss a golden opportunity.

Mr Bridgman says "This is the first time a multiracial, multipurpose harbour and pleasure resort has been

By Robyn Chalmers

planned by the private sector. With proper planning and the support of the community, this recreational-commercial harbour could become a tremendous asset to St Francis.

"Chocca fishermen operate from the Kromme River, which residents there object to. This harbour will provide a base for them, promote a high-class tourist trade and provide for the increasing boating community of St Francis Bay."

Insignificant

Resident objections focus mainly on the environmental impact of the development. A Class Two environmental study has been undertaken. It says adverse environmental implications of the harbour, such as changes in aquatic composition, are insignificant.

But residents say anti-fouling on the hulls of the bigger boats will destroy marine life within a 2km to 3km radius of the harbour, the area will be overfished and up to 3 000

crewmen will descend on the village in the peak holiday season.

Kromme Trust executive committee member Colin Hall says: "The developer has a 99-year lease from the Administrator of the Cape. One of the conditions of such a lease is that a feasibility study be conducted."

"To our knowledge, this condition has not been complied with. We also believe that granting of land below the highwater mark for development by a private individual contravenes the Seashore Act."

A R100-million housing development would finance the harbour. Mr Hall says about 40 dwelling units a hectare would be built.

Mr Bridgman replies that a feasibility study cannot be undertaken until it is known whether or not the application has been accepted by the Government.

According to the certificate of the professional planners, less than 25% of the total site will be covered by private dwellings. He says the chocca fishermen have agreed not to fish the area during the peak season.

Train fares up by 13,2%

CAPE TOWN 15/1/90 289

JOHANNESBURG — SA Transport Services announced mainline fares are to be increased by an average of 13,2% from February 1.

Suburban fees are to go up by an average of 10%. Children under seven may travel free under the supervision of adults, and senior citizens will pay 40% less for first and second-class tickets throughout the year.

Third-class mainline fares are being increased by 15%.

A SATS spokesman said this was because considerable losses had been incurred running this service.

The system of mainline season tickets and off-peak fares has been abolished.

Fees for hiring compartments or coupes go up, but this service will be available over any distance in future.

More detailed information will be available from ticket offices from Tuesday. — Sapa

Sats raises fares to cut subsidies

By Kaizer Nyatumba

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South African Transport Services (Sats) is to raise rail fares by up to 15 percent from February 1 in an attempt to cut subsidies for passenger services, which run to millions of rands each year. Star 16/1/90

Sats deputy director for passenger services and marketing, Mr Basil Cloete, said main line service fares were to go up by an average of 13,2 percent and suburban fares by an average of 10 percent.

Third-class main line service passengers, numbering up to 4,7 million people, the majority of whom were blacks, will pay 15 percent more than current prices.

Fares for mainly white first-class and second-class main line service passengers will not be raised.

Commuter, mainline costs up

(269)

Sats to raise fares to slash big subsidies

B/Day 16/1/90

SATS is to increase fares on its commuter and mainline passenger services from February 1.

The move is part of an all-out campaign to cut back on passenger subsidies totalling R1,25bn a year.

Fares on mainline (long-distance) services would increase by an average 13,2%, Sats deputy-director passenger services (marketing) Basil Cloete said yesterday. Main-line fares had increased by 46% between 1987 and 1990.

Users of the third-class mainline service (4,7-million people of whom the majority were black) would pay 15% more, he said. This service was at present being offered at inexpensive rates and resulted in great losses.

The fares for first- and second-class mainline travellers (650,000 people of whom the majority were white) would not be changed.

Cloete said the third-class mainline fares were subsidised by 71%, first-class fares by 16% and second-class fares by 64%.

Fares for both first- and second-class commuters would be increased by 10%. Of the 575-million annual commuters, about 512-million travelled third class and the majority were black.

Families renting coupés or compartments for long-distance journeys and who used to receive concessions of one-and-a-half fares free would now only have one fare free. They would, however, be able to

EDYTH BULBRING

rent these coupés or compartments for any distance and not up to the present limit of 151km.

This meant an increase in coupé or compartment fares of 20%, Cloete said. The facility was available only to first- and second-class passengers.

Off-peak mainline fares (15% less) would be abolished and replaced by other schemes still to be announced when information from market research became available, he said.

In a bid to stimulate rail journeys by families, children under the age of seven would travel free on both services.

Concessions to senior citizens travelling on mainline in first and second class would now apply to all travel times and not just during off-peak periods, and mainline season tickets would be abolished due to poor patronage, Cloete said.

Commuters were subsidised to the extent of about 70%. It was expected that the commuter subsidy would amount to R872m in the 1989-1990 financial year. Half of this subsidy came from Sats and the balance came from state coffers.

The increases were an attempt to align rail transport fares with those of other modes of transport, and to keep abreast of cost increases.

Once Sats became a public company, Cloete said, rail commuter services would still be operated by government.

6/10/88 16/11/90 (269)
SAA in world's junior league

BARRY STREEK

CAPE TOWN — South African Airways (SAA) is the largest airline in Africa — but in terms of revenue is ranked only 49th in the world.

The top 50 airlines have been listed by US business magazine Fortune. It said SA no longer disclosed figures about the airline's revenues, profits and traffic in terms of billions of passenger kilometres.

But, Fortune said, SAA's estimated revenue in 1988 was \$709m. This puts SAA into the junior league compared with the world's biggest airlines.

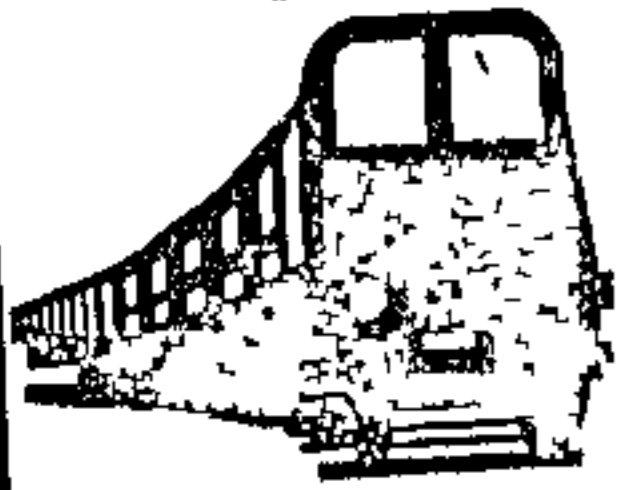
US company UAL was top airline company.

Train fares go up

Sowetan 16/1/90
SA Transport Services go up by an average of 10 percent
announced mainline fares
are to be increased by an average of 13,2 percent from February 1, SABC radio news reported yesterday ~~24%~~ *26%*
Children under seven may travel free under the supervision of adults, and senior citizens will pay 40 percent less for first and second class tickets throughout the year.
Suburban fees are to

INCREASE IN TRAIN FARES

SUBURBAN UP BY 10% - 3RD CLASS MAINLINE UP BY 15% - AVERAGE INCREASE 13.2%



Johannesburg to:

Soweto
Pretoria
Witbank
Durban
East London
Port Elizabeth
Cape Town

	1st class		2nd class		3rd class	
	OLD FARE	NEW FARE	OLD FARE	NEW FARE	OLD FARE	NEW FARE
Soweto	R4,20	R4,62	-	-	R2,00	R2,20
Pretoria	R6,20	R6,80	R6,82	R6,20	R2,70	R3,00
Witbank	R33,00	R33,00	R25,85	R25,85	R12,00	R13,58
Durban	R128,00	R128,00	R90,00	R90,00	R45,50	R53,00
East London	R178,00	R178,00	R126,00	R126,00	R64,00	R74,00
Port Elizabeth	R191,00	R191,00	R135,00	R135,00	R68,00	R78,00
Cape Town	R253,00	R253,00	R179,00	R179,00	R91,00	R104,00

AIR FARE COMPARISON



Johannesburg to:

Durban
East London
Port Elizabeth
Cape Town

	Business class	Economy class
Durban	R199,00	R166,00
East London	R277,00	R231,00
Port Elizabeth	R312,00	R260,00
Cape Town	R366,00	R305,00

The increase in rail fares announced this week by the South African Transport Services (Sats) will not include basic first and second class mainline fares. First and third class fares in commuter areas will go up by 10 percent, while third class mainline fares will rise by 15 percent. The increases become effective on February 1.

Star 17/1/90

(269)

4 councils to halt bus service

Some town councils on the East Rand have decided to stop subsidising their bus services due to financial loss. (269) Ser 17/1/90.

Bus services are to be either terminated or run by a different administration in Edenvale, Kempton Park, Alberton and Benoni.

The chairman of the Edenvale management committee, Mr Karel Jankowitz, said his town council had decided to spend the subsidy in another way

"Less than 3 percent of the residents make use of the bus service and they are subsidised by the rest of the ratepayers at a very high cost"

Train fares to go up

10% to 13.2% rises

By MZIKAYISE EDOM

THE SA Transport Services is to increase fares on its commuter and mainline passenger services by between 10 and 13.2 percent respectively from February 1.

SATS said in a statement that the new fares were introduced because of rising costs and inflation.

Good news for the commuters is that children between two and seven years of age who, in the past, paid half the adult fare, will travel free of charge when in the care of an adult as from the beginning of next month.

SATS said mainline fares have been increased moderately over the past few years.

Between 1987 and 1990 mainline fares increased by 46 percent whereas the consumer price index increased by 73 percent, the statement said.

Commuter services, SATS said, were highly subsidised and commuters are subsidised by about 70 percent.

New fares (for commuter services) are as follows with old fare in the brackets. The fares are for first and third class weekly tickets respectively.

- * Naledi to Johannesburg - R23 (R21). R6.50 (R5.90)
- * Krugersdorp to Johannesburg - R25.50 (R23) R6.90 (R6.30)

- * Kempton Park to Johannesburg - R23 (R21) R6.50 (R5.90)
- * Pretoria to Johannesburg - R41.50 (R38). R9.30 (R8.50).
- * Atteridgeville to Pretoria - R14 (12.50). R4.50 (R4.10)

- For first class monthly tickets.
- * Naledi to Johannesburg - R86 (R78). R25.50 (R23).
- * Krugersdorp to Johannesburg - R27 (R24.50). R27 (R24.50).

- * Kempton Park to Johannesburg - R86 (R79). R25.50 (R23)
- * Pretoria to Johannesburg - R154 (R140). R36.50 (R33).
- * Atteridgeville to Pretoria R51 (R46.50) R17.50 (R16)

For single first and third class single trips respectively.

- * Naledi to Johannesburg - R3.10 (R2.80) R1.30 (R1.20).
- * Krugersdorp to Johannesburg - R3.40 (R3.10). R1.50 (R1.40).
- * Kempton Park to Johannesburg - R3.10 (R2.80). R1.30 (R1.20)
- * Pretoria to Johannesburg - R6.80 (R6.20). R3 (R2.70).
- * Atteridgeville to Pretoria - R1.70 (R1.50). 70 cents (70 cents).

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Saving State's bacon

SA Transport Services' 10% commuter fare hike on February 1 will reduce the drain on the central government's funds more than it will benefit Sats

While it will certainly increase Sats' revenue from this source, the intention is to enable it to continue subsidising rail commuter traffic for longer than is envisaged in the Legal Succession to SA Transport Services Act. In terms of the Act, central government is obliged to pick up all rail commuter losses incurred after April 1 when Sats becomes a State-owned public company. At the same time, the recently formed SA Rail Commuter Corp will take over the management of Sats' rail commuter services. FIM 19/1/90

However, government is strapped for cash and will not be able to pick up the estimated R870m shortfall on commuter services this year. Consequently Sats will, as in the past, have to pick up the tab for half the losses. This means it will have to continue with its policy of cross-subsidisation — charging more than it should for the conveyance of high-tariff goods to offset the losses on its commuter service

Wim de Villiers, who conducted an investigation into Sats' finances, and is masterminding its eventual privatisation, foresaw the State's difficulties and recommended a phasing out period before government takes full responsibility for commuter losses.

Sats will transfer its commuter assets to the corporation before April 1 but operate the service under contract, says Bart Grové, a former Sats GM appointed chairman of the commuter corporation

It's not surprising the commuter services runs at a loss. It's not properly marketed and is thus not patronised nearly as well as it should be. Its peak-hour trains operate at full capacity but there are valley periods in between.

continue p 80.

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FIM 19/1/90

Grové says he plans a marketing campaign to decrease losses by increasing off-peak usage, "but that will take time. I am virtually alone here. I need staff to do the necessary market research before I can start with a marketing programme"

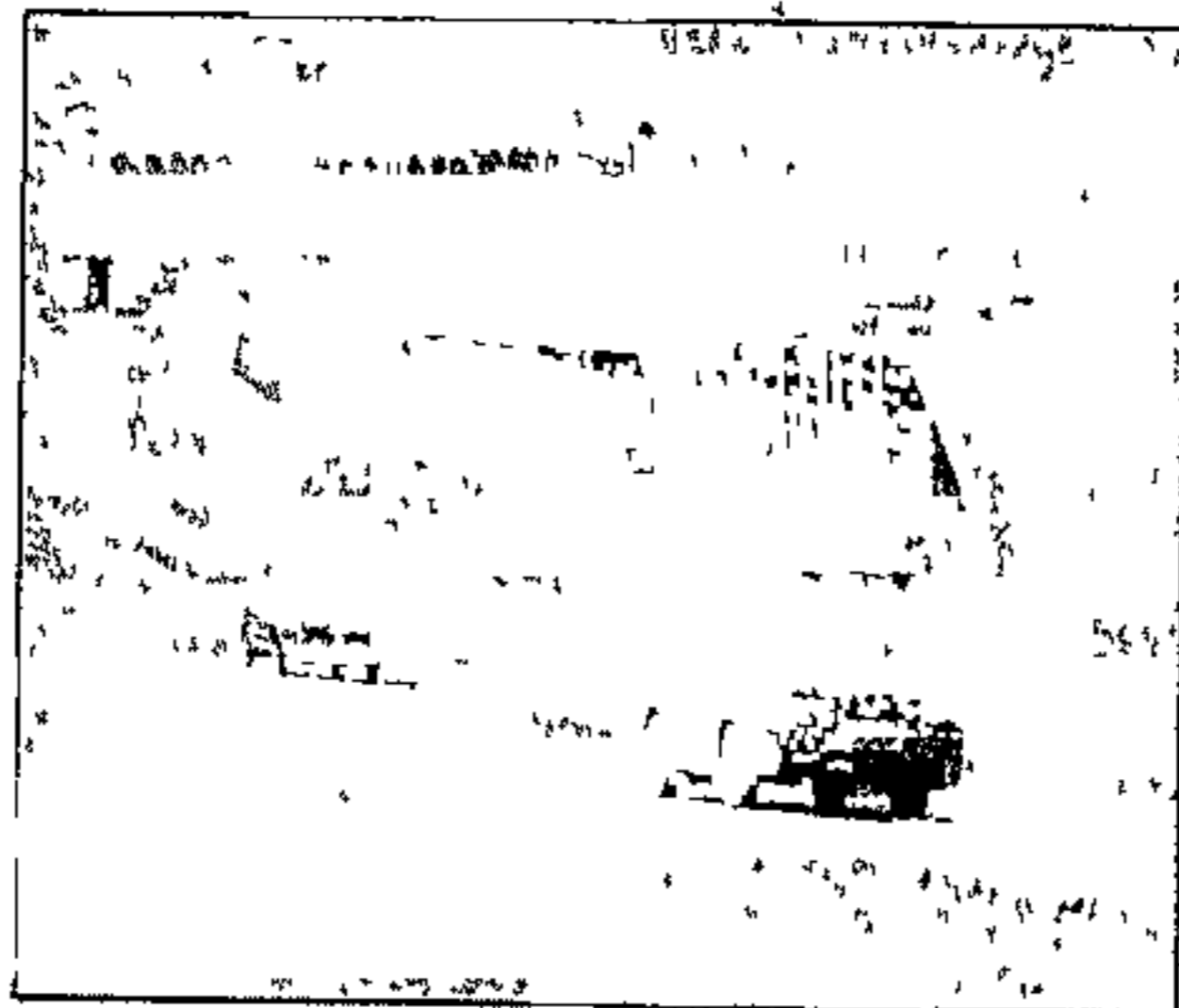
Sounds familiar, doesn't it?

(Wim)

(269)

F/M 19/1/90

(269)



New bridge in Soweto . . . part of the costly upgrading of road systems

Transport challenge

■ Vital function of Jomet transport planning

What is Jomet? In terms of the Urban Transport Act of 1977, Johannesburg was named the core city in the Johannesburg metropolitan transport area (Jomet), comprising 17 municipal areas.

Johannesburg is responsible for the "preparation, implementation and revision of a transport plan" for the area

"Successfully anticipating and meeting

the transport needs of tomorrow will need far-sighted planning and action. Urbanisation is increasing at an ever-quicken pace and indications are that this will be the trend well into the next century," reported the *Jomet News* in April 1989.

Last November Bob Stanway, director of the Masstran Consortium, announced that a consortium of consulting engineers had been appointed by the Department of Transport to investigate a mass transit system for Greater Johannesburg.

The feasibility study, to be submitted to the department by April 1991, is being undertaken in full co-operation with Johannesburg, as Jomet's core city, and the Central Witwatersrand RSC (CWRSC). Alternative land uses, modes of transport and transport policies will be investigated, with the view of devising an "optimum integrated mass transit system," with special focus on the transportation problems of the "inner central area of Johannesburg."

Transport modes under consideration include private vehicles, bus rapid transport, minibus taxis, guided transit, conventional rail, light rail and combinations of these.

With transportation so closely linked to urban development and land planning in the broader Witwatersrand region, the CWRSC is awaiting government's decision on two points:

- Redrawing Jomet's borders so that these can coincide with the area of jurisdiction of the CWRSC, and
- Transferring Jomet's functions for transportation planning, together with land planning functions (still residing with its various constituent local authorities), to the CWRSC

This will enable the CWRSC to oversee
Continue p 62

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(269)

F/M 19/1/90

the regional planning functions in these two vital areas, so that the interests of all the local bodies can be jointly managed and looked after

Meanwhile, Jomet is continuing to draw up its Transport Land Use Strategy for the year 2000. In terms of the strategy, it was decided that the area should develop along major transportation routes (the corridor concept), concentrated on various focal points or development nodes

Jomet's Mixed Land Use-Balanced Transportation Strategy includes goals, objectives and policies, and projections on conditions for land use and transportation at the turn of the century. This was accepted by local authorities while the Transvaal Provincial Administration and National Transport Commission took note of the recommendations.

But, in view of dynamic changes taking place in the area, the core city launched a public involvement programme in 1986

Meetings were held in 1987 and 1988 with councillors and senior officials of local authorities and the general public. The result was the introduction of the so-called Land Use and Transportation Structure Plan (Lutsplan) concept

For this purpose, the Jomet transport area was divided into three areas: SOK (the south-eastern corridor from Tembisa and Modderfontein, through Edenvale, Bedfordview, Germiston and Alberton to Tokoza and Katlehong), NEW (the northern and western areas including Roodepoort, Randburg, Sandton and Alexandra), and CSW (covering the central south-western areas of Johannesburg, Diepmeadow, Dobsonville and So-

weto).

During the reviews that are now taking place, it has become clear that developments based on present trends will worsen "existing problematic traffic conditions in especially the Greater Soweto area, the north-west and emerging lower-income areas in the south-east."

In order to find more suitable options for the existing Lutsplan, a new public involvement programme was started in August 1989.

"In addition to an audio-visual presentation explaining the alternatives and outlining the proposed preferred structure plan, a professional panel with relevant technical expertise will attend in order to guide the audience in their understanding of the proposed preferred structure plan," reports *Jomet News*.

To keep the planning as democratic as possible, a forum will be created for the incorporation of public opinion in the preferred structure plan, "after which a final preferred structure plan will be prepared."

It can be assumed that the CWRSC will continue with these operations as soon as it takes over the core city function that should shortly be transferred to the CWRSC. ■

Discontent murmurs

The Sats-controlled Victoria & Alfred Waterfront Company (VAW), responsible for managing the redevelopment of Cape Town docks, has been under increasing pressure over the dilatory pace of the scheme.

This culminated in a mid-December meeting between Sapoa and the VAW during which a wide variety of complaints, received from different Sapoa members, were raised.

Sapoa president Eric Field confirms "certain members did approach us and we took the matter up with the VAW. We believe we are making headway and the best way of resolving our difficulties is through private negotiation." FIM 19/1/90

The VAW, which has its share of private sector supporters, believes most of the criticism is either sour grapes or misconceived. In trying to ensure the development gets off to a good start, it is carrying out the first phase of the project itself. It maintains this approach annoyed some developers who had hoped to get the work themselves.

In addition, some criticism has ignored the complexities involved in developing the site. This includes negotiating with leaseholders, such as the fishing industry, and the council concerning the provision of services

Whether these are adequate explanations for the delays is difficult to say. One person not in any doubt is VAW MD David Jack who comments. "No one else would have moved any quicker with the project." He adds the company hopes to conclude several leases at the end of the month. Chief among them is one for a 68-room hotel on the North Quay

One way the VAW could allay further criticism is to change the composition of its board.

The private sector is not represented. The seven-member board consists of chairman Brian Kantor, Jack, four members of Sats and a representative of the city council. Yet, when the development was launched 16 months ago, it was stated that "a representative of the private sector with experience in property development" would be appointed

Jack says this is because VAW has been unable to find a nominee who is truly independent. "I don't want someone connected with the major institutions," he says

Kantor says few people fit the bill. That may be so, but until he solves the problem, he will be vulnerable to criticism that the company is light on directors with sound practical business experience. ■

Cape chamber urges cheaper fares to SA

By DICK USHER, Business Staff

CHEAPER airfares to South Africa, and especially the Western Cape, have been urged by the Cape Town Chamber of Commerce as part of a national plan to boost the tourism industry.

The chamber recommends that D F Malan Airport be accorded full gateway status to allow a separate fare structure and use by international carriers.

The cost of airfares to South Africa, and to the Western Cape in particular, had to be urgently addressed, the chamber said yesterday.

It frequently received complaints from overseas visitors that airfares to South Africa were "way out of line" with airfares to other international tourist destinations.

Greater competition in international air services was required if South Africa was to attract more international tourist trade.

The fare policy which required passengers to pay an add-on fare to the "gateway", even if the actual distance to Cape Town was shorter than to Johannesburg, was indefensible and out of line with international policy.

"It is absurd that D F Malan Airport, which has full international facilities, should not be accorded gateway status to allow of a separate fare structure to and from this airport and use by other international carriers," the chamber said.

Charter flights should also be encouraged.

Although the government had de-

cidied to allow charter flights to South Africa, the conditions attached at the insistence of South African Airways made the charter arrangement unattractive to entrepreneurs and international charter carriers.

"If South Africa is to compete on world markets for international tourism, it must allow charter flights to operate at times when tourists wish to visit the country."

The issue of bottlenecks on domestic flights, which inevitably occurred during peak tourist seasons, had also to be addressed if international tourism was to be encouraged.

Carriers should ensure that they had sufficient capacity and additional aircraft should be chartered as necessary at peak periods.

INSIDE: Weather 2, Finance 8 and 9, Letters 10, Racing 14, Sport 15 and 16, TV — Page 3 of Tonight

Crime Reporter

The railway line between Philippi and Nyanga township, damaged by a mini-impet mine in the early hours of yesterday morning, has been repaired and commuter trains are running as normal

Nobody was injured in the blast, which took

**Mine damage repaired:
Trains run as usual**

place at 2 45am yesterday, but damage of about R1 000 was caused

A spokesman for the South African Transport Services said yesterday afternoon there was

minimal disruption as far as rail traffic was concerned and that repair work on the damaged section had been repaired within four hours of the explosion

Announcement expected this week

Decision made on open bus routes

Star 31/1/90

269

Municipal Reporter

The green light is "flickering" for open buses in Johannesburg, said Mr Ernie Fabel, chairman of the city's transport committee after last night's council meeting.

Referring to yesterday's hearing of the application by the Johannesburg Transport Department and Putco to open all bus routes to all races, Mr Cecil Long, a member of the local Road Transportation Board, said a decision had been taken and referred to the National

Transport Commission

Mr Fabel believed an announcement would be made later this week. Bus routes would be opened shortly afterwards with the least possible delay.

During the morning both sides presented their case at the hearing of the Transportation Board.

The board then went into session behind closed doors.

Objections lodged by Johannesburg and Putco, which threatened to stymie the process, were withdrawn yesterday.

Mr Pieter Coetzee of Putco

said an agreement was reached with the city council.

"We applied in July last year before the city council to open all buses and they objected. So when they applied, we had no choice but to object. But today we came to an agreement and withdrew our objections."

The Pretoria and Germiston municipalities also withdrew their objections, but Conservative Party-controlled Boksburg and Springs stood by their objections that an open bus service in Johannesburg would have a detrimental effect on their services.

Sats officials give free rides after Cape march

ABOUT 3 500 people took part in a peaceful march yesterday through central Cape Town to Caledon Square police station to present a petition addressed to the Minister of Law and Order, Mr Adriaan Vlok

The only confrontation came after the hour-long march ended, when police at the Cape Town railway station intervened as

homeward-bound protesters without tickets tried to board trains for Khayelitsha and the Cape Flats (269) (268)

SA Transport Services officials agreed to run the trains free of charge

UDF Western Cape general secretary Trevor Manuel said the march had been a lesson to the world on "where the discipline lies"

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Protesters refuse to buy train tickets

Confrontation in Cape Town averted

Own Correspondent

CAPE TOWN — There was chaos at the third-class entrance to Cape Town station after yesterday's march as police armed with shotguns attempted to prevent protesters without tickets from entering platforms.

The protesters had been taking part in a march against police action during a demonstration last week

Activist leaders said it was also a rehearsal for tomorrow's march, two hours before President F W de Klerk addresses parliament

Threatening crowd

On the station yesterday, there was a tense moment when police attempted to remove a man who had apparently abused a conductor

The crowd moved forward threateningly while several UDF marshals appealed for calm

Democratic Party MP Mr Jan Van Eck and Dr Allan Boesak arrived to avert a confrontation, having run non-stop from the City Hall press conference after a loud-hailer announcement about 1 50 pm of trouble at the station

The two men managed to force their way through the huge chanting crowd on the concourse and consulted the police, who were blocking the entrance to platforms 16 and 17 — the boarding point for township-bound trains.

A police captain refused to negotiate with Mr

van Eck and led his squad down to the platform. However, Mr van Eck followed

Tempers cooled only after Dr Boesak grabbed a loudhailer and explained to the crowd

"We are running into train difficulties here ... please be calm"

Mr van Eck later said police had told him they had intervened only when the hundreds of protesters refused to buy train tickets

However, South African Transport Services then announced that people who had taken part in the march could travel free

"This was a major defusing gesture on the part of Sats, a relieved Mr van Eck told journalists later

Marshals helped station staff, announcing each train and platform

Shotgun ride

Police rode shotgun on some trains

Mr van Eck said he had contacted Brigadier Leon Mellett, police spokesman for Law and Order Minister Mr Adriaan Vlok, who was in radio contact with the police officer in charge of the operation

Mr van Eck said Brigadier Mellett had informed him that police on trains would be instructed not to take action against protesters without tickets

By 2 10 pm the majority of people had left and the situation had returned to normal.

The ticket for efficient bus services

Subsidies for municipal bus services are a constant source of controversy, not just on the Rand, but everywhere

There is general agreement that subsidies for long distance black commuters are a special case because of apartheid legislation which forced tens of thousands to live far from their work places

But using ratepayers' money for local bus services produces two different responses

There are those who say that bus subsidies are necessary to ensure mobility for the less-privileged, and to help keep cars off the road.

There are others who say the millions spent on municipal bus subsidies is money down the drain, helping at great cost to keep going a service used only by a few

One aspect always mentioned is that public transport is subsidised all over the world. Why should South Africa be different? A more relevant question might be why is public transport given such universal financial support?

Until the 1950s at least, most bus operations everywhere were expected to pay their way from fares paid by passengers. They mostly did so, because in an age of low car ownership, they had a captive market

Around the mid-1950s that began to change. By the mid-60s, most bus companies were losing customers very fast indeed. The right response would have

Don't subsidise the bus companies, subsidise the individual, says **PAUL BROWNING**, a consultant in the fields of passenger transport, travel and tourism.

been to revamp the services to meet the changing needs of the population

If market forces had been allowed to play their proper part, there would today be a range of highly specialised public transport services meeting a wide variety of needs

Instead, we see bus services which are distinctly recognisable as the same ones which were operating 30 or 40 years ago

Why, in the face of such a dramatic change in their competitive environment, did bus companies not respond with equally dramatic changes in their product?

At just about the same time as the private car was getting a real hold on city populations throughout the world, there emerged a movement known as the environmental revolution

Pollution

Great concern began to be expressed — and rightly so — about the effects of pollution, and the general destruction of the environment in the cause of progress.

The private car was bad in two respects. It polluted the air and it gave rise to demands for more destruction of the environment

through road construction. Urban roads were particularly obtrusive. Some were even built on stilts, adding a new and unattractive look to the skyline.

One answer was seen as being to give financial support to public transport. It was in many cases on its last legs. All over the globe, and here in South Africa, too, there was general approval from all but the most ardent free marketers that bus subsidy was a good thing.

Most car drivers were in favour. If the other chap could be persuaded to use the bus, there would be more room on the road for himself and his vehicle.

The trouble with a subsidy is that it is rather like a war — easy to get into but terribly difficult to get out of when things start to go wrong. And go wrong they did, in a few short years.

A large amount of subsidy simply "leaked" into higher wages and lower productivity. Subsidy demands increased at a far greater rate than other cost indices.

And the services did not seem to be better for all this vast financial support. That is the position today. Subsidy is entrenched, and it is politically very sensitive to suggest that it should be withdrawn. So the authorities should consider

converting their expenditure to capital expenditure on works which would help the bus to gain a competitive advantage over the private car, and they should fund innovative experimental services intended to pay their way.

A bus-only flyover at the junction of Jan Smuts and Empire would cost a few millions, but would be more useful than payments to keep fares down.

Benefit user

A bus-only dive-under would be even more expensive but environmentally better. "You pays your money and you takes your choice."

There is a place for subsidies to the needy. They should be in the form of a benefit to the individual, not the company.

The ideal is the "user-side" subsidy, in which the beneficiary can use the subsidy on one of a number of competing services.

But there can be little doubt that the present bus subsidies do not meet their objectives.

They meet the needs of only a small percentage of those in the population who have a choice. And they most certainly do not keep cars off the road at the peak period.

Much better results could be obtained from the application of far smaller sums of public money in the form not of operator subsidy, but of development grants for clearly defined purposes.

Step 2/2/90 (269)

No new routes for 'open' buses

By Louise Burgers

There will be no immediate changes to Johannesburg's 100 bus routes when the municipal service becomes multiracial.

Johannesburg City Council's acting director of transport, Mr Gert Tighy, said yesterday buses would be open within 24 hours of the council receiving the necessary permits.

The Road Transportation Board has to notify the council in writing Mr Tighy said he had no idea when it would receive notification.

The Board met behind closed doors on Tuesday to decide whether to grant the permits.

Once permission was received the council would first have to inform all bus drivers.

"The bus stops on the 90 white routes and 12 black routes will remain the same

"The former service for black passengers will be the lower tariff service. A green board will be displayed on the front of the bus to avoid confusion.

Putco, which applied for permission to open its buses at the same time as Johannesburg City Council, is also still waiting news of its application.

SAA AND DEREGULATION

The sky's their limit

Freeing domestic routes will test SAA's business acumen to the utmost



Is SA Airways finally getting real about deregulation and privatisation? Aspects of it, that is. Or are the SAA mandarins so accustomed to flying high that their intellectual wheels hardly

ever touch the ground any more? While there have been welcoming noises from the airline on freeing up the skies, a lot still remains to be done

In December, SAA came close to wrecking a pioneering venture by international charter operator Masterleisure by stubbornly refusing to make concessions needed for the scheme's viability. And now SAA is opposing an application from a new black-controlled company, Liberty Airlines, for scheduled flights to the US — even though its own rights to the route were cancelled in 1986 by sanctions law.

These prospective challenges to SAA's supremacy are, of course, aimed at lucrative international routes — a no-go zone for competition as far as SAA is concerned. It is on domestic routes that it claims greater flexibility. Nonetheless, on the face of it, these examples suggest nothing so much as an attitude that SAA would do almost anything to torpedo competition and thwart de-

regulation.

Do they, or is there more to the story? SAA is obviously in two minds when it comes to deregulation. In arguing against opening up international flights to competition now, it rests its argument on the fact that sanctions prohibit SAA from flying to Australia, the US and — most important — over most of Africa, which means an economic bypass of the continent for points north. On direct flights to Europe, SAA takes 90 minutes longer than British Airways and its other competitors. "It's not a level playing field," complains SAA CE Gert van der Veer.

He has a point — certainly as long as SAA represents in so many minds the international carrier of an apartheid government. Whether it would fare better as an independent is not really at issue at this stage. Why it should prevent independent carriers going where it is forbidden by law to go — the US — is a little more baffling.

Back home, SAA says it supports deregulation of domestic flights — and has done so for two years. Van der Veer says, "We have no objection to competitors entering the field. For any organisation it's healthy to have competition. We know what the international competition does for us: it makes us a better airline. Even if no one else enters the market, the threat of competition keeps you on your toes."

Public Enterprises Minister Dawie de Villiers, whose Cabinet portfolio includes SAA, seconds this view. "SAA is in favour of private enterprise and deregulation, but the view is held that the forces of the free market should be the same for all participants."

Trouble is, the "forces of the free market" just don't apply. With State protection, SAA has monopoly control over most of the country's domestic routes — the very ones it claims to want to open. A matter of "Lord make me chaste, but not yet...?"

SAA could argue that it's not its job to open up the routes. The technical responsibility lies with the National Transport Commission. Last year, Transport Affairs Minister Eli Louw urged private airlines to approach the commission for new routes. Which is fine, except that under the restrictive provisions of the Air Services Act, they have little chance of success. When reviewing an application, the commission must consider whether the current service on the route is satisfactory; it usually does not have the power to grant allow a parallel service.

Nonetheless, in response to Louw, several

applications were indeed filed. For example, late last year, Magnum Airlines — the recently formed merger of Magnum, Citi Air and Border Air — applied to fly four routes now served only by SAA. These applications may be heard in April — and SAA not only hasn't objected to them, but has urged the commission to approve them, according to Van der Veer. "But the commission may not have the discretion to do so," he cautions, until the Act is changed or scrapped. "Eli Louw was ahead of the game."

That change could occur this year. A re-



Van der Veer ... being helpful at home

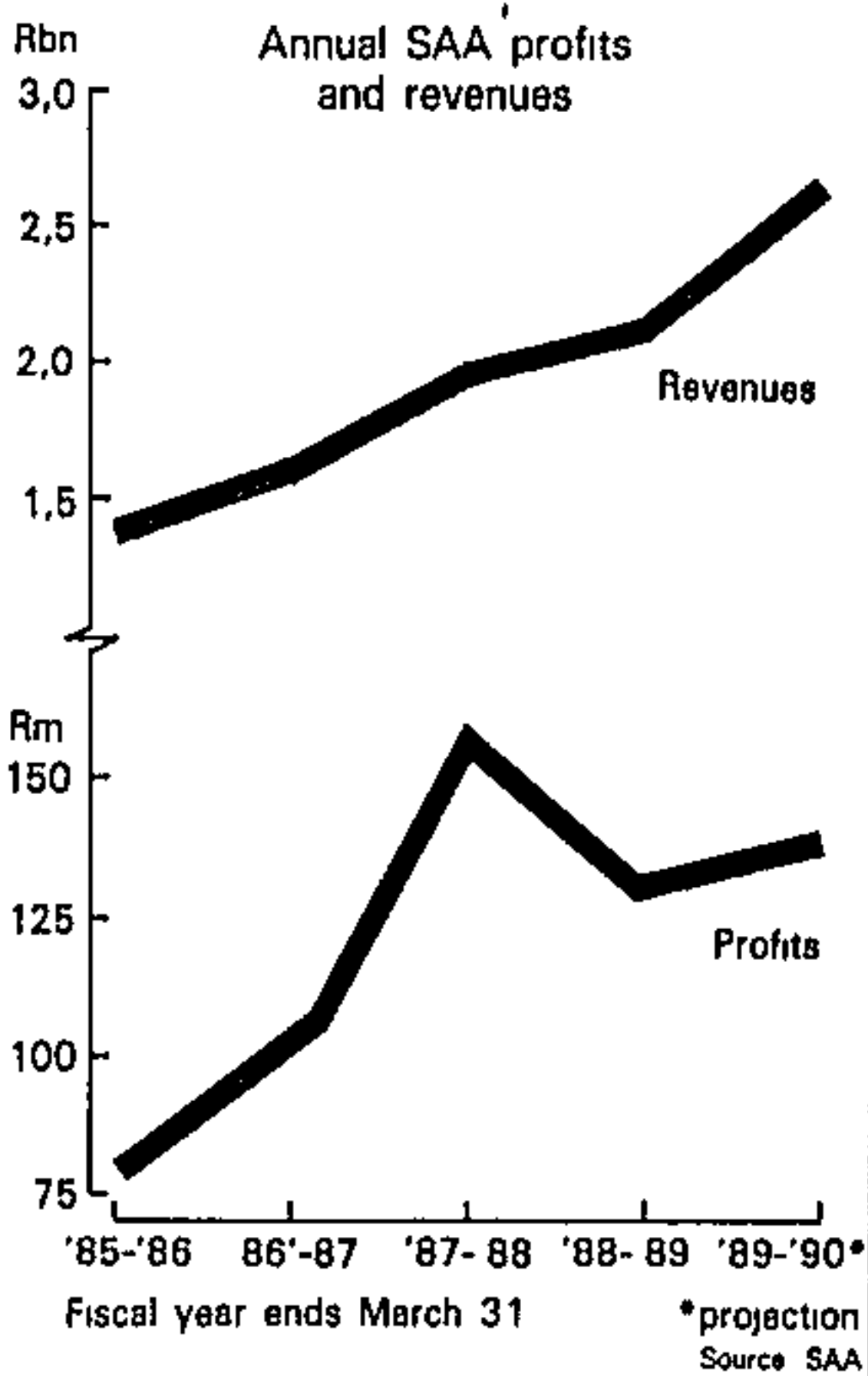
port commissioned by Pretoria found that domestic flights should be totally deregulated and the report is now being studied. Van der Veer says it calls for a "totally different game, identical to the US, with no economic barriers to new competitors, only safety and technical standards." Proposals for a new Act may then go before parliament this year.

Meanwhile, SAA says it's been preparing for deregulation since 1984. Many more discount fares have been introduced — so that now nearly 40% of its domestic passengers fly on discount tickets, from 5% six years ago. It froze hiring for three years and now has 11 000 employees, down from 12 000 in 1985, despite a big jump in traffic. Profits, though, have not been spectacular — a projected R140m for the year ending March 31 on revenues of R2,67bn, down from a R160m profit on R2,01bn in 1987/1988. Does this say something about efficiency?

The profit profile, precisely, is what will soon have to change. On April 1, SA Transport Services, which includes SAA, will switch from being part of government to a public company, with all the shares held by Pretoria. The difference is that the airline's profits will be taxed for the first time, so business skills will be put to the test as never before. For the first time, the airline will have to keep its books in the same shape as other companies and it will have to show a



Not quite soaring



P.T.O.

SAA logs a record year in passenger numbers on UK route

LONDON — Last year SA Airways carried a record number of passengers between SA and Britain, a senior SAA manager said yesterday.

He said the figure was 16% up on 1988, but would not be more specific. He was optimistic 1990 would also be a good year for the airline.

KIN BENTLEY

These disclosures followed news that a British ban on promoting tourism to SA was likely to be lifted soon. Britain's relaxation of the ban could come at a meeting of EC foreign ministers in Dublin on February 20. The lifting of minor trade

sanctions would, however, depend on the release of Nelson Mandela before then.

(269)

The SAA spokesman said it was too early to tell whether lifting the ban — imposed about four years ago — would further increase demand for seats to SA by British visitors.

... in 1989, the airline reported a record number of passengers on its UK route. This was due to a combination of factors, including the lifting of the British ban on promoting tourism to South Africa. The airline's spokesman said that the number of passengers on the UK route had increased by 16% compared to 1988. He also noted that the airline was optimistic about the year ahead, particularly if the ban on promoting tourism to South Africa was lifted. The airline's spokesman said that the airline was too early to tell whether lifting the ban would further increase demand for seats to South Africa by British visitors.

... the airline's spokesman said that the airline was optimistic about the year ahead, particularly if the ban on promoting tourism to South Africa was lifted. The airline's spokesman said that the airline was too early to tell whether lifting the ban would further increase demand for seats to South Africa by British visitors.

SOURCE: STATISTICAL ECONOMICS BRITAIN. DEPARTMENT OF FINANCE. ...

	1988	1989	1990	1991	1992	1993
GDP at factor cost	100	100	100	100	100	100
Government	100	100	100	100	100	100
Private	100	100	100	100	100	100
Exports	100	100	100	100	100	100
Imports	100	100	100	100	100	100
Balance of trade	100	100	100	100	100	100
Balance of payments	100	100	100	100	100	100
Current account	100	100	100	100	100	100
Capital account	100	100	100	100	100	100
Services account	100	100	100	100	100	100
Trade in goods	100	100	100	100	100	100
Trade in services	100	100	100	100	100	100
Trade in primary products	100	100	100	100	100	100
Trade in manufactured goods	100	100	100	100	100	100
Trade in services	100	100	100	100	100	100
Trade in primary products	100	100	100	100	100	100
Trade in manufactured goods	100	100	100	100	100	100
Trade in services	100	100	100	100	100	100

TABLE 3.4. BALANCE OF PAYMENTS, 1988-1993

Jomet to hold indabas on transport

STAR 6/2/90 Staff Reporter

(269)

Commuters are being given the opportunity to contribute ideas about alternative public transport systems proposed by Jomet, the Johannesburg metropolitan planning organisation

Public meetings have been planned throughout the Jomet transport area to discuss land use strategies and the transport implications of such strategies.

The aim is to invite public input in order to generate a preferred strategy.

DATES AND VENUES

Details of the meetings are

○ In Johannesburg, on Tuesday February 13 at 6 pm, A-level lecture theatre, Civic Centre, Loveday Street Extension, Braamfontein

● A combined Randburg, Sandton and Roodepoort meeting on Wednesday February 14 at 6 pm, Randpark High School, Assegai Avenue, Randpark Ridge Extension 1

● A combined Germiston-Alberton meeting on Tuesday February 20 at 6 pm, Germiston Civic Centre, Queen Street, Germiston Auditorium, under the library.

● A combined Edenvale, Bedfordview, Kempton Park and Modderfontein meeting on Wednesday February 21 at 6 pm, Edenvale community hall, corner of Van Riebeeck Avenue and Second Street.

● A combined Soweto, Dobsonville, Diepmeadow meeting on Thursday February 22 at 6 pm, A1 lecture hall, Vista University, Soweto.

● In Alexandra, on Monday February 26 at 6 pm, Nobuhle Hall, inside new men's hostel, Sixth Avenue

● A combined Tokoza, Katlehong meeting on Tuesday February 27 at 6 pm, Tshabalala Hall, Nkaki Street.

● In Tembisa on Wednesday February 28 at 6 pm, Raba Sotho Hall, Igqagqa Section, near Tembe shopping centre.

Top businessmen on new Sats board

Mineral & Energy Affairs and Public Enterprises Minister Dawie de Villiers yesterday announced the members of the new SA Transport Services (Sats) board.

De Villiers said late last week the board would consist of 10 experienced business executives with proven expertise over a wide field, including industrial relations, finance, marketing, law, business practice and taxation.

The board now includes two Iscor executives. MD Willem van Wyk joins Iscor chairman and outgoing chairman of the IDC, Marius de Waal, who was recently appointed chairman of Sats.

The other members of the board are Barlow Rand vice-chairman Derek Cooper; Gencor executive director Tom de Beer, AECI MD Mike Sander, Standard Bank Group MD Conrad Strauss, executive officer of the law review project Louise Tager, Old Mutual CE Gerhard van Niekerk, Johannesburg attorney Basil Wunsh and Sats MD Anton Moolman.

Tager said yesterday the appointments marked a trend towards considering and balancing all options, and showed that government's privatisation agenda would be no "rush-job".

"One never knows the basis of selection

BRENT MELVILLE

but it is a great responsibility and I hope to fulfil it in a balanced way," she said.

Wunsh said he was informed of the appointment in December and assumed he had been chosen for his background in tax law.

"The composition of the board is interesting in that it consists of a very wide cross-section of SA industry and business life — with apparently no political motivation behind the selections," he said.

The statutory corporation is to be incorporated as a public company in terms of the Companies Act on April 1 — edging the transport giant closer to its imminent listing on the JSE.

De Villiers said the board would hold its first meeting in March.

Both Tager and Wunsh said there was no specific agenda for the meeting and added that at present no timetable had been set for the final steps in the privatisation process.

Analysts said on Friday it was highly unlikely Sats would come to the market within the current year, or even early in 1991. It would be a lengthy and complex process.

20/12/90

Fine, but...

(269)

The board of directors assembled to transform SA Transport Services (Sats) from a State corporation into a State-owned public company has not been greeted with unqualified approval

Certainly, the 10 members possess the financial acumen that Sats will find essential after April 1, when, like any private-sector company, it must turn a profit and pay tax. But some critics are appalled at the lack of transport experience on the board

Phil Erasmus, CE of Tanker Technical Industries and chairman of the Road Freight Association, is happy with the appointments "The board has a lot of business muscle. The more Sats has of that, the more correctly it will conduct its affairs." Erasmus says he prefers a competitor who is efficient and knows what's going on — a description, he adds, that does not fit Sats now.

SATS NEW BOARD

Taking care of transport

- Chairman Marius de Waal . chairman of Iscor
- Derek Cooper . vice-chairman of Barlow Rand
- Tom de Beer . . . executive director of Gencor
- Mike Sander MD of AECI
- Conrad Strau . . . vice-chairman of Standard Bank
- Louise Tager executive officer of the Law Review Project
- Gerhard van Niekerk . . . CE of Old Mutual
- Willem van Wyk MD of Iscor
- Basil Winch . . . a Johannesburg attorney
- Anton Moolman GM of Sats

"There are many in Sats who do not know how to price its services, so they use the only alternative they have and set their prices below the competition's prices," he says

The board was picked by Minister of Mineral & Energy Affairs & Public Enterprises, Dawie de Villiers with Moolman's help Eduardo Gutierrez-Garcia, the outspoken CE of Untrans, says they could have done better. He has often accused Sats of under-utilising its assets and he labels the new board as "more decorative than functional"

"They're highly competent people in their own fields. But, with the exception of (Sats GM Anton) Moolman, none is skilled in transport. There is no one who knows anything about airlines. They're also very busy people. How much time can they afford to spare from their other activities to devote to guiding Sats and solving its problems?"

FIM 9/2/90

(269)

Alan Cowell, CE of the SA Association of Freight Forwarders, feels there is enough transport expertise on the board. He too, however, is not filled with confidence. One reason is that the terms of appointment have not been made public "Are they there to fill specific functions, or will they come together once a year to rubber-stamp the annual report? They should devote 50% of their time to helping Sats become commercialised"

Moolman says Sats has been run by a management board that will remain in place. It's at this level, he says, that transport expertise is essential.

"It will be a function of the board of directors to establish whether the level of expertise of the management board is acceptable. If not, it will have to replace them. The board expertise needed has been met by appointing a very wide spectrum of experts from the private sector, with vast experience in running large corporations."

The new directors are expected to hold their first meeting next month. But it's likely to be a while before they accomplish their mission of "commercialising" Sats. ■

81p 14/2/90

Post Office surplus soars to R894m

(269) GERALD REILLY

PRETORIA — The Post Office's operating surplus for 1988/89 financial year soared by 15,5% or R119m, to a record R894m compared with the previous year, according to Postmaster Johan de Villiers.

In his annual report he says loan funds for capital spending were limited to only R73m.

No less than 91,3% of capital expenditure was funded from internal funds and only 8,7% from loans, De Villiers said.

Revenue increased by 16,9% from R4,465bn to R5,221bn.

He warned, however, that rates on unprofitable services would eventually have to be adjusted to more cost-related levels.

However, De Villiers added the Post Office accepted its social responsibility in rendering even unprofitable services in remote areas.

De Villiers said good progress had been made with restructuring the Post Office with a view to dividing it into two separate services. Draft legislation for the division had been prepared and would be submitted to Parliament this session.

The Post Office's annual report also shows that staff numbers decreased for the second successive year — by 0,15% to 95 387.

South Africans made about 24,5 million phone calls to countries abroad and 97% could be dialled directly.

Sats buys three locomotives for R23m

EDWARD WEST

SATS is spending R23m on three prototype locomotives from Europe, with an option to purchase another 29 for R95m.

Sats is expected to receive the first of three Class 14E electric locomotives in mid-March, Sats spokesman Johan Hugo said yesterday.

The contract was awarded to the European consortium 50 Cycles Group in 1987 for three locomotives valued at R6,7m each.

Last year Sats bought 25 10E2 locomotives from Japan at a final cost — including escalation — of R85m.

The first of the 25 locomotives was delivered in September and the final one would be delivered in June.

Hugo said the locomotives were suited to passenger and freight services, but would be used mainly for high-speed freight trains with a maximum speed of 120km/h. Freight trains currently travel at between 70km/h and 90km/h.

The European conglomerate 50 Cycles Group consisted of Siemens, Asea Brown-Bovers, Alstom, Aec and AEG. (269)

The prototypes would be evaluated before a decision was made to place an order for the series which would be manufactured by Union Carriage and Wagon in Nigel.

B/Dary 14/2/90

Cape Times
16/2/80
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Sats budget overspent by 6,6%

Own Correspondent

JOHANNESBURG.

SA Transport Services (Sats) has overspent its budget for the current financial year by R824m or 6,6% of the R12,4bn originally estimated for working expenditure.

However, it was able to restrict capital expenditure to within R7m or 0,4% of the R1,7bn in the original estimates.

According to estimates of additional expenditure tabled in Parliament this week the main culprit for the over-expenditure on the current account was the airways branch.

It exceeded its budget by R298m or 13,4%.

Rail services exceeded its budget by R421m or 5,7%, rail commuter services by R47,9m or 4%, road transport services by R10,5m or 2,6% and harbours by R40m or 4,2%.

The pipelines branch of Sats, catering and bedding services and Sartravel stayed within their budgets

B10ay 16/2/90

Rising prices have not led to decline

A POOR exchange rate and spiralling air ticket prices have not had too dramatic an impact on South Africans travelling overseas. (269)

This is according to sources as varied as travel agents, SAA, Diners Club, Safto and the SA Tours and Safaris Organisation. (269)

In 1985, the first serious impact of the weakening rand hit home by making overseas travel almost prohibitive to South Africans — not in fare terms, but in the high cost of living arrangements.

But travellers "bounced back with resilience", says one agent.

SAA's outbound international flight statistics show small but steady increases from 1986.

Outbound passengers numbered 478 354 for April 1 to March 31 1987.

The figure climbed 4,4% to 499 447 to March 1988 and a further 0,5% to 502 389 to March 1989.

SAA expects to achieve its target 5% increase to March 1990, which will bring the number of passengers carried to about 527 400.

But Luxavia GM and chairman of the SA Tours & Safari Organisation (Satso) Reinhart Mecklenberg says these figures do not differentiate between outbound South Africans and departing foreign travellers.

Diners Club, which claims a significant share of air tickets sold on credit cards, reports that its airline ticket sales are 35,8% up on last year.

Managing director Hugh Peatling says there are also growing sales of foreign note and travellers cheques through Diners Club and Rennie's Travel.

Safto chief executive Wim Holtes says the dip in overseas travel has been less severe than would have been expected.

"Safto's services have become more in demand and the benefits of an organised business tour more evident.

"This in turn has become a source of renewed overseas travel activity, even though the leisure market had taken a dip."

TRANSPORT ASSOCIATIONS

Vying for members

Little more than a year ago an effort was mounted to merge the two main road freight bodies. It failed, mainly because one group, the Professional Carriers' Association (PCA), refused to belong to any organisation that included SA Transport Services (Sats). (269) ~~(269)~~

The PCA demanded that the other group, the National Association of Private Transport Operators (Napto), expel Sats before a merger. Napto refused. (The PCA now denies it insisted on Sats' expulsion, though it hasn't denied this in the past)

Merger talks fizzled, but the division between the two associations has blurred any-

FIM 16/2/90

FIM 16/2/90

(269)

~~(269)~~

way. In September, government ended most restrictions on truckers and began granting permits to everyone whose trucks have certificates of fitness and whose drivers are qualified (*Business* December 15).

The PCA, now called the Road Freight Association (RFA), represents professional hauliers — truckers who convey only the goods of others for gain. Napto, whose members include farmers and retail chains, convey only their own goods

Now the RFA no longer needs to restrict membership to professional hauliers because there is no longer anything to prevent a private haulier from invading its jealously guarded territory and canvassing for loads.

Road hauliers, private or public, can join the body that serves their interests best — or both. A private haulier that is moonlighting by carrying other companies' loads would want to belong to both

Though both organisations deny it, they are openly trying to recruit each other's members. A senior Napto member confirms this, saying: "The RFA is trying to tout our members and some of its guys are joining us. I'm not happy with this."

RFA CE Ian Moss and Napto CE André

Jacobs deny any poaching. "But," Moss says, "the barriers are down. It's now open to all who operate in road transport, including Sats and Napto members, to join the RFA. We don't campaign for them but if they join, they must feel we have something to offer."

So Sats, which wouldn't pass muster before with the RFA, is now kosher.

Jacobs admits that RFA members also belong to his group. "They want to be closer to their customers. Private transporters use the mode of transport that suits their needs best, be it their own vehicles, public carriers or Sats. By joining us, RFA members will be closer to companies that already use their services, and they'll find new customers."

Napto intends to keep its members and recruit new ones with a logistics programme which "looks at the total dynamics of the flow of materials," Jacobs says. "It examines how they should be purchased, stored and distributed"

He argues that the programme should appeal mainly to private hauliers. But it's inconceivable that any public carrier whose services include procurement, warehousing and distribution wouldn't join Napto to get its hands on the findings. ■

Star 19/2/90 (269)

Surprise multimillion-rand offer to 170 000 transport workers

Sats pay-out could be SA's biggest

By Drew Forrest

SA Transport Services's surprise offer of voluntary redundancy to its 170 000 employees could entail the largest severance pay-out in the country's history.

Last week Sats announced that workers who agreed to quit before March 15 would receive at least three months' salary, as well their pension contributions and full outstanding leave pay.

Employees with more than six years' service would receive an even larger cash bonanza — an extra month's salary for each additional three years of employment.

This would mean that an employee with more than 30 years' service would receive his or her annual pay packet as a severance deal.

The offer is voluntary, but employees who accept will be bound by its terms and will not be rehired by Sats for at least three years.

In a reference to widespread worker anxiety over the impending commercialisation of Sats, management said the offer was intended to give employees who were "unmotivated or frustrated" a chance to leave with a better package than they would get by resigning.

Disgruntled workers

Many workers who did not participate in the recent rail strike are disgruntled with the terms of the strike settlement — and particularly the return of strikers to their jobs.

Sats senior labour manager Mr Jan Brendenkamp said he could not estimate the potential cost of the offer to the corporation.

However, he said that the average wage for lower-paid black and white workers was R730 — yielding a severance payout of R2 190 for each employee with less than six years service.

If only five percent of its employees accept the offer, Sats will have to pay out at least R19 million. This does not take into account additional payment for long service. Sats has many long-serving employees and leave pay.

The offer has raised fears of forced retrenchments down the line as a consequence of commercialisation, which begins in earnest on April 1 when Sats is listed as a public company.

Mr R M BURROWS Why? [Interjections]

The MINISTER If hon members will give me a chance, I will try to explain. For instance, it is normally cheaper to have primary school children at school than it is to have secondary school children at school. Therefore if one just divides the whole sum into the number of children, one gets a distorted picture. [Interjections]

I am not saying for one moment that we are spending the same amount on Black and White children. [Interjections] I am not saying for one moment that the situation as it is is desirable. What I am stating is we are doing what we can within the limitations of overall expenditure. We are doing what we can for Black education and we will continue to do so. Over the past five years something like 13 000 classrooms have been built. [Interjections] but the explosion of the classroom population by 6% per annum for over 40 years is something that would tax the best education department in the world and something that would sorely test on any budget. We are doing what we can in this regard.

At this stage I also want to pay tribute to the employees of the department who do a tremendous job under extremely difficult circumstances and extreme provocation, and do so with the limited means at their disposal. If the other side would play their part, they would use the available schools for the purposes for which they were intended. If they did not leave the schools standing empty so that they could go protesting in the streets, our final examination results would also improve. [Time expired]

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

Hansard 20/2/90

†Presidential Guard in the Comoros, non-financial assistance

*1 Adv T LANGLEY asked the Minister of Foreign Affairs †

Whether the Government of the Republic of South Africa rendered any non-financial assistance to the Presidential Guard in the Co-

HOUSE OF ASSEMBLY

mores, if so, (a) in which years, (b) what type of assistance, and (c) from the vote of which State department, in each case?

Hansard 20/2/90

B38E

†The MINISTER OF FOREIGN AFFAIRS.

The Department of Foreign Affairs did not render any non-financial assistance to the Presidential Guard in the Comoros

(a), (b) and (c) fall away

Soweto Town Council: bridging finance

*2 Mr P H DE LA REY asked the Minister of Planning and Provincial Affairs †

(1) What amount has the Transvaal Provincial Administration provided to the Town Council of Soweto as bridging finance since July 1986,

(2) whether any arrangements have been made for the repayment of this amount, if so, (a) what arrangements and (b) what amount has been repaid?

B40E

†The DEPUTY MINISTER OF PLANNING AND PROVINCIAL AFFAIRS

(1) Since July 1986 the following amounts were allocated to the City Council of Soweto as bridging loans.

1986/87 — financial year	R69 989 500
1987/88 — financial year	R106 712 513
1988/89 — financial year	R136 801 226
1 April 1989 — 31 January 1990	R151 116 005
Total	<u>R464 619 244</u>

(2) (a) All bridging loans are made available against a debt-obligation which makes provision for the loans to be repaid interest free, over a period of five years

(b) As a result of the present financial situation of the City Council of Soweto it has not yet been possible to pay back any instalments

Munsterville military base: personnel

*3 Mr H J COETZEE asked the Minister of Defence † *Hansard 20/2/90*

(1) Whether any of the military personnel at the Munsterville military base, Transvaal, are Non-white, if so,

(2) whether provision is made at this base for separate (a) sleeping quarters, (b) bathroom facilities and (c) toilets for the various population groups?

Hansard 20/2/90

B96E

†The DEPUTY MINISTER OF DEFENCE

(1) No, not at present

(2) The base referred to by the hon member is an operational base and the SA Defence Force's personnel policy, as contained in paragraph 54 of the Briefing Document on the Organisation and Functions of the SA Defence Force and the Armaments Corporation of South Africa, Limited, 1990, which was recently distributed to all Members of Parliament, is also applicable in this instance.

*4 Dr W J Snyman → Transport †Question standing over]

PE: name-board for airport

*5. Adv J J S PRINSLOO asked the Minister of Transport †

Whether a name-board with the official name of the airport at Port Elizabeth has been put up at a conspicuous place at the airport terminal, if not, why not, if so, (a) where has this name-board been put up and (b) what is written on it?

Hansard 20/2/90

269

B102E

†The MINISTER OF AGRICULTURE (for the Minister of Transport)

Yes.

(a) On the upper edge of the facade on the air-side of the terminal building, and

(b) H F Verwoerd

SAP/Roodepoort: renovation of single quarters

*6. Adv J J S PRINSLOO asked the Minister of Law and Order † *Hansard 20/2/90*

(1) Whether it is the intention to renovate the single quarters of the South African Police at Roodepoort, if so, on what date will this renovation be commenced,

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

B104E

†The MINISTER OF LAW AND ORDER

(1) and (2)

Negotiations for the restoration of the building have already been conducted with the Department of Public Works and Land Affairs. As alternative, the rental of substitute accommodation is being considered. The matter could unfortunately not be finalized up until now due to a lack of funds. *Hansard 20/2/90*

†Mr J J S PRINSLOO Mr Chairman, arising out of the hon the Minister's reply, is it correct that he confirmed during October 1988 that his department had already confirmed in July of that year that repairs to the single quarters were necessary?

†The MINISTER Mr Chairman, of course I do not have the detailed information here with me now, but I shall go into the matter and give the hon member a reply

†Mr J J S PRINSLOO Mr Chairman, further arising from the hon the Minister's reply, is the hon the Minister himself aware of the physical condition of the single quarters, that they are actually falling apart, and if not, what does he intend doing in order to bring himself up to date with the physical condition of these single quarters?

†The MINISTER Mr Chairman, I am aware of the fact that the condition of the accommodation is poor, that is why I told the hon member that we are negotiating at present to try to obtain substitute accommodation in the mean time. As I have also indicated, we cannot conclude the matter yet due to lack of funds

†Mr J J S PRINSLOO Mr Chairman, further arising out of the hon the Minister's reply, with respect to the substitute accommodation to which he is referring, can he indicate what substitute accommodation is being considered and, in respect of that, when is it envisaged to be put to possible use?

†The MINISTER Mr Chairman, we are looking for better accommodation for the young men, and we are giving priority to this matter, but we cannot indicate a date.

Munsterville military base: maintenance cost

*7 Mr J H VAN DER MERWE asked the Minister of Defence † *Hansard 20/2/90*

(1) What was the cost of maintaining a military base at Munsterville in the Transvaal

HOUSE OF ASSEMBLY

Massgas project: cost estimate

*23 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises. *Hansard 20/2/90*

- (1) (a) What was the originally budgeted cost estimate for the Mossgas project and (b)(i) what is the latest estimate for the final total cost of the project and (ii) in respect of what date is this estimate furnished,
- (2) whether he will make a statement on the viability of the project?

B132E

THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (1) (a) The originally budgeted fixed capital cost for the FA gas reserve development phase and the onshore facility was R6 520 million before contingencies or R6 895 million with contingencies in escalated terms.

(b) (i) R8 000 million in escalated terms for the mentioned development. The extent of additional capital investment for the development of further gas reserves will depend on the extent of reserves in the existing FA gas field. Should such investment be necessary, indications are that it could be long deferred and financed from the cash flow of the project itself.

- (ii) December 1989.
- (2) I have already issued a full statement on Tuesday, 13 February 1990.

Lead level: urban locations

*24 Mr R F HASWELL asked the Minister of National Health and Population Development.

- (1) Whether, with reference to the statistics on Cape Town given in the replies to Question No 528 on 23 February 1987, Question No 1218 on 14 June 1988 and Question No 506 on 26 May 1989, the average recorded lead level in all major urban locations has similarly increased,
- (2) whether she intends taking any action to ensure that such levels do not exceed the

stated maximum permissible concentrations for lead in the atmosphere: if so, (a) what action and (b) when?

Hansard 20/2/90 B133E
THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

- (1) Yes for inland, no for coastal areas,
- (2) although an increase in the concentration of lead levels in air was found for inland regions, the levels to which the public is exposed to, remain well below accepted maximum allowable concentrations. It may however be expected that the trend will now be downwards after the lead content in petrol was further reduced from 0,6 to 0,4 gram per liter in 1989,
- (a) and (b) fall away

Pietermaritzburg area: toxic waste dump

*25 Mr R F HASWELL asked the Minister of Environment Affairs

Whether his Department has taken any action as a result of the discovery of toxic waste dumps in the Pietermaritzburg area in (a) September 1989 and (b) January 1990, if so, (i) what action, and (ii) when, in each case, if not, why not?

Hansard 20/2/90

B134E

THE MINISTER OF ENVIRONMENT AFFAIRS

(a) Yes.

(i) and (ii) The Department of Environment Affairs, which has a co-ordinating function regarding pollution control, and the Department of Water Affairs, which has executive powers regarding water pollution and waste disposal control, both followed up the matter. The Department of Environment Affairs brought the matter to the attention of the Town Clerk of Pietermaritzburg. The Department of Water Affairs called a meeting for 21 September 1989 with ISP Recyclers. It was stipulated that the company must report back by 6 October 1989 on the method for the removal of the drums and any contaminated soil and the treatment of the waste. On 6 October 1989 it was agreed that the drums would be removed from the Table Mountain, Mattison and

Continues to p85

continues from p84

Rainy Days sites. The Department of Water Affairs requested that this latter site be fenced in and that a two weekly report on progress be submitted.

(b) Yes

(i) and (ii) With the discovery of a further dumping site at Copes Folly as well as the delay in meeting the full requirements of the Department of Water Affairs in removing all the drums from the Table Mountain, Mattison and Rainy Days sites, another meeting was called on 2 February 1990. That Department instructed the company to completely remove all drums and contaminated soil from Copes Folly, before 16 February 1990. (Officials of the Department of Water Affairs have confirmed that this has been done). It was further stipulated that all drums from the Rainy Days site be removed by 22 February 1990 and from the Mattison site by 28 February 1990. In addition it was stipulated that all the sites should be rehabilitated to the satisfaction of the Department.

It has now been established that all drums have been removed from all the sites and that rehabilitation measures are about to commence. The situation has therefore been 95% remedied. After in depth investigation by officials of the Department of Water Affairs it was concluded that no legal action could be taken in terms of the Water Act, 1956 (Act 54 of 1956) as no water was polluted. The proposed regulations on solid waste disposal should address matters such as these in the near future.

PE: Group Areas Act

*26 Mr E W TRENT asked the Minister of Planning and Provincial Affairs.

Whether he or his predecessor received an application by the Port Elizabeth City Council for the provisions of section 19 of the Group Areas Act, No 36 of 1966, to be made applicable to the entire municipal area, if so, (a) when was this application received, (b) what was the response thereto and (c) what action has been taken as a result of the application?

Hansard 20/2/90 B135E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS. *Hansard 20/2/90*

Yes

(a) 26 July 1985

(b) and (c) A smaller area was advertised and investigated by the Group Areas Board. Seven areas were proclaimed free trading areas by Proclamation 207 of 1986.

Tembisa scene of unrest. press

*27 Mr P G SOAL asked the Minister of Law and Order *Hansard 20/2/90*

Whether any members of the South African Police ordered members of the Press to leave a scene of unrest in Tembisa on or about 5 February 1990, if so, (a) why, (b) on whose instructions and (c) in terms of what statutory provisions or regulations?

B141E

THE MINISTER OF LAW AND ORDER

Yes

(a) to (c) As far as could be ascertained only one television cameraman was warned, in terms of Regulation 2(3) of the Security Emergency Regulations, to leave the area.

This cameraman continually attempted to take close up photographs of the commander of a riot unit which was already deployed and busy dispersing a riotous crowd. On the one hand these actions hindered the officer in his attempt to maintain the public order and on the other hand, for that very reason, had the effect that the crowd who observed it, acted more sensationally and in so doing further disturbed the public order.

The officer warned the cameraman several times to cease his conduct. However, the cameraman did not heed these warnings. As a last resort, instructions were given for him to be taken to the Tembisa police station and warned to leave the area. He did not return to the scene of the unrest.

Protest march: free trains

*28 Mr J VAN ECK asked the Minister of Law and Order *Hansard 20/2/90* 269

(1) Whether, with reference to the protest march held in Cape Town on 31 January 1990, the South African Police were in-

Continues p87
HOUSE OF ASSEMBLY

Continued from p 86

formed by the South African Transport Services that free trains would be made available to take participants in the protest home after the march.

- (2) whether any members of the Police prevented protesters from boarding these trains at Cape Town station, if so, (a) why and (b) what was the rank of the policeman in charge? *Answered 20/2/90 B143E*

THE MINISTER OF LAW AND ORDER

- (1) No
(2) No
(a) and (b) Fall away

Cape Peninsula high schools: textbooks

*29 Mr K M ANDREW asked the Minister of Education

Whether high schools in the Cape Peninsula had received all the textbooks required to supply their full quota of pupils by the end of the third week of the 1990 school year; if not, (a) why not, (b) which schools had not received all their textbooks and (c) how many (i) pupils and (ii) textbooks were involved? *Answered 20/2/90 B144E*

THE MINISTER OF EDUCATION

Yes

In explanation it is mentioned that shortages of text books do exist at some schools due to over-registration of pupils above approved quotas. Books have been provided according to projections of pupil numbers made by principals in February 1989.

In the Cape Peninsula books have been provided for approximately 300 pupils above the projected number

Arrangements have been made to have this surplus stock placed at schools where shortages occur. All registered pupils in the Cape Peninsula can therefore be provided with textbooks, except those pupils who have lost their books. New books are not issued to these pupils. They will be able to purchase them from bookshops

- (a), (b) and (c) fall away

HOUSE OF ASSEMBLY

Certain person: offences

*30 Mr A J LEON asked the Minister of Justice Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, was at any time convicted of any offences; if so, (a) of which offences, (b) when was each conviction handed down, (c) what sentences were handed down in respect of each such conviction and (d) what is the name of this person? *Answered 20/2/90 B146E*

THE MINISTER OF JUSTICE

The following information was obtained from the record of previous convictions (SAP 69) of the person concerned

- (a), (b) and (c)

(i) Theft of a motor vehicle; 8.11.54, 8 cuts with a cane and placed under the supervision of a probation officer

(ii) Tamper with a motor vehicle without permission of owner, 10.11.54; Imposition of sentence postponed for 3 years on condition that accused is not found guilty of a similar offence or any offence of which dishonesty is an element

(iii) Theft of a motor vehicle and theft of a rifle, 27.6.55, Sent to a reform school. Charges taken together for purpose of sentence

(iv) Theft of a motor vehicle; 27.6.55, Sent to a reform school

(v) Theft of a motor vehicle and attempted theft of a motor vehicle, 27.6.55; Sent to a reform school. Charges taken together for purpose of sentence

(vi) Theft of a motor vehicle; 27.6.55; Sent to a reform school

(vii) Theft of motor spares and theft of a suitcase with clothing, 28.11.60, Imprisonment for corrective training. Charges taken together for purpose of sentence

(viii) Indecent assault (2 charges); 13.2.79, On each count sentenced to 3 years' imprisonment of which 1 year's imprisonment on each count is sus- *Continued p 89-9*

Answered 20/2/90

pending for 5 years on condition that the accused is not convicted of indecent assault or an attempt thereto committed during the period of suspension. *Answered 20/2/90 B148E*

(d) Cornelius Gerhardus van Rooyen

Hillbrow: facilities for aged

*31 Mr L FUCHS asked the Minister of National Health and Population Development

Whether his Department is responsible for any (a) accommodation, (b) feeding, (c) health and (d) recreation facilities for the aged in Hillbrow, if so, what facilities in each case, if not, why not? *Answered 20/2/90 B148E*

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(a) to (d) No,

the Department of National Health and Population Development is responsible for the planning, co-ordination and monitoring of national policy regarding health matters, population development and social welfare. Rendering of actual services to the public is not within the line function responsibilities of this Department

Hillbrow: facilities for street children

*32 Mr L FUCHS asked the Minister of National Health and Population Development

Whether her Department is responsible for any (a) accommodation, (b) feeding, (c) health and (d) recreational facilities for street children in Hillbrow; if so, what facilities in each case, if not, why not? *Answered 20/2/90 B149E*

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

(a) to (d) No, *Answered 20/2/90*
the Department of National Health and Population Development is responsible for the planning, co-ordination and monitoring of national policy regarding health matters, population development and social welfare. Rendering of actual services to the public is not within the line function responsibilities of this Department

INTERPELLATIONS

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

Black teachers in White schools

Mr K M ANDREW asked the Minister of Education and Culture

Whether his Department is giving consideration to allowing White State schools to employ Black teachers to teach African languages, if so, (a) what consideration and (b) when is a decision in this regard to be made, if not, why not? *Answered 20/2/90 B208E INT*

THE MINISTER OF EDUCATION AND CULTURE Mr Charman, the question is whether the Minister of Education and Culture is giving consideration to allowing White State schools to employ Black people to teach African languages

In the first instance, Sir, I wish to inform the hon member that State schools do not employ teachers. The department employs teachers on the recommendation of the management council, and I have no intention of changing this policy to allow schools themselves to employ teachers. If the hon member wishes to enquire whether my department is contemplating the employment of Black teachers for the purpose of teaching African languages at schools under the jurisdiction of the Department of Education and Culture, my response is that every responsible department of State is continually assessing scenarios for the future and considering different options

In assessing possible scenarios for educational provision my department is currently seeking to devise models which will take cognisance of the various educational needs as they arise. Obviously, any model relating to the provision of education must be all-embracing and include facets such as curriculum development, teacher training, financing, staffing and the provision of physical facilities, among other factors

The options regarding the provision and utilisation of staff for various subjects also have to be considered. A decision in this regard will be made only when all options have been care- *P 70-9*

HOUSE OF ASSEMBLY

Sats takes first step towards privatisation

South African Transport Services has taken its first steps towards privatisation with an announcement yesterday that it is to become a public company on April 1 this year.

Initially the sole shareholder will be the State but managing director Dr Anton Moolman told a media conference that it could well be the start of the privatisation operation.

He said that while no decision had yet been taken as to what

would happen eventually, it had been decided that Sats would become a company in April with a new corporate image.

It would also be run by a board of directors on strictly business principles and those areas of operations that were not profitable would be cut and the work they performed would be hived off to private enterprise.

He said that as Sats had, by law, not been allowed to make profits, it would take time for

each profit centre, or business unit, to show what it could produce for the benefit of potential shareholders.

The name of the organisation is to be changed to Transnet Limited and will have five separate divisions.

The road transport section will be named Antonet, pipelines as Petronet, harbours as Portnet, railways as Spoonet and SAA will retain its present name.

Spokesmen for Sats said that it was impossible to privatise the

organisation until each section had proved that it could operate on a profitable basis that would offer shareholders a reasonable return on their investment.

Sapa was told that if the South African economy was sufficiently deregulated, South African Airways could be privatised within five years.

The national rail commuter service will no longer be funded by the new company. It would, however, continue to operate the service but would be paid by the

authorities for doing so.

Another point was that the massive workshop system maintained by Sats was going to have to be competitive with the private sector and that if the costs of running a Sats workshop proved to be too high, the jobs would be farmed out to private companies.

Marius de Waal is to be chairman of the new company, together with eight other members from industry, commerce, marketing, the law and other associated professions. — Sapa.

New-image Sats to go public on April 1

EDYTH BULBRING 269

SATS yesterday took another step towards commercialisation with an announcement it was to become a public company with a new corporate image on April 1.

The new company, to be called Transnet Limited and with a logo similar to that of British Rail, will control five business divisions. *B Day 21/2/90*

Four of the business units will be called Petronet (pipelines), Autonet (roads), Spornet (railways), and Portnet (harbours).

SAA will retain its name.

"If something is successful and works

To Page 2

Sats *B Day 21/2/90*

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From Page 1

you don't change it," Sats MD Anton Moolman said at a Press conference yesterday.

Moolman said the new company would have to live by the same rules and regulations as the private sector. It would have to make ends meet and generate profits for shareholders.

Any business unit that could not be run profitably had no right to be in business and would be phased out, he said.

He said there was no timetable for privatisation as this had to be handled step by step.

However, if Sats was going to privatise, the registration of the company was the first logical step, he said. Until then, the state would be the only shareholder in the new company.

He said that as Sats, by law, had not been allowed to make profits, it would take time for each profit centre, or business unit, to show what it could produce for the benefit of potential shareholders.

The national rail commuter service would no longer be funded by the new company as it was impossible to run a commuter service on a profitable basis.

As a corporation, however, it would continue to operate the service but would be paid by the authorities for doing so.

"The corporation is the child of the state and the state will pick up the tab," he said.

Industrial Development Corporation chairman Marius de Waal has been appointed chairman of the new company while Moolman will be MD.

CAH Times
Wednesday, February 21, 1990

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OK

SATS takes first steps to privatisation

Own Correspondent

JOHANNESBURG. — South African Transport Services (SATS) yesterday took its first step towards commercialisation with an announcement that it is to become a public company with a new corporate image on April 1 this year.

The new company, complete with a logo similar to that of British Rail, will be called Transnet Limited which will control five business divisions

Four of the business units will be called Petronet (pipelines), Autonet (roads), Spoornet (railways) and Portnet (harbours) SAA will retain its name.

"If something is successful and works you don't change it," SATS managing director Mr Anton Moolman said at a press conference yesterday.

Mr Moolman said the new company would have to live by the same rules and regulations as the private sector.

It would have to make ends meet and generate profits for shareholders

Any business unit that could not be run profitably would be phased out, he said.

He said there was no timetable for privatisation as this had to be handled step by step

However, if SATS was going to privatise, the registration of the company was the first logical step to privatisation, he said. Until this time, the state would be the only shareholder in the new company.

He said that as SATS had, by law, not been allowed to make profits, it would take time for each profit centre, or business unit, to show what it could produce for the benefit of potential shareholders.

The national rail commuter service would no longer be funded by the new company as it was impossible to run a commuter service on a profitable basis, he said.

06/2/90
Sunderland

Free trains (269)

THE South African Police were not informed by the SA Transport Services that free trains would be made available to take participants in the protest march held in Cape Town earlier this year, home, the Minister of Law and Order, Mr. Adriaan Vlok, said on Tuesday.

730 269
CABT Trusts 22/2/90

Privatise by giving free shares to all'

Financial Editor

STATE-OWNED enterprises should be privatised by giving free shares to all SA citizens, both the MD of Job Creation (Pty), IJ Hetherington, and author Don Caldwell suggest. But there are differences in the way each thinks this should be handled.

Hetherington, whose non-profitmaking organisation aims at uplifting living standards in areas of high unemployment, made the suggestion at the annual dinner of Transkei Chamber of Commerce in Umtata

Caldwell makes it in an updated version of his book, "SA. The New Revolution", which is published by the Free Market Foundation

Hetherington said that both apartheid and socialism distributed poverty.

"Nationalisation is an issue which has been raised by Mandela and other ANC members. As far as I can make out, the issue the ANC wishes to address — correctly, in my view, is that of putting right the historical economic injustices and distortions caused by past racism."

The business community should enter the debate and make alternative suggestions which would revive, rather than kill, the economy.

"We could go some way towards putting right the economic injustices of racism by further privatising rather than by additional nationalising.

"But by privatising in a particular way and differently from the way Iscor was recently privatised

"What I have in mind is that the share capital of SATS or Eskom could simply be divided by the number of adults in the whole country and an

equal number of shares could be given to each adult.

"There is nothing wrong with this approach and there are precedents for it overseas. Who, after all, owns SATS and Eskom? It is the state. And who is the state? It is the citizens of the country."

The new, updated version of Caldwell's book was launched yesterday. In it he says the government's mistake was to sell off Iscor "to a handful of companies and individuals" rather than giving it away to all the people

He suggests the government should embark on a "one-person, one-share" privatisation giveaway to make SA a nation of capitalist shareholders. Better yet, he says, the government should issue some shares and hold on to the rest.

"It could have issued 390m Iscor shares and given 10 to each man, woman and child in SA," Caldwell writes

"The shares would have been worth about R10 each — the portfolio of 10 shares about R100. If the government then deregulated share trading, general dealers across the country could become mini-Stock Exchanges and deal in Iscor shares

"South Africans desperate for money could have cashed in their shares immediately. Others could have used the shares as collateral to get loans or simply have enjoyed dividend income.

"As the government progressed with one-person, one-share privatisation — of everything from Eskom to the Post Office to Kruger National Park — all South Africans could build up a sizeable portfolio of shares, as well as a stake in a capitalist economy"

Privatisation begins

Sats forms a public company called Transnet

PRETORIA South African Transport Services (Sats) is to be transformed into a public company by the name of Transnet Limited from April 1 a move widely regarded as the first step towards privatisation.

Announcing the name change at a function in Johannesburg yesterday Sats managing director Dr Anton Moolman said the company would control five business divisions.

Autonet, the transport division

Petronet, the pipeline, Portnet, the harbour, Spoonet, the railways, South African Airways (SAA), which would retain its present name.

He said SAA's name had not been changed because "if you have something, that is successful you don't change it". The State will initially be the company's sole shareholder but Transnet will operate according to the Companies Act.

Moolman said the changes were made to transform a state enterprise into a commercial enterprise, but to privatise Transnet as a company of its divisions, it first had to prove it could be successful and make a profit in its new environment.

Decision

Once it is successful, it will be up to the shareholder to decide whether to privatise," he said. "If we are going to privatise it is a logical step towards privatisation but no decision has been taken. The previous Minister of Transport has given some indication of possible candidates for privatisation such as road transport and the airlines," he said.

He was not prepared to comment on a time scale for its possible future privatisation, adding that Transnet had to "take it step by step".

He said the company had experienced resistance from the official trade unions, to the changes that had been made. "We've restricted our whole organisation, aiming for a more decentralised management structure. Within a month or so we will have a board of directors in control of this company and they are going to enforce on us the rules of the private sector. Basically they no wouldn't want to invest in any venture that doesn't give a good return on capital," he said.

On the commuter-side, he said they would be buying off the service although still rendering it on contract to a corporation. There would still be losses on the commuter side but "the corporation will be the child of the State and the State will pick up the tab".

Moolman said that pipeline tariffs were not increased on January 1 while harbour tariffs were changed to such an extent that what was actually lowered were actually lowered. This was an indication of what could happen to tariffs in future under the new arrangement, he said. He said they would limit the costs of changing their logos and image by phasing the changes in slowly.

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Standard, Ernst & Young get majority of Sats work

6/10/90 23/2/90
STANDARD Bank and Ernst & Young have been awarded the most valuable part of Sats's work ahead of its "commercialisation" — conversion from a public utility to a public corporation on April 1.

Seven auditors and five banks — the "Big Five," including Nedcor, First National, Volkskas and Bankorp (Trust-Bank) — have been signed up by the transport giant.

The most valuable part of the audit has gone to SA's largest accounting, tax and management consultancy firm, Ernst & Young, formed in the international merger last year of Ernst & Whinney and Arthur Young.

Standard Bank, the country's highest rated bank, receives the most valuable part of Sats's commercial banking work. There is to be no official announcement of the awards, from either Sats, auditing firms or banks.

Ernst & Young are main auditors for group head office (to be renamed Transnet), telecommunications (Transtel) and data processing (Infodata). The firm is joint auditors with Deloitte Haskins & Sells of railways (Spoornet), Deloitte also gets catering services.

Standard Bank has been awarded the work for Spoornet.

BARRY SERGEANT

Harbours (Portnet) goes to Arthur Andersen, with Theron du Toit clinching SA Airways and SARTRAVEL. Pim Goldby is awarded pipelines (Petronet), Transmed, housing and Transnet's training college.

Wiehahn Meyernel gets road transport (Autonet), pensions and production house (for example, printers). Aiken & Peat gets workshops (Transwerk), stores, engineering services and museums.

(269) Entity

The award of the account to seven of SA's top accounting firms means millions of rands in new audit and other fees.

On April 1, the Auditor-General and Reserve Bank, respectively, will cease duties for Sats. Sats, renamed Transnet on that date, will be converted to an entity under the Companies Act of 1973 and report in terms of its rules and regulations, including accounting.

According to auditors involved in the tender for the account, one of the biggest in the country, presentations were the longest and the most costly ever.

HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version

For written reply

General Affairs *Hansard 23/2/90*

Satravel coach tours: profit/loss

36 Mr P C CRONJÉ asked the Minister of Mineral and Energy Affairs and Public Enterprises

What (a) was the (i) profit or (ii) loss of the Satravel coach tours division of the South African Transport Services in the 1989-90 financial year and (b) is the projected (i) profit or (ii) loss for the 1990-91 financial year? *269*

B77E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(a) (i) R690 848 (for the period 1 April 1989 to 31 December 1989)

(ii) Falls away

(b) (i) and (ii) The budget for the 1990-91 financial year has not yet been finalised but it is expected that the profit for the 1989/90 financial year will be exceeded

SATS strikers: loss of salaries/benefits

51 Mr P J PAULUS asked the Minister of Mineral and Energy Affairs and Public Enterprises †

(a) What was the total loss in salaries and benefits suffered by strikers during the most recent strike of workers of the South African Transport Services and (b) what total amount was paid (i) to temporary workers and (ii) for overtime by permanent employees of the Transport Services during this strike? *Hansard 23/2/90*

B99E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES †

(a) R64 million

(b) (i) R11 million *Hansard 23/2/90*

(ii) R14 million

Valindaba: pilot plant

55 Mr F J LE ROUX asked the Minister of Mineral and Energy Affairs and Public Enterprises †

Whether the pilot plant at Valindaba is going to be closed, if so, (a) when, (b) the services of how many (i) White, (ii) Coloured, (iii) Indian and (iv) Black workers are due to be terminated as a result and (c) what are the terms and conditions of termination of service? *Hansard 23/2/90*

B118E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES †

Yes

(a) The pilot enrichment plant of the AEC was switched off on 1 February 1990 and will be decommissioned in an orderly way over the next 12 to 18 months

(b) At the plant 267 personnel are employed (260 Whites and 7 Blacks) and concerted efforts are being made to accommodate as many as possible of these employees elsewhere within the AEC. Initial indications are that about 120 employees will either remain in service to decommission the plant over the next 12 to 18 months or will be relocated within the AEC. The services of the remainder of the personnel will unfortunately have to be terminated.

(c) (i) Each staff member discharged, will receive three months' notice. During the period of notice the staff member will receive his normal salary and benefits but will be relieved from duty, except for exceptional cases

(ii) Such staff member will receive the following at the end of the period of notice

(aa) The cash value of any leave credits

(bb) A gratuity from the pension fund calculated according to the formula in respect of staff reduction

(cc) A single severance benefit based on remuneration and length of service *Hansard 23/2/90*

Own Affairs

Hansard 23/2/90
OFS: matriculation results

3. Mr J H MOMBBERG asked the Minister of Education and Culture

(1) How many pupils at schools falling under the control of his Department (a) (i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of the Orange Free State at the end of 1989,

(2) how many of these pupils obtained (a) A, (b) B, (c) C, (d) D, (e) E, (f) F and (g) other aggregate symbols in the 1989 matriculation examinations,

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The MINISTER OF EDUCATION AND CULTURE

(1) (a) (i) 5 165

(ii) 119

(iii) 2 165,

(b) 5 284,

(a) 211,

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(d) 764,

(e) 289,

(f) 27,

(g) 0,

* Only candidates entered for matriculation exemption

(3) * (a) 2 981,

* (b) 2 086

* include higher, standard and lower grade

Natal: matriculation results

5 Mr R M BURROWS asked the Minister of Education and Culture

(1) How many pupils at schools falling under the control of his Department (a) (i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of Natal at the end of 1989, *Hansard 23/2/90*

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The MINISTER OF EDUCATION AND CULTURE

(1) (a) (i) 8 494

(ii) 466

(iii) 4 348,

(b) 8 960,

* Includes 50 private candidates

(2) (a) 352,

(b) 740,

(c) 1 624,

(d) 2 461,

(e) 2 675,

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(g) 169,

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Cape Province: matriculation results

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(1) How many pupils at schools falling under the control of his Department (a) (i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of the Cape Province at the end of 1989.

HOUSE OF ASSEMBLY

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Answered 23/2/90

23/2/90

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(cc) A single severance benefit based on remuneration and length of service
Answered 23/2/90

Natal: matriculation results
5 Mr R M BURROWS asked the Minister of Education and Culture *Answered 23/2/90*

141

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For written reply

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Answered 23/2/90

B99E

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HOUSE OF ASSEMBLY

Valindaba pilot plant

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Answered 23/2/90

23/2/90

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Answered 23/2/90

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HOUSE OF ASSEMBLY

Parliament and

R3bn for SATS forex losses

CP
Trans
23/2/90
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PARLIAMENT was being asked to retrospectively regularise a major failure of administration, with the taxpayers having to foot the Bill, Mr Harry Schwarz (DP, Yeoville) said yesterday.

Speaking during the first reading debate on the Transport Services Unappropriated Expenditure Bill, he said the loss in the value of the rand — which had necessitated the Bill — had been due to the unfavourable image of South Africa caused by the National Party government.

Parliament was now required “just to put its rubber stamp on R3 billion of the taxpayers’ money”.

The Deputy Minister of Mineral and Energy Affairs and Public Enterprises, Dr Piet Welgemoed, said the government’s idea was not to sweep the matter under the carpet, as had been suggested by Mr Schwarz, but to put it on the books so that future investors in SATS could see what the situation was.

Mr Jurg Prinsloo (CP, Roodepoort) said the Bill was proof of “absolute incompetence”.

The first reading was approved, with the DP and CP voting against the Bill. — Sapa

Toll roads choked economies in past

Stw 24/2190

269

FEW nonracial political issues in South Africa over recent years have generated more sound and fury than the advent of toll roads.

Government spokesmen have tried to soften the outcries by explaining that this is all part of the new climate of deregulation, privatisation and heightened efficiency, while toll companies, with prospects of burgeoning monopoly profits on the not-too-distant horizon, have placed cleverly-worded newspaper advertisements which tell road users themselves — already reeling from swollen licence fees and ever-rising pump prices — that they can be forgiven for believing that as consumers they are being subjected to a very raw deal.

The topic took a new twist with the recent official announcement that a stretch of the N2 highway along the Natal South Coast has been declared a toll road, the operation to be run by the Government itself rather than by private concession.

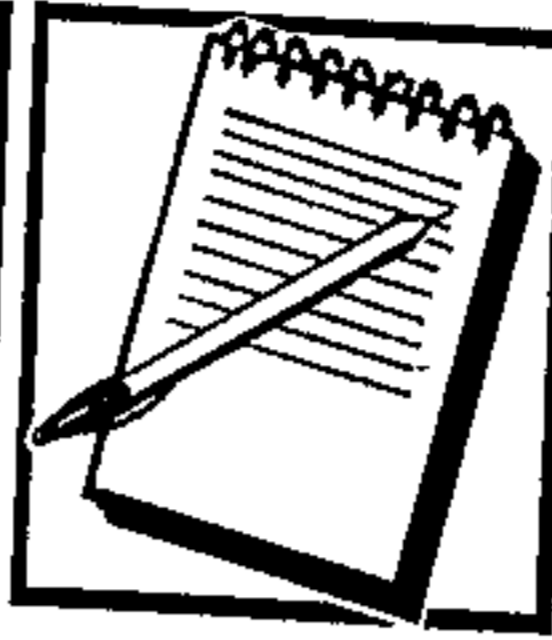
The proclamation was accompanied by an "explanation" from the MP for that area, Mr Aubrey Thompson, who was reported as saying "We must realise we live in a Third World country and that our priority is education. If we want good roads, we must be prepared to pay for them."

What, then, one may well ask, has the hard-pressed South African taxpayer been doing all these years?

Sweep away the pious platitudes and such non sequiturs, and we are left with the basic issue, does the State have a duty and obligation to provide its citizens with a network of freely accessible highways or should road users be obliged to pay for such facilities as and when they utilise

Notebook

CHRIS MOERDYK



SOUTH African road users have been conned into paying twice over for the privilege of using our national highways, writes MARCUS ARKIN, former professor of economics at Rhodes University.

them? Who collects such tolls — the State or private concessionaires — is a secondary matter.

Historical experience suggests a clear-cut answer. One of the most powerful forces promoting the concept of the modern national state (think of 17th century France or Germany and Italy during the 19th century) was the need to sweep away local exactions and tolls impeding the movement of goods and people over long distances. The economic benefits of specialisation and technical progress were likely to be nullified without free-access highways.

Britain, the pioneer of the "industrial revolution", was itself riddled with high-cost, in-efficient toll roads for much of the 18th century. Most of the earnings by the private companies operating these stretches of highway were lost to shareholders through administrative mismanagement. It was only after Parliament

assumed direct responsibility for road maintenance and improvement that Britain reaped the full benefits of industrialisation.

Moreover, in all the red herring debates about the "benefits of privatisation" in this regard, there can be no appeal to the apostle of free enterprise since Adam Smith, writing in the 1880s, was fully aware of the inherent defects of toll roads.

The author of "The Wealth of Nations" is quite unequivocal "The tolls for the maintenance of a high road, cannot with any safety be made the property of private persons"

And what if the management and collection of such tolls were left to Government itself? According to Adam Smith, the consequences would be disastrous.

"The expense of transporting all heavy goods from one part of the country to another would soon be so much increased that their production would be in a great measure discouraged."

Accordingly, by its very nature, an efficient, low-cost national road system remains the direct responsibility of the State and it is by no means accidental that South Africa's trunk highway network came into being at a time when that obligation was fully recognised and accepted by government. Highway provision is one of those basic residual functions (like street lighting) which, if privatised, are likely to become more rather than less costly.

In our present circumstances we are in fact being conned into paying twice over for the same service.

Sats rolls out new corporate identity

SA 24/290

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CHRIS MOERDYK

THE new SA Transport Services corporate identity unveiled this week was the largest project of its kind to be completed in South Africa and one of the marketing industry's best-kept secrets.

The corporate identity programme was presented at a function in Johannesburg on Tuesday to mark the next step in the Sats privatisation programme in which its name changed to Transnet Ltd.

Communications was the name of the game at the function as virtually all Sats employees throughout South Africa were able to take part. The proceedings and an explanatory video were transmitted to employees through the SABC TV1 channel.

According to a spokesman for the Transnet public relations department, employees throughout the country gathered for champagne and snacks around television sets soon after noon on Tuesday to follow the proceedings in Johannesburg and celebrate the massive State corporation's next step toward private ownership.

Shortlist

The new identity for Transnet, the holding company and five operating divisions, was created by the Johannesburg design consultancy Pentagraph. The selection of Pentagraph as official design consultants for the huge project was made from a shortlist of 11 local and overseas design consultants.

The consultancy worked under a veil of secrecy on the project for five years.

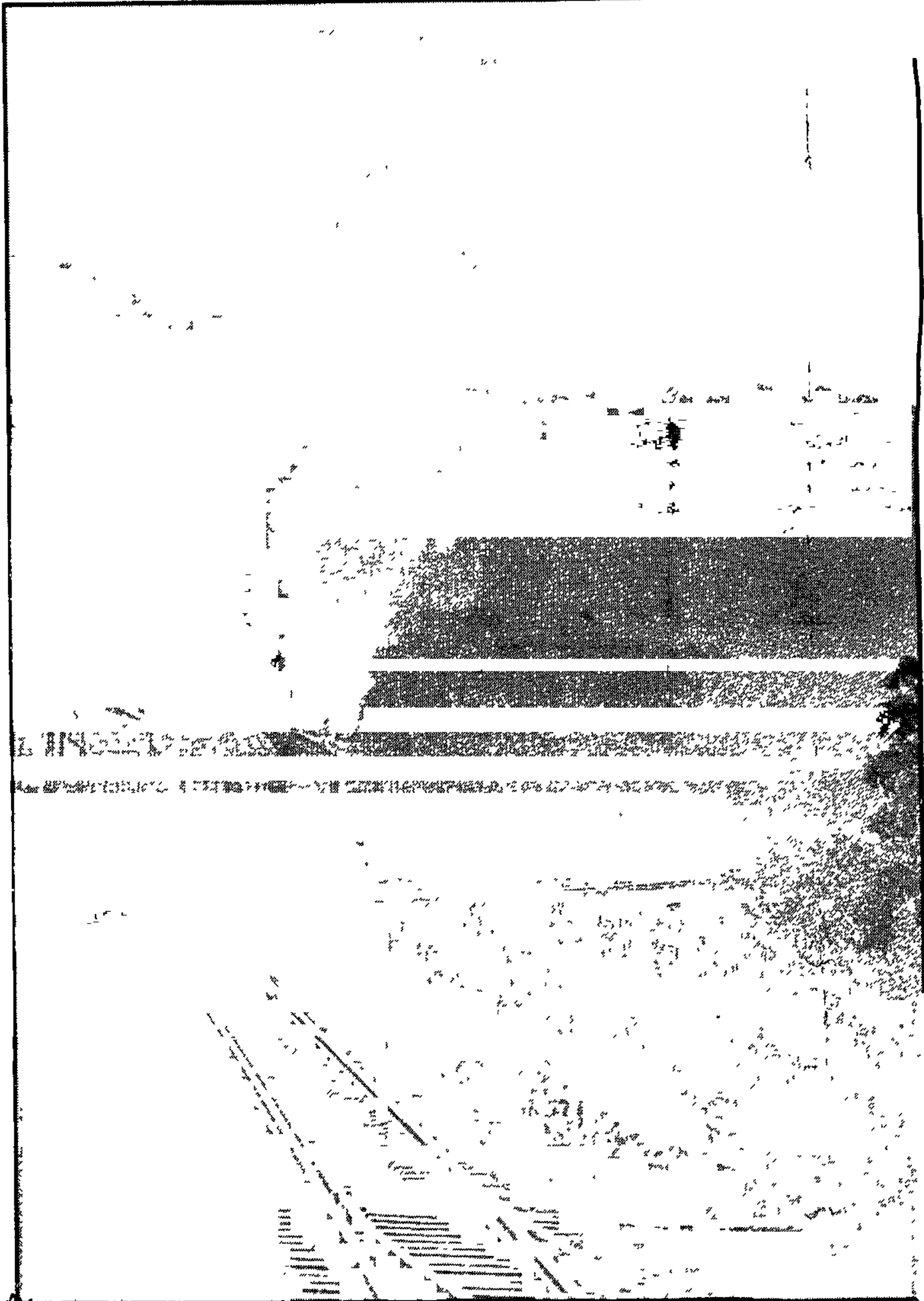
The new look includes identities for the operating divisions: Harbours, to be known as Portnet; Pipelines, to be known as Petronet; Road, to be known as Autonet; and Rail, to be known as Spoornet. The current South African Airways identity remains unchanged.

A total of approximately 3 600 vehicle livery applications were designed, more than 5 000 stationery applications and approximately 160 different uniforms in various categories were designed. Signage, environmental controls, information signage and numerous other standard identity applications were also addressed.

"Our task was not only important in the creation of a new identity, but in creating an affordable, economical and maintainable identity, which could be practically applied within this vast organisation," said Joe Kieser, Pentagraph's managing director.

Notwithstanding a substantial first phase of research and environmental and image audits executed by the Pentagraph design team, the overall design task was daunting in its size and repercussions.

"The design repercussions on the scale of an organisation of this size, bearing in mind applications such as livery, vessels, cranes and rolling stock, are severe. For this reason our responsibility as designers was of paramount importance," says Kees Schilperoord, Pentagraph's design director.



PLENTY OF PUFF: That's what SA Transport Services — now known as Transnet Ltd — is hoping its new corporate image is going to give it as it steams its way up the line to privatisation.

20% fare increase on way

SAA's domestic fares, among the lowest in the world, will have to be increased this year — probably by as much as 20%, writes **ROGER MAKINGS**

One reason is that SAA will be commercialised this year and will have to show reasonable profits.

The other is that private airlines wishing to compete against SAA after deregulation say they cannot match the national carrier's fares — which means competition will bring higher, not lower, fares.

When SAA announced a 13% rise in domestic fares last December, the Sunday Times published comparative prices for similar distances charged by US, French and British airlines. The

survey showed that SAA fares were markedly lower.

However, passengers said the airline could not compare dollars to rands because of the rand's low exchange rate.

SAA director of public relations Leon Els says: "But passengers forget that SAA pays dollars for its aircraft, spares, fuel and foreign landing fees — almost all our expenses are in dollars with the exception of salaries."

Mr Els says SAA pays more for its fuel and spares than foreign airlines do because of international oil embargoes and the greater distance spares have to be carried.

Jackie Walters, of the Department of Transport Economics at Rand Afrikaans University, says that after dere-

gulation in the US, prices dropped, "but after the market shake-out and the elimination of the small fry, prices began to rise and are back to where they were — if not higher".

Before the rand's collapse in 1985, the domestic fleet was the money-spinner which subsidised foreign flights. For some years now the tables have been turned and SAA as a company will look to making domestic flights profitable — which means an increase in fares.

Last year SAA lost R15-million on its domestic operations because of Government controls on fares.

SAA chief executive Gert van der Veer says fares will have to go up this year, but he will not say by how much.

Sunday Times 25/2/90

(269)

SAA MAY HIKE FARES BY UP TO 20%

HIGH-FLYING South Africans will come to earth with a bump as air fares rocket by up to 20 percent this year.

The planned deregulation of domestic routes — as well as the rustyrand — can be blamed for the looming price hikes.

Last year, SAA's domestic operation lost R15-million — mainly because the Government prevented its airline from putting up prices in line with international market-related fares.

By ROGER MAKINGS

When SAA increased its fares by 13 percent in December last year there was a public outcry.

Letters to the editor pooh-poohed figures published in the Sunday Times showing that SAA was cheaper than many major overseas airlines. Most readers insisted that rands could not be compared with dollars because of exchange rates.

But, ignored, was the fact that SAA pays in dollars for its aircraft spares and fuel.

The chief executive of SAA, Mr Gert van der Veer, is on record as saying that fares will have to increase this year, but declined to say by how much.

Speculation, however, puts the hike, which will be staggered, at 20 percent, providing the Government doesn't interfere and insist that increases remain below the rate of

inflation — about 16 percent. Mr Van der Veer said this week. It has always been SAA's aim to keep its fare structures as low as possible, something that has been done successfully.

Passengers will not get advance warning of increases.

Last December, SAA did not give prior warning of a hike in fares, saying this was in line with private company practice.

● See Page 4 Business Times

25/11/90 Times

(2/6/9)

Mighty SAA could ground newcomers

By Roger Makings

THE Government's plans to set up effective competition in the aviation industry will not get off the ground unless it makes far-reaching concessions to SAA's potential competitors.

One of the options being tossed around in Government circles is the sale of a portion of SAA's domestic fleet to the private sector.

SAA, opposed to the fragmentation of its domestic fleet, will not comment.

The major stumbling blocks facing competitors are the huge amounts of capital required to buy aircraft and to establish an infrastructure to match SAA's.

If travellers think deregulation will bring cheaper air travel, they are in for a shock — fares will have to increase for the private sector to make profits.

Stacked

Jackie Walters, of the department of transport economics at Rand Afrikaans University, says effective competition will not be seen in the aviation industry for many years.

Professor Walters says "The odds are stacked against competitors. SAA has a superb infrastructure, a



JACKIE WALTERS ... odds stacked against them

fleet of fairly modern aircraft and all the expertise it needs.

"To be competitive private airlines will have to buy comparable jets, establish a reservation system and maintenance department as well as foreign booking outlets to attract tourists."

Airline profit margins are slim and any company with cash to spare could easily find a more profitable investment than an airline.

"For these reasons the Government will have to make concessions to SAA's competitors. This will almost certainly mean making SAA facilities available to them."

The acquisition of aircraft is a sensitive issue SAA will have to buy its fleet from the



PIET VAN ASWEGEN ... give us freight licences

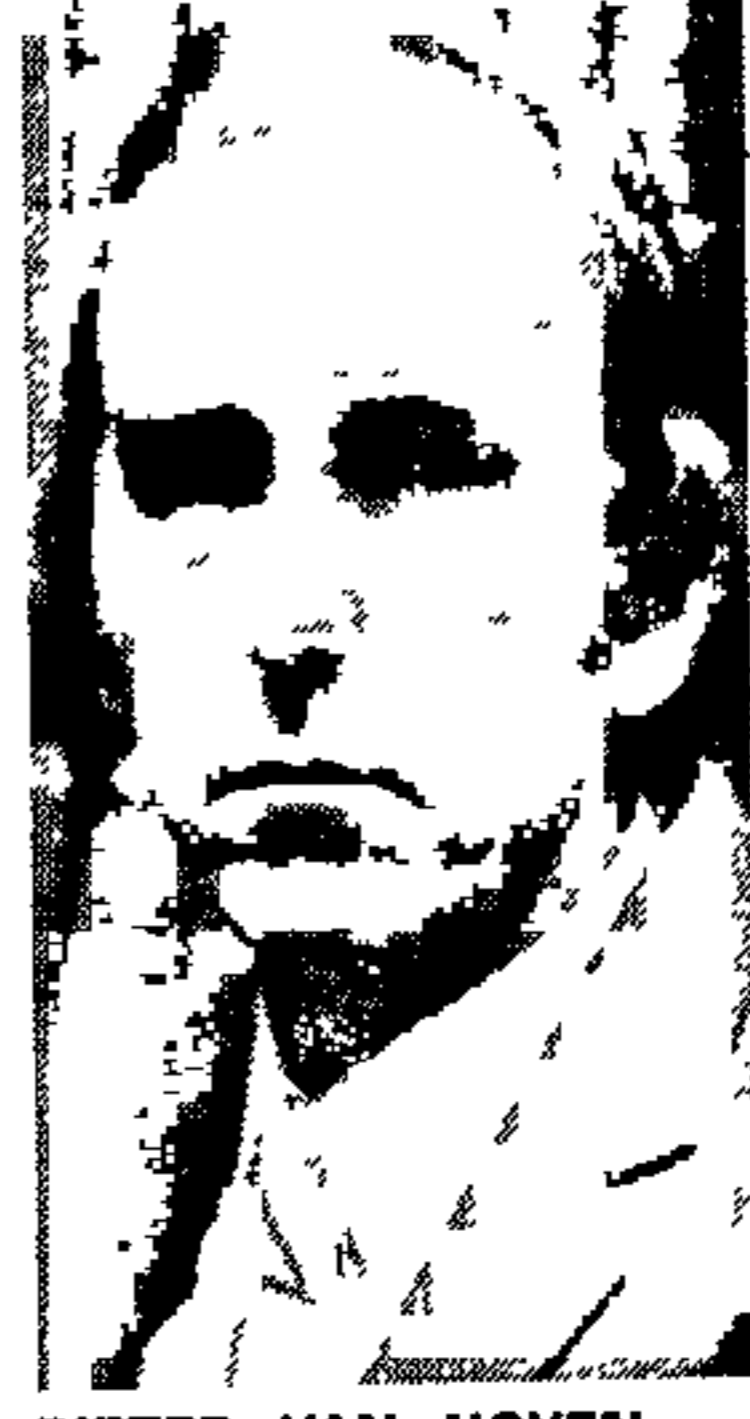
Government after the new company is formed on April 1 at market-related prices. That will "level the playing fields and SAA will not start with bargain-priced aircraft"

"For effective competition, the private sector should have between 30% and 40% of the market.

Share

"The one way the three main competitors — Safair, Comair and Trek Lugdiens — can obtain the equipment they need at the same price that SAA will pay is by splitting up the domestic fleet and sharing existing facilities."

Professor Walters says there are other ways to spur



PIETER VAN HOVEN ... barriers are too high

competition, such as limiting SAA's growth and reserving part of the market for the opposition. This means new regulations in what should be a deregulated market.

"The most cost-effective way of ensuring deregulation's success is to share the existing infrastructure instead of building a new one, for which nobody has the money anyway."

Those opposed to the splitting the domestic service will be quick to point out that it would bring a two-airline policy which was tried in Australia and failed.

But Professor Walters rejects the claim, saying that the number of aircraft in service will not initially be increased and that there will be

neither regulations about departure times nor fare levels.

It is not sufficient for the Government merely to change the laws and stand back. It will have to be involved in deregulation and probably consider selling part of the SAA fleet to the private sector and renting out facilities.

Barriers

Comair managing director Pieter van Hoven agrees with Professor Walters, saying competing airlines have no chance against SAA.

"SAA holds 95% of the market, has aircraft bought at historic costs and favourable exchange rates, controls the national computer reservations system and has the only big-jet maintenance and training facilities in SA."

"How are we supposed to compete with that? It would be impossible for any new entrant to start against those barriers."

"Comair will review its position once the legislative framework under which operations will take place has been dealt with by Parliament and SAA's attitude towards facilitating the introduction of competitive services is known."

Fragmentation

Public Enterprises Minister Dawie de Villiers says the State, with SAA, will evaluate the most practical ways of encouraging competition — "for instance by fragmenting SAA into different parts and/or creating a suitable regulatory environment for the aviation industry if fragmentation is not considered the best option."

"Experience elsewhere shows that fragmenting any particular business to create competition is not necessarily conducive to technical and commercial efficiency."

Safair Holdings chief executive Piet van Aswegen says: "It's good to hear that incentives are being considered in the passenger market — but we need to know more about the details."

Dr Van Aswegen says Safair is prepared to expand its freight activities without any incentives — "all we need are the licences".

Privatisation step as Sats goes public

By **CONNIE MOLUSI**

SOUTH African Transport Services (Sats) is to become a public company with a new corporate image from April 1 in what is considered a step towards privatisation.

Managing Director Anton Moolman said the move could be the start of privatisation, although the state would initially be the sole shareholder.

The name of the company will be changed to Transnet Limited, with five autonomous divisions and Marius De Waal as chairman.

The road transport section will be named Autonet, pipelines as Petronet, harbours as Portnet and railways as Spoornet. South African Airways (SAA) will retain its name.

The company will be run by a board of directors on strictly business principles. Areas of operation that are not profitable will be cut and the work they perform offered to the private sector.

Already Transnet has started a campaign to build a new corporate image with the slogan "We mean business" and a change of colours from red to orange.

Moolman says Sats was prevented by law from making a profit and it will take time for each unit to show its profit-making potential.

With the restructuring, the national rail commuter service will not be funded by the new company. It will, however, continue to operate the service being paid for by the government.

The massive workshop system maintained by Sats will also have to compete with the private sector and if the costs of running a Sats workshop prove too high, work will be farmed out to private companies.

Writing in the company's internal information brochure, Moolman says Sats has followed commercial strategies

since 1988. Structural changes are aimed at making financial results the responsibility of each unit.

"As a company we must now enter the transport market with a competitive approach with regard to the rendering of services in order to satisfy the expectations of our clients. The financial results of our company will determine when we will be able to privatise," said Moolman.

No employee would be dismissed as a result of the formation of the company.

"The reduction of 100 000 employees over a period of seven years has taken place as a result of a natural process of not filling vacancies," he said.

Sats has offered workers a voluntary redundancy package of three months' wages and the return of their pension fund contributions.

South African Railways and Harbours Workers' Union (Sarhwu) general secretary Martin Sebakwane said the union was committed to spearheading an anti-privatisation campaign and to building unity among workers of all races around the issue.

"Instead of Sats negotiating retrenchment with the union, it has gone behind our backs and offered workers voluntary retrenchment. The company should put retrenchment on the table as a collective bargaining issue, as we believe we can negotiate a better deal for our members," he said.

"The retrenchment package offered to workers has several weaknesses. For instance, workers will receive only their pension contribution and not that of the company."

He said privatisation talk had caused frustration, insecurity and uncertainty among workers across the race divide, and all workers have rejected the offer.

"Already many white workers have approached Sarhwu asking for the constitution and other union documents to be translated into Afrikaans, while others have already signed stop-order forms for the union."

**White
workers
sign up
with
Sarhwu**

(b) Before salary payments can be authorised, certain appointment documents must be submitted. Due to various reasons delays with the submission of documents are experienced. The Department has taken special steps to limit delays to the minimum. *Hansford*

2 No *Hansford* 26/2/90

Central Energy Fund, balance

23 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises

What was the balance in the Central Energy Fund as at 31 December 1989? *Hansford* 26/2/90

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES
R2 737,3 million

Equalisation Fund: balance

24 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises *Hansford* 26/2/90

What was the balance in the Equalisation Fund as at the latest specified date for which information is available

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

R'M
Balance as at 31/01/1990 302,313
Less BLS Trust Funds 43,291
Total 259,022

Bus companies: subsidies

35 Mr P C CRONJE asked the Minister of Transport *Hansford* 26/2/90

What total amount was paid to bus companies in respect of subsidies for the transport of passengers in the (a) Johannesburg/Pretoria, (b) Cape Town/Penninsula (c) Port Elizabeth/Uitenhage and (d) Durban/Pietermaritzburg areas in the 1988-89 financial year? *Hansford* 26/2/90

Continue P148 B76E
HOUSE OF ASSEMBLY

The MINISTER OF TRANSPORT *Hansford* 26/2/90

(a) R173 943 028,31 *Hansford* 26/2/90
(b) R 38 411 728,38
(c) R 11 919 219,45
(d) R 59 329 429,39

Department of Education and Training: teachers

53 Mr D S PIENAAR asked the Minister of Education + *Hansford* 26/2/90

How many (a) White, (b) Black, (c) Coloured and (d) Indian teachers were employed by the Department of Education and Training in each specified teaching category as at the latest specified date for which figures are available? *Hansford*

The MINISTER OF EDUCATION

- (a) 3 962
- (b) 52 700
- (c) 30
- (d) None

Combi taxis: permits

54 Adv J J S PRINSLOO asked the Minister of Transport + *Hansford* 26/2/90

How many applications for permits to operate combitaxis were granted in the Republic of South Africa in the period (a) 1 January 1985 to 31 December 1987, (b) 1 January to 31 December 1988 and (c) 1 January to 31 December 1989? *Hansford*

The MINISTER OF TRANSPORT +

The statistical information is not available in the format as requested by the honourable member. The following number of applications for permits to operate combi taxis were granted during the undermentioned periods.

- (a) (i) for the financial year 1 April 1985 to 31 March 1986
4-8 seater vehicles 9-15 seater vehicles
1 097 2 684
- (ii) for the financial year 1 April 1986 to 31 March 1987
4-8 seater vehicles 9-15 seater vehicles
9 707 7 093

Continue P149

(iii) for the financial year 1 April 1987 to 31 March 1988
4-8 seater vehicles 9-15 seater vehicles
4 816 34 788

(b) for the financial year 1 April 1988 to 31 March 1989, and
4-8 seater vehicles 9-15 seater vehicles
1 693 19 667

(c) for the period 1 January 1989 to 31 December 1989
4-8 seater vehicles 9-15 seater vehicles
3 010 29 450

Please note that the abovementioned statistics are in respect of the number of new applications for taxis, including those for combi taxi services, granted during the past five financial years. These applications were granted on certain conditions. Many applicants failed to comply with the conditions with the result that permits have not been issued to them. Statistics in respect of the exact number of permits physically issued for taxis are not kept. The Department is in the process of developing an extensive information system relating to combi taxis so that comprehensive information will in due course be available. *Hansford* 26/2/90

Bureau for Information: publications

75 Mr P G SOAL asked the State President

- (1) (a) What total number of publications was produced by the Bureau for Information in 1989, (b) what was the title of each publication, (c) what was the total cost of producing each of these publications and (d) who printed each of them;
- (2) whether the printing contract in respect of each of these publications was put out to tender; if not, why not, if so,
- (3) whether he will furnish details in regard to these tenders, if not, why not if so, (a) what companies submitted tenders in respect of each publication and (b) what was the amount of each tender? *Hansford* 26/2/90

The STATE PRESIDENT

- (1) (a) 87
- (b) Regional publications
1 Kudu

2 Om te weef/In the know

3 Inzindaba

4 Silulu

5 Ligh/Khanya *Hansford* 26/2/90

6 Die Karet

7 Vukani (Ikapa)

8 Nduli News (Ceres)

9 Mbekweni News (Pari)

10 Crossroads News (Crossroads)

11 Ulwazi (Zweletemba, Worcester)

12 Qaphela (Khayelitsha)

13 Phamhle Zwehle (Hermannus)

14 Kayamandi News (Stellenbosch)

15 Puisano

16 Ilizwi

17 Phoenix

18 KwaNobuhle News.

19 Smaldeal News

20 Isigodlo

21 Masizame

22 Rimi News

23 Bofolo News

24 Lingelhle News

25 Umyalezo

26 Camdeboo News

27 Indaba Zika Masizakhe

28 Women's Forum

29 Umzomomhle/KwaNomosamo

30 Motherwell News

31 Umso

32 Metropolitan Digest

33 Bekersdal Newsletter

34 Munsiville News

35 Evaton News

36 Katlehong Newsletter

37 Diepmeadow News

38 Tsakane Herald *Continue*

HOUSE OF ASSEMBLY

QUESTIONS

†Indicates translated version

For written reply

General Affairs

Lanseria airport: average numbers

1 Mr D J DALLING asked the Minister of Transport *Howard 26/2/90*

(1) What, on average, is the number of aircraft (a) taking off from and (b) landing at Lanseria Airport on Saturdays and Sundays, respectively,

(2) what, on average, is the number of air traffic controllers on duty at this airport on Saturdays and Sundays, respectively,

(3) in respect of what period are these averages furnished? *26/2* B23E

The MINISTER OF TRANSPORT

(1) (a) and (b) Saturdays 197, and Sundays 143

(2) Saturdays 4
Sundays 4

(3) 1 June 1989 to 31 August 1989

Educational institutions: contributions taxable

3 Mr J VAN ECK asked the Minister of Finance: *Howard 26/2/90*

(1) At what categories of educational institutions at (a) primary, (b) secondary and (c) tertiary level are financial contributions by parents to the development or like funds of these institutions (1) tax deductible and (ii) not tax deductible,

(2) whether he envisages any changes in these two groupings, if so, (a) what changes and (b) when? *[Signature]* B25E

The MINISTER OF FINANCE

(1) In terms of section 18A of the Income Tax Act donations to any university or college

Howard 26/2/90

(1) e tertiary institution) of educational fund established for schools providing secondary education beyond the sixth standard are deductible for tax purposes up to an amount of the greater of R500 or 2 per cent of taxable income in the case of individuals and 5 per cent in the case of companies *[Signature]*

(2) The Margo Commission recommended that this concession be extended to donations to primary schools, subject, however, to tightening up control to eliminate abuse

The Government's response is set out in paragraph 9.1.3 of the White Paper on the Report and reads as follows

"The government is aware of the many abuses involving this concession but it supports the principle that the private sector should make a larger contribution to the growing financial needs of educational institutions. The Government therefore accepts the Commission's recommendation, but as far as donations to schools are concerned the administration of the scheme will have to be improved before it will be extended to include primary schools.

The Department of National Education has recently held discussions with interested parties and that Department is now considering the proposals it received

Teachers, outstanding salaries *[Signature]*18 Mr R M BURROWS asked the Minister of Education *Howard 26/2/90*

(1) Whether the salaries of any teachers employed by the Department of Education and Training have been outstanding for more than one month, if so, (a) how many teachers are involved and (b) for what reasons are these salaries outstanding,

(2) whether he will make a statement on the matter? B43E

The MINISTER OF EDUCATION

1 Yes

(a) 317 teachers as at 13/2/90

HOUSE OF ASSEMBLY

Big losses for bus companies

ENORMOUS cost allocations and competition from mini-bus taxis resulted in three government-controlled bus companies which operate in the homelands losing R15,5m during the 1988,9 financial year, the SA Development Trust Corporation (STK) reported yesterday.

The STK's own share of the losses went up from R5,1m to about R9,5m, the corporation's MD F P Weyer said in the annual report tabled in Parliament.

However, he said, QwaQwa Bus Service and Gazankulu Transport had achieved encouraging results

He said actions to rectify the situation had been instituted and government had been approached for financial support

The Ciskei Transport Company's

Political Staff

operating losses went up from R3,89m in 1986 to R7,28m in 1989, with passenger numbers dropping from 54,5-million to 33,7-million

The QwaQwa Bus Service's operating loss rose from R577 000 in 1986 to R3 836 000 in 1989 with an increase in passengers of about two million

However, Gazankulu Transport operating losses dropped from R850 000 to R221 000 with three million more passengers

□ Sapa reports that Transport Minister George Bartlett yesterday released figures showing that 3 781 permits to operate mini-bus taxis had been issued in the 1985/6 financial year, while last year the number rose tenfold to 32 460 permits

International air fares rise by up to 6%

ANDREW GILL

SAA's international fares are to increase on April 1 by between 5% and 6%, SAA spokesman Francois Louw said yesterday.

SAA will also introduce a new three-tier system on April 1 to determine international promotion package fares — the existing low and high seasons and a new "shoulder" season.

Louw said there would have to be increases in domestic fares this year but details had not yet been determined. Further international fare increases could also not be ruled out.

Louw said the decisions were taken at

an International Air Transport Authority (IATA) conference in October.

Normal fares will rise by 5%. The high season fare will go up by 6% while the low season fare will not change.

The basic economy class fare from Johannesburg to London will rise from R5 694 return to R5 979, for example.

Louw said the length of the high season could decrease from its present eight months to about five or six months.

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13/04/79

(3) what is the Government's policy regarding street children?
B231E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS

- (1) Yes
 - (a) 2055
 - (b) 1 January 1990

(2) Yes, financial assistance for the provision and running of registered institutions for youths and children in need, for example places of safety, subsidised children's homes, a state children's home, schools for industries and reform schools. The latter two are provided by the Department of Education and Training. Funds are also provided for the employment of social workers to render preventative and statutory services. Financial assistance is given in the form of maintenance and foster care grants.

(3) These children are dealt with in terms of existing laws, namely the Child Care Act, 1983 (Act 74 of 1983) or the Criminal Procedure Act, 1977 (Act No 51 of 1977).

Licensing of private satellite dishes

*18 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises

- (1) Whether any applications and/or representations have been received by the Post Office for the licensing of private satellite dishes, if so, *Hansard 27/2/90*
- (2) whether any permits for such dishes have been granted, if not, why not?
B232E

THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(1) Yes, approximately 50 applications/representations have been received since June 1986.

(2) yes, the SABC is licensed to operate private satellite earth stations. I am awaiting the recommendations of a task group which has been formed to review the whole matter. After I have had the opportunity to study the recommendations a policy statement will be issued.

(1) Whether there were any differences between the examination documents handed out to the various candidates during the technical examination for aspirant commercial pilots in the subject Flight Crew that was written on 21 June 1988, if so, what differences.

(2) what percentage of the candidates for this examination were successful?
B238E

THE MINISTER OF TRANSPORT

(1) and (2) No examinations in the subject Flight Crew were set on 21 June 1988. It can be mentioned for the honourable members' information that examinations for commercial pilot licences were set on 20 and 21 June 1988 and that the examination consisted of a part A and a part B and the passing percentages were 23.6% and 39.43% respectively.

Part A of the question paper dealt with the following—

- Aviation Meteorology, Flight Planning and Performance, Radio Aids, Navigation, Instrument that include magnetism, Air Law, and Aircraft Technical (general)

Part B of the question paper dealt with the following—

- Applied Meteorology, Applied Flight Planning and Performance, Radio Aids, Applied Navigation that includes plotting, Operational Procedures, Communication, and Facilities

RSA: water plan

*21 Mr A A B BRUWER asked the Minister of Water Affairs†

(1) Whether a water plan has been drawn up for the Republic of South Africa, if so, (a) when and (b) how many hectares are considered for irrigation purposes in terms of this plan.

(2) (a) how many dams are expected to be built in the next five years and (b) where, in each case?
B246E

THE MINISTER OF WATER AFFAIRS

(1) Yes. In 1986 the Department of Water Affairs published a book in both official languages entitled "Management of the Water Resources of the Republic of

South Africa" which covers the full spectrum of the water resources of the RSA, including the expected demand for water by the various consumer sectors, the availability of water, policy with regard to water resources development and a large variety of other relevant aspects including matters such as water quality and environmental impact. The members of the Joint Committee on Agriculture and Water Affairs received copies of this authoritative book in October 1987 and I have already arranged that members of the Joint Committee on Agriculture and Works, who will in future handle the matters concerning the Department of Water Affairs, and who had not previously received a copy, will now each receive a copy. Any other member of Parliament requiring a copy can apply to the Parliamentary Office of the Department of Water Affairs and a copy will be furnished gladly. I am sending the honourable member an Afrikaans copy which he can study and keep for future reference purposes.

(a) and (b) The Department of Water Affairs is not responsible for the development of all the water resources to facilitate irrigation development in the RSA, but Government water schemes will be developed as the need arises. Investigations into possible irrigation development are undertaken on a continuous basis in consultation with the other Government authorities concerned, whilst other institutions and private initiative are also actively undertaking investigations in this field. In total approximately 400 000 hectares throughout the RSA is under consideration for irrigation development, but since planning is a dynamic process which is directly and indirectly influenced by a variety of factors, such as demand and supply, priorities and the availability of funds, the occurrence of droughts and water shortages, to name but a few, it is not possible to give a fixed pattern of envisaged development.

(2) (a) At present 13 dams are either already approved or under consideration in the RSA and in some of our neighbouring states. The dams in our neighbouring states will also be able

Lanseria joins the privatisation list

5/Day 28/2/90
CAPE TOWN — Government is investigating the possible privatisation of Lanseria Airport, Administration and Privatisation Minister Wim de Villiers said yesterday.

Replying to questions from Jasper Walsh (DP Pinelands), De Villiers said Lanseria was one of eight statutory corporations and institutions which his department was investigating as possible candidates for privatisation.

The others were Foskor, Sats (Transnet), Post and Telecommunications, Eskom, the forestry branch of the Environment Department, the sorghum beer industry and the Abattoir Corporation.

Construction

De Villiers said that in most cases there existed a potential to commercialise most of the corporations and institutions as a preparatory step to possible privatisation.

The Minister also listed several activities of government that were privatised last year.

These included the construction and maintenance of roads, which led to the closing of some provincial construction units. Sewerage purification works and consultant services in respect of housing, design of schools and exploitation of mineral deposits had also been privatised.

In addition, guard services, engineering services in respect of dam safety and the Foreign Affairs publication Focus had been privatised.

MIKE ROBERTSON

De Villiers said that at this stage the total value of these contracts was not known.

Other completed privatisation actions were

- The leasing of 60 hospital beds to the Iscor Medical Provident Fund (Ferromed),
- The transfer of certification of seed to the SA National Seed Corporation;
- The transfer of the Agriculture Department's seed potato scheme to the Potato Board,
- The transfer of the serving of criminal process documents to messengers of the court,
- The sale of Sats's "law work" to two central buying co-operations, Vetsak and Boeresake, for R14,8m, and
- The formation of a private company, Lanok, to carry out rural development tasks for the coloured own affairs administration.

De Villiers said activities that government planned to privatise included:

- The workshop of the Public Works Department;
- The manufacturing of furniture by the Natal and Free State administrations;
- Government motor transport; and
- Post-mortem inspections regarding meat hygiene.

He said tender specifications and terms of contract had been drafted for the privatisation of catering, cleaning, nursery and horticultural services.

Local air fares could jump 20%

DOMESTIC air fares are expected to increase by 20% this year, travel industry members said yesterday. This is in addition to increases of 26% last year.

Williamsworld Travel MD Bob Williams said rumours were rife that a hefty 20% hike could be expected over the year.

SAA spokesman Robert Quail said increases could be expected some time this year, but no specific information was available at this stage.

In February last year increases of be-

ANDREW GILL

tween 8% and 13% were announced, followed by a 13% rise in December.

If the 20% rise is implemented, the present R610 economy class return fare from Johannesburg to Cape Town will rise to R732.

Williams said SAA's domestic service was due to be privatised soon and this could be a factor in fare increases.

10/27/90

(269)

May 28/2/90

● Alexandra township went without bus transport for the fourth day yesterday as the strike by 400 workers at Putco's Wynberg depot continued.

260

CALLS



An estimated 800 000 commuters a day are affected by the strike, sparked by calls for the removal of the divisional manager.

Putco managing director Dr Jack Visser said the company faced a spate of similar demands "They are making Putco unmanageable, and we can't accede to them," he said.

Workers wanting the removal of the workshop manager last week staged a brief stoppage at Putco's Selby depot.

only deals with the stabilization of agriculture
The proclamation of the Designated Area does not replace existing development and stabilization initiatives which have been implemented since 1975. It is rather a temporary, timely and supporting measure to attain wider regional development goals

Black city councillors: unauthorized loans

*2 Dr F H PAUW asked the Minister of Planning and Provincial Affairs †

- (1) Whether any Black city councillors in the Orange Free State were granted unauthorized loans in the 1984-85 financial year, if so, what action has since been taken to recover the amounts owing,
- (2) whether the loans concerned were granted by an official, if not, who granted them, if so,
- (3) whether this official is still in the employ of the Provincial Administration Orange Free State, if so, (a) why and (b) what action was taken against him? B249E

†THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS.

(1) Yes, one loan of R5 000,00

In the process of collecting debts from debtors during June 1989, it was found that this particular loan had been granted to a councillor in the Orange Free State. The case was handed over to the attorneys during January 1990 for further steps

- (2) Yes
An officer of the former Orange-Vaal Development Board and confirmed by resolution of the said board.
- (3) No
(a) Falls away
(b) Falls away

Comores: money spent on tourism

*3 Adv C H PIENNAAR asked the Minister of Trade and Industry and Tourism †
Whether his Department spent any amounts of money in the 1988-89 and 1989-90 financial years, respectively, to promote tourism to the Comores, if so, what are the relevant details? B322E

The MINISTER OF ENVIRONMENT AFFAIRS Hansel 6/3/90

- (1) No
- (2) Falls away
- (3) Falls away

National Manpower Commission: report

*6 Mr E K MOORCROFT asked the Minister of Manpower

- (1) Whether the National Manpower Commission's report on conditions pertaining to farm labour has been made available to him, if so, on what date,
- (2) whether he intends tabling this report, if so, when, if not, why not? B327E

†THE MINISTER OF MANPOWER

- (1) No. An advice on the possible statutory measures for the regulation of the conditions of employment of farm and domestic workers was submitted to the previous Minister of Manpower in 1984
- (2) Falls away.

Mr R M BURROWS Mr Speaker, arising from the answer of the hon the Minister, does he or his department intend to take any action on the report that has been lying in the hands of the Government for six years now?

†The MINISTER. Mr Speaker, that report was asked for by my predecessor to advise him, and he decided six years ago not to publish it. Hon members will understand that the information contained in that report is probably six or seven years old. The Manpower Commission is at present on my instruction busy looking at different aspects of the Labour Relations Act. Naturally this aspect will also be under review in that re-examination. To now Table a report whereof the information is seven years old—the hon member will well understand that labour relations and the laws connected therewith have changed considerably, especially since 1984—would not be appropriate as it would be a completely obsolete information document.

Hunnewood, PE: site occupied by SANDF

*7 Lt-Gen R H D ROGERS asked the Minister of Defence Hansel 6/3/90

(1) Whether, with reference to his reply to Question No 15 on 14 February 1989, the site occupied by the South African Defence Force in Hunnewood, Port Elizabeth, is still available to the City Council of Port Elizabeth, if not, why not, if so, when is it anticipated that a final decision will be made in this regard, B328E

(2) whether he will make a statement on the matter? Hansel 6/3/90 B328E

The DEPUTY MINISTER OF DEFENCE

- (1) Yes. In 1989 negotiations between the City Council of Port Elizabeth, the Department of Public Works and Land Affairs and the SA Defence Force took place during which it was decided that a land exchange transaction would be acceptable to all parties. The SA Defence Force, after having completed its recent rationalisation programme, is at present busy finalizing its requirements in accordance with which the City Council is to develop the replacement property. Availability of funds by the City Council will ultimately determine when the SA Defence Force can occupy the new site and vacate the existing one.
- (2) No

Margo Commission: report completed

*8. Mr R R HULLEY asked the Minister of Transport Hansel 6/3/90

- (1) Whether the Margo Commission's inquiry into the Helderberg disaster of November 1987 has been completed, if so, (a) what were its main findings and (b) when will the report on the matter be made public, if not, (i) why not and (ii) when will it be completed, 269
- (2) whether the Government has received any interim report from the Commission; if so, to what effect,
- (3) whether, independent of the Margo inquiry, any practical steps have been taken in the light of the Helderberg disaster to prevent any recurrence of the accident, if so, what steps,
- (4) whether all liabilities arising from the accident have been settled; if not, why not? B330E

TUESDAY, 6 MARCH 1990

The MINISTER OF TRANSPORT

- (1) No *Hansard 6/3/90*
- (a) and (b) Fall away
- (1) The investigation is not yet completed, and
- (ii) Towards June 1990

- (2) No
- (3) The Federal Aviation Administration is sued an Airworthiness Directive to amend and improve the preceding certification requirements for class "B" (main deck-cargo) compartments
- (4) According to my colleague the hon the Minister of Mineral and Energy Affairs and Public Enterprises have been disposed of. Only 8 claims are outstanding. Almost all freight charges have been settled. It can also be mentioned that some of the claimants are possibly awaiting the publication of the report of the Margo Commission

For the hon member's information, the Chief Directorate of Civil Aviation has unofficially received a draft report from the Margo Commission of Inquiry. A copy of the relevant report has also been made available to the National Transport Safety Board (NTSB) of the USA, who represent the state of manufacture. In accordance with the Chicago Convention, this authority has the privilege of studying the report and, if considered necessary, can make comments based on facts to the board of inquiry

When received—we expect to receive the comments by 15 March this year—they will be carefully studied and considered for adoption by the commission. If the commission is in agreement with the comments obtained from the NTSB, the commission will amend its report accordingly before its release. If, however, the commission is not in agreement with the NTSB, the reason for the rejection of its comments must be furnished and appended, with the NTSB comments, to the commission's original report before it can be released

Corporal punishment: representations

*9. Mr A J LEON asked the Minister of Justice

(1) Whether, over the past five years, he has received any representations regarding

HOUSE OF ASSEMBLY

corporal punishment as a judicial sentence, if so, (a) from whom in each case and (b) what was (i) the purport of and (ii) his response to each such representation,

- (2) whether he has given any consideration to the abolition of corporal punishment as a judicial sentence; if not, why not; if so, whether he will make a statement on the matter? *Hansard 6/3/90* B331E

The DEPUTY MINISTER OF JUSTICE.

- (1) As far as could be established no representations have been received. Cognizance has, however, been taken of viewpoints expressed in case law and articles in journals
- (2) Yes. During the promotion of the Criminal Procedure Amendment Act, 1986 (Act 33 of 1986), the question as to the retention of corporal punishment or not was considered carefully and all three Houses supported the retention thereof
- (3) A statement is not necessary.

Mr A J LEON Mr Speaker, arising out of the hon the Deputy Minister's reply, may I ask whether he would be prepared to comment on the fact that every Western jurisdiction with which South Africa is associated with regard to human rights—or should be—has now abolished corporal punishment, particularly the countries of the European Convention, the United Kingdom and the United States? Should this matter not be looked at afresh?

The DEPUTY MINISTER Mr Speaker, I invite the hon member for Houghton to argue the merits of this matter during the discussion of the Justice Vote

Jailed conscientious objectors: treatment

*10 Mr A J LEON asked the Minister of Justice:

- (1) Whether he has given any consideration to treating jailed conscientious objectors as political prisoners; if so,
- (2) whether he will make a statement on the matter? *Hansard 6/3/90* B332E

†The MINISTER OF JUSTICE

(1) No. There are no prisoners in South African prisons which are classified as

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political prisoners. Persons found guilty and sentenced for offences aimed against the security of the State may, however, be classified as security prisoners. *Hansard 6/3/90*

- (2) Falls away

Sebenza secondary school: teachers

*11. Mr K M ANDREW asked the Minister of Education.

- (1) Whether all the White teachers who commenced this year as teachers at Sebenza Secondary School in Crossroads are still at the school, if not, (a) why not, (b) how many have left the school and (c) on what dates did they leave,
- (2) whether the White teachers who left this school have been replaced,
- (3) whether any White teachers currently teaching at this school have been absent since they commenced teaching there this year, if so, during what periods? B336E

The DEPUTY MINISTER OF EDUCATION.

- (1) No
- (a) The acting principal and acting deputy principal left the school when a group of students violently forced them out of the school's premises. Other teachers resigned.
- (b) Seven.
- (c) On 31 January 1990 (the acting principal and the acting deputy principal and three teachers), 15 February 1990 (one teacher) and 19 February 1990 (one teacher)
- (2) Three teachers have been replaced
- (3) Yes. 5 to 9 February (one teacher on sick leave), 19 to 27 February (one teacher on sick leave)

For a period, a number of teachers were on duty, but not present at the school

Mr K M ANDREW Mr Speaker, arising out of the hon the Deputy Minister's reply, may I ask him whether the seven teachers who have left are still in the employ of the department or not?

The DEPUTY MINISTER Mr Speaker, I mentioned very clearly in paragraph 1(a) of my reply that the acting principal and deputy principal left

the school under violent circumstances and that they are still in the employ of the department. The other teachers resigned.

Mr K M ANDREW Mr Speaker, further arising out of the hon the Deputy Minister's reply, may I ask what posts within the department the principal and deputy principal are filling at present

The DEPUTY MINISTER. Mr Speaker, that will be dealt with in the answer to the next question. *Hansard 6/3/90*

Western Cape schools: White principals

*12 Mr K M ANDREW asked the Minister of Education

- (1) Whether any White persons who were principals or acting principals of schools in the Western Cape at any time since 1 January 1989 are no longer at those schools, if so, at which schools were they principals or acting principals;
- (2) whether he will furnish the names of these persons; if not, why not; if so, what are their names,
- (3) whether any of these persons are still employed by his Department; if so, in what capacity in each case? B337E

†The DEPUTY MINISTER OF EDUCATION

- (1) Yes
- ID Mkize
Cross Roads No. 3
Simon Hebe
Fezeka
Mvusemvuze
Isilmela
Sebenza
Intshukumo
Luhlaza
- (2) Yes
- J S Slabber
L Redelinghuys
G Visser
P de Wet
C Kelly
J Schutte
H Coetzee
W Slabbert
W van der Vyver

HOUSE OF ASSEMBLY

only deals with the stabilization of agriculture. The proclamation of the Designated Area does not replace existing development and stabilization initiatives which have been implemented since 1975. It is rather a temporary, timely and supporting measure to attain wider regional development goals.

Black city councillors: unauthorized loans

*2. Dr F H PAUW asked the Minister of Planning and Provincial Affairs †

- (1) Whether any Black city councillors in the Orange Free State were granted unauthorized loans in the 1984-85 financial year; if so, what action has since been taken to recover the amounts owing,
- (2) whether the loans concerned were granted by an official, if not, who granted them, if so,
- (3) whether this official is still in the employ of the Provincial Administration. Orange Free State, if so, (a) why and (b) what action was taken against him? B249E

†THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS

- (1) Yes, one loan of R5 000,00

In the process of collecting debts from debtors during June 1989, it was found that this particular loan had been granted to a councillor in the Orange Free State. The case was handed over to the attorneys during January 1990 for further steps.

- (2) Yes
An officer of the former Orange-Vaal Development Board and confirmed by resolution of the said board.
- (3) No.
 - (a) Falls away
 - (b) Falls away.

Comoros: money spent on tourism

*3. Adv C H PIENAAR asked the Minister of Trade and Industry and Tourism †

Whether his Department spent any amounts of money in the 1988-89 and 1989-90 financial years, respectively, to promote tourism to the Comoros, if so, what are the relevant details? B322E

THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES (for the Minister of Trade and Industry and Tourism) ~~Handwritten~~ 6/3/90

No. 6/3/90

Note: The South African Tourism Board promotes tourism to the RSA and not from the RSA to other countries.

Pietermaritzburg: additional police stations

*4 Mr M A TARR asked the Minister of Law and Order

Whether it is the intention to establish any additional police stations in the Greater Pietermaritzburg area; if so, (a) where and (b) when; if not, why not? ~~Handwritten~~ 6/3/90 B325E

†THE MINISTER OF LAW AND ORDER

Yes
(a) and (b) Police stations are being planned for Imbali, Taylor's Halt and Mpopomeni. However, no indication can be given when these police stations will be taken into use, because various factors, inter alia the availability of funds, influence the planning.

Mr M A TARR. Mr Speaker, arising from the reply of the hon the Minister, could he give this House the assurance that in view of the very serious unrest situation in the area, the construction of these police stations will get the highest possible priority?

The MINISTER. Mr Speaker, the answer is yes.

Drakensberg: cableway

*5 Mr M A TARR asked the Minister of Environment Affairs. ~~Handwritten~~ 6/3/90

- (1) Whether his Department has been informed of a proposal to build a cableway in the Amphitheatre of the Drakensberg, if so,
- (2) whether his Department is in any way involved in the matter, if so, what are the relevant details;
- (3) whether he will make a statement on the matter? B326E

THE MINISTER OF ENVIRONMENT AFFAIRS ~~Handwritten~~ 6/3/90

- (1) No
- (2) Falls away
- (3) Falls away

National Manpower Commission: report

*6 Mr E K MOORCROFT asked the Minister of Manpower

- (1) Whether the National Manpower Commission's report on conditions pertaining to farm labour has been made available to him, if so, on what date,
- (2) whether he intends tabling this report, if so, when, if not, why not? B327E

†THE MINISTER OF MANPOWER.

- (1) No. An advice on the possible statutory measures for the regulation of the conditions of employment of farm and domestic workers was submitted to the previous Minister of Manpower in 1984.
- (2) Falls away.

Mr R M BURROWS. Mr Speaker, arising from the answer of the hon the Minister, does he or his department intend to take any action on the report that has been lying in the hands of the Government for six years now?

†THE MINISTER. Mr Speaker, that report was asked for by my predecessor to advise him, and he decided six years ago not to publish it. Hon members will understand that the information contained in that report is probably six or seven years old. The Manpower Commission is at present on my instruction busy looking at different aspects of the Labour Relations Act. Naturally this aspect will also be under review in that re-examination. To now Table a report whereof the information is seven years old—the hon member will well understand that labour relations and the laws connected therewith have changed considerably, especially since 1984—would not be appropriate as it would be a completely obsolete information document.

Hunewood, PE: site occupied by SADF

*7 Lt-Gen R H D ROGERS asked the Minister of Defence ~~Handwritten~~ 6/3/90

- (1) Whether, with reference to his reply to Question No 15 on 14 February 1989, the site occupied by the South African Defence Force in Hunewood, Port Elizabeth, is still available to the City Council of Port Elizabeth; if not, why not; if so, when is it anticipated that a final decision will be made in this regard,
- (2) whether he will make a statement on the matter? ~~Handwritten~~ 6/3/90 B328E

THE DEPUTY MINISTER OF DEFENCE.

- (1) Yes. In 1989 negotiations between the City Council of Port Elizabeth, the Department of Public Works and Land Affairs and the SA Defence Force took place during which it was decided that a land exchange transaction would be acceptable to all parties. The SA Defence Force, after having completed its recent rationalisation programme, is at present busy finalizing its requirements in accordance with which the City Council is to develop the replacement property. Availability of funds by the City Council will ultimately determine when the SA Defence Force can occupy the new site and vacate the existing one.
- (2) No.

Margo Commission: report completed

*8 Mr R R HULLEY asked the Minister of Transport: ~~Handwritten~~ 6/3/90

- (1) Whether the Margo Commission's inquiry into the Helderberg air disaster of November 1987 has been completed, if so, (a) what were its main findings and (b) when will the report on the matter be made public; if not, (i) why not and (ii) when will it be completed, 269
- (2) whether the Government has received any interim report from the Commission, if so, to what effect,
- (3) whether, independent of the Margo inquiry, any practical steps have been taken in the light of the Helderberg disaster to prevent any recurrence of the accident; if so, what steps;
- (4) whether all liabilities arising from the accident have been settled, if not, why not? B330E

THE MINISTER OF TRANSPORT

- (1) No *Handscr 6/3/90*
- (a) and (b) Fall away
- (1) The investigation is not yet completed, and
- (ii) Towards June 1990

(2) No

(3) The Federal Aviation Administration issued an Airworthiness Directive to amend and improve the preceding certification requirements for class "B" (main deck-cargo) compartments

(4) According to my colleague the hon the Minister of Mineral and Energy Affairs and Public Enterprises the majority of claims by dependants have been disposed of Only 8 claims are outstanding Almost all freight charges have been settled. It can also be mentioned that some of the claimants are possibly awaiting the publication of the report of the Margo Commission

For the hon member's information, the Chief Directorate of Civil Aviation has unofficially received a draft report from the Margo Commission of Inquiry A copy of the relevant report has also been made available to the National Transport Safety Board (NTSB) of the USA, who represent the state of manufacture. In accordance with the Chicago Convention, this authority has the privilege of studying the report and, if considered necessary, can make comments based on facts to the board of inquiry

When received—we expect to receive the comments by 15 March this year—they will be carefully studied and considered for adoption by the commission. If the commission is in agreement with the comments obtained from the NTSB, the commission will amend its report accordingly before its release. If, however, the commission is not in agreement with the NTSB, the reason for the rejection of its comments must be furnished and appended, with the NTSB comments, to the commission's original report before it can be released

Corporal punishment: representations

*9. Mr A J LEON asked the Minister of Justice:

- (1) Whether, over the past five years, he has received any representations regarding

political prisoners Persons found guilty and sentenced for offences aimed against the security of the State may, however, be classified as security prisoners.

Handscr 6/3/90

(2) Falls away

Sebenza secondary school: teachers

*11 Mr K M ANDREW asked the Minister of Education:

- (1) Whether all the White teachers who commenced this year as teachers at Sebenza Secondary School in Crossroads are still at the school; if not, (a) why not, (b) how many have left the school and (c) on what dates did they leave;
- (2) whether the White teachers who left this school have been replaced,
- (3) whether any White teachers currently teaching at this school have been absent since they commenced teaching there this year, if so, during what periods?

Handscr 6/3/90 B336E

THE DEPUTY MINISTER OF EDUCATION

(1) No

(a) The acting principal and acting deputy principal left the school when a group of students violently forced them out of the school's premises Other teachers resigned

(b) Seven

(c) On 31 January 1990 (the acting principal and the acting deputy principal and three teachers), 15 February 1990 (one teacher) and 19 February 1990 (one teacher)

The DEPUTY MINISTER OF EDUCATION

(2) Three teachers have been replaced

(3) Yes 5 to 9 February (one teacher on sick leave), 19 to 27 February (one teacher on sick leave)

For a period, a number of teachers were on duty, but not present at the school

Mr K M ANDREW. Mr Speaker, arising out of the hon the Deputy Minister's reply, may I ask him whether the seven teachers who have left are still in the employ of the department or not?

THE DEPUTY MINISTER. Mr Speaker, I mentioned very clearly in paragraph 1(a) of my reply that the acting principal and deputy principal left

the school under violent circumstances and that they are still in the employ of the department The other teachers resigned.

Mr K M ANDREW Mr Speaker, further arising out of the hon the Deputy Minister's reply, may I ask what posts within the department the principal and deputy principal are filling at present.

THE DEPUTY MINISTER: Mr Speaker, that will be dealt with in the answer to the next question *Handscr 6/3/90*

Western Cape schools: White principals

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- (1) Whether any White persons who were principals or acting principals of schools in the Western Cape at any time since 1 January 1989 are no longer at those schools; if so, at which schools were they principals or acting principals;
- (2) whether he will furnish the names of these persons; if not, why not, if so, what are their names,
- (3) whether any of these persons are still employed by his Department, if so, in what capacity in each case?

THE DEPUTY MINISTER OF EDUCATION.

- (1) Yes.
- ID Mkhize
Cross Roads No. 3
Simon Hebe
Fezeka
Mvusemwuze
Ishimela
Sebenza
Intshukumo
Luhlaza
- (2) Yes
- J S Slabber
L Redelinghuys
G Visser
P de Wet
C Kelly
J Schutte
H Coetzee
W Slabbert
W van der Vyver

Jailed conscientious objectors: treatment

*10 Mr A J LEON asked the Minister of Justice:

- (1) Whether he has given any consideration to treating jailed conscientious objectors as political prisoners, if so,
- (2) whether he will make a statement on the matter?

Handscr 6/3/90 B332E

THE MINISTER OF JUSTICE.

- (1) No There are no prisoners in South African prisons which are classified as



CAM TIPS 6/3/90 269

Runway: SAA knew last year

By PETER DENNEHY

SOUTH AFRICAN Airways had been notified by the Directorate of Civil Aviation as early as November last year that the main runway at DF Malan Airport would be resurfaced, SAA spokesman Ms Zelda Roux said yesterday.

On Friday last week, SAA decided to cancel all midnight flights to and from Cape Town from yesterday till May 8.

Ms Roux said SAA had decided in November last year that when the runway resurfacing started, another runway would be used. Yet it had not anticipated the extent to which heavy fog would disrupt this plan.

"The alternative runway is not fully equipped with instrument landing systems which would enable pilots to land even in very bad runway conditions," she explained.

Ms Roux said that last Wednesday night, the late-night flight from Johannesburg to Cape Town had had to turn back as there was such a thick layer of fog over the runway at DF Malan.

"We realised this could happen at any time. It is not possible to predict accurately, two hours in advance, whether the fog will be too thick to

land in Cape Town," Ms Roux said.

Flights during the day and evening were not affected, because the main runway was still in use until 11pm each night, she said.

DF Malan Airport manager Mr Dons Nel said yesterday that it was perfectly safe to land during the day on a runway on which resurfacing work had been done the previous night.

"This is not the first time we have done this," he said "In 1981 we did the southern part, and in 1986 the northern section of the same runway. Now we are doing the middle portion."

• Another SAA spokesman, Ms Janie van Vuuren, said the fog which prevented the aircraft from landing had been "no ordinary fog" It would be difficult to predict when such thick fog would recur, she said.

Asked whether SAA had not been somewhat lacking in foresight, she said. "Point taken. We will try to improve."

• Anyone who has already paid for a half-price midnight flight ticket during the period when the flights have been suspended will be able to fly at another time for no extra charge, Ms Van Vuuren said.

SAAF faced no real tests

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B 104, 713/90

Business Day Reporter

THE apparent failure of the SAAF to live up to its reputation was the most discussed aspect of SA operations in southeast Angola from August 1987 to September 1988, says the author of the latest book on the subject, Helmoed-Römer Heitman.

Impression

In a revealing account which details top secret operations, Jane's Defence Weekly's correspondent in southern Africa makes the point that the real battle of the skies was never joined.

"What the SAAF did not do was contest air superiority. That meant that MiGs could roam freely above the battlefield throughout the campaign. They were unable to interfere with the SAAF strike programme or inflict serious casualties or damage on the ground forces, but their almost continual presence over the battlefield did greatly restrict manoeuvre by the South Africans and saved Fapla forces from destruction on several occasions.

"That made a strong impression on the South Africans, particularly by contrast with past operations. The reasons for not contesting air superiority were not generally discussed," Heitman says.

Heitman's observations bear testimony to Press reports at the time which indicated that SA troop and

material movements were being made under cover of darkness.

The impression was one of a campaign dominated by Cuban and Angolan MiGs, he says. The SAAF was widely believed to have lost air superiority and to have been unable to support ground forces effectively.

"While it is true that the South Africans did not enjoy the total air supremacy that they had become accustomed to, this view of the part played by the SAAF in this campaign is not really accurate," Heitman says.

The SAAF did in fact play an important and successful part in supporting the ground forces. SAAF Mi-17s, F-14s and Buccaneers flew 176 strikes over a period of 191 days during which strike craft were deployed. These missions were flown in the face of a comprehensive air defence system that comprised modern surface-to-air missiles as well as guns and fighters supported by excellent radar coverage of the area; and often in bad weather.

Most of the SAAF activity was not visible to the men in the field. The strike aircraft toss-bombed from far out and the Mirage III RZs did their

work over enemy territory resulting in the impression that the SAAF was no longer able to do its job.

"An analysis of the campaign does not support this view, although it is clear that the days of unchallenged SAAF air supremacy are over," Heitman writes.

"What analysis of the campaign does show is that the SAAF can still support the ground forces even under unfavourable conditions. The limitations highlighted during the campaign were not new, it is only their practical demonstration that has drawn attention from outside professional circles."

Examining the logistical problems facing the SAAF, Heitman says the Mirages faced two major problems. The first was the distance from Grootfontein, the nearest airbase to the target areas. This restricted payloads and the choice of approach and departure routes, particularly in view of the need to fly low, generally less than 30m above ground level, in order to keep below radar cover. As

SA ground forces pushed farther north the Mirages' task became more difficult.

"The problem was that the MiGs, operating from Cuito Canavale and Menongue, were much nearer to the ground fighting. They could therefore fly in, carry out their strike and be gone before the Mirages could reach the area. Flying a combat air patrol over the area was hardly practical given the distances involved. The Mirages would have used up many flying hours to no real purpose, having only about five minutes of combat time available once they were on station."

The air raid on the Caluque installations on June 27 1988, in which 10 SADF men were killed, raised many questions as to its purpose, none of which were satisfactorily explained, says the author.

At 1.55pm that day a patrol from 102 Battalion in the hills above Ruacana reported that four MiG-23s had just flown over them heading south-east.

At 1.57pm four more were reported flying from Ruacana towards Caluque. Half the MiGs dropped three

bombs each while the other four covered them. Their bombs gone, the MiGs turned and flew back over the Caluque installation before heading north for home. At 2.05pm three more MiGs bombed Caluque.

The seven aircraft had struck the dam wall with parachute-retarded bombs and scored several hits, severely damaging the bridge over it. The eighth MiG had bombed the fresh water pipeline to Owarambo, damaging it.

Another bomb exploded near a Buffel parked nearby. It killed 10 men of 8 SAI standing next to the Buffel. One soldier of 701 Battalion on the bridge was wounded by bomb fragments.

Faith

The question still remains — where was the SAAF air cover and the much vaunted SA radar cover?

The faith displayed by the SA public in the invincibility of SA's air power may not quite be shattered on reading the latest book on the final thrust into Angola by SA forces, but the work gives pause for reflection. War in Angola, the Final South Africa Phase deals with the campaign that finally shifted the future of the region from the battlefield to the negotiating table.

It is published by Ashanti Publishing (Ruvuma), and priced at R49.95.

REVIEW

Campaigns to improve transport and strengthen civic groups

By CHIARA CARTER

South 8/3-14/3/90

Western Cape to plan a joint campaign around community issues.

CAMPAIGNS to improve transport and to strengthen civic organisations are among the decisions taken at the regional congress of Cosatu (Western Cape) last Saturday.

Workers experienced serious problems with trains, buses and taxis, the congress noted.

The federation wishes to meet Sats, City Tramways and taxi associations to discuss the issue.

Cosatu shop stewards are also to meet with civic organisations in the

Western Cape to plan a joint campaign around community issues.

The decision was motivated by Cosatu's resolution last year to restructure the MDM and by severe problems, including crime and gangsterism, which workers are experiencing.

The congress resolved to make the LRA unworkable through the living wage campaign.

It called on the state to repeal the LRA and replace it with a "democratically-determined workers' charter of the masses."

The congress decided to defy the LRA by taking solidarity action, go-slows, bans on overtime, placard demonstrations and defying court interdits.

The region is to prepare for the Living Wage/LRA congress to take place in May, by working out a programme of action to co-ordinate wage struggles, the LRA and workers' charter campaigns and build locals.

The region will also look at ways of linking up with the UDF under the banner of the MDM.

The congress passed a resolution

endorsing the call by Nelson Mandela for peace in Natal and calling on people to build unity among the oppressed.

Delegates agreed to hold a special regional congress in late April, when office bearers would be elected.

A committee of secretaries from Cosatu affiliates is presently assessing the region. It will report its findings to the special congress.

The Cosatu regional secretary for the past four years, Mr Nic Henwood, indicated earlier this month he would not be available for re-election.

The longest night

When 250 passengers boarded SA Airway's late night flight on February 28 in Johannesburg, they thought they were headed for Cape Town. Instead, they entered the twilight zone.

Thirteen hours and thousands of air miles later, they finally landed in Cape Town, after side trips to Port Elizabeth and back to Johannesburg.

The flight, plagued by bad weather and inadequate landing facilities, was enough of a nightmare all round to prompt SAA into cancelling its late night flights in and out of D F Malan Airport until further notice. People with late night bookings will be accommodated on other flights.

The bizarre ordeal highlights the take-it-or-leave-it attitude so common to monopolies — government has not allowed other airlines to compete with SAA on the Cape Town-Johannesburg service.

According to accounts from two passengers aboard the flight, there was no cabin service because it was a cut-rate flight, so passengers went for hours without refreshments. There were a number of young children on board and one mother ran out of nappies for her baby. When a passenger with the flu asked for a blanket, she was told there were none left and was offered a tablet instead. The blankets were only for mothers with children, a flight attendant said. Desperate smokers, cooped up for six hours in one stretch, resorted to smoking in the toilets. The cabin crew reprimanded them.

The airline says the "problem" was aggravated by the closure of D F Malan's main runway for repairs. A second runway, not equipped with an instrument landing system, couldn't be used because of the bad weather.

"As the weather is too unpredictable at this time of year, it has been decided to cancel all late night flights to avoid a repetition of the problem," SAA says.

It all began when SA397 left Jan Smuts at 21h30. It arrived above Cape Town on schedule at 23h40, but the airport was fogged in. The plane then headed for Port Elizabeth, where it landed at about 01h00. After waiting on board for an hour, the passengers were told there was "not a single room to be had (at local hotels) because of conferences." (A later check by the FM established that there were 30 double rooms available at the Holiday Inn alone.) The aircraft then took off for Jan Smuts, where it landed at 03h00.

The passengers were given vouchers worth R5,50 to buy refreshments and were told to remain in the airport. The Airbus's crew, on the other hand, went home. By 06h00 a fresh crew had arrived and a half hour later the passengers were told to board again. The flight finally left Jan Smuts at 08h00, to a great burst of applause from passengers. Arrival time in Cape Town: 10h20.

SAA says the rapidly changing weather contributed to the problem because it wasn't obvious, either before the flight took off or en route, that it wouldn't be able to land. The flight couldn't be diverted to the George airport, less than an hour's flying time away, because the airport was not staffed and the necessary personnel would not be able to get there on time.

SAA says the Holiday Inn in Port Elizabeth reported that no accommodation was available. The airline suggests that possibly the manager was not available and that "perhaps this information was received from the porter."

An airline spokesman declined to disclose the cost of fuel to fly SA397 back from Port Elizabeth to Jan Smuts and then to D F Malan the following day. ■

8/Day 14/3/90

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Govt relinquishes its direct control of Transnet — MD

ONCE Transnet becomes a public company from April 1, Public Enterprises Minister Dawie de Villiers will have only indirect control over the transport giant.

Transnet MD Anton Moolman said in a Leadership magazine corporate profile, Transnet board chairman Marius de Waal would render a report to De Villiers, once the company was commercialised.

The minister, in turn, would present the report to Parliament and it would then be open for general discussion, Moolman said.

The same situation prevailed with Iscor before privatisation, Moolman said. Transnet would no longer present a budget to Parliament or be subject to the same kind of scrutiny as it had in the past, he told Leadership.

At present the divisions into which Transnet had been divided were not working with proper balance sheets. The divisions were producing profit and loss accounts



● DE VILLIERS

EDWARD WEST

Eventually they would have to produce balance sheets, he said.

Such divisions within Transnet would each be made into companies, with their own boards and directors, long before eventual privatisation, he said.

Moolman said commercialisation was a process and Transnet had to realign itself. Transnet had two auditing firms working full-time, helping the transport conglomerate revalue assets.

Transnet also had two merchant banks working full-time, helping to reconstitute a balance sheet and getting the right balance within it with a view to privatisation at a later stage.

By commercialising operations, Transnet would gain two-thirds of all advantages assigned to privatisation. Commercialisation could not involve a wider share of ownership, but for the rest, commercialisation carried all the benefits of privatisation, Moolman said.

He admitted investors could be more demanding than government had been. However, as Moolman told his employees, "privatisation will mean more than a shift of money and paper and of shares. To enable privatisation, you have to be successful and make a profit. That's the difficult portion," he said.

Two weeks left for Lanseria tenders

THE privatisation of Lanseria Airport is proceeding apace with just two weeks until the end of March — the closing date for the submission of tenders

There is no reserve price, says acting airport manager Mauritz van Rensburg

Lanseria is equally owned by the Roodepoort City Council, the Krugersdorp City Council and the Transvaal Provincial Administration.

Annual turnover is about R15m.

The airport ran at a R201 000 deficit last year, but Van Rensburg says it is expected to break even in the year to end-June. However, local authorities did not have to pay tax, an advantage not available to a private owners

LINDA ENSOR

269
But, he says, this will be more than offset by the expansion opportunities available. These include providing accommodation for passengers, expanding terminal facilities to cater for charter flight companies wanting office space and developing the surrounding land

210m 1412/90
Tenderers have been given a master plan for future development

Van Rensburg says the emphasis of the present owners has been to offer a service rather than make a profit.

The landing fee is 82% lower than that charged by state airports and aircraft parking fees are 300-500% lower.

State dividends to go to RCC

Own Correspondent 269

JOHANNESBURG. — In terms of an interim financing agreement between SATS and the embryonic Rail Commuter Corporation (RCC), dividends accruing to the state as shareholder in Transnet will go directly and immediately to RCC as an appropriation of state revenue.

Finance Minister Mr Barend du Plessis said that the traditional arrangement whereby rail commuter losses were partly defrayed through cross-subsidisation by SATS would consequently lapse.

The interim agreement, Mr Du Plessis said, would cover the period until the financing structure of the corporation and the responsibilities of authorities in this connection could be arranged permanently.

Hansard 15/3/90 Mixed marriages (269)
89 Mr S VAN DER MERWE asked the Minister of Home Affairs

How many mixed marriages between (a) Whites and Blacks, (b) Whites and Coloureds and (c) Whites and Indians (i) had been entered into in the Republic since the repeal of the Prohibition of Mixed Marriages Act, No 55 of 1949, as at 31 December 1989 and (ii) were entered into in the Republic in 1989?

The MINISTER OF HOME AFFAIRS		B204E
(a)	(i)	(ii)
(b)	77	24
(c)	1 690	513
	595	202

Transport studies: funds

95 Dr Z J DE BEER asked the Minister of Transport *Hansard* 15/3/90

- (1) Whether the Department of Transport contributed any funds to the (a) Greater Johannesburg Area Transportation Study, 1970, (b) London Transport Executive Study, 1971, (c) Jomet Studies, 1975-1980, (d) Masstran Pre-feasibility Study, 1983-1985 and/or (e) Masstran Feasibility Study, 1989-1991, if so, what was the extent of these contributions (i) in each case, and (ii) in total, as at the latest specified date for which information is available,
- (2) what transit systems were recommended by each of the above studies;
- (3) whether any of these recommendations were accepted, if so, (a) which recommendations and (b) why, if not, why not? B195E

The MINISTER OF TRANSPORT

- (1) (a) No
(i) Falls away,
(b) No
(i) Falls away;
(c) No
(i) Falls away,
(d) Yes
(i) R1 046 184 as at 28 February 1990,

HOUSE OF ASSEMBLY

(e) Yes *Hansard* 15/3/90

(1) R1 090 450 as at 28 February 1990,

- (d) (ii) and (e) (ii) R2 136 634,
(a) (ii) (b) (ii) and (c) (ii) Fall away
(2) (a) Road and rail transit,
(b) Underground rail transit,
(c) Light rail transit. (269)
(d) Rapid rail transit, and
(e) The relevant study is not yet completed
- (3) No None of these recommendations were accepted unconditionally because it was stated in the studies that a full feasibility study into a mass transit system should first be undertaken before such a decision could be made.
(a) and (b) Fall away

Competition Board: prosecutions

102 Dr P J GOUS asked the Minister for Administration and Economic Co-ordination

- (1) (a) How many prosecutions have been instituted by the Competition Board up to now, (b) with what result have these prosecutions been instituted and (c) in respect of what date is this information furnished,
(2) what procedure (a) does the Competition Board follow in relation to investigations into alleged collusion and similar irregularities and (b) do members of the public have to follow in order to have such irregularities investigated by the Board? *Hansard* 15/3/90 B255E
- The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION
- (1) (a) None The activities of the Competition Board are governed by the Maintenance and Promotion of Competition Act, 1979 (Act No 96 of 1979) in terms of which they are not empowered to institute prosecutions. Prosecutions in respect of contraventions of arrangements or prohibitions are handled by the Department of Justice and the South African Police. Eight cases have

been referred to the relevant authorities for possible prosecution,
Hansard 15/3/90

- (b) falls away;
(c) 1 January 1989 to 21 February 1990,
(2) (a) horizontal collusion by suppliers on prices, conditions of sale, market sharing and tenders, as well as vertical price collusion are prohibited in terms of Government Notice 801 of 2 May 1990. Alleged contraventions are referred to the Department of Justice or the South African Police with the view to possible prosecutions. Allegations of horizontal collusion by buyers are investigated by the Competition Board on an *ad hoc* basis in terms of Act 96 of 1979. Investigations may give rise to prohibitions which, when contravened, are handled in the same manner as mentioned in (1) (a),
(b) members of the public may refer complainants regarding restrictive practices to the Competition Board, while alleged contraventions of prohibitions may be referred to the Competition Board or the South African Police

Nurses: lowering of retirement age

116 Mr M J ELLIS asked the Minister for Administration and Economic Co-ordination

- Whether his Department is considering lowering the retirement age of nurses, if so, what is the new retirement age to be, if not, why not? B278E
Hansard 15/3/90
- The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION
- No

The approach is not to look into the lowering of the retirement age of single groups in the Public Service in isolation but to take the position of all public servants in such case into consideration

Case of *The State v W H Rabe*: previous offences

- 145 Mr L FUCHS asked the Minister of Justice Whether Mr W H Rabe was at any time convicted of any offences prior to his conviction for common assault in the case of *The State v W H Rabe*? *Hansard* 15/3/90

State v W H Rabe in the Piet Retief Regional Court on 12 February 1990; if so, (a) when, (b) of what offences, and (c) what sentence was handed down, in each case? B358E
Hansard 15/3/90

The MINISTER OF JUSTICE

No

Case of *The State v W H Rabe*: evidence

146 Mr L FUCHS asked the Minister of Justice

- (1) Whether, in the case of *The State v W H Rabe*, concluded in the Piet Retief Regional Court on 12 February 1990, any medical evidence concerning the cause of the death of Mr Ekau Xaba was led, if so, (a) what evidence and (b) by whom was such evidence presented, if not, why not,
(2) whether any evidence was led suggesting a connection between the alleged assault and the death, if so, (a) what was the gravamen of such evidence and (b) by whom was it presented,
(3) whether any mitigating factors were taken into account in the judgment and conviction of Mr W H Rabe, if so, what factors? B359E
Hansard 15/3/90
- The MINISTER OF JUSTICE
- (1) Yes
(a) That the cause of death was subdural bleeding and gall peritonitis
(b) Dr F J van der Sande
(2) Dr F J van der Sande testified in this regard. His evidence did not suggest a connection between the alleged assault and the death. Dr van der Sande testified that the alleged assault could not have caused the death of the deceased.
(3) Mitigating factors do not apply to judgment and conviction. They are, however, taken into account when sentence is passed

Case of *The State v W H Rabe* autopsy

- 147 Mr L FUCHS asked the Minister of Justice Whether, with reference to the case of *The State v W H Rabe*, an autopsy was held to establish the cause of death of Mr Ekau Xaba, if so, (a) on whose instructions, (b) when, (c) by whom and (d) what were the findings? B360E
Hansard 15/3/90

HOUSE OF ASSEMBLY

payments for the 1989/90 financial year at R4,200 billion - a rise of 6,6 percent.

New deal reached on Sats finance

Sowetan
15/3/90

269

AN interim financing arrangement had been reached with SATS and the embryonic Rail Commuter Corporation to cover the period until the financing structure of the Corporation and the responsibilities of various authorities in this connection could be arranged permanently, the Minister of Finance, said yesterday.

He said the Corporation would assume responsibility for suburban passenger transport according to the Legal Succession of the South African Transport Services Act and would be established on April 1 this year.

SATS would be transformed into the public company Transnet on the same day.

The traditional arrangement whereby rail commuter losses were partly defrayed through cross subsidisation by SATS would consequently lapse.

An agreement had been reached with SATS and the Corporation whereby, as an interim measure, dividends accruing to the State as shareholder in Transnet would go directly and immediately to the Corporation as an appropriation of State revenue.

Sapa
15/3/90 (260)

Financing set up for rail commuters

Interim financing has been arranged between Sats and the embryonic Rail Commuter Corporation to cover the period until the financing structure of the corporation and various authorities involved can be arranged permanently, the Minister of Finance said.

He said the corporation, which would assume responsibility for suburban passenger transport under the Legal Succession of the South African Transport Services Act, would be established on April 1 this year.

Sats would be transformed into the public company Transnet on the same day.

The traditional arrangement whereby rail commuter losses were partly defrayed through cross-subsidisation by SATS would lapse.

In the interim period, dividends accruing to the state as a shareholder in Transnet would go to the corporation. — Sapa.

Hansard 1573190 Mixed marriages
89. Mr S S VAN DER MERWE asked the Minister of Home Affairs.

How many mixed marriages between (a) Whites and Blacks, (b) Whites and Coloureds and (c) Whites and Indians (i) had been entered into in the Republic since the repeal of the Prohibition of Mixed Marriages Act, No 55 of 1949, as at 31 December 1989 and (ii) were entered into in the Republic in 1989?

The MINISTER OF HOME AFFAIRS

	B204E	
(a)	(i)	(ii)
(b)	77	24
(c)	1 690	513
	595	202

Transport studies: funds

95 Dr Z J DE BEER asked the Minister of Transport. *Hansard* 1573190

(1) Whether the Department of Transport contributed any funds to the (a) Greater Johannesburg Area Transportation Study, 1970, (b) London Transport Executive Study, 1971, (c) Jonnet Studies, 1975-1980, (d) Masstran Pre-feasibility Study, 1983-1985 and/or (e) Masstran Feasibility Study, 1989-1991, if so, what was the extent of these contributions (i) in each case, and (ii) in total, as at the latest specified date for which information is available.

(2) what transit systems were recommended by each of the above studies,

(3) whether any of these recommendations were accepted, if so, (a) which recommendations and (b) why, if not, why not?

The MINISTER OF TRANSPORT

- (1) (a) No
- (b) Falls away;
- (c) No
- (d) Falls away,
- (e) No
- (f) Falls away,
- (g) No
- (h) Falls away,
- (i) R1 046 184 as at 28 February 1990;

HOUSE OF ASSEMBLY

(e) Yes *Hansard* 1573190
(i) R1 090 450 as at 28 February 1990,

(d) (ii) and (e) (ii) R2 136 634,

(a) (ii) (b) (ii) and (c) (ii) Fall away

(2) (a) Road and rail transit,

(b) Underground rail transit,

(c) Light rail transit, (269)

(d) Rapid rail transit; and

(e) The relevant study is not yet completed

(3) No None of these recommendations were accepted unconditionally because it was stated in the studies that a full feasibility study into a mass transit system should first be undertaken before such a decision could be made

(a) and (b) Fall away

Competition Board: prosecutions

102 Dr P J GOUS asked the Minister for Administration and Economic Co-ordination

(1) (a) How many prosecutions have been instituted by the Competition Board up to now, (b) with what result have these prosecutions been instituted and (c) in respect of what date is this information furnished,

(2) what procedure (a) does the Competition Board follow in relation to investigations into alleged collusion and similar irregularities and (b) do members of the public have to follow in order to have such irregularities investigated by the Board?

Hansard 1573190
The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION

(1) (a) None. The activities of the Competition Board are governed by the Maintenance and Promotion of Competition Act, 1979 (Act No 96 of 1979) in terms of which they are not empowered to institute prosecutions. Prosecutions in respect of contravention of arrangements or prohibitions are handled by the Department of Justice and the South African Police Eight cases have

been referred to the relevant authorities for possible prosecution;

(b) falls away, *Hansard* 1573190

(c) 1 January 1989 to 21 February 1990;

(2) (a) horizontal collusion by suppliers on prices, conditions of sale, market sharing and tenders, as well as vertical price collusion are prohibited in terms of Government Notice 801 of 2 May 1990. Alleged contraventions are referred to the Department of Justice or the South African Police with the view to possible prosecutions. Allegations of horizontal collusion by buyers are investigated by the Competition Board on an *ad hoc* basis in terms of Act 96 of 1979. Investigations may give rise to prohibitions which, when contravened, are handled in the same manner as mentioned in (1) (a).

(b) members of the public may refer complainants regarding restrictive practices to the Competition Board, while alleged contraventions of prohibitions may be referred to the Competition Board or the South African Police

Nurses: lowering of retirement age

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Whether his Department is considering lowering the retirement age of nurses, if so, what is the new retirement age to be; if not, why not?

Hansard 1573190
The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION

No

The approach is not to look into the lowering of the retirement age of single groups in the Public Service in isolation but to take the position of all public servants in such case into consideration.

Case of *The State v W H Rabe*: previous offences

145. Mr L FUCHS asked the Minister of Justice whether Mr W H Rabe was at any time convicted of any offences prior to his conviction for common assault in the case of *The State v W H Rabe* *Hansard* 1573190

State v W H Rabe in the Pret Refief Regional Court on 12 February 1990, if so, (a) when, (b) of what offences, and (c) what sentence was handed down, in each case?

Hansard 1573190 B358E

The MINISTER OF JUSTICE

No

Case of *The State v W H Rabe*: evidence

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(1) Whether, in the case of *The State v W H Rabe*, concluded in the Pret Refief Regional Court on 12 February 1990, any medical evidence concerning the cause of the death of Mr Ekau Xaba was led, if so, (a) what evidence and (b) by whom was such evidence presented, if not, why not,

(2) whether any evidence was led suggesting a connection between the alleged assault and the death, if so, (a) what was the gravamen of such evidence and (b) by whom was it presented,

(3) whether any mitigating factors were taken into account in the judgment and conviction of Mr W H Rabe, if so, what factors?

Hansard 1573190 B359E

The MINISTER OF JUSTICE

(1) Yes.

(a) That the cause of death was subdural bleeding and gall peritonitis.

(b) Dr F J van der Sande

(2) Dr F J van der Sande testified in this regard His evidence did not suggest a connection between the alleged assault and the death Dr van der Sande testified that the alleged assault could not have caused the death of the deceased.

(3) Mitigating factors do not apply to judgment and conviction They are, however, taken into account when sentence is passed

Case of *The State v W H Rabe*: autopsy

147 Mr L FUCHS asked the Minister of Justice whether, with reference to the case of *The State v W H Rabe*, an autopsy was held to establish the cause of death of Mr Ekau Xaba, if so, (a) on whose instructions, (b) when, (c) by whom and (d) what were the findings?

Hansard 1573190 B360E

HOUSE OF ASSEMBLY

SAA in crisis as engineers quit

By Drew Forrest

South African Airways faces a crisis over the resignation of key technical staff in response to the voluntary redundancy package offered to the entire Transnet workforce last month

Insiders said services at Jan Smuts Airport could be disrupted by the imminent departure of up to 170 ground engineers who have accepted the package

Other departments may also be affected

They said crisis meetings between union representatives and top management had been in progress all week in an effort to convince engineers to stay

One source said SAA's plans to provide extra flights had already been shelved

Transnet (formerly SA Transport Services) declined to comment on the reports

Senior labour manager, Mr Vic van Vuuren, said 4 600 employees had taken up the offer, which expired yesterday, but could not provide a breakdown of the categories of worker affected

UNPREPARED

Employees who accept the offer, which provides for a minimum of three months' pay, are bound by it and will not be able to return to Transnet for three years

Sources said Transnet had expected mainly unskilled workers to quit, and had been caught unprepared by mass resignation of technicians

They added that Transnet had

given no indication in its original announcement that the offer was discretionary and applications had been automatically processed

"Ground engineers work long hours, and those who are staying have refused to put in additional overtime," added one source, who said he had "no doubt" SAA services would be affected

A key problem, he said, was that many licensed engineers — those responsible for certifying that planes are fit to fly — had quit

It is unclear whether attempts to roll back the tide of resignations has met with any success. But sources said some workers in the NDT (non-destructive testing) section had been persuaded to reconsider

Star 16/3/90

(269) (269) (269)

5/17/73/90
269

SAA denies crisis after resignations

DREW FORREST

The maintenance of South African Airways aircraft was "non-negotiable" and would not be impaired by large-scale resignations of key technical staff, SAA public relations manager, Mr Leon Els, said yesterday.

He was reacting to reports that SAA faced a crisis after technicians had accepted the voluntary redundancy package offered last month to all Transnet workers.

The offer, providing for at least three months' severance pay, expired on Thursday this week. The 4 800 workers who accepted it may not return for three years.

Mr. Els said 500 SAA staffers — about 5 per cent of the workforce — had quit. Of these, 125 were technicians.

He rejected reports that SAA had been caught unawares by the exodus of skilled employees, saying management knew at an early stage who planned to leave.

I want SAA privatised — right out of the sky!

THERE is an easy way to decide where you stand on privatisation - fly SAA

I do. Frequently. And, as each journey turns into a nightmare more ghastly than the one before, I become more zealous and uncompromising about the need for harsh, unqualified, immediate privatisation

The horrors of my relationship with the flying springboks could fill a book, but the cherry on the top was without doubt the 13-hour marathon flight to Cape Town two weeks ago that saw 250 passengers starved, misled, frozen and shunted around the country in the most stunning display of disregard for clientele that I have yet seen

The debacle started as we circled over Cape Town at 11 30 pm. After two attempts to touch down the pilot told us the main runway was out of order and heavy fog ruled out landing on runway No 2. We would fly to Port Elizabeth.

We arrived just before 1 am

As the plane refueled the voice of the pilot (now regarded with deep suspicion by the passengers) came on the air

There was "not a room to be had in PE because of conferences and did anybody want to get off the plane?" he mumbled in the carefully cultivated style of SAA pilots.

Nobody budged

We sat. Huddled, chilly, miserable, in a dark cabin without a morsel to eat/drop to drink/blanket to keep us warm. It was much too late to go to bed, and besides, trumpeted the air hostess, she wasn't vaguely tired

232
269

Notebook

DAWN
BARKHUIZEN



She then proceeded to reel off the names of her favourite nightspots.

The entire back section of the Boeing did not warm to that little hostess.

I made the fatal mistake of asking her colleague for a blanket. Naturally there was none.

I had strep-pneumonia, I explained, and had actually got out of bed to fly to Cape Town to recuperate. Were there absolutely no blankets on board, I asked

"What do expect me to do," came the tart reply "Do you want a tablet?"

I did not trust myself to answer. She did not bother to come back

The ominous cockpit voice came back on the air. We would go back to Jo'burg and leave for Cape Town AGAIN at 6 am.

We flew back into Jan Smuts Airport at 3 am

The crew got off (no doubt to go nightclubbing) and we were unceremoniously herded into the echoing halls of the terminal. R5,50 refreshment vouchers were jammed into our sticky little hands and we were shunted towards an unending queue to wait for a sandwich and cup of tea

Well, 6 am came and went, but we

no longer floated around the empty terminal halls like ghosts - we were joined by another 250 people who were stuck because their early morning flight was delayed.

At 6.30 am we were herded back onto our Boeing

Buckle up, came the instruction from the cockpit ... and then ... we did not take off but had the standard unimaginative prepacked SAA "breakfast" thrust under our noses.

The voice of a new pilot came on the air.

"The air traffic control tower, not SAA, has refused to give us permission to take off for another hour. They say the runway is too busy. I must stress this is not SAA's fault," the new yet still ominous voice said

A shout rose up from the passengers. Had we been less exhausted I imagine we would have stormed the cockpit or the air traffic control tower.

We took off at 8 30 am and arrived in Cape Town at 10.20 am - exactly 13 hours after taking off from Jan Smuts the night before.

What made it worse was the discovery that the PE Holiday Inn alone had no fewer than 30 vacant double rooms that night

To be fair, there is one positive side to SAA, and that's their press liaison department. But unfortunately those two charming gentlemen don't run the outfit

SAA's apology as we circled Cape Town didn't do much for me.

I wanted more. Much more. I wanted to see them get ... privatised. Right out of the sky.

Barred from 'white' coach on the Orange Express

By DAVE LOURENS

AN Indian family who wanted to travel on the Orange Express train to Cape Town have been told the coach of their choice was reserved for whites only.

They can only travel on a coach at the front of the train

When Mr Thulsee Mannie,

48, of Durban, called Spoor-net — as the railways is now known — to book his trip to Cape Town on the Orange Express he was told he could not travel in the coach of his choice as it was for whites only

Spoor-net PRO Mr Mike Asefovitz confirmed the service was still partially segregated.

"There are three coaches which are open to all race groups, but the rest are segregated," he said.

Segregated

Spoor-net regional manager (Natal) Mr Andre Fourie said only suburban trains had been fully desegregated, but mainline services were still partially segregated "in accordance with policy, which is reviewed by management from time to time."

Mr Mannie said he had asked when making the booking if the train was

open. "They said Yes, but I could only have one of the first coaches. So how do they define open?"

Mr Mannie and his wife Shosheila wanted to travel to Cape Town for a holiday. "We planned to go by train because that is a holiday in itself. But now my wife says it's just not on

"We've been on the Orange Express four times before, and we have always had to sit in the first coach, which isn't as pleasant because you get all the engine noise and shaking.

"Now we will have to drive or fly. So much for the scrapping of discrimination!"

Mr Mannie said he intended to send a fax outlining his grievances to the Minister of Transport and to the American, French and West German embassies.

Overseas bid to buy the Blue Train

269

FLAMBOYANT British millionaire James Sherwood, who has bought the Orient Express, has been going blue in the face.

He is trying to add another famous train to his set — South Africa's Blue Train. But the message from SA is loud and clear — **FORGET IT!**

Mr Sherwood, who also owns the Mount Nelson Hotel in Cape Town, has been talking about buying the Blue Train for years.

He has regularly fed the British Press with stories about "arduous talks" between negotiators from his

By **MARION DUNCAN**

company, Sea Containers, and senior executives of Transnet (formerly Sats).

The most recent yarn appeared last week, with Mr Sherwood talking about plans which could "immediately convert the Blue Train's operations from a R2.4-million loss to a R10-million profit". *S/Times 18/3/90*

He told English journalists: "The train is too small and there are not enough carriages to be viable. It only

runs twice a week."

But Transnet has had enough of Mr Sherwood. Blue Train manager Hennie Hartman told the Sunday Times this week that the train "is definitely not for sale".

However, he added: "There have been discussions between officials of Transnet and the Orient Express for quite a long time."

"Although the talks came to nought, it became perfectly clear that the Orient Express was interested in something more than a marketing venture. The Blue Train is not for sale."

HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version

For written reply

General Affairs

Massstran consortium, feasibility study

§ Dr Z J DE BEER asked the Minister of Transport *Hans Strydom* 19/3/90

(1) (a) What (i) brief and (ii) budget was given to the Massstran Consortium for their feasibility study and (b) by whom was it given in each case,

(2) what were the findings of the Massstran Pre-feasibility Study regarding the cost of a rail-based mass transit system,

(3) whether the Government has made any financial commitment regarding a mass transport system for the Johannesburg metropolitan area, if so, (a) in what form and (b) what amount is involved, if not, why not? *(269)*

B196E

THE MINISTER OF TRANSPORT

(1) (a) (i) To undertake a full feasibility study into a mass transit system for the JOMET/Central Witwatersrand Regional Services Council Area, within the context of the wider regional public transport needs, and concerning the following components—

(a) Current land use and transport needs,

(b) Modes, systems, routes and operations;

(c) Economics,

(d) Financial aspects, and

(e) Social and environmental aspects, together with full public involvement

A further component which was to be considered was to give special consideration to alternative land uses, modes and

policies in order to ascertain the optimum land use/public transport strategy for the region in the future *Hans Strydom* 19/3/90

(ii) R5 million over two financial years.

(b) By the then Minister of Transport Affairs, in both cases

(2) The estimated cost of a starter line was R500 million and of the complete system R1 600 million *(269)*

(3) No These decisions can only be made once recommendations of the study are available and cost estimates have been made. According to the brief, financial aspects are also to be considered. The role of the Government is seen to be that of an initiator and co-ordinator, paving the way for the involvement of private enterprise (a) and (b) Fall away

Mozambique: inhabitants in RSA

97. Mr A A B BRUWER asked the Minister of Home Affairs:†

(a) How many inhabitants of Mozambique are estimated to be in the Republic of South Africa at present and (b) what action is being taken to return the persons concerned to Mozambique? *Hans Strydom* 19/3/90

B241E

THE MINISTER OF HOME AFFAIRS.

(a) It is not possible to determine how many inhabitants of Mozambique are presently in the Republic as statistics on that basis are not being kept. The figure can differ from day to day depending on the number of Mozambicans entering or leaving the country legally or illegally on a particular day. Even an estimate is not possible, because from the nature of the circumstances the Department does not have a record of all those who are in the country illegally. Record is being kept only of those illegal persons who have been traced and identified as such.

(b) The tracing of illegal persons is an ongoing action. During 1989 altogether 38 758 Mozambicans who had been in the Republic illegally, were repatriated.

(a) Sections 1 to 11(a) inclusive, 12 to 17 inclusive, 18(b) to 20 inclusive.

(b) (i) sections 11(b) and 18(a).

(ii) section 11(b), which provides for the representation of parents of pupils at farm schools in the governing body of such schools, was not put into operation because it was realized that it could cause problems in practice Section 18(a), which is dependent on section 11(b) could consequently not be put into operation.

(2) No

(3) No For the reasons furnished at question 1(b)(ii) The result was that no governing body with parent representation therein has been established for state-aided schools situated on farms

*8 Mr L F Stoberg—Planning and Provincial Affairs † [Question standing over.]

Abortion and Sterilization Act: representations

*9 Mr A J LEON asked the Minister of National Health and Population Development:

Whether she, her predecessor and/or her Department received any representations regarding the amendment of the Abortion and Sterilization Act, No 2 of 1975, during the past five years, if so, (a) from whom and (b) what was the (i) purport of and (ii) response to each such representation?

Handwritten: *Hansford 20/3/90* B461E
THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

Yes, only two representations with regard to the revision of the Abortion and Sterilization Act, 1975 were received by the Department of National Health and Population Development during the past five years,

(a) — the magazine *Thandi* and — the Women's Legal Status Committee,

(b) (i) and (ii) — the magazine *Thandi* raised certain questions regarding the application of the Abortion and Sterilization Act, 1975,

†An HON MEMBER They do not keep those records [Interjections.] Handwritten: *Hansford 20/3/90*

†The MINISTER Mr Speaker, that information is not at my disposal I will try to obtain it for the hon member if he places such a question on the Questions Paper

Roodepoot: SAP accommodation

*11 Adv J J S PRINSLOO asked the Minister of Public Works and Land Affairs †

(1) With reference to the reply of the Minister of Law and Order to Question No 6 on 20 February 1990, what amount does the Department of Public Works and Land Affairs need for the provision of alternative accommodation to members of the South African Police who are accommodated in the existing single quarters of the Police at Roodepoot,

(2) whether the amount has been appropriated by the State, if so, when; if not, why not?

Handwritten: *Hansford 20/3/90* B505E
THE MINISTER OF PUBLIC WORKS AND LAND AFFAIRS

(1) The single quarters were completely renovated during 1983 and in normal circumstances would not have been renovated again for at least seven years The present dilapidated state of the buildings can be ascribed to moisture penetration The cracks in the walls are apparently also due to excessive moisture on the site and appear to be of a seasonal nature The demolition of the single quarters were considered but the National Monuments Council have made representations for the retention thereof owing to the historical characteristics of the buildings As a result no specific amount has been set aside for the provision of alternative accommodation, either by means of hiring or the erection thereof Urgent investigations are in progress to determine the stability of the soil in order to first strengthen the foundations and repair the cracks in the walls prior to undertaking the complete restoration of the building complex

(2) No For the reasons as set out above

†Mr J J S PRINSLOO Mr Speaker, further arising out of the hon the Minister's reply, is he aware that this matter of the restoration of the single quarters has already been called for on 1 July 1988 and has been discussed with his Department Handwritten: *Hansford 20/3/90*

†The MINISTER No, Mr Speaker, I am not aware of it

However, I will look into this matter.

†Mr J J S PRINSLOO: Mr Speaker, further arising out of the hon the Minister's reply, can he give the House an indication of approximately how long it will still be before the restoration is done and secondly, what is the cost involved and whether there has been budgeted for it?

The MINISTER Mr Speaker, as I have said, at the present time urgent investigations are in progress As soon as I get the results, I will communicate with the hon member for Roodepoot

Jan Smuts Airport: emergency landing

*12 Adv J J S PRINSLOO asked the Minister of Mineral and Energy Affairs and Public Enterprises: † Handwritten: *Hansford 20/3/90*

(1) What were the reasons for the emergency landing carried out by an aeroplane of the South African Airways (Flight SA 356) at Jan Smuts Airport on 2 March 1990,

(2) whether any measures have since been taken to prevent a repetition of this incident; if not, why not; if so, what measures? Handwritten: *269* B506E

†The DEPUTY MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:

(1) As a result of a jammed flap system, an abnormal landing was executed

(2) The aircraft manufacturer supplies an abnormal-procedure checklist during aircraft certification in which mechanical defects of this nature are addressed Before a certificate of airworthiness can be issued, proof must be furnished that a safe landing with a jammed flap system can be executed

†Mr J J S PRINSLOO: Mr Speaker, arising out of the hon the Deputy Minister's reply, can he

give us an indication whether or not this specific type of aircraft, which was used on this flight, is one of the new acquisitions of SATS? *269*

†THE DEPUTY MINISTER Mr Speaker, I do not have the information at my disposal I do not know whether it is a new one or not

†Mr J H VAN DER MERWE 000000001
000000001 *Hansveld 20/3/90*

†Mr SPEAKER Order! The hon member for Overaal does not have to agree or disagree with everything that happens in the House!

Botswana: two persons held captive

*13 Mr H J COETZEE asked the Minister of Foreign Affairs †

(1) Whether two persons whose names have been furnished to the Minister's Department for the purpose of his reply, are being held captive in Botswana at present, if so. *Hansveld 20/3/90*

(2) whether they are South African citizens, if so, (a)(i) on what grounds and (ii) since what date have they been detained and (b) what are their names.

(3) whether the Government is taking any steps to have them released and/or tried if not, why not, if so, what steps? B507E

THE DEPUTY MINISTER OF FOREIGN AFFAIRS

- (1) Yes
(2) Yes
(a) (i) and (ii)

They were detained on 21 June 1988 on various counts in terms of the National Security Act and the Penal Code of Botswana and were found guilty by the High Court of Law of Botswana on 8 December 1988 of assault with the intention to cause grievous bodily harm and sentenced to 10 years imprisonment and 8 strokes each. The sentence was confirmed by the Court of Appeal of Botswana on 4 July 1989 with the 8 strokes being set aside.

(b) Mr Theodorus Hermansen and Mr Johannes Basson *Hansveld 20/3/90*
(3) No, in the interest of the two persons not at the present time *269*

Pietermaritzburg alternative highway by-pass route *269*

*14 Mr M A TARR asked the Minister of Transport *Hansveld 20/3/90*

(1) Whether steps have been taken to study an alternative highway by-pass route for Pietermaritzburg, if so, (a) who is undertaking the study and (b) when is the report on the study expected, if not,

(2) whether he or his Department has been approached to undertake such a study, if so, (a) when, (b) by whom and (c) what was the response thereto? B509E

†THE MINISTER OF TRANSPORT

Yes

(1) (a) The consulting engineers Brunette Kruger Stoffberg Incorporated, in conjunction with a team of environmental specialists from the University of Natal under leadership of Professor Breen, is undertaking the study on an alternative highway by-pass route for Pietermaritzburg, on behalf of the South African Roads Board.

(b) The report is expected during April 1991

(2) (a), (b) and (c) Fall away
*15 Mr R J LORIMER—Public Works and Land Affairs [Question standing over]

Atmospheric Pollution Prevention Act: amendments

*16 Mr R F HASWELL asked the Minister of National Health and Population Development

(1) Whether her Department intends motivating amendments to the Atmospheric Pollution Prevention Act, No 45 of 1965, during the current session, if not, why not, if so, *Hansveld 20/3/90*
(2) whether she will consider introducing amendments providing for (a) stricter

national and regional regulations and (b) economic schemes, if not, why not? *Hansveld 20/3/90* B511E

†THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) No, the Department of National Health and Population Development is still awaiting recommendations from the National Air Pollution Advisory Committee regarding amendments to the Atmospheric Pollution Prevention Act, 1965,

(2) (a) yes,
(b) yes

SADF: contact with publication/person

*17 Mr S S VAN DER MERWE asked the Minister of Defence

Whether there has been any contact between him and/or the South African Defence Force and a certain (a) publication and/or (b) person, whose names have been furnished to the Defence Force for the purpose of the Minister's reply, if so, (i)(aa) what was the nature of such contact and (bb) when did it take place and (ii) what are the names of the publication and person concerned? *Hansveld 20/3/90* B512E

THE DEPUTY MINISTER OF DEFENCE

The Minister of Defence has no knowledge of the publication "Adage News" and has had no contact with the said person, Dr A Guenon. There was contact between Dr Guenon and the SA Defence Force regarding the making of a feature film on the security situation in the RSA in which SA Defence Force scenes would have appeared.

The contact took place during December 1987 and early in 1988.

*18 Mr M J ELLIS asked the Minister of National Health and Population Development

(1) Whether her Department has taken any steps to consider the administrative, financial and national health implications of one department of health for South Africa, if so, what steps, if not, why not,

(2) whether she will make a statement on the matter? *Hansveld 20/3/90* *B513E*

†THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) No, the Department of National Health and Population Development have fully evaluated the relevant implications under the present constitution. Extensive measures to co-ordinate and eliminate duplication of health services already exist. At present the Department of National Health and Population Development is busy creating measures to ensure the optimal utilisation of resources.

(2) no

*19 Mr M J Ellis—Administration and Privatisation [Withdrawn]

Heidelberg, Transvaal: autopsy

*20 Mr L FUCHS asked the Minister of Justice

(1) Whether, with reference to information furnished to the Minister's Department for the purpose of his reply, an autopsy was held into the death of a certain person on 13 February 1990 near Heidelberg, Transvaal, if so, (a) when, (b) by whom and (c) on whose orders. *Hansveld 20/3/90* B515E

(2) whether any evidence suggesting a connection between an assault and the death of this person was found, if so, by whom, (3) what were the other findings of the autopsy? *Hansveld 20/3/90* B515E

†THE DEPUTY MINISTER OF JUSTICE.

(1), (2) and (3)

The Magistrate of Heidelberg (TVI) authorised on 21 February 1990 the performance of a *post mortem* examination on the body of an adult Blackman who as far as could be ascertained was the body of the late Thomas Mavimbela Thikitha.

The South African Police is at the moment busy to investigate the matter and since a docket has as yet not been submitted to the Attorney-General or Public Prosecutor concerned I am not in a position to furnish any further information.

Answered 21/3/90
 †Mr A ESSOP. Mr Chairman, arising out of the hon the Minister's reply, may I ask why a White woman gets a fire-arm licence sooner than a Brown woman?

†The MINISTER. Mr Chairman, I shall appreciate it if the hon member will provide me with specific details. Then I can have the matter investigated, because in the normal course of events that should not be the case. When persons apply for fire-arm licences, investigations are made and subsequently a licence is granted or refused. If there was a delay it may have been due to personal circumstances. The hon member can just let me have the details, and then I can find out what the problem is.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

Mossel Bay airfield: relocation

*6. Mr L J SAMPSON asked the Minister of Transport:†

Whether his Department has received any representations for the relocation of the present airfield at Mossel Bay, if so, (a) when, (b) from whom and (c) what was the (i)

purpose of and (ii) response to each such representation? C33E

The MINISTER OF TRANSPORT:

Yes, the Department of Transport has received two representations for financial assistance regarding the relocation of the present aerodrome at Mossel Bay,

(a) On 23 February 1988 and 19 December 1988, respectively;

(b) The Municipality of Mossel Bay, and

(c) (i) The Municipality concerned in both cases applied for financial assistance to the amount of approximately R5,5 million, and

(ii) With regard to both representations the Department acknowledged the demand for an aerodrome at Mossel Bay. A proposal was made to the Municipality that the capital earned with the alienation of the present aerodrome be used in the development for a new aerodrome. With clarity reached surrounding specific fixed capital projects, the Department will then be able to further attend to the matter of financial assistance.

INTERPELLATIONS UNDER NAME OF MEMBER

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Own Affairs.

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Burrows, Mr R M—

Own Affairs.

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Coetzee, Mr H J—

Own Affairs

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De Jager, Adv C D—

General Affairs

Justice, 1

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Eglin, Mr C W—

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Ellis, Mr M J—

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National Health and Population Development, 7

Own Affairs.

Health Services, Welfare and Housing, 324

Gerber, Mr A—

Own Affairs

Education and Culture, 32

Herandien, Mr C B—

Own Affairs

Housing, 213

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Jacobs, Mr S C—

General Affairs.

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Landers, Mr L T—

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Ragab, Mr M—

General Affairs

National Health and Population Development, 133, 263

Own Affairs:

Education and Culture, 105, 341

Housing, 43

Local Government and Agriculture, 465

Jomet study team has 3 scenarios for PWV3 plans

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Municipal Reporter

The Jomet study team, instructed to investigate public objections to the controversial PWV3 has proposed three scenarios which exclude the Sandton Field and Study Centre, St Suthians and the Ferndale Spruit.

The team will present its proposals to representatives from various ratepayers' associations at a meeting today.

At the request of the Department of Transport, the Jomet Core City appointed a multi-disciplinary study team to investigate the need for making provision for an increasing east-west transportation demand in Randburg and Sandton.

Through the implementation of certain Jomet projects the team was asked to re-assess adequate public involvement.

The Bond Street-South Road project (PWV3) affects three sensitive areas in the Ferndale Spruit, St Suthians school and the Sandton Field and Study Centre.

The report takes cognisance of the public's strong desire to preserve the environment, and of its apprehensions concerning new road infrastructure and property development.

"This document accepts, as a point of departure, that the three very sensitive areas should not be disturbed."

Ratepayers requested the study group investigate the capacity of the existing road infrastructure and estimate how much additional property development in the Sandton CBD this infrastructure could support.

A major factor which had to be taken into account was the capacity of the road system to support the further development of rights already granted in the Sandton CBD.

PROPERTY VALUES

Strong concern was expressed by ratepayers that an increase in traffic density, particularly with future traffic using a new east-west arterial across Randburg and Sandton, would have a detrimental effect on the quality of life in the two towns due to noise, air and visual pollution, severance and the lowering of property values.

"Neither the public nor the college council consider that impact control measures could adequately restore the school or Sandton Field Study Centre to their pre-road condition, and the alternatives of upgrading existing roads infrastructure are favoured," the report read.

Uncertainty over the rate of development and that possible major economic or political factors could emerge affecting lifestyles and transport nodes led to three scenarios being drawn up.

- The first proposes minor improvements to markings and signal timing, but no construction.
- The second deals with construction work at certain intersections, for example, to increase the overall vehicle capacity.
- The third and more expensive plan proposes major construction such as slip roads, widening of existing roads and construction of flyovers. This would cost in the region of R36 million and would prepare the town's roads for at least another 10 years.

The report will be studied by the ratepayers and discussed with the study team before they make their final recommendations regarding PWV3 to Jomet.

TOLL ROADS

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Awaiting the bill

The Department of Transport and the two companies operating SA's privatised toll roads are holding thumbs that the reworked National Road Amendment Bill will be tabled in parliament this session — ending a two-year delay that has cost the companies millions in lost tolls **FIM 23/3/90**

However, neither the department, the Toll Highway Development Company (Tollway) or Tolcon are optimistic. It's likely the Bill will have to wait its turn behind the mountain of legislation generated by President F W de Klerk's reform programme.

The Bill was passed by the House of Assembly in 1988 but rejected by the other two Houses — largely because the affected communities weren't consulted. As a result, the toll companies are now operating fewer toll roads than they expected.

Ron McLennon, CE of Tolcon, says he will be unhappy if there are further delays. "We have already waited three and a half years for the legislation."

The Bill is needed to legalise the privatisation of national roads and to allow for the

65

FIM 23/3/90

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charging of tolls. Until it's passed by all three chambers, the contracts between government and the two companies cannot be enforced. The problem has been overcome by drawing up interim contracts that enable them to act as government's agents on toll roads.

Though the system is legal and appears to be working well, it is complicated and time-consuming. The companies collect the money and pay it to the department, which then returns it to them.

Because they are only agents, neither company can take any major decisions or award any roadbuilding contracts without the department's authority. It is estimated that if the companies could act unfettered, by now they would have constructed or rehabilitated 30% more roads and be charging tolls.

This arrangement "is frustrating and costs us money," says Tollways MD Ian Madden. "Had we not been obliged to get approval for all decisions of any magnitude we would have been busy building the M4 section, south of Johannesburg."

That work is due to start soon. However, Madden doesn't expect the section — between Elands Interchange east of Johannesburg and New Canada near Soweto — to open until the mid-Nineties. It could have been finished much sooner.

The original Bill was thrown out by the House of Representatives in 1988 largely because Ennerdale residents would not be allowed to pass through the Grasmere toll plaza without paying. They argued that though it had been upgraded, it was an existing road that they had used before for free. Furthermore, they noted that they were residents of Ennerdale as a result of the Group Areas Act, not out of choice. Another objection was that the views of the affected communities had not been adequately canvassed.



Legislative delay takes its toll

The reworked Bill addresses these problems, says Ed Petzer, the Department's Chief Director, National Roads. He says the tolls on all existing roads that were tolled, such as the Mooi River road and the Ennerdale road, both operated by Tolcon, have been reduced to just cover rehabilitation, maintenance and operating costs. No profit is made. For Ennerdale residents, for example, the charge is 16c a trip.

66

In the revised version, the process of consultation is expanded greatly. All interested parties within 20 km of a toll plaza on a new road and 20 km on either side of an existing road that is proposed as a toll road, will be canvassed before construction starts.

Though the Bill is not yet in force, the Department scheduled a public meeting this week to gather comment on the proposal for a short extension of the N17 between Springs and Krugersdorp, which would become a toll road. Says Petzer: "We think it's wise to keep everyone informed."

promised rescue of Spoornet's mainline rail passenger service has started.

Charles Wright, senior manager of passenger services for Spoornet, formerly SA Transport Services' rail division, was given five years, starting from last April 1, to make passenger services profitable. (These do not include commuter trains, which are still subsidised by government.)

So Spoornet is chartering the Blue Train and other trains to private companies. The Blue Train was first chartered last year to promote a resort in the northern Transvaal and a Briton has chartered a steam train for a tour through the country later this year.

This time Southern Sun Hotels has chartered the Blue Train for a return trip to Durban to kick off an effort to promote its five-star Beverly Hills Hotel at Umhlanga Rocks during the off-season. The price is not cheap — between R2 247 and R3 839 a person — but virtually all of the 80 places are sold

From June the company will charter regular passenger trains between the Reef and

Durban to help to fill its Natal resort hotels. "The air-hotel plan has been so successful that we're going to see whether rail-hotel can be just as successful," says Southern Sun's Bruno Corte

Spoornet is obviously looking for this business. "We have just started hiring out the Blue Train and are actively looking for people who would like to use it for a product launch or staff motivation," Wright says. "However, we won't interrupt its schedule. It will be available only when it would normally stand in Pretoria"

He won't divulge what Southern Sun will pay for the Blue Train but says the current rate for a one-way charter trip between Johannesburg and Cape Town is R70 000.

The Blue Train continues to run at well above 80% occupancy between Pretoria, Johannesburg and Cape Town, and are often sold out. So with Durban being the country's tourist capital, why not a regularly scheduled Blue Train to Durban? It's not even under consideration. Sats tried it in the early Eighties but the service flopped ■

THE BLUE TRAIN FM 23/3/90

Cruising to Durbs 269

On May 31 the Blue Train will roll through Natal's green hills rather than the Karoo's empty vastness. It will head for Durban on a charter trip, another visible sign that the

Commercialisation pushes up tariffs

TRANSNET's mooted 30% hike in Richards Bay rail tariffs has been directly linked to the organisation's planned "commercialisation" ahead of privatisation in the longer-term. *6/Day 26/3/90*

In an interview, Amcoal chairman Graham Boustred said an increase was expected, but that 30% would be double Amcoal's budgeted 15%. "The mooted increase is still being discussed"

Transnet marketing business manager Andre Heydenrych said the 30% increase and increases for about 400 other rail freight contracts were being negotiated.

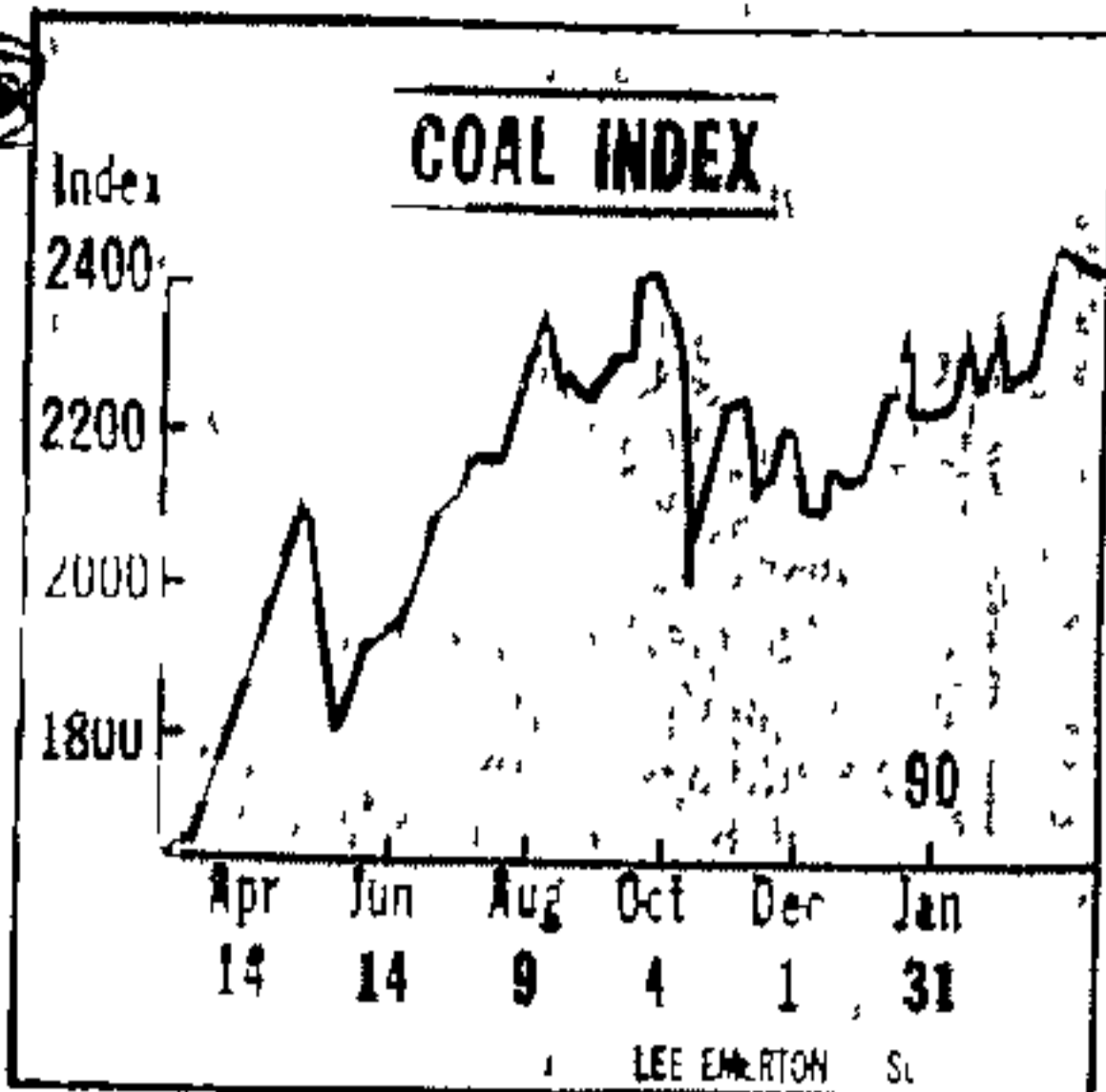
**EDWARD WEST and
BARRY SERGEANT**

They were expected to take effect on April 1 *(269)*

Boustred said. "Transnet, ahead of commercialisation, has a huge pension fund deficit. Secondly, it is looking at return on assets employed — again, because it's being commercialised — and not just debt service components. In principle, Transnet has to make a profit."

Industry sources said that with a rail

□ To Page 2



Richards Bay

tariff increase on the cards, the fact that the Richards Bay coal terminal (RBCT) is already being used to capacity adds to the possibility of further coal mining cost squeezes during 1990.

Coal mining analyst Keith Bright said the coal terminal was running at full capacity of 44.5-million tons with the terminal only expected to increase capacity to 48-million tons by December 1991.

With domestic demand from Eskom and Sasol not expected to show much growth this year, coal companies would not be able to export significantly increased volumes to maintain the substantial earnings growth of last year, he said.

Boustred said the stability of the coal dollar price and the rand meant increased costs would start eating into profit margins.

Bright said all export capacity had to be fully utilised to prevent unit costs cutting into profit margins.

The international coal price, it was forecast, would be under pressure during 1990, he said.

Boustred forecast that coal mining companies would either maintain or decrease earnings during 1990.

Coal mining companies had a bumper year during 1989 — as reflected by the coal index — because many international producers had production problems.

Heydenrych said that with Transnet due to become a public company, it found that not all costs had been accounted for.

Assets were being revalued, pension fund shortages had to be taken into account, a return on investment on the Richards Bay railway coal route was necessary and there was a drive to achieve greater parity between Transnet's salary structure and the private sector.

The Richards Bay terminal route was the only one which did not give a return on investment, he said.

□ From Page 1

Transnet to launch Elfi bond issue 'worth R200m'

TRANSNET (formerly Sats) is to launch a new Elfi bond issue soon which the market estimates will be worth at least R200m — following the success of the previous one which expired at the recent futures close-out. The news is confirmed by Transnet, and widely welcomed in the derivatives market as likely to boost trade in both futures and options. The reason Elfi (Equity Linked Fixed Interest) paper stimulates trade in futures and options is because it links interest rates and ul-

ROBERT GENTLE

imate redemption value to the performance of the All-Share Index. Elfi holders are therefore able to hedge their positions by buying or selling All-Share Index futures, and can even write options against the actual paper. Transnet, chief dealer Money and Capital Markets, Hercules Bloem said: "We will definitely be doing a new issue in early April. The last one was a great success. He said the new issue would be

handled by Finansbank, which would also be retained as a consultant during the life of the issue. Although Bloem was not in a position to release exact details, bond market sources said the issue was likely to be short to medium-term (two to four years) and open-ended. (Supply would be tailored to meet demand.) This would tend to mirror the last issue, which was launched in November 1986 at R200m and eventually reached R700m by the time of close-out. Bond market sources said the

interest rate structuring of that issue allowed Transnet to make "substantial" savings in the cost of its borrowings. Futures traders said the new issue, like the previous one, would stimulate trade in the All-Share Index future corresponding to the expiry month of the new Elfi. The liquidity in that Elfi-related contract should filter through the entire futures market and eventually allow arbitrage opportunities, said a trader from National Futures & Options.

Keep on tracking

In the good old days, we had the SA Railways & Harbours Administration — known half-affectionately, half-resentfully for 70 years as the SAR & H. It was once responsible for one of the world's great railway and harbour networks. In later years they added a road motor transport division (RMT), the national airline (SAA) and the oil pipeline from Durban to the Reef (simply "The Pipeline").

Then, in the early Eighties, the management gurus moved in with their jargon and a new name was grafted on. The SAR became the bland SA Transport Services, known bureaucratically as Sats — as if this would somehow bring back passengers and improve productivity.

Now, with privatisation looming, management has employed a design consultancy to improve the organisation's image. The results are bizarre and clumsy.

The railways are now, repulsively, Spoornet (officially *not* to be translated into Railnet); the pipeline is Petronet; road transport becomes Autonet; and the harbour network will be known as Portnet. Only SAA keeps its old name — presumably "Airnet" was too much to swallow, even for design consultants. (Perhaps they will diversify soon into broadcasting and buy a stake in M-Net . . .)

To crown it all, the entire railway passenger coach fleet is to be repainted. The dignified and durable red and grey is being replaced with a garish blue, white and orange — the colours of the national flag. It will take years and cost tens of thousands of rands.

Perhaps Spoornet should hang on for a bit. They might just find themselves painting the whole lot again — in black, green and yellow. ■

Transport network plan: public urged to help

269

A massive transport network has been proposed for the greater Johannesburg area and the general public will be engaged for input regarding the feasibility of such a system.

By ISMAIL LAGARDIEN

study into the workability, as well as the strategies, land use, socio-economic and environmental impact of a system eventually agreed upon.

Mr Bob Stanway, director of Masstran, the

consortium appointed by the Department of Transport (Dot) yesterday said:

"One of the objectives of the study is to involve the general public, as well as the private and public sectors, to such an extent that a recommendation can be made to Government on the optimum mass transport system selected.

"The recommendations is to be made by mid April 1991."

Sabta and Saldra have approved of the study into the feasibility of such a transport system and

Stanway said that minibuses (taxis) are being considered as a possibility. So we (am) 307190

Taxi

He suggested that there could be attempts at formalising the taxi industry and making it less "laissez faire" by moving it into a fully fledged public transport system.

However other modes of transport are also being studied - upgrading and re-organising existing

Sats schedules and routes as well as is the possibility of introducing a light rail car similar to the types used in Europe.

If the public feels it can, in any small way, assist by providing views and ideas, Masstran has opened a public office dealing with exactly such public feedback.

If you have any ideas call Masstran at Johannesburg 403 2852/3/4. All ideas will be heard.

Masstran believes that public approval will make the eventual decision authentic.

Smoothing your journey to work

Star 2/3/90

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A TEAM of top engineers, planners, environmentalists and public relations people — pulled together under a scheme called Masstran — is about to begin a comprehensive study of the Central Witwatersrand's transport needs.

Masstran's job is to devise an affordable mass transit (commuter) system for the Central Witwatersrand that will get people to work faster, more comfortably and with the least possible damage to suburban peace and quiet.

But it will not work in isolation. There will be a public involvement programme which may last months.

The men and women behind Masstran have already started talking to the public, via representatives of various interest groups, about the various public transport options available. Now they are setting up "citizen liaison committees" or CLCs. By this time next year Masstran expects to be able to make recommendations

Several options

One of the options which may be popular is the idea of installing a streamlined electric tram which would get automatic right-of-way as it burrows through rush hour traffic. Another is a posh First World underground metro train service. But considering the costs the latter is the most unlikely scenario of all.

"We are looking at transport for the masses and are looking only at proven technology," said Ian Clements who heads Masstran's public involvement group. There are five other Masstran groups — each specialising in various technological and financial aspects

JAMES CLARKE

Above these six groups is an holistic "working group" of engineers and planners who, in turn, pass data upwards to Masstran's steering committee on which sit representatives of major public and private interest sectors. But they have given the assurance that no transport system will be ruled out until the public view has been determined.

The technical study groups of Masstran have been appraising every conceivable system across the world — from the London Transport "Tube" which was proposed for Johannesburg in 1971 to Israeli sharuts and South American jitneys. It has even considered a "do minimum" option — in other words it has looked at what might happen if nothing is added to the existing system.

I met the three-person "public involvement group" in their 7th floor meeting room in Devonshire House, Jorriison Street, Braamfontein this week. One wall was plastered with dozens of labels, each bearing the name of a public interest group.

There were ratepayers groups, chambers of commerce, natural history societies, trade unions, professional institutes, Black Management Forum, Urban Foundation, Fabcos, Sabta, there was Earthlife, the Eco Party, Jomag, the Braamfontein Spruit Trust.

The idea is that representatives from each of the interest groups will be invited to join a "corridor" committee to confer regularly with Masstran about the particular needs and ideas pertaining to their general route direction.

Take the Northcliff area for instance. local ratepayers' groups and others have

been invited to be in on discussions about the needs of people living on "the Northwest Passage" — as somebody has inevitably dubbed that particular transit corridor.

The people of the "Northwest Passage" and, for that matter, those of the even more affluent "Northern Corridor", (through Sandton), may well feel that comfort and speed are more important than the cost of fares.

But the Southwest group — which could consist of organisations such as Sabta, Baragwanath Hospital, The National Environmental Action Council — might see the cost of fares as the number one issue.

Masstran has six specialists' groups; the first two are studying modes — one is involved in coarse grain studies of different kinds of public transport and the other is studying at a more refined level.

Young specialists

The other four groups specialise in economics, transportation planning, environmental impact and public involvement.

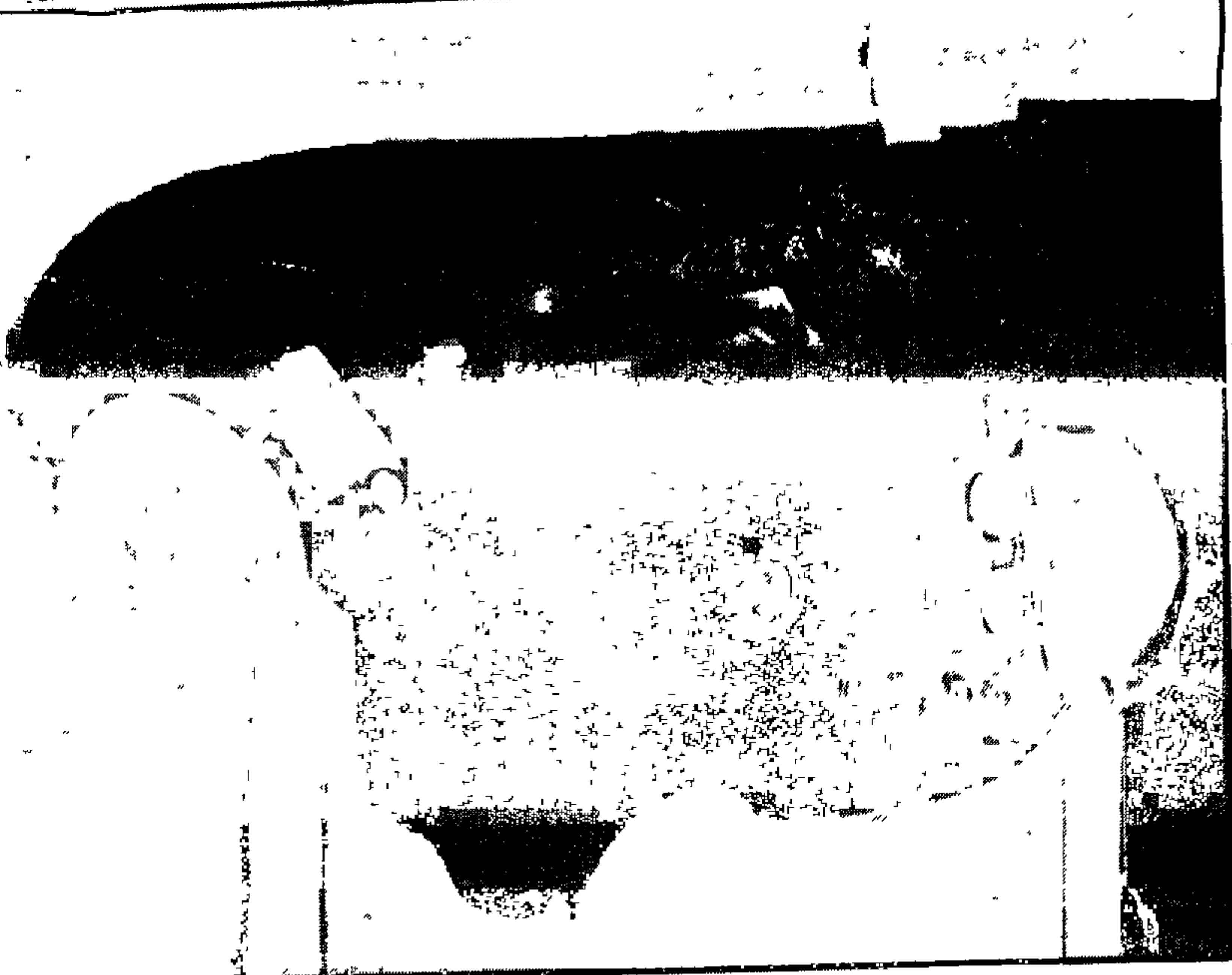
In the six specialists groups the average age is around 35. The public involvement group is even younger. Its three members are

- Ian Clements (40), a Johannesburg-born, Wits-trained civil engineer who is project leader. He has been a businessman and has an MBA.

- Donna Fitzsimons (27), a Sandton-born UCT civil engineer who played hockey for Transvaal schools.

- Louise Snyman (27), Johannesburg-born Wits graduate in industrial and social psychology who also has qualifications in personnel management.

If you would like to talk to Masstran telephone 403-2852



CRITICAL: Dr Drew says South Africa often lacks innovation in its town-planning and design of suitable housing schemes.

● Photograph: Karen Fletcher.

By Ian Smith

JUST when privatisation is the buzzword, a new public corporation comes into existence today with assets running into billions of rands and annual turnover of more than R1-billion.

But Bart Grove, chairman of the SA Rail Commuter Corporation, insists that he is not setting up another bureaucracy.

The organisation, which will be responsible for moving more than 2.5-million passengers a day, seven days a week, in the main centres will operate with a staff of about 60. From the corporation's rented offices in Johannesburg's Braamfontein district, overlooking the main railway station, Dr Grove reflects on the challenges of his new job.

Bart on track to keep commuters rolling

S/T Times 11/4/90

(269)

His organisation will be responsible for about 1.2-million journeys a day in the Pretoria-Witwatersrand-Vereeniging area, about 500 000 a day in the Cape Peninsula and 350 000 in the Durban area. It will handle smaller operations in Port Elizabeth and East London.

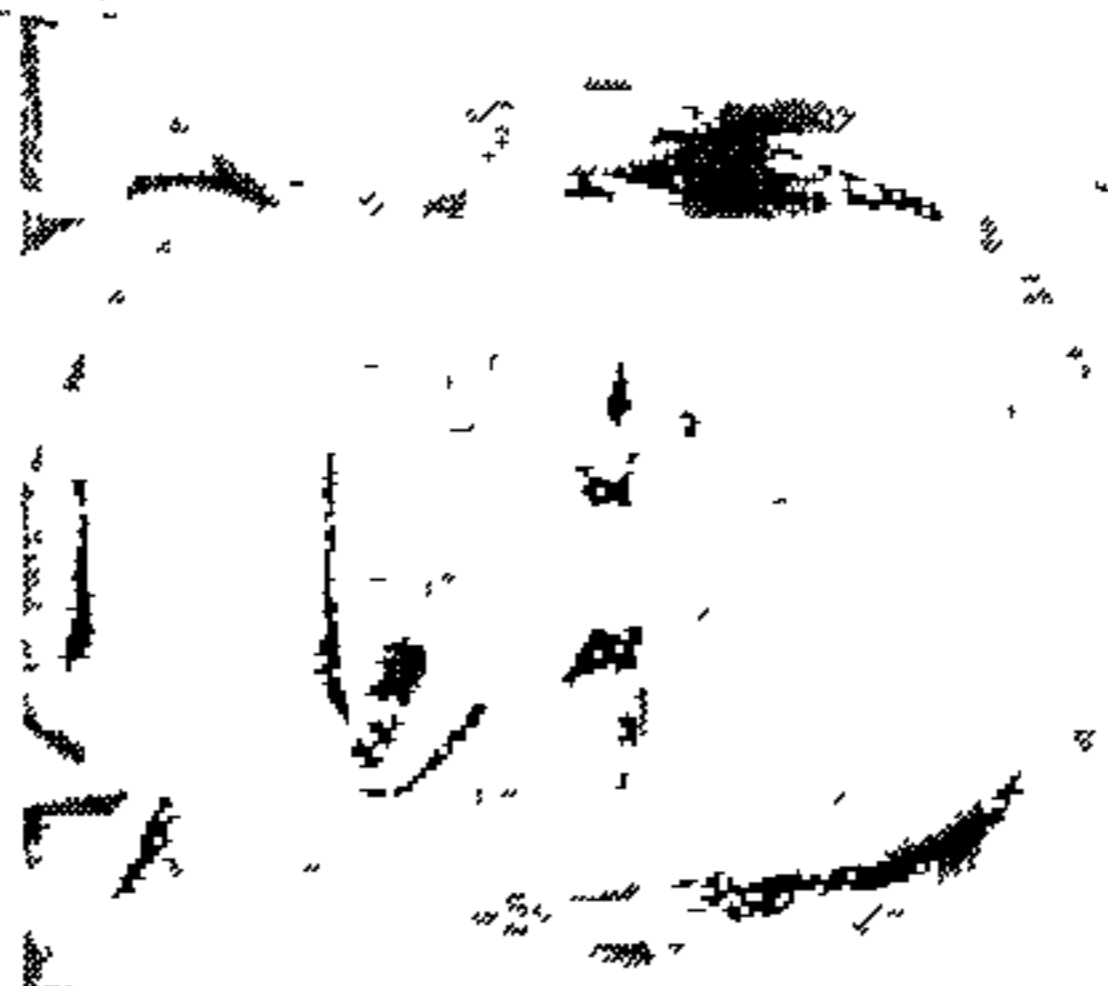
Dr Grove says: "Commuter services have given the railways its biggest financial problems for decades.

"But it is right that the railways should be relieved of this socio-economic service to concentrate on its main task of moving goods and exports and imports."

He says frankly: "It is unlikely that the Rail Commuter Corporation will ever make profits — but we will do everything we can to reduce the losses without curtailing services or standards."

Initially the State's share of dividends from Transnet will go to the Commuter Corporation to fund its operations.

All the commuter assets of the old SAR, including the track, structures along the line and rolling stock, will be transferred to the Commuter Corporation. Transnet will operate the ser-



BART GROVE... only the best services for a fee based on the number of trains needed to carry commuters. It will also maintain the track, stations and carriages.

Dr Grove says that some time in the future regional services councils could become responsible for part of the cost of commuter services. Their industrial and commercial ratepayers benefit from the low fare structure and they could contribute through the RSCs. Naturally, the councils would

have a greater say on the frequency and standard of the service.

"I believe we have a practical deal," says Dr Grove. "With day-to-day operations off our hands, the Commuter Corporation can concentrate on research and policy matters."

Dr Grove, who retired from SA Transport Services after 33 years, had barely had time to enjoy his leisure before he was offered the new challenge.

"I had been appointed to the boards of several companies, and I was spending some time on my bushveld farm at Ellisras. It is important to spend a week every month in the bush to recharge the batteries."

"When I was offered the job I discussed it with my wife and children — and they said I had no option."

Officially, Dr Grove is chairman. But he is also working full-time on the project as chief executive in the initial stages.

His first task was to appoint executive staff, and he is happy with the team of four men who have come across from the railways: Sam Taute heading technical oper-

ations, Willem Louw finance, Dr Koos Meyer marketing and Saag Jonker administrative.

A chief executive will be appointed later.

Dr Grove says the number of rail commuters has started to pick up after the big fall when combi taxis came on the roads. "But I do not foresee high growth in the next few years."

The corporation will examine ways of promoting flexibility in industry and commerce to spread the commuter load.

"Big advances have been made in Pretoria, where several Government departments open at seven o'clock.

"We will search the world for the best answers to the problem of commuter traffic."

Technical advances already offer the prospect of reduced operating costs on suburban routes.

Research will also be done to measure the level of fare evasion, and to block loopholes.

"We want the best service that it is within our power to provide," says Dr Grove.

The new organisation is the Government's means of relieving the railway system of the heavy burden of commuter traffic. The move pushes the new Transnet further along the line to successful privatisation by removing the need to cover the cost of commuter services by cross-subsidisation from more profitable operations.

In the year to March 1989 commuter service budgeted losses increased from R206-million to R283-million. The budgeted loss for the year just ended was R400-million.

Dr Grove, who retired as chief general manager of SA Railways at the end of January 1988, is under no illusions about the magnitude of his task.

Transnet gets mixed legacy from Sats

BID on 2/4/90

CAPE TOWN — The South African Transport Services, which officially becomes the newly commercialised Transnet today, reported a net surplus of R24m last year — R5m less than the previous year largely as a result of poor performances by SA Railways and the Catering Services.

As the last report submitted by the Sats board, it showed that between April and November 1989 income from Sats services rose by 18,7% to R8,77bn

This was attributed largely to an increase in air, harbour and pipeline traffic as well as tariff increases which came into effect in December 1988 and April 1989

But expenditure increased by 18,9% to R8,74bn as a result of the higher cost of fuel, electricity, material and consumable stores.

LESLEY LAMBERT

Salary adjustments negotiated by Transport Services' Trade Unions and implemented in October 1988 and July 1989, also contributed to the increase in expenditure, according to the report.

The net surplus amounted to R24m after the appropriation of R1m.

Of the various services offered by Sats, SAA continued to be one of the best performers, spending R1,59bn during the period under review and achieving a surplus of R102m, which was R20m more than the previous period.

SAR Travel services reported revenue of R25m, up R2m from the previous year, expenditure of R24m, up R5m from the pre-

vious year and a surplus of R1m, down R3m from the previous year.

The catering services reported a deficit of R10m, compared with a deficit of R8m the previous period. As in the railways division, its expenditure of R29m grew at a faster rate than its revenue of R19m.

The average interest rates on Sats' investments during the period increased by almost six percentage points to 16%, showing what innovative portfolio management can achieve, the report said.

The return on the Sats Superannuation Fund increased by almost three points to 13,6% while the return on the Pension Fund for Non-White Employees grew marginally from 13,8% to 14%

Railways stoke up for profitable haul

Political Correspondent

AK643 2/14/90 269

THE railways are stoking up for a profitable haul in steam

- They are planning not only short-distance excursions and long-distance steam safaris, but also conference trains and other exclusive steam ventures.

The task of revamping the steam service has been entrusted to Transnet's preservation unit, which also runs the railways' museums

ANNUAL REPORT

The annual report of the South African Transport Service's board, tabled in parliament, says one of the problems in marketing steam is that enthusiasts overseas are uncertain about South Africa's phasing-out programme.

To overcome this it is planning more regular long-distance steam safaris and steam festivals in conjunction with international tour operators and the Tourism Board.

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Staff Reporter

SATS is to introduce a new emergency phone number which passengers can use to report acts of violence and vandalism.

A spokesman said stickers bearing a toll-free number would be attached to train windows to enable passengers to report acts of vandalism and violence.

SATS authorities will then contact police or security guards patrolling

Violence can be reported

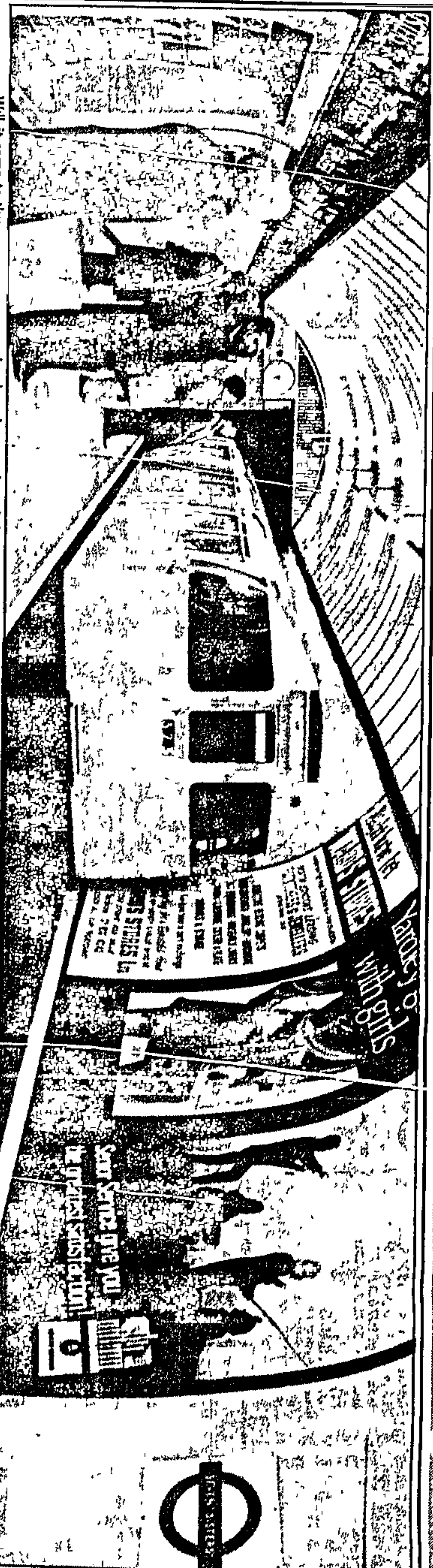
the lines.

Last week at least five people were robbed by spectators who stormed a city-bound train at Observatory station after a soccer match at Hartleyvale Stadium.

SATS said it was not always possible to provide special trains for soccer and rugby spectators because it was not economically viable.

"Spectator numbers have decreased in the last few years — we need at least 2 000 passengers before we can provide a special train," he said.

Meanwhile, police and security officers hired by SATS will continue to patrol the trains, a police spokesman said.



Will it come to this - passengers in London about to board their underground train, known universally as "the Tube". It is said to be subsidised by the taxpayer to the tune of R650 000 every day

The fastest track to multimillion losses

By James Clarke

An underground train system for Johannesburg? Forget it. Throughout the world, these systems are proving to be not only crippling expensive, but they are very much hit-or-miss solutions to the problem of getting people to work.

The Star's London Bureau says even the famed and efficient London Underground is now being subsidised to the tune of R650 000 - a day.

Ramsay Milne, The Star's New York Correspondent, says New York's well-established subway is being subsidised by around R6 million a day.

But the biggest shock of all has come from a study, financed by the World Bank, that recently surveyed 21 mainly Third World cities with metro systems. The survey has particular relevance to Johannesburg.

Unchanged

All but three cities overran their budgets - some by incredible amounts. And not one carries anywhere near the number of passengers it had hoped for.

As for easing traffic congestion, only in one city - Pusan in South Korea - was any difference noticed. Bus services throughout remained more or less unchanged.

Generally all, the metro systems were well run and provided good service, and all greatly

The consortium currently studying mass transport options for Johannesburg would do well to take note of a World Bank report which found that "metro" train systems can become massive drains of financial resources. **JAMES CLARKE reports**

improved the availability of public transport. The greatest single benefit, according to the study, was the saving of commuting time. But the bank noted that because metro fares are frequently higher than for the bus they are usually unaffordable to the poor.

In a report on the survey, the bank's chief of transport planning, Jeffrey Gutman says, "Providing public transport options at low fares, whether metros or buses, is not enough to lure people from their cars."

He says to reduce traffic congestion, cities will have to charge motorists for bringing their cars to town. Singapore has done this effectively and more and more cities are working towards pricing essential cars out of the CBD.

What is the alternative? The report says in cities where no metro systems are built traffic will cease to grow when roads reach saturation point and driving becomes intolerable. This will curb city growth. If the authorities then wish the city to grow further, a metro system may be necessary. Most city authorities that now run metros, it transpired, were led to believe they would be financially viable, "which they certainly are not."

In Calcutta and Rio the cost overrun exceeded 500 percent. Only in Hong Kong, Singapore and Porto Alegre were the systems completed within budget. Cost overruns are not unique to the Third World. Washington's metro was supposed to cost about R9 billion but the final cost was more than R16 billion. Operating costs were supposed to be about R145 million a year but proved to be R440 million. Atlanta, Baltimore and Miami, all with relatively new systems, recorded similar experiences.

be built and maintained by the system. In the case of buses, the roads already exist and maintenance is not the responsibility of the operator.

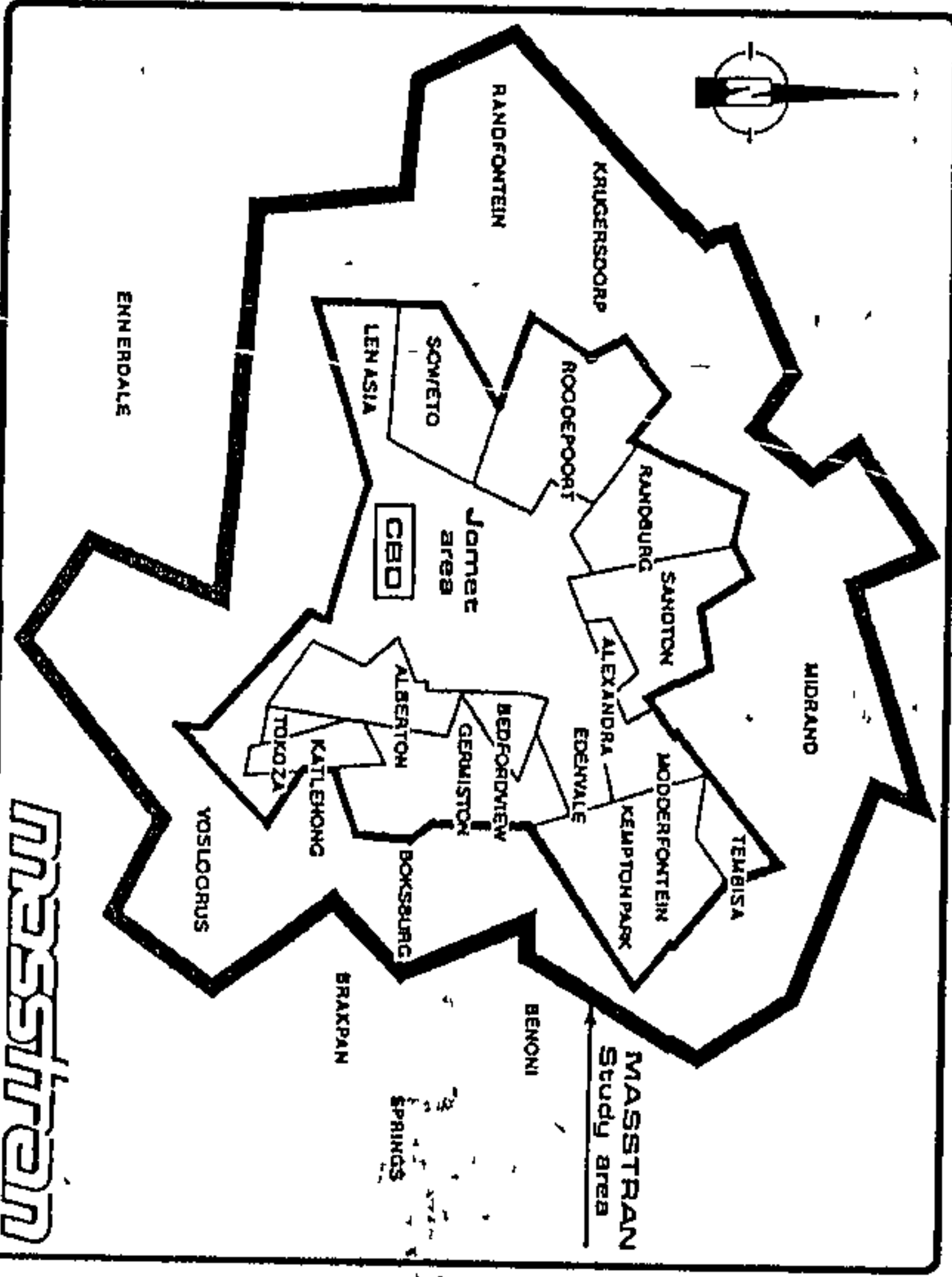
The report says only Hong Kong's system can be considered financially successful - even so, it received R22 billion in equity contributions from the government and free land.

Among the lessons to be learned from all this is that locating people in flats on top of the stations provides a captive market. Another tip offered by the bank is that a single fare should be charged by the city to allow a person to travel his daily route and switch from one mode of transport to another without having to dig into his pocket for more fare.

Ideally, buses and trains should be linked. Richard Seuffield, urban transport specialist with the World Bank suggests that before cities embark on metro projects they should study and price the alternatives, such as bus lanes, segregated busways, improvements in the road network, light rail systems, and extensions to suburban rail lines.

"Further," he said, "because metros tend to benefit middle-income groups - since the poorest don't ride them - governments must decide if they really want to subsidise this part of the population."

Linked



The thick line represents the outer limits of the region covered by Masstran - Masstran being a consortium of transport planners, engineers and others who are working on a mass transit system for the inner Witwatersrand.

After months of intensive homework Masstran is now forming regional public interest groups to discuss public needs and aspirations regarding commuting.



chaotic in the coming season
 Unless a solution is found he finds himself "looking forward to a nightmare in December"

□ In the Northern Hemisphere cruising is booming with vessels of up to 2 500 berths now regularly plying the popular Caribbean, Mediterranean and Pacific routes as well as regular round-the-world trips. The main market remains the US with British, Norwegian, French and Soviet lines luring rich (and not-so-rich) Americans aboard with five-star floating luxury sup-

Looking for a friendly port

Could our ports deal with a jump in passenger traffic? Not now

The travel business has already written off Cape Town, the most popular holiday destination for foreigners, for more cruise ships. The harbour has no passenger facilities except a cargo shed used as a terminal when a liner arrives. "It's just not adequate," says TFC Tours cruise director Alan Foggitt

Durban, however, has a large passenger berth and terminal but this is to be converted into offices for Portnet.

Admittedly, the terminal is something of a white elephant, it's been used for only two-and-a-half months of the year. Portnet, which became a State-owned company on April 1 and must now be run like a private business, is consolidating its three Durban office locations. Its reasoning is good but, with the prospect of more liners calling at Durban, its timing may be bad.

"We've had meetings with port authorities about this and they have suggested erecting a marquee to accommodate passengers going on and off ships," Foggitt says. "But when one looks at the volume of passengers we get — about 2 000 on a liner — this could cause problems" FIM 614190

He points out that baggage must be loaded and customs paperwork completed. Moreover, a marquee might not be the best protection against Durban's heavy summer rains or heat

When problems arise — as in December, when two passenger ships carrying a total of more than 3 000 passengers berthed on the same day — Foggitt's company gets complaints.

Port manager Jan Mors says the passenger business is changing. "We are still in the process of looking at alternatives for passengers. With the present volume, something like a marquee should be adequate, but it's a bit premature to settle on anything yet"

Last year about a dozen passenger ships called at Durban during the cruise season, November, December and early January. This is expected to increase by three or four vessels this season

Duncan Starke, Durban manager for Polaris Shipping, port agents for TFC, believes a solution could be found through discussions soon with port authorities

Foggitt hopes conditions won't get too

plemented by a diet of French champagne and Russian caviar. Large cruise liners are even being built on spec for this sector.

One Japanese yard came short recently, however, because its off-the-peg cruise liner had to be turned into a hostel for students. ■

CRUISE INDUSTRY FIM 614190

Not ready for growth

Ten years ago the US TV show "The Love Boat" helped to spur a love affair with cruise ships. The sector continues to boom, propelled by the growing number of baby-boomers looking for romance, a suntan, or just a different sort of holiday. Now SA hopes to cash in on the trend. ~~269~~ 269

Shipping agents and tour operators concede that a return to the Union Castle days, when passenger ships called frequently at our ports, is unlikely. They're confident, however, of seeing more liners with the surging popularity of cruising and SA's growing attraction to foreign tourists. This would mean a chance for SA to get a bigger slice of the R300bn-a-year international tourism market. The country now nets around R2bn

No yellow brick road

■ Official indecisiveness has led to reform in a muddle

Every country needs a workable transport policy. Not for government to control the industry but, as Transnet (formerly Sats) MD Anton Moolman puts it, "To create a playing field where all modes of surface transport can compete fairly."

SA is in urgent need of such a policy. Its repressive Road Transportation Act of 1977, though still on the statute books and still being applied to the bus industry, has virtually fallen into disuse as far as road freight is concerned. Even the much-heralded White Paper on National Transport Policy, intended to replace it and accepted by parliament on October 1 1987, is already out of date. What is probably the most momentous upheaval in SA's transport history is being managed by a series of ad hoc measures.

Mindful of this, the chairman of the Institute of Transport of SA, Barry Lessing,

group CE of Spoornet, Transnet's cumbersome named rail operation, recently met 12 top transport men behind closed doors in Johannesburg. The meeting was obviously the first of many; it is not known who attended, and Lessing is not prepared to say how they propose to amend policy, but it can be assumed that with Sats' new allegiance to the private sector there will be little need to consider the sensitivities of the State.

Lessing's view is that any new policy should foster the creation of a cost-effective system in which all transport modes — road, rail, air and sea — connect with each other, and each does whatever it can do best. "We must co-operate but we must also compete," he comments.

Though he refuses to divulge his invitation list, it must be accepted that Ian Moss, director of the Road Freight Association,

occupied one of the chairs — and that he clashed with Lessing. While he likes the concept of transport being inter-modal, he believes government should prevent Transnet from becoming a transport monopoly that controls all those modes.

There was probably also a strong demand that the State should listen to how the private sector wants domestic air routes and SA Airways, which is part of Transnet, to be privatised. This is an integral part of any transport policy. Jackie Walters, executive director of the SA Bus Operators' Association, no doubt fought for a workable multi-modal passenger transport industry. His sector will need assistance if it is to stay in business and get people to work and back every day. It isn't responsible for the decentralisation policy nor establishing remote townships.

According to Phil Erasmus, recently re-elected chairman of the Road Freight Association, the transport industry is troubled. Costs are rising at an alarming rate and it is being affected by some fundamental changes.

Transnet (SA Transport Services until February 20), the biggest single transport operator with assets of R65bn, started operating as a private-sector company on April 1, when it became a government-owned corporation and liable to taxes

Formerly it was a government agency and run like one. The State owns all its shares but the move is a prelude to its eventual privatisation;

While permits are still needed, road freight transport was effectively deregulated in September when Ronnie Meyer, director-general of the Department of Transport, instructed local transportation boards to issue permits — to transport anything from anywhere to anywhere — to all operators whose trucks had valid certificates of fitness and were driven by qualified drivers.

This has opened up road transport dramatically and introduced genuine competition among operators by removing the protection the old system afforded Sats and some private operators. Many won't be able to cope and will go to the wall, and

The responsibility of building and maintaining roads, which has belonged to the State since the early days of the Cape, is being shifted to the private sector

Privatised tollroads have become necessary because the State is running out of funds. This year's allocation for the building and maintenance of roads will be about half last year's R2,2bn in real terms

All of which highlights the problems of having no accepted national transport policy. Transnet's preparation for privatisation is in line with the White Paper's recommendations but the effective deregulation of road freight transport conflicts with the White Paper. The third change, concerning roads, is a bit of ad-libbing based on a recommendation in the White Paper that private companies should be allowed to finance and build tollroads — not that they should be given existing roads to improve and toll.

The White Paper has had some benefits. It spawned the black taxi industry and had a good effect on road freight — but it also left the bus industry in a mess

Some of its recommendations have been enacted. One is the Legal Succession of SA Transport Services Act of 1989, which allowed Sats to be split into a profitable public company, Transnet, and the loss-producing SA Rail Commuter Corp, to be funded by the State and operated by

Transnet The Road Traffic Act, which combines the traffic ordinances of all the provinces into one Act, is another result of the White Paper, it will go into effect on May 1

But the way the road freight sector was deregulated in September differs from the proposals of the White Paper

It stresses that road freight should be deregulated *only* when enough test stations have been set up to check vehicles regularly, that roads are sufficiently well policed to drive off illegal operators and unlicensed drivers, and that a computer data base with comprehensive information on all drivers is up and operating. These conditions are contained in the Road Traffic Act

Jumping the gun

This legislation is aimed at improving control over vehicle maintenance standards in order to reduce the annual R6bn bill for accidents. But even this isn't the complete package envisaged in the White Paper

Whether the new Act will ever be enforceable, even after these shortcomings have been corrected, is doubtful. There is insufficient manpower and finance

Meyer, therefore, jumped the gun to some extent when he deregulated truck permits in September. His directive is only a part, even though an important part, of the road freight quality system

The White Paper's policy on the mass transport of passengers by road was responsible for the creation of the vast black taxi industry, which is creating a black middle class. But its efforts to cure the bus industry's ills failed dismally. Says Walters "Its principles of deregulating the industry cannot be applied. This has left the bus industry in a crisis situation because of a lack of decision and inconsistency in policy application, caused largely by the White Paper's recommendations being unworkable"

Bus operators are limited to fixed routes and fares. They are disadvantaged by black

taxis, which offer virtually door-to-door service. The suggested tender system is unaffordable and will cost the State more than the present commuter subsidy

Nevertheless, the White Paper is a reasonably well-thought-out document, compiled after years of investigation by private- and public-

tor transport experts. It achieved a balance between the needs of Transnet and private-sector transporters, which is what Transnet wanted then, and it mapped out the quality system, for which private hauliers were lobbying

It was also an improvement on the first national transport policy, the Motor Transportation Act of 1930, which was followed by the Road Transportation Act of 1977. Those Acts were passed purely to protect SA Railways & Harbours, as Transnet was known then, against the fledgling private road transport industry. Only hauliers who had permits, which were very difficult and expensive to get, could convey specific goods on specific routes

The system was inflexible. Railways, which became Sats, and those who held similar permits, had the right to — and did — oppose every application for a new permit. It wasn't unusual for an application to become a Supreme Court matter and to cost each of the litigants up to R30 000.

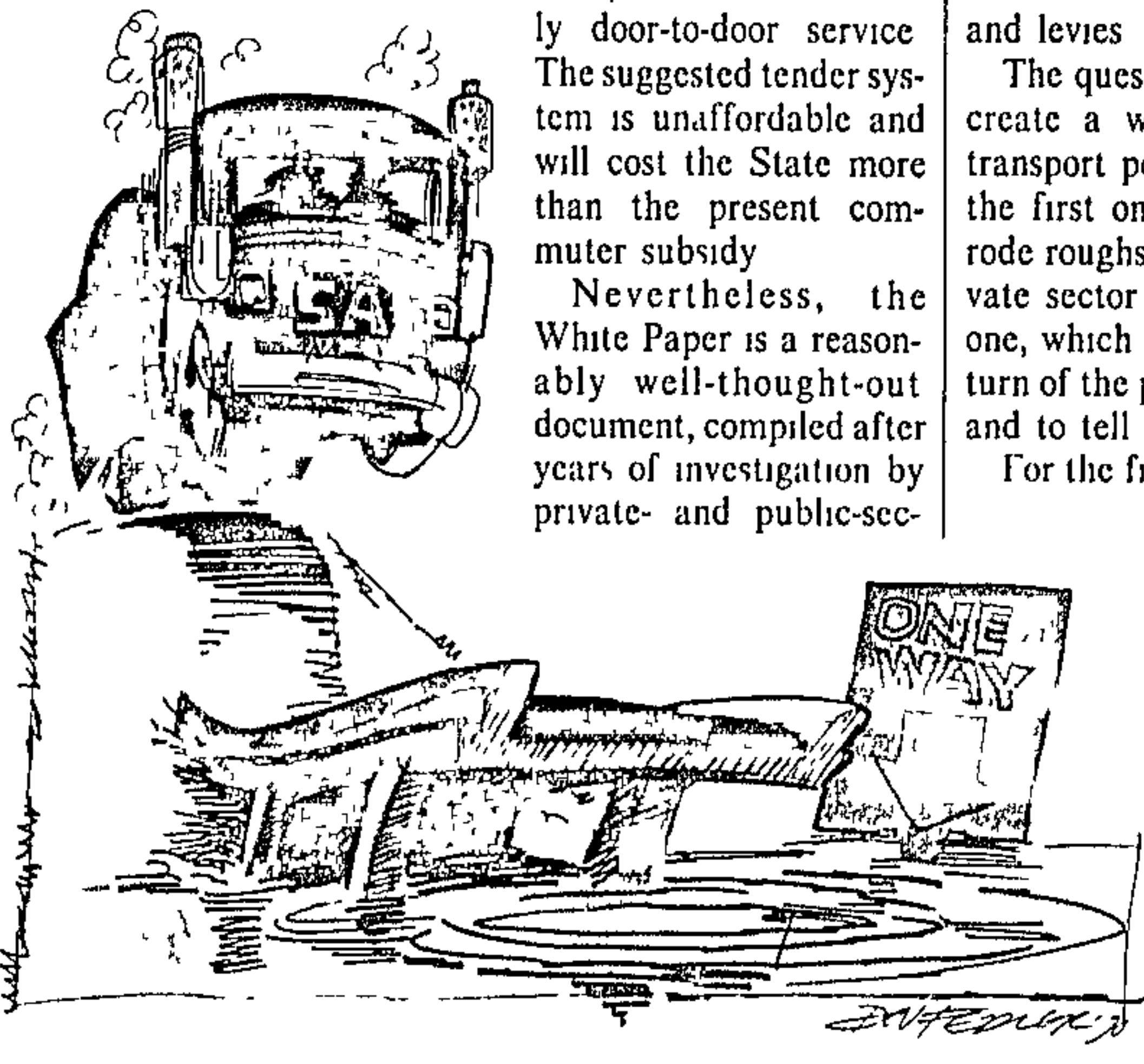
So what went wrong in changing the status quo? The most important factor was government's slowness in implementing its own recommendations. And, while it dallied, the goalposts moved

George Bartlett, Minister of Transport & Public Works, says "Policy is dynamic and requires regular adaptation to its environment. It (the White Paper) had a gestation period of three to four years and reflects the situation pertaining some seven years ago. Since then, there have been many developments in the social, political and transport environment"

One of the things that changed while there was no transport policy was that government suddenly realised that the private road transport industry was a handy source of revenue. This led to former President P W Botha and his Cabinet allowing the Department of Finance to override the Department of Transport on many transport issues. The result was excessive licensing fees, fuel taxes and levies

The question is, what needs to be done to create a workable, efficient and sensible transport policy? The State hammered out the first one. It worked because the State rode roughshod over all opposition. The private sector and the State created the next one, which has virtually died. Now it is the turn of the private sector to hammer one out and to tell the State what it requires

For the first time, government won't have much say. It can no longer assume its former dictatorial role. It may be the only shareholder in Transnet but Transnet now has to conform to private-sector, not parliamentary, norms. It will have to come to heel and create a level playing field and play the game, but according to rules it may not like and which overturn its traditional position of privilege



Council ordered spy dossier on new group

Star 9/4/90 206

By Steve McQuillan and Kitt Katzin

Council security officials in Johannesburg ordered a spy dossier to be opened on a moderate and newly formed political group less than two weeks after the organisation asked to use the City Hall for a public meeting.

And the security division finally turned down the request by the Society of Young Africa to use the Duncan Hall — despite a recommendation by the Security Police that this should be allowed.

The fact that the Security Police gave their approval also shows that the council liaises almost instantly with the Security Police when an application by a public body is made for the hire of a municipal venue.

In the case of the Society of Young Africa, the Security Police had indicated to the city council in 1987 that they would infiltrate the meeting to learn more about the new group's aims.

Indemnified

On the strength of the recommendation by the Security Police that the meeting should go ahead, an application to this effect was made by the city treasurer's department to the management committee. The only condition specified was that the movement should be required to indemnify the council against damage to any of its property.

In the recommendation to the management committee, the purpose of the meeting — as spelt out by the movement in its application — was detailed.

According to a management committee document, the meeting's purpose was to announce a national and international campaign to present the movement's blueprint for constitutional, political, economic, labour and social affairs, which it aimed to negotiate with the Government.

Among 350 invited guests would be representatives of homelands and local authorities, the diplomatic corps, professional groups, and business, labour and community organisations.

Among the political objectives of the society, as outlined in its application to hire the Duncan Hall, was the national self-determination of blacks and whites, the protection and promotion of coloureds and Indians, common citizenship,

and a commitment to moderate the extremes of nationalism and liberalism.

Despite the Society of Young Africa's moderate character and the Security Police clearance for the movement to make use of council venues, the then senior deputy director of the security department, Brigadier Jan Visser, disagreed.

In a memorandum in which he urged that the application be refused, Brigadier Visser described the society as a radical movement, made up of "Charterists" who supported the Freedom Charter, the M-Plan and the Comrades movement.

According to Brigadier Visser, the movement was not affiliated to the Pan Africanist Congress or the Azanian People's Organisation, whose members, according to him, disrupted an "Action Day for Africa" convention held by the society in Soweto on April 15 1987.

As far as Brigadier Visser was concerned, the group's application to use the City Hall was an attempt to generate publicity for the purpose of recruiting support among black radicals.

A week after the brigadier's memo was circulated, Mr F J "Frik" Barnard, a council security officer now seen as the prime force behind the intelligence section — which controlled a spy ring — ordered that the new group be monitored.

Alleged irregularities

He instructed Mr P Assenmacher, a former spy handler and head of the intelligence section, to open a file on the Society for Young Africa and collate details concerning its structure and objective. He was also ordered to compile profiles on its leaders.

● A commission of inquiry will start hearing evidence this week into alleged irregularities in the city council's security department, including The Star's spy ring disclosures.

Advocates leading evidence can be contacted directly by anyone wanting to testify or give information. Mr D M Fine, SC, can be reached on (011) 28-2000 and Mr W L Wepener on 28-3140.

People wishing to testify or give information can also contact Mr F Malherbe on (011) 472-1400 ext 323, or contact the commission in writing. The address is Private Bag X30, Roodepoort 1725.

Slowcoaches will be forced into left lane

When the country's new Road Traffic Act comes into effect, it will be an offence to hog the right-hand lane even if the would-be overtaker is exceeding the speed limit. It's all part of the authorities' attempts to make our roads a bit less dangerous, reports **BRENDAN SEERY**.

From June 1, the road hog flashing his lights and hooting at you to move out of the fast lane on the freeway will be in the right — legally.

On that date, South Africa's new Road Traffic Act will make it an offence for slowcoaches not to move over, regardless of the speed of the right-lane flyer.

The new rule compels the driver in the lane furthest to the right on a freeway to move to a lane to the left when the overtaking driver signals him by flashing his lights or using his hooter.

If the slower driver does not move over when it is safe to do so, he or she will be committing an offence punishable by a fine of R2 000 or six months' jail, or both.

The Automobile Association, the National Road Safety Council and traffic authorities have welcomed the new regulation, which is one facet of a new, comprehensive Road Traffic Act which will be gazetted this week.

Overtaking

AA spokesman Mr Robin Scholtz said the new overtaking rule would help the "ease of passage" of traffic and go some way towards curing the sometimes chaotic situation on freeways where faster cars are overtaking to the right and left of slower traffic.

While he accepted that motorists travelling at the legal maximum of 120 km/h might, in effect, be accomplices in the commission of an offence if they moved over to let a speeding driver through, Mr Scholtz said he believed motorists did not have the right to take the law into their own hands by trying to force others to stick to speed limits.

The AA was concerned, however, about how the new rule would be enforced in practice by traffic officers, Mr Scholtz said.

Mr Jan O'Kelly of the traffic inspectorate of the Transvaal Provincial Administration agreed that applying the regulation might be difficult, but he said the new law was vital.

Pressure

"There must be some kind of pressure put on motorists to keep that lane as clear as possible and they must be told that it's not their duty to enforce the law," he said.

Mr O'Kelly said people deliberately blocking the fast lane might block an emergency vehicle.

"Just because the car behind you doesn't have a flashing light on the roof, or a siren or an ambulance sign, doesn't mean it might not be involved in some kind of genuine emergency," he added.

Mr Eric Wise, director of the National Road Safety Council in Pretoria, said he was thrilled about the new regulation. He described the entire issue of overtaking on the right as an emotional one, but said South African motorists had to get into the habit of regarding overtaking as an act always to be done on the right.

It was frustrating and dangerous when the fast lane was obstructed.

"Speed is not the issue here. Someone travelling at 40 km/h in the right lane is as dangerous as someone travelling at 160 km/h," Mr Wise said.

Big saving in new transport rebate system

GOVERNMENT expects to save tens of millions of rands with the scrapping of the current Regional Industrial Development Programme (RIDP) dual transport rebate system *B10 11/4/90*

Trade, Industry and Tourism Minister Kent Durr said yesterday the move was in line with government's intention to introduce fiscal discipline to the RIDP and the Decentralisation Board and make the concept cost effective

The dual transport system allowed RIDP concessionaires to claim freight re-

MATTHEW CURTIN

bates on the dispatch of goods by Sats and SAA, and private road rebates from the Decentralisation Board.

From June 1 all transport concessions will have to be claimed from the Decentralisation Board.

Centralised computer control over transport payments in this new format gave the board "hands-on" ability to monitor concessionaires' overall transport

To Page 2

Rebates *B10 11/4/90*

claims efficiently, said Durr.

He described as "worthy" an as-yet-unreleased report compiled by a panel appointed by the Development Council of Ministers, which is known to have criticised government's regional policy. Its findings would be released in May, and government would act upon them immediately.

Durr said private sector reaction had been positive to the radical overhaul of the decentralisation scheme, announced on Monday.

He said a corporate structure for the new Development Board would replace the highly inefficient "indaba-style" for-

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mula of the past. Effective management of decentralisation needed an effective management instrument.

The old board, under chairman Coenie de Villiers, was an amorphous organisation of delegates from homeland governments and regional development corporations. Durr said the board's authority had been open-ended and all development schemes were approved if they complied with basic requirements.

The new corporate structure, an eight-man private sector team aided by industrial experts, is yet to be named. It will be chaired by Industrial Development Corporation senior GM J J de Bruyn.

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AIRLINE INDUSTRY FIM 13/4/90

Liberty of Arabia (269)

Newly formed Liberty Airlines is set to clash this month with SA Airways at a National Transport Commission hearing on its application to fly directly to the US (*Business* January 5). It expects, meanwhile, to conclude a R250m joint venture with Saudi Arabian businessmen to fly pilgrims on their way to Mecca.

F/Mail 13/4/90 (269)

Liberty, an Umhlanga company formed last year with a 55% shareholding by black businessmen, says the deal will allow it to fly pilgrims to Mecca from SA, Mauritius and Pakistan.

It has linked up with two travel companies in Jeddah to serve the Haj, a trip undertaken by millions of Muslims worldwide up to three times a year.

SA pilgrims making the trip have been beset by a number of problems. They frequently find themselves stranded en route or not even getting off the ground as fly-by-night travel agents disappear with their air fares.

Liberty MD Bill Fourie says his organisation and the Saudi companies plan to buy three Boeing 747s. He says the return fare will be about R2 400, roughly the rate offered by other airlines from Jan Smuts to Jeddah. He expects the bulk of the customers to come from Pakistan (about 9 000 annually) with a further 5 000 from SA and about 3 000 from Mauritius.

Liberty's board has been reconstituted to include three Saudi members, including the kingdom's crown prince, Saud ben Abdulaziz.

The company will appear at the commission hearing, scheduled for April 17-19, to apply for charter flights from Johannesburg to three American cities. The application has been opposed by SAA and Safair. SAA is the only SA carrier licensed to fly directly to the US but it has not been able to since sanctions cancelled its landing rights in 1986 ■

Five die, 10 injured in horror train collision

Weekend Argus Correspondent

PRETORIA. — "Its something I don't want to see again — never," said Mrs Anna Ferns, a survivor of Nylstroom's horror train crash.

"Everything was dark. I had just lit a cigarette — then I heard a crash."

Five people died and 10 were injured when Die Bosveld, a passenger train carrying 160 passengers from Pietersburg to Johannesburg, collided head-on with a diesel unit 5km outside Nylstroom at 126am yesterday.

Those killed were Mr Paul Johannes Botha, 36, of Duiwelskloof and his daughter Denise, 9, Alletta Elizabeth Rossouw, 7, of Naboomspruit, Private Michael Cecil Elliott, 19, of Pigg's Peak, Swaziland, and Private Lourens Matthys du Toit, 23, of Belfast, Transvaal.

Five fuel tankers being pulled by the diesel unit caught fire and erupted into an inferno.

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Relating her ordeal from a hospital bed a severely shocked Mrs Ferns, 51, of Pietersburg, said she heard "nerve-shattering screams" and saw flames leaping into the sky.

Spoornet, the railways division of Transnet, has begun an inquiry.

The injured were taken to the F H Odendaal hospital in Warmbaths and to the H F Verwoerd and I Military hospitals in Pretoria.

"I was in my gown when I heard the crash and I shouted at my husband. 'They're shooting at us,'" Mrs Ferns recalled.

"All the lights inside the train were out, but the flames were coming closer and we grabbed as many of our belongings and ran outside.

"I remember sitting in a police van and later walking down the service road next to the track. People were shouting and running around us."

A holidaymaker heard the collision,

reported the matter to the police and a rescue operation — including emergency units from Nylstroom, Warmbaths, Akasia and Spoornet — swung into action.

"I told my husband I couldn't walk any farther and we sat down next to the road where an ambulance took us to hospital," Mrs Ferns said.

"We're just glad we're alive."

Keeping a vigil next to her mother's bed, Mrs Ferns' daughter, Mrs Johanna Mostert, also of Pietersburg, said her father phoned her about 3.30am.

"He was crying a lot and was very confused," Mrs Mostert said.

"He said something about 'I took all my clothes and my wife from the train and we ran away from the flames'."

■ Turn to page 3



Rescue workers at the crash scene near Nylstroom, 110km north of Pretoria.

Mr Piet Ferns, a retired Spoornet worker, and his wife were travelling to visit a daughter in Standerton. They would have returned to their home after the Easter weekend.

Mrs Ferns was admitted to the F H Odendaal Hospital in Nylstroom for observation and Mr Ferns was treated for shock and discharged.

A fireman said witnesses reported that the inferno could be seen kilometres away.

"The first rescue teams were on the scene and attending to the injured within 15 to 20 minutes," he said.

The people killed were all travelling in a carriage directly behind the locomotive.

While the search continued, belongings of the passengers — including army kits, wallets, personal blankets, books and a transistor radio — were removed from the wreck.

The first carriage was pushed on top of the locomotive.

It was thought the drivers jumped out when they realised the trains could not be stopped.

An engine driver's assistant was slightly injured.

It was expected that traffic would be restored as soon as clearing-up operations were completed this afternoon — if the fuel tankers did not pose further threats.

He added that rail traffic would not be disrupted much as "being a long weekend only a skeleton service operated on the line".

Fuel tankers erupt in inferno

■ From page 1

Handwritten: Hansard 17/4/90

(2)

	(a)	(b)	(c)	(d)
Whites	172 138	196 576	64 617	536 590
Coloureds				
Indians				
Blacks				
Industrial council agreements	(Estimated figures)			
Conciliation board agreements	—			
Arbitration awards	—			
Wage Board determinations	—			
Orders (sect 51A)	All races 142 800 (separate figures are not readily available)			

Figures are not readily available

Note: Figures supplied are according to the definition of "wage regulating measure" in section 1 of the Labour Relations Act 1956. Some persons may be accounted for twice as all wage regulating measures are included. See paragraph 1 29 of the Department's Annual Report, 1989, as well as paragraph 24 of the Preface and Review

Industrial Court: cases

251 Mr P H P GASTROW asked the Minister of Manpower

- (a) How many cases were referred to the Industrial Court, (b) how many of these cases were settled before evidence was called, and (c) how many *status quo* orders were granted and (ii) refused, in 1989?

Handwritten: Hansard 17/4/90

B641E

The MINISTER OF MANPOWER

- (a) 4 492
- (b) 2 059 cases settled or withdrawn before hearing
- (c) (i) 154
- (ii) 183

Note: These figures are for the period 1 November 1988 until 31 October 1989. Please see table 1 1 on page 146 of the Department's Annual Report of 1989.

Industrial accidents

252 Mr P H P GASTROW asked the Minister of Manpower

- (1) (a) How many industrial accidents occurred in 1989 and (b) what was the total cost of these accidents to (i) the State,

HOUSE OF ASSEMBLY

the total period for which the persons injured in such accidents were absent from work?

Handwritten: Hansard 17/4/90

B643E

The MINISTER OF MANPOWER.

- (1) The figures for 1989 are not as yet available
- (2) The most recent figures available are for 1986

- (a) 247 784 as contemplated in the Workmen's Compensation Act, Act No 30 of 1941
- (b) R118 314 740,80
- (c) 3 346 125 man-days

Note: Also see paragraphs 23, 27, 28 and 31 of the Accident Fund Annual Report 1989

Director-General: administrative post

256. Mr C W EGLIN asked the Minister of Foreign Affairs

- (1) Whether a former Director-General of his Department, whose name has been furnished to his Department for the purpose of his reply, has been appointed to an administrative post in his Department, if so, (a) to what post, (b) (i) what are his powers, functions and responsibilities and (ii) over what areas will he exercise them and (c) what is the name of this person,
- (2) whether any agreement has been reached with the present Government of Ciskei in relation to this post, if so, what is the nature of this agreement?

B667E

The MINISTER OF FOREIGN AFFAIRS

- (1) (a) Dr B G Fourie has been appointed on a short term contract in the Department of Foreign Affairs to act in an overall co-ordinating capacity in the Eastern Cape area as from 9 March 1990
- (b) (i) and (ii) He has no executive powers but acts in consultation with the Department of Foreign Affairs and the Ciskei Council of State in a co-ordinating capacity with regard to government functions in the region

as well as those concerning relations between the RSA and Ciskei

Handwritten: Hansard 17/4/90

B643E

- (2) The Chairman of the Ciskei Council of State was consulted on the desirability of the appointment and he welcomed the appointment.

SATS: publicity programme (269)

258 Mr H H SCHWARZ asked the Minister of Mineral and Energy Affairs and Public Enterprises.

- (1) (a) What is the cost of the publicity programme presently being conducted (i) on television, (ii) on radio and (iii) in the printed media by the South African Transport Services and (b) (i) for how long is it intended to continue with this programme and (ii) what is the purpose thereof,
- (2) (a) what is the cost of the publication *Transnet — a leadership corporate profile* and (b) how many copies of this publication have been prepared?

B669E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES.

- (1) (a) (i) R2 038 289,16
- (ii) R191 709,54
- (iii) R1 503 990,17
- (b) (i) Television . until 12 May 1990
- Radio : until 16 April 1990
- Press . until 15 April 1990
- (ii) To introduce the SA Transport Service's name change and to obtain the maximum acceptance for the new Corporate Identity

- (2) (a) R456 250,00
- (b) 35 000

Aggrieved parties: decisions/legal costs

260 Mr P J PAULUS asked the Minister of Manpower

- (a) What amounts were paid by his Department in 1986, 1987 and 1988, respectively, in legal costs in respect of cases in which decisions of the Minister, Director-General and

Sats pay-off cost R105-m

Stc 18/4/90 (269) (49)
A total of R105,45 million had been paid out to the employees who retired voluntarily in terms of the retirement package offer of SA Transport Services, the Minister of Public Enterprises, Dr Dawie de Villiers, told the House of Assembly yesterday.

Replying to a question from Mr Jurg Prinsloo (CP, Roodepoort), he said that 6 806 people had retired voluntarily in terms of the retirement package offer from February 1 1990. — Sapa.

- (2) The possibility of the inclusion is still being investigated in conjunction with the Surveyor-General, Natal.
- (3) No. Due to a lack of funds the building of a magistrate's court is not being considered. The Department of Public Works and Land Affairs has however in the meantime, been requested to lease suitable accommodation for a periodical court at Newlands East.
- (4) Falls away *Hansford 18/4/90*

Mr L T LANDERS Mr Chairman, arising from the hon the Deputy Minister's reply, I would like to ask him whether he is aware that, in order to get to the Verulam Magistrate's Court, the people of Newlands East must travel to Durban where they have to catch a train at the station which is right next door to the Durban Magistrate's Court. Therefore it makes absolutely no sense to have Newlands East included in the Inanda magisterial district, when the people have to travel all the way to the Durban Magistrate's Court just to take a train from there to the Verulam Magistrate's Court.

The DEPUTY MINISTER: Mr Chairman, I thank the hon member for that information. The matter is being given serious consideration. I may just add that a previous MP was of the opinion that it should still remain in the Inanda district. However, we are giving the matter serious consideration.

Mr L T LANDERS Mr Chairman, further arising from the hon the Deputy Minister's reply, I would like to ask him if he can tell the House what that MP's reasons were for wanting Newlands East to remain in the Inanda magisterial district?

The DEPUTY MINISTER Mr Chairman, unfortunately I do not have that information.

Johannesburg City Council: transport services

*4 Mr T R GEORGE asked the Minister of Transport *Hansford 18/4/90 (269)*

- (1) To what extent are transport services provided by the Johannesburg City Council subsidized by his Department;
- (2) whether he will furnish the routes involved, if not, why not; if so, what are these routes,

HOUSE OF REPRESENTATIVES

the police station building be sited and (b) when is it anticipated that building operations will be (i) commenced and (ii) completed?

Hansford 18/4/90 (269) C55E
The MINISTER OF LAW AND ORDER.

Yes.

- (a) and (b).

The building of a police station in the area has been approved in principle. Up until now a suitable site could not be identified. Due to lack of funds, the project has also not been included in the present five year building programme.

Mr L T LANDERS: Mr Chairman, arising from the hon the Minister's reply, I would like to ask him whether he and the brigadiers within the police force visited the area in the past five or eight years in order to investigate possible sites.

The MINISTER: Mr Chairman, I personally have not been there, but the people from my Department actually visited the area and they are at present looking for a site. If the hon member has any suggestions that would assist us to locate a site, I would appreciate it.

Third-tier government: replacing of current legislation

*6 Mr T ABRRAHAMS asked the Minister of Planning and Provincial Affairs

- (1) Whether consideration is being given to replacing current legislation controlling third-tier government; if not, why not, if so, (a) what is being envisaged in this regard and (b) when will the necessary steps be taken,
- (2) whether he will make a statement on the matter? *Hansford 18/4/90 C63E*

The MINISTER OF PLANNING AND PROVINCIAL AFFAIRS

- (1) Yes.

(a) and (b) An investigation by a task group of the Council for the Co-ordination of Local Government Affairs to determine options for a new local authority structure, has already been in progress for a considerable time. The report of the task group will soon be presented to the relevant

Council Legislation regarding a new structure can only be submitted after the structure has been decided on through negotiation.

Hansford 18/4/90

- (2) No, not at this stage *Hansford 18/4/90*

†Mr J A RABIE: Mr Chairman, arising out of the reply of the hon the Minister I should like to ask whether a due date for submitting the report can be determined.

†The MINISTER: Mr Chairman, a due date cannot be determined as the task force is still doing the investigation. The hon member has also been a member of the co-ordinating council concerned and that issue will still come before the council this year in terms of its decision. Thereafter the options will be referred to the Government who will then make decisions on the negotiations for a totally new constitutional dispensation in respect of third level government.

For written reply

General Affairs

Cape Flats: offences

5 The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Law and Order:

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm and (d) rape were reported at each specified police station in (i) Retreat, (ii) Langa, (iii) Elses River, (iv) Bishop Lavis, (v) Mitchell's Plain and (vi) Manenberg in 1989? *Hansford 18/4/90 C13E*

The MINISTER OF LAW AND ORDER

	(a)	(b)	(c)	(d)
(i) Kurstenhof	2	12	137	9
(ii) Langa	48	6	477	46
(iii) Elses River	87	37	1315	117
(iv) Bishop Lavis	78	60	882	126
(v) Mitchell's Plain	84	32	593	214
(vi) Manenberg	50	26	592	61

Note.

- (1) Retreat police station's name has changed to Kurstenhof
- (2) Because the South African Police is not satisfied with the crime situation in the

HOUSE OF REPRESENTATIVES

Newlands East, Durban: police station

*5 Mr L T LANDERS asked the Minister of Law and Order *Hansford 18/4/90*

Whether it is the intention to establish a police station area in the Newlands East area of Durban, if not, why not, if so, (a) where will

- (3) whether he will make a statement on the matter? *Hansford 18/4/90 C50E*

The MINISTER OF TRANSPORT.

- (1) The Department of Transport does not subsidize transport services provided by the City Council of Johannesburg.
- (2) Falls away, *(269)*

(3) It can be mentioned for the honourable member's information that the Indian, Coloured and Black commuters residing in townships such as Ennerdale, Coronation, Eldorado Park, Lenasia, Soweto, Evaton, Alexandra and who are employed in the municipal areas of Johannesburg, Sandton and Roodepoort are subsidised by the Department.

During the 1989/90 financial year Lenasia Bus Service transported the Indian commuters between Lenasia and their places of employment in Fordsburg, Braamfontein, Wynberg and Doornfontein who were subsidised to the amount of R384 827,80.

During the same financial year the Coloured commuters were transported by the following bus companies and were subsidised as follows:

Puto Ltd	R3 449 647,20
Puto Operating	R767 796,31
Davids Bus Service	R393 542,03

The Black commuters were transported by Puto Ltd and during the same financial year received a subsidy from the Department to the amount of R29 365 845,52.

It must be pointed out that these commuters (workers) are subsidised because they are living substantially far away from their places of employment.

As the Johannesburg City Council operates a bus service within the boundaries of the municipal area of Johannesburg, distances travelled by commuters making use of their services do not warrant a state subsidy.

HOUSE OF REPRESENTATIVES

QUESTIONS

Indicates translated version

For written reply.

General Affairs

Nature conservation as a subject

12. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of National Education

- (1) How many educational institutions in the Republic offered nature conservation as a subject in 1989,
- (2) how many (a) White, (b) Coloured, (c) Indian and (d) Black students (i) applied for admission to, and (ii) were enrolled at, each specified institution offering nature conservation as a subject in 1989? C36E
- The MINISTER OF NATIONAL EDUCATION:
- (1) Nature Conservation as a specific subject is not offered by public ordinary schools
- (2) Because the returns for 1989 have not yet been submitted, only the 1988 figures are given.

	Whites	Coloureds	Indians	Blacks	Total
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Environmental Studies
Health Education
Geography Std 2-4
General Science Std 2-4

These subjects are compulsory for all pupils at some stage during the junior and senior primary phase. The Department of National Education does not have the exact numbers of pupils at its disposal

Youth Preparedness Gr 1-Std 4	Compulsory, no numbers available	179 361	62 287	198 507	255 212	695 367
General Science Std 5-7		247 395	165 205	85 195	286 295	784 090
Geography Std 5-10		121 378	41 660	87 238	154 837	405 113
Biology Std 8-10		6 986	48	735	74 127	81 896
Agricultural Science Std 5-10		651	—	—	—	651
Field Husbandry Std 8-10		131 399	—	—	—	131 399
Youth Preparedness Std 5-10		937	—	—	—	937
Practical Agricultural Science Std 6-10		857	—	—	—	857
Animal Husbandry Std 8-10		—	—	—	—	—

HOUSE OF REPRESENTATIVES

At technicians 80 students obtained the qualifications mentioned under (1). The vast majority of these were Whites.

Subsidized transport for pensioners

18 Mr T E GEORGE asked the Minister of Transport

- (1) Whether his Department pays subsidies to the Johannesburg City Council in respect of pensioners using transport services provided by the City Council, if so, what amounts are allocated in respect of (a) White, (b) Coloured, (c) Indian and (d) Black pensioners;
- (2) whether he will furnish the routes to which these subsidies apply, if not, why not; if so, what are the (a) routes and (b) sums involved;
- (3) whether he will make a statement on the matter?

He will 19/4/90 C51E

The MINISTER OF TRANSPORT

- (1) No.
(a) b); (c) and (d) fall away
- (2) falls away,
- (3) no

Certain teacher training colleges: students/staff

23. Mr T ABRAHAM asked the Minister of National Education:

- (1) Whether he will furnish information on the (a) Durbanse Onderwyskollege, (b) Edgewood Teacher Training College and (c) Bechet Training College, if not, why not, if so, what is the (i) student capacity, (ii) staff establishment and (iii) current enrolment of each of these colleges;
- (2) whether current students and staff members of the Bechet Training College will be accepted at the other two colleges, if not, why not; if so, (a) when and (b) at which of these colleges;
- (3) whether he will make a statement on the matter?

He will 19/4/90 C61E

The MINISTER OF NATIONAL EDUCATION

(1) No. As Minister of National Education I am responsible for determining general policy in certain fields of education and have no responsibilities regarding particular educational institutions. The last mentioned fall under the jurisdiction of the various Ministers of Departments of State responsible for education

(2) Falls away.

(3) Falls away

HOUSE OF REPRESENTATIVES

POST OFFICE FIM 2014190

Playing and reffing

The private sector is sharply critical of the Post Office's announcement that it may compete in the fledgling, but potentially very lucrative, electronic message handling business.

(269)
At a conference on electronic trading held in Johannesburg earlier this month, the Post Office confirmed it is looking at entering the market in the long term.

Many companies believe such a move would be unfair and could severely disrupt the market for electronic message handling services. They point out that the Post Office already controls the national networks that carry these messages and is responsible for regulating the market.

The Post Office insists that network suppliers such as the UK's British Telecom & Mercury Communications, as well as suppliers in the US, also compete with their customers. It says it will adhere to the same regulations that apply to its clients.

Electronic message handling — which involves the storing and rerouting of computer generated information — is one of the fastest growing sectors of the computer industry. More than 3bn electronic messages are transmitted throughout the world each day and this is expected to rise to 100bn by the end of next year.

These messages comprise electronic mail — person to person communications — and inter-company mail known as electronic data interchange (EDI). The market for EDI services promises to be explosive as companies switch from paper to electronic transactions. This is likely to be the battleground between

FIM 2014190

(269)

the Post Office and the private sector

In the US, where General Motors, Chrysler and MacDonaldis have adopted EDI, revenue from these services will top US\$200m this year and is climbing at more than 70% a year. In the UK, where a national EDI service has operated for four years, the market has grown a phenomenal 15% a month for the last 18 months.

In SA, companies such as Checkers, AECI, Philips and Rainet have begun exchanging electronic messages with their suppliers in order to improve efficiency and cut costs. Value-added networks, which store and re-route electronic messages between many local and international companies, have yet to take off. The reason is that, under current Post Office regulations, these services are outlawed.

The Post Office agreed to relax its regulations late last year and is to issue licences to companies which wish to operate value-added networks. But the conditions for receiving licences are likely to be tough. In an attempt to minimise any loss of revenue, the Post Office has made it clear that companies introducing the services must use the national data communication network.

Roger Dawes, ICL's senior business consultant and the chairman of the recent electronic trading conference, says the Post Office should stick to providing the networking infrastructure. By encouraging "qualified value-added network suppliers" rather than impeding them, the Post Office will be able to generate greater revenue by increasing the traffic on its national network, he says.

"The Post Office doesn't understand the realities of being in business. It can undercut anybody because it doesn't know how much its services really cost."

He adds that uncertainty over whether the Post Office is going to enter the market could damage business.

The marketing manager at ISM's marketing support group, John Mitchell, told delegates at the conference that the current situation in which the Post Office is both a player and referee is unfair and detrimental to the development of telecommunications in SA. He advocates the creation of an independent regulatory authority, similar to Oftel in the UK, which will ensure that basic telecommunications services are provided at a reasonable price while allowing competition among suppliers.

The Post Office's senior director of networks, Rod Harker, believes the deregulation of the Post Office will lead to the crea-

FIM 2014190 (269)

tion of such a body. The Post Office would fall under the jurisdiction of a regulatory organisation in the same way as the users of its services, he says.

Harker says there is little money to be made in just providing a networking infrastructure. It is the services added to these networks that are lucrative. He disputes suggestions that the proposed conditions for value-added network licences are restrictive and insists they are more liberal than in many other countries.

Whether the Post Office will introduce electronic message handling services before deregulation is unclear. Harker says there are no plans to do so at this stage. "I want to reserve the right to be able to do it. There will be no foul play."

Reduced commuter subsidy on the cards

GOVERNMENT expects the Rail Commuter Corporation (RCC) to reduce the annual R600m subsidy for commuters, Transport, Public Works and Land Affairs Minister George Bartlett said.

The RCC was also expected to develop its properties into income-bearing entities, he said.

He said this yesterday at the official signing over of Transnet's commuter assets to the RCC, which was established on April 1 with the capacity and power to trade as an individual legal entity.

The creation of the RCC as a separate entity made it possible to split potentially profitable Sats assets from non-profitable assets, thereby relieving Transnet of its cross-subsidisation burden.

Bartlett said he foresaw a strong

By Day 20/4/90

EDWARD WEST

(269)

liaison between the new corporation and the departments of transport and finance.

The corporation was established to rid Transnet of its uneconomic social services and to create a body to take over rail commuter functions shed by Transnet, he said.

The creation of the RCC would enable government to focus on whether losses suffered were justified and would also allow the state to exercise better control over rail commuter services, he said.

According to Bartlett, government expected the RCC to narrow the deficit in operating commuter services and flatten the curve of high peak rail commuters by adapting rail services more effectively with road commuter services and vice versa.

The Transport Department would co-ordinate passenger transport, but some detailed passenger transport functions would eventually be devolved to regional services councils (RSCs) or passenger transport authorities, he said.

These bodies would become responsible for the cost of commuter services. Since industrial and commercial ratepayers would benefit from low fare structures, these firms would make contributions to commuter services through RSCs.

In SA, 2,5-million passengers travelled daily by trains.

During peak periods, more than 300 commuter trains carrying nearly 1,2-million passengers were scheduled daily in the Johannesburg area.

In the 1989/90 financial year, 574-million passengers were transported.

HOUSE OF DELEGATES

QUESTIONS

†Indicates translated version

For written reply

General Affairs

Hansard 23|4|90

Hospitals: unrest victims

12 Mr K CHETTY asked the Minister of National Health and Population Development

Whether her Department keeps records of the number of unrest victims treated at hospitals under her control, if not, why not; if so, (a) how many such victims were treated in each province during the latest specified period of 12 months for which figures are available and (b) what was the total cost to the State?



D81E

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

No, the Department of National Health and Population Development and the four provincial administrations do not keep records of unrest related victims treated in hospitals under their control

It is not administratively possible or managerially necessary to identify and record unrest related patient contacts.

SATS: Indian train drivers

17 Mr K CHETTY asked the Minister of Mineral and Energy Affairs and Public Enterprises *Hansard* 23|4|90.

(1) Whether, since the reply to Question No 2 on 22 May 1986, any Indians have been employed as train drivers in the South African Transport Services, if not, why not, if so, how many,

(2) how many Indian assistant/pupil train drivers (a) were trained by the Transport Services, (b) qualified as train drivers and (c) resigned before qualifying during the latest specified period of five years for which figures are available,

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

269
THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(1) No Applicants who comply with the requirements are initially employed as train driver's assistants. Once they have successfully completed the training course they are appointed as pupil train drivers. After having served for four years as pupil train drivers, and it is deemed that they have gained enough practical experience, they are considered for appointment as train drivers. No Indian has as yet completed four years service as pupil train driver.

(2) (a) 98

(b) 0

(c) 54

(3) No

HOUSE OF ASSEMBLY

INTERPELLATIONS

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language

General Affairs

Commission: national holidays/symbols

1 Mr H D K VAN DER MERWE asked the Minister of Home Affairs

(1) Whether he is considering recommending that a commission be appointed to give consideration to national holidays and national symbols, if not, why not, if so, what are the relevant details,

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

B836E INT

***THE MINISTER OF HOME AFFAIRS** Mr Chairman, in no way is the appointment of a commission of enquiry into national holidays and national symbols being considered by the Government at this stage. The answer to the first portion of the hon member's question is therefore no. The rest falls away.

No country's holidays and symbols are immutable, but changing them is a very serious matter. It affects a people and what that people holds most dear. Changes can only be made if they prove useful and would have a positive effect on the Republic as a whole.

The interests of lesser groups can only be sacrificed in the most exceptional of cases, if this is in the broader interests of the country or the broader national interest. Any investigation at this early stage in the constitutional process would be jumping the gun.

The report of the President's Council on its investigation into the number of public holidays on the calendar was tabled in Parliament as recently as 15 September 1987. The report confirms, *inter alia*, that public holidays are a matter that should be approached with great circumspection owing to the nature of the composition of our population. I want to emphasise

that The President's Council did, as a matter of fact, report on every holiday individually.

By way of a press release on 13 October 1989 I confirmed that after careful consideration of the President's Council's report, the Cabinet had decided that as far as the holidays on our calendar were concerned the status quo should be preserved.

Days of remembrance are a subject that can engender a great deal of emotion, not only in a specific population group, but in all the groups. It is completely irresponsible to use this matter to stir up emotions, and as far as possible this issue should be kept out of the political arena. The same considerations also apply to national symbols. The Republic of South Africa has internationally renowned symbols which are accepted as the State's national symbols. I really cannot see what could be achieved by the appointment of a commission of enquiry at this stage. I realise that criticism could be levelled at certain holidays and also at certain symbols. They have, however, served a proud purpose over many decades. We must therefore proceed, without let or hindrance, to treat them with the necessary respect and empathy, as in the past.

I should like to focus on one of these symbols, Afrikaans, my mother tongue, which had its origins in my constituency, Paarl. It is the pride of all Afrikaans-speaking individuals, just as English is the pride of all English-speaking individuals. May our Afrikaans language remain intact for as long as South Africa exists.

***Mr H D K VAN DER MERWE.** Mr Chairman, the hon the Minister of Home Affairs' reply is as unsatisfactory as that given by the hon the State President on Sunday evening in his television interview [Interjections.] The hon the Minister's allies who, as a matter of innermost conviction, the hon the Minister also wants to incorporate in the new South Africa, have already expressed their thoughts on these matters. The hon the Chairman of the Ministers' Council in the House of Representatives said, according to *Die Volksblad* of 15 July 1989

Die Volkslied en die landslag is simbole van diefsal, verontreging en verdrukking. Daarom is dit noodsaaklik dat dit vervaag word.

No discrimination, claims SAA

By David Braun and Claire Robertson

Sta 244190 (269)
A spokesman for SA Airways yesterday rejected allegations by a United States senator that it has a poor employment record with regard to blacks.

"SAA is an equal-opportunity airline. There is no discrimination — we have black, coloured and Indian employees at all levels," said Mr Leon Els.

He was reacting to a statement at the weekend by Senator David Boren, a moderate Democrat and close friend of President George Bush, in which he slated SAA's employment record.

The senator said that by aggressively pursuing an affirmative action programme, SAA could show progress and justify a US decision to lift the prohibition of landing rights.

SAA has been banned from operating flights to the US in terms of the 1986 Comprehensive Anti-Apartheid Act.

There has been intense speculation in recent weeks that the Bush administration would soon rescind the ban as a reward to President de Klerk for his recent political reforms.

Mr Els said yesterday that jobs were open to all citizens, but pointed out that certain standards had to be met.

Senator Boren is generally highly respected by the South African Government as a moderate lawmaker.

He said a large number of people, from policy-makers in Washington to editorial writers, had endorsed a quick lifting of the prohibition of landing rights as a symbolic gesture.

"I believe we must keep in mind the symbolism of this gesture to the majority of South Africans," Senator Boren said.

"South African Airways is a parastatal with a poor employment record.

"Jobs in the airline are prized by South Africans, yet a fraction of one percent of the airline's employees in the areas of flight attendants, pilots and agents are black.

"While SAA is scheduled for privatisation as part of SA Transport Services, I believe the Government should make a good-faith effort by announcing a commitment to end discrimination by the airline," he said.

No discrimination, claims SAA

By David Braun and Claire Robertson

Star 24/4/90

269

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"While SAA is scheduled for privatisation as part of SA Transport Services, I believe the Government should make a good-faith effort by announcing a commitment to end discrimination by the airline," he said.



for specific reasons—is yes, I do not have a problem with that, unless it is made compulsory. Then, of course, it is wrong, and then it depends on the circumstances. When a song like this is sung, however, especially in schools where Xhosa is offered as a subject and the intention is justified, I have no problem whatsoever with it.

†Mr A GERBER Mr Chairman, further arising out of the hon the Minister's reply, would he object if children were asked to stand at attention for this song on such occasions? [Interjections]

†The MINISTER Mr Chairman, the hon member had better keep those nonsensical questions and put them to me in writing at a later date.

Natal teachers: termination of services

*2. Mr R M BURROWS asked the Minister of Education and Culture *Handwritten* 24/4/90

- (1) Whether any teachers employed by the Natal Education Department and teaching in pre-primary schools had their services terminated in December 1989, if so, how many;
- (2) whether these teachers were employed on a permanent basis; if not, on what basis were they employed;
- (3) whether the basis on which pre-primary teachers are employed in Natal differs from the basis used in the other provinces, if so, what are the differences;
- (4) whether he will make a statement on the matter? *B802E*

THE MINISTER OF EDUCATION AND CULTURE:

- (1) Yes, the service contracts of 23 post level 1 teachers which expired on 1989-12-31 were not renewed;
- (2) no, they were employed in a temporary capacity;
- (3) no;
- (4) no.

Mr R M BURROWS Mr Chairman, arising from the reply of the hon the Minister, can he indicate why the service contracts of the 23 teachers were not renewed when the schools required these teachers and there were in fact

commuters between Botshabelo and Bloemfontein in respect of each financial year since the 1978-79 financial year, (b) how many commuters were involved in each of these financial years and (c) which companies received such aid?

THE MINISTER OF TRANSPORT.

(a) (i)

Financial year	Subsidy amount
1978/79 *	None
1979/80 *	None
1980/81	R1 226 822,60
1981/82	R2 577 570,90
1982/83	R3 286 157,65
1983/84	R3 536 391,60
1984/85	R3 980 753,69
1985/86	R5 365 738,60
1986/87	R6 211 841,85
1987/88	R7 088 927,13
1988/89	R8 674 953,65
1989/90	R8 898 168,36

(ii) no other financial assistance was provided by the Department of Transport,

(b) unfortunately the number of commuters is not counted or determinable as such, but the number of subsidised commuter trips undertaken, calculated according to the number and type of bus tickets sold during the respective financial years, is as follows

Financial year	Number of commuter trips
1978/79 *	None
1979/80 *	None
1980/81	1 637 112
1981/82	3 572 458
1982/83	4 535 016
1983/84	5 511 426
1984/85	6 690 966
1985/86	6 209 030
1986/87	6 288 876
1987/88	6 146 135
1988/89	6 237 250
1989/90	5 180 254

(c) Interstate Bus Lines (Pty) Ltd trading as Jakaranda Bus Service

* No subsidies were allocated in regard to the services concerned during these financial years

Thaba 'Nchu/Bloemfontein commuters: companies

214. Mr W C MALAN asked the Minister of Transport

- (a) How much was paid out in (i) subsidies and (ii) other assistance to companies transporting commuters between Thaba 'Nchu and Bloemfontein in respect of each financial year since the 1978-79 financial year, (b) how many commuters were involved in each of these financial years and (c) which companies received such aid?

B539E

THE MINISTER OF TRANSPORT:

(a) (i)

Financial year	Subsidy amount
1978/79	R1 550 420,40
1979/80	R1 936 854,00
1980/81	R1 834 729,65
1981/82	R2 028 615,75
1982/83	R2 093 226,50
1983/84	R2 062 412,80
1984/85	R2 157 438,19
1985/86	R2 381 791,20
1986/87	R2 886 970,71
1987/88	R3 091 642,46
1988/89	R3 574 904,30
1989/90	R3 491 124,56

(ii) no other financial assistance was provided by the Department of Transport,

(b) unfortunately the number of commuters is not counted or determinable as such, but the number of subsidised commuter trips undertaken, calculated according to the number and type of bus tickets sold during the respective financial years, is as follows:

Financial year	Number of commuter trips
1978/79	1 996 166
1979/80	2 577 188
1980/81	2 436 072
1981/82	2 727 872
1982/83	2 893 212
1983/84	3 097 102
1984/85	2 943 980
1985/86	2 691 210
1986/87	2 683 514
1987/88	2 651 316
1988/89	2 354 298
1989/90	1 916 094

(c) Interstate Bus Lines (Pty) Ltd trading as Jakaranda Bus Service.

Certain areas: road accidents

243 Mr E W TRENT asked the Minister of Transport

- (1) (a) How many persons died in road accidents in 1989 in the (i) Ibhayi, (ii) Port Elizabeth, (iii) Johannesburg and (iv) Soweto municipal area and (b) how many of these persons were pedestrians in each case;
- (2) how many car accidents involving minibuses occurred in 1989 in each of the above areas?

The MINISTER OF TRANSPORT: B613E

(1) According to provisional figures for 1989 the following number of persons died in road traffic collisions in the respective municipal areas.

- (a) (i) 92
- (ii) 88
- (iii) 275
- (iv) 289
- (b) (i) 49
- (ii) 51
- (iii) 159
- (iv) 243;

(2) according to provisional figures for 1989 the following number of minibuses were

involved in road traffic collisions in the respective municipal areas

- (i) 203
- (ii) not available
- (iii) 5 890
- (iv) 1 240

Cape schools: salaries paid late

259 Mr J VAN ECK asked the Minister of Education *Hansard 24(4)90*

Whether, with reference to all schools falling under his control in (a) the Greater Cape Town areas, (b) Paarl and (c) Kuils River, any teachers received their salaries after the due dates between 1 July 1989 and the latest specified date for which statistics are available, if so, in respect of each such school, how many teachers (i) were affected each month and (ii) received their cheques (aa) less than two weeks late, (bb) two to four weeks late, (cc) one to two months late, (dd) two to three months late and (ee) more than three months late?

B684E

The MINISTER OF EDUCATION. Particulars in this regard are not kept on record and cannot be collected satisfactorily — even at high cost. It is therefore not possible to furnish the information as requested

Boland schools: salaries paid late

261 Mr J VAN ECK asked the Minister of Education.

Whether, with reference to all schools falling under his control in (a) Worcester, (b) Robertson and (c) Ashton, any teachers received their salaries after the due dates between 1 July 1989 and the latest specified date for which statistics are available; if so, in respect of each such school, how many teachers (i) were affected each month and (ii) received their cheques (aa) less than two weeks late, (bb) two to four weeks late, (cc) one to two months late, (dd) two to three months late and (ee) more than three months late?

B695E

The MINISTER OF EDUCATION

Particulars in this regard are not kept on record and cannot be collected satisfactorily —

even at high cost. It is therefore not possible to furnish the information as requested

Mossel Bay/George/Oudshoorn schools: salaries paid late

262 Mr J VAN ECK asked the Minister of Education *Hansard 24(4)90*

Whether, with reference to all schools falling under his control in (a) Mossel Bay, (b) George and (c) Oudshoorn, any teachers received their salaries after the due dates between 1 July 1989 and the latest specified date for which statistics are available, if so, in respect of each such school, how many teachers (i) were affected each month and (ii) received their cheques (aa) less than two weeks late, (bb) two to four weeks late, (cc) one to two months late, (dd) two to three months late and (ee) more than three months late?

Hansard 24(4)90

B696E

The MINISTER OF EDUCATION.

Particulars in this regard are not kept on record and cannot be collected satisfactorily — even at high cost. It is therefore not possible to furnish the information as requested

Armscor: workers dismissed

274. Mr J CHOLÉ asked the Minister of Defence

Whether any workers at Armscor and Armscor subsidiaries have been dismissed as a result of the reduction of the Defence Force budget; if so, (a) how many workers have been dismissed at (i) Armscor and (ii) each specified Armscor subsidiary since 1 October 1989 as a result of this reduction and (b) in respect of what date is this information furnished?

Hansard 24(4)90 B719E

The MINISTER OF DEFENCE

Yes

- (a) (i) 130
- (ii) Pretoria Metal Pressings (Pty) Ltd 1 144
- Atlas Aircraft Corporation of SA (Pty) Ltd 487
- Somehem (Pty) Ltd 252
- Kentron (Pty) Ltd 215
- Musgrave Manufacturers and Distributors (Pty) Ltd 47

(b) 742 employees at Pretoria Metal Pressings (Pty) Ltd on 30 November 1989. The balance of 1 533 all on 31 March 1990.

National service: doctors

284. Mr M J ELLIS asked the Minister of Defence. *Hansard 24(4)90*

- (1) (a) How many fully qualified doctors are doing national service at present, (b) how many of these doctors are being used in Government hospitals and (c) in respect of what date is this information furnished,
- (2) whether in future doctors doing military service are to be used in this manner?

B729E

The MINISTER OF DEFENCE

- (1) (a) 463
- (b) 11.
- (c) 30 March 1990

(2) Doctors who are at present doing their national service can be used at Government Hospitals until 31 July 1990. Further assistance, thereafter, will as a result of the reduction in the length of military service and the consequent limited number of doctors doing military service, not be likely

SADF: information from Johannesburg City Council

292 Mr P G SOAL asked the Minister of Defence: *Hansard 24(4)90*

Whether the South African Defence Force received from any official or individual at the Johannesburg City Council any information on the activities of any individuals or organisations, if so, (a) what is the name of the individual who supplied the information, (b) what are the names of the (i) individuals and (ii) organisations on whose activities information was supplied and (c) what information was supplied in each case?

B745E

The MINISTER OF DEFENCE.

It is not the practice of any intelligence organisation to divulge any information of individuals from whom information was received or the nature of such information (a) to (c) Fall away

Anger rises over buses

DREW FORREST

MAJOR restructuring in the bus industry is bringing workers under intense pressure, says the Transport and General Workers Union (TGWU).

Depots are being closed, services curtailed, with retrenchments, and tougher discipline being imposed nationwide.

At the same time, industry spokesmen have warned that government plans to slash fare subsidies could deepen the crisis and exacerbate township unrest.

As part of an intense lobbying campaign, the Southern African Bus Operators Association has sent a document to Minister of Transport Mr George Bartlett spelling out the potentially disastrous results of State subsidisation policies.

In conjunction with the

Department of Transport, it has also submitted a memorandum to the Cabinet.

Yesterday, Putco announced that after a seven-week strike at its Wynberg depot, it is to close the division and run it from Soweto and Dobsonville.

Up to 150 of the 450 jobs at Wynberg could be lost, said Putco managing director Dr Jack Visser.

At the same time, the TGWU is to mount an Industrial Court challenge to the imminent closure of Putco's Springs depot, where most of the 230 workers are set to lose their jobs.

The uneconomical Alberton division will also close next week.

The union will argue that the Springs closure is unfair in that alternatives have not been fully explored, and that only a month's notice was given.

TGWU official Mrs Jane Barrett charged



DR JACK VISSER: 150 jobs may be lost.

that bus firms, under heavy pressure from minibus taxis, and facing subsidy cuts, were reacting by "putting the squeeze on workers".

Over the past year the union had also hit problems of depot closures, service cuts, redundancies, and tighter discipline in centres such as Durban, Maritzburg and Bloemfontein.

"What's happening is awful," said Mrs Barrett. "We're facing the long-term loss of a relatively efficient subsidised trans-

port system"

Dr Visser said that as a result of the loss of the off-peak commuter market to minibuses, Putco now carried fewer than half the 400 million passengers it did in 1982.

Extreme pressure on profit margins had meant the loss of 4 000 jobs in four years, while the number of buses had fallen from 3 500 to barely 2 000.

He stressed that with the flood of black people to the cities, there was "no way" the minibus industry could supply metropolitan transport needs on its own.

A bus industry spokesman warned that sharp fare rises could spark violent response in townships.

"Subsidies have to be phased out over a period. The poor live farthest from their place of work, because of Government policies — the Government can't suddenly tell them We can't pay."

representatives (namely that members did not perform their normal duties)

(2) Yes

(a) Grievances in connection with alleged discrimination in respect of work; living quarters, social and outdoor activities, facilities on prison grounds as well as allegations that the existing communication channel does not function effectively and that Commanding Officers are not accessible enough to hear members' grievances

(b) In order to put these allegations into perspective, I wish to direct the Honourable member's attention to the fact that the dealing with the complaints and grievances of personnel is a continuous process. Specific grievances have come to attention recently. Although certain grievances do have substance, there are others with little or no substance and are attributable to wrong/distorted perceptions which have already been rectified/are in the process of being rectified

The Prisons Service is currently compiling a handling strategy which will provide Commanding Officers with guidelines to solve the grievances which have not yet been resolved, as far as possible to the satisfaction of all parties.

One of the stumbling blocks, namely the provision of medical benefits to dependents of Black members, have recently been resolved. The decision to provide this service to members was taken in April 1989, but funds only became available on 1 April 1990

Other stumbling blocks such as the establishing of better quality housing, establishment and upgrading of sports and recreational facilities; the provision of state transport between home and place of work where no public transport is available, are given ongoing attention, but are coupled to financial realities and will not occur overnight

For purposes of complaints and grievances by members of the South African Prisons Service, a communication channel exists which provides that complaints and grievances may be forwarded to the highest level. All members are aware of this communication channel and it has always been the policy of the South African Prisons Service to deal actively with complaints and grievances brought to its attention

Inland Revenue employees: remuneration

*7. Mr D J DALLING asked the Minister of Finance *Hansard 24/4/90*

Whether any employees in the Finance Division. Inland Revenue are remunerated on a commission or revenue-collected basis, if so, what total amount was paid out on this basis in 1989, if not, (a) what is the basis of remuneration for these employees and (b) what total amount was paid out on this basis in the said year?

B766E

The MINISTER OF FINANCE

No — No personnel of Inland Revenue is remunerated on a commission basis or on the basis of tax collected. It follows that no remuneration was paid on this basis during the 1989/90 or any other financial year.

(a) The basis of remuneration is according to fixed salary scales as prescribed by the Commission for Administration.

(b) The total amount paid on this basis during the 1989/90 financial year amounts to R188 099 690. In addition to this, an amount of R1 457 015 was paid during the 1989/90 financial year in terms of a production bonus system to officials in the office of the Receiver of Revenue, Johannesburg.

The reason for the introduction of a bonus system is that a serious staff shortage is continually experienced at that office and the existing staff have to work that much harder to keep the work up to date. The remuneration is paid monthly on the basis of the production of all the officials of the office for the relevant month. It is in no

way related to the collection efforts of individual officials *Hansard 24/4/90*

Transferability of pensions

*8 Mr P J PAULUS asked the Minister of National Health and Population Development † Whether the transferability of pensions is being investigated at present, if not, why not; if so, when is it expected that a report on this investigation will be available? *Hansard 24/4/90* B774E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

Yes, transferability of pensions already exists between State controlled pension funds mutually, as well as between such funds and certain other pension funds. Investigation into the transferability of pensions generally, forms part of the terms of reference of the Mouton Committee of Investigation into a Retirement Provision System for South Africa, appointed by the Minister of Finance.

Police investigation into death of Mr Thikitha

*9 Mr L FUCHS asked the Minister of Law and Order *Hansard 24/4/90*

Whether, with reference to the reply by the Minister of Justice to Question No 20 on 20 March 1990, the Police investigation into the death of Mr Thomas Mavimbela Thikitha near Heidelberg, Transvaal, on 13 February 1990 has been completed, if not, (a) why not and (b) when is it anticipated that the investigation will be completed, if so, what were the findings? *Hansard 24/4/90* B796E

The MINISTER OF LAW AND ORDER

Yes, however the results of the tissue tests are still being awaited before the docket can be submitted to the Attorney-General for his decision

(a) and (b) Fall away

International School in Bophuthatswana: money

*10 Mr M J ELLIS asked the Minister of Foreign Affairs *Hansard 24/4/90*

(1) Whether he gave an undertaking that the South African Government would give a sum of money to the International School

in Bophuthatswana, if so, what are the relevant details; *Hansard 24/4/90*

(2) whether he has made any arrangements for this sum of money to be given to the said school; if not, why not, if so, (a) what arrangements, (b)(i) what is the amount involved and (ii) why was it promised and/or given and (c) for whom does this school cater? *Hansard 24/4/90* B798E

The MINISTER OF FOREIGN AFFAIRS.

(1) Yes. South Africa will provide, in the form of a loan, 50% of the costs of the construction of the school building

(2) Yes

(a) In terms of a loan agreement signed on 28 November 1989, Bophuthatswana may make drawings on the loan amount

(b) (i) R3 850 000,00

(ii) The RSA decision to assist financially in the construction of the school was based on various considerations including a study undertaken by the Department of Education and Culture and the Cape Director of Education.

(c) There are at present 176 enrolled students, of whom 43 are citizens of Bophuthatswana and the rest are representative of 22 nationalities standing over.]

Third party insurance: compulsory

*12 Mr M J ELLIS asked the Minister of Transport *Hansard 24/4/90* B801E

Whether the Government intends making the balance of third party insurance on motor vehicles compulsory, if not, why not; if so, when?

The MINISTER OF TRANSPORT.

No. This matter has been considered on many occasions by among others the Grosskopf Commission (appointed in 1981) and the Ad-

visory committee (established under section 7 of Act 84 of 1986) and never recommended Matters such as these are, however, continually under consideration and compulsory balance of third party insurance is at present once again receiving the attention of the Department of Transport *Hansard* 24/4/90 269

INTERPELLATIONS

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

Education models: standpoint of parent bodies

Mr A GERBER asked the Minister of Education and Culture: † *Hansard* 24/4/90

Whether the Government will regard the standpoint of representative parent bodies in regard to the proposed new education models proposed by him on 23 March 1990, as binding? *B839E.INT*

*The MINISTER OF EDUCATION AND CULTURE Mr Chairman, parental involvement and the inputs of its statutorily recognised advisory bodies are very important to the Government, as is determined in Act 39 of 1967.

A total of seven non-statutory parent associations from the four provinces receive official recognition at present, and have sitting in the four statutory provincial educational councils, to which I referred the additional models for the provision of education for advice The individual associations represent tens of thousands of families of both language groups with different political convictions It is even possible for parents from one school to belong to different parent associations

The seven associations are affiliated to the statutorily recognised Federation of Parents' Associations of South Africa This federation serves as an umbrella body and link between the parent community and the Minister, and I have referred the two additional models to this federation for advice as well The standpoints of the individual parent associations will be taken into account by the federation in its commentary

The Federal Teachers' Council was also asked for advice, and it is also logical to accept that more than one standpoint may emerge from this source For this reason, and also because of the divergent needs of the communities that are represented by the seven parent associations and the councils, it would not be possible, therefore, to regard any specific advice as binding

The Government will evaluate all the advice it receives and then decide on an additional model or models. I appreciate the fact that this topical matter is being discussed intensively in communities It would be wise, however, to keep in mind that no finality has been reached as yet and that any conclusions are merely speculative at the moment *Hansard* 24/4/90

Once the Government has taken a decision, it will not be the parent association or the councils that will take a decision in respect of the acceptance of an additional model for a specific school, but the vast majority of individual parents of the registered pupils of each school will have to address an unambiguous request to me. This contains a guarantee for the school community No one will force a decision onto the parents.

*An HON MEMBER: Except the Broederbond [Interjections]

*The MINISTER: When they have all the facts at their disposal, they themselves will have to decide whether they want to retain the status quo, or want to select an alternative model Nothing will therefore be done against the will of the vast majority of the parents in each school [Time expired]

*Mr A GERBER Mr Chairman, let me make it clear once again The CP has never agreed with the Government that political decisions should be devolved to parents and management councils Decisions with regard to mixed school sport, the throwing open of schools, etc, must be taken by the Government They do not belong on the agendas of management councils at all But while the Government is trying to make so much of parental choice, and while the hon the Minister now even wants to leave the throwing open of schools to parent communities, we insist unambiguously on an answer to the question as to whether he is going to accept the standpoint of the organised parent bodies which are to advise him before 15 June, as binding?

In addition, and perhaps of even greater importance, the question is whether the hon the Minister and his colleagues are going to leave the choice in the hands of parent bodies, and whether they are going to be intimidated surreptitiously in all kinds of ways to support the Government [Interjections]

The hon the Minister is in big trouble He thought all the parents would tell him his assurances were enough for them, that they trusted the NP, and that the NP had never broken a single promise to the voters [Interjections] However, the Cape Afrikaans-speaking Parents' Organisation, of whom one could perhaps have expected a different approach, have said they want to tell the Government in the strongest and clearest possible terms that they cannot and do not want to accept the two additional education models

I put it to the hon the Minister that he will not really receive an objective standpoint from parent bodies as advice. The hon the Minister is merely seeking confirmation for mixed education in a new South Africa with regard to which the NP has already adopted a standpoint [Interjections]

The hon the Minister is playing a game with parents. This has emerged from the reaction of the hon members for Port Elizabeth North and Kempton Park, who do not grant the CAPO the democratic right of saying that they find those new education models unacceptable [Interjections]

I also put it to the hon the Minister that the NP has already decided to implement the new education models They have already decided to do so They have merely requested the advice of parent bodies and also the organised teaching profession because the hon the Minister finds it convenient to use this to defend his undemocratic conduct in this connection.

The Government asks us time and again whether we do not trust the parents We ask the hon the Minister this afternoon whether he does not trust those parent bodies which speak on behalf of the white parents in South Africa. If the hon the Minister is not prepared to accept their judgement with regard to the new education monstrosities which are on his table, the hon the Minister is playing a game. [Time expired]

Mr R M BURROWS Mr Chairman, it is very interesting to hear the viewpoint of a CP speaker that they believe political decision-making should not be devolved to parents, regional organisations or organisations in schools I have no doubt then that the CP will accept the decision of a new government in South Africa when it decides that all schools shall be open That is no doubt what they mean [Interjections]

It is ironic to hear from CP mouths that they are appealing to the Government not to intimidate parents If there is anybody doing intimidation on this kind of level, it is the members of the CP [Interjections]

Let us talk about the Cape Afrikaans-speaking Parents' Organisation that gave a view on this I want to ask the hon members of the CP How many people from the Western Cape were represented at that meeting? Five! There were only five from the whole of the Western Cape. That is certainly not a representative body of parents! [Interjections]

Let us also be quite clear about it that the representative organisations that the hon the Minister has consulted at national or federal level are representative of the broad mass of parents across South Africa—English-speaking and Afrikaans-speaking. Certainly if views are going to be binding, they may be views that the CP may not like So we believe that the organisations being consulted in an advisory capacity—the parents, the teachers and the education councils—should be allowed to give their view

I want to appeal to the hon the Minister Let us at least get a national debate going Let us not have it behind closed doors. The hon the Minister is aware that he has provided certain information publicly He is also aware—as are political parties at this stage—that he has provided the various advisory bodies with detailed models There are differences. There are questions. Let us get the national debate going. Let us discuss it publicly, rather than do what the hon the Minister did when he spoke during his debate and refused to answer questions on it Let us get the debate going throughout the whole country [Time expired]

*The MINISTER OF EDUCATION AND CULTURE Mr Chairman, I want to convey my

N Tyl toll

plaza to

raise tariffs

Staff Reporter

Tariff charges at the Kranskop toll plaza on the N1 between Warmbaths and Middelfontein are to be increased from Monday, according to a statement released by the Department of Transport yesterday.

"To remain within the financial framework of the project, and due to increased maintenance costs, tariffs have to be raised as envisaged during the planning of the toll road," the statement said.

- For a trip along the road between the Warmbaths interchange and Middelfontein, the tariff will be increased from R3 to R4 for light motor vehicles (from R1,50 to R2 an axle).

- In the case of heavy motor vehicles, the toll cost will be increased from R2,50 to R3 an axle.

- For a light motor vehicle trip between the Warmbaths interchange and the Nylstroom interchange, the tariffs will be increased from 60c to 80c an axle and for heavy vehicles the increase will be from R1,20 to R1,50.

2. The existing 20 percent rebate will remain in force when three or more debit cards valued at R150 each are purchased simultaneously, the statement added.

Users of the new deposit account system will also retain their 20 percent discount if the account is settled within 30 days.

Details may be obtained from the Department of Transport or Kranskop toll plaza manager.

SATOER/ SATOOR	258
Botaniese Tuine/ Botanical Gardens	100
Parkeraad/ Parks Board	718
Bosboufkultief, Universiteit van Stellenbosch/ Faculty of Forestry, University of Stellenbosch	26
Reghulpraad/ Legal Aid Board	64
SA Koördinerende Verbruikerstraad/ SA Co-ordinating Consumers' Council	49
NPA — statutêre instellings/ NPA — statutory institutions	3 864
KwaZulu	53 917
Lebowa	46 354
Gazankulu	31 066
Otagwa	12 926
KaNgwane	13 779
KwaXhabele	9 050

SADF pensions: widows

280 Lt-Gen R H D ROGERS asked the Minister of National Health and Population Development. *Hansard 26/4/90*

- (1) What percentage does the widow of a deceased pensioner of the south African Defence Force receive of the pension paid to her late husband;
- (2) whether consideration has been given to raising the pension of such a widow to 75 per cent of the original pension; if not, why not, if so, with what result?

B725E

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

- (1) Fifty per cent;
- (2) yes, in view of the considerable financial implications and the difficulties in financing such a concession, the matter is still under consideration.

HOUSE OF ASSEMBLY

Hansard 26/4/90
Construction of the second carriageway of the existing Ballito - New Gueldestrand section by 1999. *Hansard 26/4/90*

Sandton constituency: telephone services

312. Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises:

- (1) How many applications for telephone services were outstanding in respect of (a) the exchanges of (i) Bryanston, (ii) Randburg, (iii) Benmore Gardens, (iv) Kelvinburg, (v) Bramley, (vi) Rosebank and (vii) Sunninghill Park, and (b) any other exchanges serving the Sandton constituency, as at 31 December 1989,
- (2) when is it anticipated that the backlog in respect of each exchange will be eliminated,
- (3) what steps are being taken to satisfy the demand for telephones in respect of each such exchange?

B792E

THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES.

(1) (a) (i) 112,

(ii) 132,

(iii) 166,

(iv) 59,

(v) 80,

(vi) 200,

(vii) 100, and

(b) Farnall 14,

Fourways 148,

Olivedale 52,

Diepsloot 7,

Bromhof 89,

Crowthorne 52,

(2) and (3)

(2) and (3) All the waiting applicants in these exchange areas have since been provided with telephone service.

The majority of waiting applicants in these exchange areas have in the interim been provided with service and only the following numbers in the exchange areas indicated are still waiting for service.

Randburg	1
Benmore Gardens	1
Kelvin	1
Rosebank	5
Sunninghill Park	6
Fourways	3
Olivedale	1
Bromhof	6

If everything proceeds according to plan, these applicants will be provided with telephone service within the next two months on completion of the necessary cable works

Sandton: post offices/postal services

315 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises:

Whether it is the intention to provide any additional (a) post offices and (b) postal services in the Sandton area in 1990, if so, (i) where, (ii) what services, and (iii) when, in each case?

B800E

THE MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(a) Yes;

(i) In Kelvin;

(ii) a post office; and

(iii) September/October 1990 The establishment of the proposed post office has been postponed as a result of a delay with the extension to the shopping centre complex in which it will be accommodated

(b) Yes,

HOUSE OF ASSEMBLY

Competition in the offing?

Government finally may consider removing the ball and chain that strangles the potential of international air travel.

The winners would be tourists who want cheaper tickets and business people who want more flights to more destinations. The loser would be government-owned SA Airways, which dominates air travel in and out of SA and uses the profits to subsidise its money-losing domestic routes.

Minister of Transport George Bartlett has appointed a committee to help government develop and co-ordinate a new international air policy. The committee has 19 members, who represent 15 organisations, and it expects to co-opt legal and transport experts.

The committee's chairman, Civil Aviation Commissioner Japie Smit, says its brief is "wide and loose." It's in fact similar to the brief of the committee that examined the domestic air market last year and recommended deregulation.

It is perhaps more than mere coincidence that the committee is forming at the same time that international fares are once again rising. On April 1, the fares between Europe and SA were boosted by an average of 6%, continuing the ticket price spiral.

Bartlett has not set any goals for the committee. But at its first meeting, held this month, it decided that its report should be in Bartlett's hands by November 1991 and that it should examine:

- Whether government should allow freer competition on international flights or retain its closed system;
- Whether SA should have one bilateral air agreement with the European Community after 1992 or continue with its existing bilateral agreements with Britain, Holland, France, West Germany and Italy;
- Forming a policy on designating SA airlines to serve other African countries if they open up to SA; and
- Forming a policy to foster freight-only flights. There aren't many now; most air freight is carried in passenger aircraft.

The vexing question of charter flights is already being investigated. SA's policy is similar to policies in other countries such as Spain, which also doesn't allow charter operators to compete with its national airline. But the tourist industry wants the policy relaxed and SAA wants charter flights allowed only when they can bring in additional passengers. The issue was highlighted during the Christmas season, when SAA's objections forced Cape-based Masterleisure to scale back its charter flights from London (*Business* January 19)

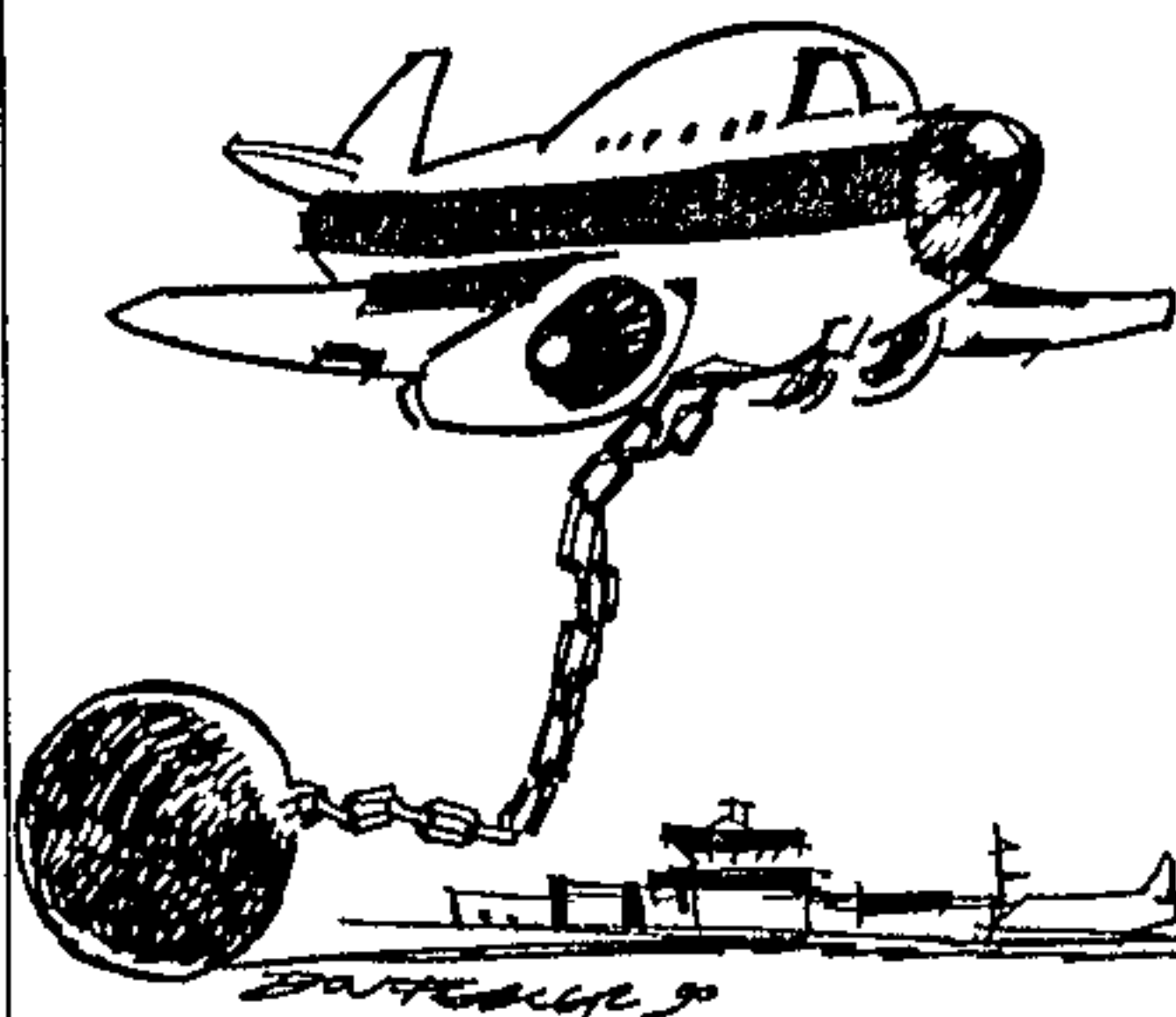
It's an odds-on bet that the committee will recommend a freer approach. SAA has only

one seat, so it will have to compromise with the other members, who represent the SA Chamber of Business, AHI, the Airline Association, the SA Association of Freight Forwarders, tourist bodies, transport consultants and consumer bodies.

Of course, there is no guarantee government will agree to open up the international skies, if that's what the committee recommends. Even if government does go along, the governments of the UK, Switzerland and the other countries where SAA flies must also agree. For, in most of the international airline industry, it's governments that have the final say.

Air service between any two countries can't be scheduled without both governments agreeing to the flights' frequency, capacity and fares. Those agreements are based on guidelines set down by the International Civil Aviation Organisation, Smit says.

Furthermore, governments decide on which local airlines fly between their countries and the countries they have agreements with. So SA cannot unilaterally deregulate



its international air routes.

Governments do not set fares, but governments must approve the fares on any flight leaving the country. For SA, as for most countries, airlines serving the country agree among themselves on what to charge and their agreement is set at annual International Air Transport Association (Iata) conferences. So Iata becomes the scapegoat for high ticket prices, but the airlines' cosy, cartel-like arrangement, blessed by governments, is the real culprit.

In SA, applications to operate between SA and foreign destinations must be approved by the National Transport Commission. Anyone has a right to object to any application, which SAA has done. The commission invariably follows SAA's advice.

SAA CE Gert van der Veer is determined to keep the status quo. He doesn't mind local

airlines competing with SAA for a share of the domestic market because he believes the playing field is even, but he won't willingly share international traffic with any airline, other than those he's obliged to. He says that in foreign flights, politics tilts the field.

Van der Veer denies that there's no real competition in international flights. "On all routes both governments appoint carriers. They compete for the same business and become competitors, not partners. There are 13 competing with us now. International air travel is one of the world's most regulated industries. A country's government, not its airlines, decide on which countries to establish airlinks with. Those decisions are often founded on politics, such as the US not having any connections with SA, Libya and Iran."

He says politics have put SAA at a serious disadvantage. It may not fly to the US or Australia, both excellent markets. It's not allowed to fly over most African countries so it has to fly around the continent's bulge to serve 80% of its international destinations. This adds 90 minutes to a London flight.

And it jacks up the cost. He says it costs R1m to fly a Boeing 747 from Johannesburg to London and back, which works out to R1 666 a seat for a 300-seater Boeing 747 Super B flying both ways. But the new basic economy return fare is R5 979, so even considering the average loading of 65% and availability of 57% discounts, SAA still makes a very healthy profit on foreign fares.

This is borne out by the 1989 annual report, which reported that despite a slight drop in international passengers, international profits increased by 43,3% to R125,8m, due to rationalisation. On the domestic market, SAA lost R15m in 1989, despite a 17,6% increase in the number of passengers.

British Airways was once a loss-producing State-owned airline. Its fortunes changed dramatically after PM Margaret Thatcher privatised it. It's not surprising that Malcolm Freeman, British Airways' manager in SA, hopes SA will deregulate its international airways.

"We fought for deregulation in the UK and on the North Atlantic routes (where some airlines that aren't Iata members compete) and are now fighting for it in Europe. We want to compete and fly anywhere. We aren't happy with the controls they're thinking of in Europe. The freer approach led to a bloodbath in the US when it was set up but now it's working incredibly well. It leads to more people flying. In the UK, there are now 30 airlines and all are doing well."

David Pincus

How to fly a jumbo without leaving the ground!

SAA pilots will soon qualify to fly spanking new jumbos worth R2-billion — without ever having put a foot on board the aircraft.

Revolutionary simulators ordered by SAA at a cost of R100-million are so advanced that pilots converting from older aircraft to the latest fly-by-wire A320s and radically redesigned super jumbos can qualify to fly the aircraft without ever actually having flown them.

"The first time the pilots fly the new aircraft will be the first time they have ever stepped on board," said a senior SAA captain.

And within a few years new recruits to the airline will do all their training on the simulators and be qualified to fly airliners — without ever having flown a big jet!

It is widely believed that pilots who qualify on

By ROGER MAKINGS

simulators are better trained than those who have had actual flying experience.

Experts say the simulators can accurately recreate emergencies which are hardly ever experienced in flight.

The concept, known as zero-time training, is catching on fast internationally and puts South African aviation training on a par with the finest in the world.

"But the public need not panic. The first flights of the fly-by-wire A320s and the Boeing 747-400, which features electronic flight instrumentation, will be done by SAA pilots who have all qualified overseas.

"These crews will deliver the aircraft to SA from France and the US with American and French instructors on board. The aircraft will be operated domestically until the instructors are satisfied with SAA crew competency."

These crews, all senior check captains, will then oversee the training of more junior pilots.

Sources within SAA say the savings in zero-time training far outweigh the costs of the R50-million apiece simulators — whose costs don't end there.

The airline will have to build two new bays to accommodate the simulators — adding another R5-million to the bill.

"Not only do we save on fuel and maintenance, but we also get better-trained pilots with

out taking aircraft out of operation," the SAA captain said.

He said the Rediffusion Concept 90 simulators faithfully recreate every emergency and abnormality imaginable, as well as local and overseas airports used by SAA.

"The simulators can push man and machine to the limit without endangering lives or aircraft," he said.

Also included in the deal is the upgrading of the airline's existing simulators.

But before all this can go ahead, SAA has to get the approval of the Directorate of Civil Aviation officials — the traffic cops of SA aviation. This should not be a problem.

The simulators are expected to be installed by early June 1992.

PUBLIC SECTOR - TRANSPORT - GENERAL

1990

~~JUNE - JULY~~

MAY - AUGUST.

How will we get to work in future?

By James Clarke

What is probably South Africa's biggest regional exercise in participatory democracy takes off in Johannesburg this month — the quest for a public consensus on how to get to work in future

Behind it is Masstran, a consortium of engineers, environmentalists and planners, who have been asked to design an affordable commuter system. The region covers 330 000 sq km — almost 60 km by 60 km, which is about seven times the size of Johannesburg.

Every conceivable type of mass transit system, and mix of systems, is being examined.

The task of "talking to everybody

who is interested" is daunting. The consortium — via its public involvement project (known as "Pip") — believes it now has the formula and is establishing two kinds of "citizen liaison committees" (CLCs)

● The first types are essentially local. Each of these CLCs will represent a defined area such as "the north-west" or "the south". Each will comprise ratepayers' representatives, residents' groups, local businessmen, cultural and other community and civil groups.

The public involvement team has been consulting prominent individuals, and people who have been involved in local studies.

● Other types will be specialist committees, usually representing the

whole study region, property and business for example, or a CLC comprising transport operators.

The meetings between each of the CLCs and the Masstran liaison team will probably begin this month and take place in the evenings. Some meetings may be held at weekends.

A spokesman said: "If it is found some group has been missed out we'll track them down and invite them."

The Star will publish the make-up of local CFCs as they become known so that people in each area can check that their opinions will be represented.

If you represent an opinion, Masstran would like to hear from you. The number is (011) 403-2852.

Decentralisation Board is to be streamlined, says Minister

The Cabinet had decided to restructure the Decentralisation Board into a streamlined body in terms of generally accepted corporate principles, the Minister of Trade and Industry and Tourism, Mr Kent Durr, announced in Parliament yesterday.

Introducing debate on his budget vote, he announced the appointment to the board of eight private sector and other experts

on regional industrial development.

The chairman is Mr J J de Bruyn, senior general manager of the Industrial Development Corporation.

Other members are: Mr DCB Bredenkamp, Mr B de Jager, Mr A S Nkonyeni, Professor P. Palmer, Mr J J Pienaar, Mr E Thorrington-Smith and Mr J G Toerien. — Sapa.

Bus operators face subsidy-cut crisis

S/Times
6/5/90

269

BUS operators fear that lower commuter subsidies from the Government in the current fiscal year could force many of them to close.

Indications are that subsidies will be cut in the effort to trim State expenditure

An announcement regarding subsidies is expected at the annual meeting of the Southern African Bus Operators Association (Sabo) on May 17. Transport Minister George Bartlett will address the meeting

The matter, which is fraught with controversy, will also be debated when the Department of Transport's vote comes up in Parliament on May 11

Malcolm Mitchell, deputy director-general of the Department of Transport, confirms that Mr Bartlett will discuss subsidies at the Sabo meeting and says the whole matter is under review

The bus subsidy rose from about R150-million in 1980 to R540-million last year, but in real terms declined to about R127-million

By Don Robertson

The subsidy for the current year has been pegged at R575-million, an increase of only 6,5%.

Boycotts

Because inflation in the bus industry is running at between 20% and 25%, many operators believe they will be forced to the wall

They dare not increase fares above the consumer

price index inflation rate for fear of sparking damaging boycotts and social upheaval

Without adequate subsidies, it would be necessary for fares to be increased by between 30% and 150% on long trips, say bus operators. Unless this is done, services will have to be slashed

The Department of Finance uses the consumer price index to determine the subsidy. Many bus operators have managed to survive, but they fear they will no longer be able to do so

Under present conditions, bus operators are unable to recover costs. If they cannot get relief, they ask for a new financial strategy and a transport policy that will allow bus services to be cut without disrupting the economy

Mass transport by bus is essential in a developing country. Transport gives millions the opportunity to hold a job even if they have to travel long distances because of political ideologies which result in communities being housed far from industrial areas

For many years bus companies have been able to render an efficient and reliable service only with the assistance of State subsidies

In 1985, about 1,2-billion commuter trips were undertaken, but for various reasons, including the introduction of mini-taxis, the figure has declined by about 30-million a month

Railways

The present 800-million bus trips exceed commuter rail journeys by 250-million. But in real terms, the railways receive a larger subsidy than bus operators

Because of low subsidies, bus operators have been forced to reduce services

About 15 000 buses carry black, coloured and Asian commuters in Southern Africa. Sabo represents the owners of 12 000 buses

The proliferation of mini-taxis has eroded the number of off-peak cash customers, lowering the ability of bus operators to compete. Many buses are used for only two trips a day

R100m plant for Nampak

NAMPAK Paper is going ahead with a R100-million manufacturing plant at Klip River to meet the estimated 100 000-ton-a-year demand for disposable tissue products. (194)

The factory, due to come on stream in September 1991, will produce toilet tissue and towelling from waste paper recovered from printers, office blocks and municipal dumps by Nampak Paper Recycling's nationwide network of agencies. S/Times 6/5/90

Nampak Paper chief executive Bert Ibertson says. "The operation will be the most sophisticated recycling and tissue manufac-

turing plant in the country. It will produce a better-quality product than that normally associated with recycled raw material."

The project will increase Nampak Paper Recycling's supply of waste to more than 180 000 tons a year and increase paper recycling from its present 540 000 tons, or 32% of apparent total paper consumption

The plant will also enable Nampak Paper to make inroads in the European market by freeing the Bellville mill, which serves the Transvaal, to export a large part of its output. It will also save the company about R2-million a year in transport costs

RAIL COMMUTING

Passing the buck (269)

Minister of Transport George Bartlett has made it quite clear to the business community that he is about to call on it to increase its contributions to the Regional Services Councils. He needs the extra money to subsidise the loss incurred by the commuter rail service. F/M 4/5/90

Speaking at the official divorce of the profitable Transnet from its loss-producing commuter passenger services now the State-owned and funded Rail Commuter Corp, Bartlett explained that his colleague, Minister of Finance Barend du Plessis, won't be playing Mister Nice Guy by subsidising the corporation's losses from funds provided by general taxpayers, for much longer.

Regional Services Councils, he said, "will become responsible for part of the cost of commuter services (rail) in their areas," he said. "Since their industrial and commercial ratepayers will benefit from the low fare structure, those companies should contribute to them, through their Regional Services Councils."

This is in line with the "user pays" philos-

ophy that Anton Moolman, Transnet's current chief executive, has been preaching since 1978. Then, he shocked a meeting of business people at a Klub RSA meeting in Johannesburg by telling them that either they or government would have to pick up the tab for the more than R1m a day, the then SA Railways & Harbours was losing on its commuter services.

Transnet will continue to operate the commuter rail service on a contract basis but will not be liable for any losses.

At the handover, it was announced that in addition to the enormous fleet of specialised commuter rolling stock transferred to the corporation, it was also handed 484 commuter stations, 229 of them including the main Johannesburg station on the Witwatersrand.

The corporation will charge Transnet for the use of its stations by Transnet's main line trains and it will develop the so-called "air space" above the tracks. But according to Transnet calculations, this will generate only about R100m a year.

That won't mean much in closing the gap between income and expenditure. The operation is vast. In the PWV, for example, 1,5m people commute daily on 1 478 scheduled trains. In the western Cape, the 726 commuter trains that operate daily convey 530 000 people.

In 1989, government contributed R550m to the service but this was still R405m short of the R1,1bn operating expenditure. The shortfall was financed by cross subsidisation — diverting profits the SA Transport Services made on other services to its commuter service. ■

Farce or fiasco?

The saga of the R65m refurbishment of Jan Smuts Airport — SA's "gateway to the world" — is now hovering between farce and fiasco FIM 4/5/90

After numerous postponements to upgrading of the shoddy international airport during the past seven years, the stage was finally set late last year for the big rebuilding. Tenders were to be completed by November and work was to begin by January.

Four months later the Department of Public Works (responsible for the construction and upgrading of public buildings) says "the funds have now been provided by the Department of Finance and contractors should be on site by mid-July." This statement by Public Works director-general Neels van Niekerk follows an announcement in March that work would start in April.

Van Niekerk explains that, due to lack of funds in January, work could not start on tenders already accepted. The programme will now be implemented in phases over the next two or three years because the airport has to remain in operation.

Refurbishment includes significant extensions to domestic and international terminals, including an 880 m corridor allowing passengers access from terminal buildings to aircraft, covered passenger bridges allowing direct access to aircraft, new lifts and various other improvements. It's an attempt to meet the demands of increasing passenger flows through the airport's antiquated facilities.

Apart from the frustrating delays with implementation, critics say the proposed plans will only "bring Jan Smuts up to date with the demands of the Eighties, with no hope of meeting escalating demand into the Nineties and beyond 2000." This is the predictable result of interminable bureaucratic

delays (about 14 State departments have some say in the airport).

The private sector, in particular, is scathing in its criticism.

"Africa has three very important airports — Jan Smuts, Lagos and Nairobi. The most advanced are Lagos and Nairobi, both fully equipped with landing bridges and other modern facilities," says Lufthansa regional manager, southern Africa, Jerry Kemper. "The Jan Smuts terminal building is beautiful from the outside but with very poor space utilisation. It is not a functional airport."

He adds that passengers have to walk long distances to get to flights in all weathers.

Kemper says one important need for Jan Smuts authorities is to obtain professional traffic forecasts for the next two decades and then base planning on these.

"I expect they will find that the number of passengers will triple, even quadruple, over this period," he says. "The best solution would be to build new terminals. The authorities should study the functional, economic design of the terminal buildings at Brisbane, Newark (New Jersey), and Tampa (Florida)."

Stuart Huckwell, of Civil Aviation, says minor contracts for the upgrading of parking facilities, a new passenger offloading facility opposite the international building and improvements to road signs have started. The parking project should be completed by the end of the month. So should extensions to the customs hall.

He adds. "As far as the major construction project, involving the terminal building is concerned, we are waiting for the Department of Public Works."

Public Works deputy director general Syd Burke says: "Final tenders will be presented to the Tender Board this week, after which we await confirmation by Finance that the funds will be available."

With international passenger flows growing by about 15% a year, the refurbishment will be outdated by the time the work is completed.

Meanwhile, discomfort often reigns — as it did last Sunday when rain knocked out the power supply and the back-up system failed to take the strain. As five 747 flights arrived partitions had to be knocked down to bring baggage into the airport building.

David Appleton, executive director of the Johannesburg Publicity Association, says: "Government does not have the funds to upgrade the airport. The time may be ripe to look at the privatisation option. With a captive audience of about 6m people a year, I'm sure many entrepreneurs would like to get involved." ■

Selling the Navy?

The sharp budgetary cutback on SA's naval establishments, coupled with the tendency towards increased privatisation, encourages a policy of transferring the management and staffing of some State-owned ships to experienced shipping companies

In the UK and the US, the operation of naval fleet auxiliaries has long been the responsibility of merchant service officers.

While the SA Navy may well wish to retain its two big warships and missile carriers for staffing by senior personnel, there are good grounds for suggesting that the survey ship *Protea*, periodically engaged on hydrographic operations along the coast, should be staffed by a shipping line equipped for staffing ships of the type. The British Antarctic survey ship *Discovery*, which passed through Cape waters recently, is staffed by a merchant navy crew.

By the same token, the Antarctic relief ship *SA Agulhas*, managed by the Department of Transport until being shunted to the Department of Environmental Affairs, would benefit from being able to secure officer replacements from the reservoir of established shipowners.

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As it is, the *SA Agulhas* has had to scrape around regularly to find officers. But this situation has been relieved since the level of salaries was sharply improved to compare with those of commercial companies

That the operation of State-owned ships by private enterprise is nothing new is borne out by the long-standing agreement whereby the cable steamer, *Cable Restorer*, based on Simon's Town to attend, when necessary, the Lisbon cable, has for years been nurtured by Safmarine or one of its satellite departments Pentow Marine, which operates the salvage tugs, is now caring for the *Cable Restorer*.

Surely it is scarcely economic for the *Protea* to spend months in the Navy dockyard, staffed by Navy men, when by allocating her to private enterprise it could be staffed as required and when the need for passages arise

A few years ago an approach was made to government about staffing and managing the *SA Agulhas*, which was suffering problems of finding certificated officers for hazardous Antarctic voyaging. But this approach met with determined bureaucratic resistance from government staffs who saw their own status being threatened by any transfer of control

Shipowners believe that government's reported privatisation policy should now aim at accelerating the transfer to national shipowners of certain responsibilities that State departments may not be fully qualified to handle

QUESTIONS

Africa Start here in Cape Town so that he does not have to start in Christiana [Interjections] Give the DP the tools, and we will do the job [Interjections] Give us the franchise that we need to get on with it [Interjections]

Work actively with us, not against us Work with us instead of dragging your heels and not looking at the problem Make use of our expertise and help us and the people of Cape Town to give the moral lead that is needed

Above all, the Government must give us back the open city which it took away from us in the fifties [Time expired]

*THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS Mr Speaker, may I refer to the hon member for Losberg that we accept that they are opposed to free settlement areas We accept that But to come here every time with the question of a mandate is nonsense This Free Settlement Areas Act was passed before the last election The CP went from platform to platform to cast suspicion on this free-settlement idea among the voters, and even so they lost the election Look at where the hon members of the CP are today The CP must not think that they are governing the country, when in fact they lost the election [Interjections]

May I refer briefly to the hon member for Claremont? He said we had known one another since the days of the provincial councils, and that my reading was deteriorating That is true We are both going downhill, because since then his speeches have deteriorated [Interjections]

*MR SPEAKER Order! Too many debates are in progress at the moment The hon the Minister may proceed

*THE MINISTER Let me tell hon members with reference to third-tier government that there is a vote under which I intend to deal with the third tier Hon members will realise that it is simply not possible to do justice to it in an interpellation of two or three minutes [Interjections] I want to conclude and say what I have said on several occasions We shall have to take a look at the sources of revenue and the distribution of staff, because if we want third-tier government to succeed, we must give it a valid base, and there must be proper administration [Time expired] Debate concluded

†Indicates translated version

For oral reply

General Affairs

Question standing over from Tuesday, 24 April 1990

Free train transport for protesters

*11 Mr J VAN ECK asked the Minister of Law and Order

(1) Whether the police officer referred to in his reply to Question No 17 on 6 March 1990 told any members of Parliament or other individuals present on the third-class concourse of the Cape Town railway station on 31 January 1990 that people who had attended the protest march in Cape Town on that day should not be allowed to make use of the trains home free of charge, if so, to whom did he say this, (261)

(2) whether this officer informed any members of Parliament or other individuals present on the third-class concourse or on any of the platforms of the Cape Town railway station on 31 January 1990 that the South African Transport Services had just announced that the protesters would be allowed to use the trains without having to buy tickets, if so, (a) to whom did he say this and (b) how had this information been communicated to him? B799E

†THE MINISTER OF LAW AND ORDER.

(1) No He informed the hon member for Claremont that officials of SATS will allow persons onto the platforms once they have paid their fares

(2) (a) and (b) No previous arrangements had been made with SATS for additional or free trains to transport protesters Only after it became apparent that a congregation of people was taking place, it was decided to waive the fare The officer concerned was then informed by radio of the decision, and he informed the hon member for Claremont accordingly

New questions

Natal: regional services councils

*1 Adv C H PIENAAR asked the Minister of Planning and Provincial Affairs †

(1) Whether any regional services councils have been established for the Province of Natal, if so, (a) what regional services councils and (b) when, in each case, if not, why not;

(2) whether the Government intends establishing regional services councils for this Province, if not, why not, if so, (a) for which regions and (b) when, in each case? B804E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS.

(1) No Draft legislation enabling the introduction of Joint Services Boards to carry out the provision of services on a regional basis is at present under consideration by Parliament

(a) and (b) fall away

(2) (a) and (b) When the bill referred to above has been approved by Parliament and assented to by the State President the hearing can commence to delimit the regions and ultimately establish boards to cover the entire Province of Natal and KwaZulu

Mandela: talks in prison

*2 Mr L F STOFBERG asked the Minister of Justice †

(1) Whether he, in his talks with Mr Nelson Mandela during his detention in prison, raised elements of the constitutional affairs of South Africa, if so, what elements of these constitutional affairs

(2) whether he will make a statement on the matter? B805E

†THE DEPUTY MINISTER OF JUSTICE

(1) and (2) The hon member is referred to the first interpellations of 20 and 27 March 1990 as well as my replies of 17 April 1990 on questions for oral reply numbers 27 and 28 in which this matter has been dealt with in detail.

Teachers: disciplinary measures

*3 Mr A GERBER asked the Minister of Education †

(1) Whether his Department recently took disciplinary measures against teachers who were absent from service for more than 14 days without leave, if not, (a) why not and (b) on the strength of what empowering provisions was no action taken against them,

(2) whether he will make a statement on the matter? B844E

THE MINISTER OF EDUCATION

(1) No

(a), (b) and

(2) It is general knowledge that, despite several remedial measures instituted over the past number of years, inequalities still exist between the provision of education and educational facilities for Black people and those provided for other population groups

The Black community interprets these inequalities as discriminatory This naturally leads to frustration and dissatisfaction, feelings which could easily be exploited for political gain

The recent unrest in education led to protest marches and strikes by teachers

It was impossible to identify individual teachers who participated in the protest marches Principals and their senior staff were in many cases intimidated to such an extent that no reliable information in connection with the absence of staff could be obtained It was also impossible to determine which teachers took part in such marches willingly and which under duress

Large-scale intimidation was the order of the day A real danger therefore existed that innocent staff would suffer should drastic action be taken

Consequently, I decided not to take summary action against the teachers concerned, but began negotiations with a number of groups and bodies in an attempt to defuse a very explosive situation

THE DEPUTY MINISTER OF DEFENCE

(1) and (2)(a) As far as could be ascertained the Judicial Inquest and investigation to determine the causes and factual circumstances of the person's death have not been completed by the responsible Department 8/5/90

(b) The name supplied by the hon member
 Mr R R HULLEY Mr Speaker, arising from the hon the Deputy Minister's answer, could he justify how more than two years could go by without the parents knowing what the cause of death was? They are in possession of a death certificate which simply says of the cause of death "Being investigated". Could he also tell us what the responsible body or bodies is or are that he has referred to now?

The DEPUTY MINISTER. Mr Speaker, I have great understanding for the fact that two years have elapsed since the death of this boy. However, the investigation is not being done by the SADF, it is an ongoing police investigation. I suggest the hon member directs his question to that Department

Robertson Civic Hall: dispersal of crowd

*8 Mr J H MOMBERG asked the Minister of Law and Order

(1) (a) What is the rank of the officer in charge of the members of the South African Police who allegedly used bird-shot and teargas to disperse a crowd that had gathered at the Robertson Civic Hall on the night of Wednesday, 11 April 1990, and (b) in terms of what statutory provisions or regulations did he issue instructions to disperse the crowd,

(2) whether he will disclose the name of this officer, if not, why not, if so what is his name? 8/5/90 B872E

THE MINISTER OF LAW AND ORDER

(1) and (2)

The investigation into this matter by a senior Police officer has been completed and the docket has already been submitted to the Attorney-General for his decision. In view of this fact, I do not consider it advisable at this

stage to furnish any information which may possibly anticipate the judicial process

†Mr J VAN ECK, Mr Chairman, arising from the hon the Minister's reply where he says that the investigation has been completed, may I ask why this does not seem to be so from the statement of Brig Potgieter who says that the investigation has not been completed and that he is still seeking further information? [Interjections] Brig Potgieter is the person who is investigating the matter. He told me this morning that he cannot complete the matter as he needs more information. Why then does the hon the Minister say that the matter has been completed? 8/5/90

†The MINISTER. I said to the hon member that the investigation had been completed and the docket submitted to the Attorney-General for his decision. It may well be that certain statements are still awaited because certain persons were by that hon member—no, perhaps he didn't do it [Interjections.] It is because certain persons in the town were advised not to assist the Police with the investigation. Not this hon member. He offered to help me to obtain statements. Therefore I do not want to be unfair towards him. If further statements are still outstanding the Attorney-General will call for them. We investigated the matter urgently and submitted the docket to the Attorney-General as soon as was possible. That is the information at my disposal

Thabazimbi: death of certain person

*9 Mr L FUCHS asked the Minister of Law and Order 8/5/90

Whether any charges were laid in connection with the death on or about 13 December 1982 near Thabazimbi of a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, if so, (a) against whom, (b) for what offences, (c) what progress has been made with regard to the investigation of the case and (d) what is the name of this person? B873E

THE MINISTER OF LAW AND ORDER

Yes

(a) to (d)

On 1 April 1985, at the instruction of the Attorney-General, three persons stood trial in

the Regional Court, Rustenburg on charges of murder and kidnapping and were acquitted. *Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament*

Thabazimbi: autopsy

*10. Mr L FUCHS asked the Minister of Law and Order

(1) Whether an autopsy was held in connection with the death on or about 13 December 1982 near Thabazimbi of a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, if not, why not; if so, (a) when, (b) by whom and (c) what were the findings,

(2) whether any evidence suggesting a connection between this person's incarceration by his employer and his death was found, if so, what are the relevant details,

(3) whether this matter was referred to the Attorney-General, if not, why not, if so, when? 8/5/90 B874E

THE MINISTER OF LAW AND ORDER

(1) to (3)

I refer the hon member to my reply to oral question 9

Removal of crimes from penal code

*11 Mr D J DALLING asked the Minister of Justice 8/5/90

With reference to paragraph 15 (g) on page 4 of the Annual Report of the Department of Justice for the period 1 July 1988 to 30 June 1989, which crimes are currently under consideration for removal from the penal code? B875E

THE MINISTER OF JUSTICE:

During the debate on my budget vote in 1987 and 1989 I already indicated that minor traffic offences in particular are under consideration in the whole process of decriminalisation and depenalisation. The legislation referred to in the Annual Report is still under consideration

Nithorwane: residents moved to schools

*12 Mr P G SOAL asked the Minister of Education. 8/5/90

Whether there are any schools in the area to which the residents of Nthorwane, near Greylingstad, are being moved, is so, (a) what is the (1) name and (ii) pupil capacity of each such school and (b) how many teachers are employed or are to be employed at each, if not, why not? 8/5/90 B876E

THE MINISTER OF EDUCATION

No

To date only 16 housing units have been erected by residents in Nthorwane. At least 95% of the residents are still living in the old township where there is a school catering for 840 pupils from Sub A to Std 6

Lenasia bus service

*13 Mr P G SOAL asked the Minister of Transport 8/5/90

(1) Whether a certain bus service, the name of which has been furnished to the Minister's Department for the purpose of his reply, has a monopoly on bus transport in the Lenasia area, if so, (a) on whose authority, (b) in terms of which statutory provisions or regulations and (c) since when, 8/5/90

(2) whether his Department and/or the Local Road Transportation Board has received any representations in this regard, if so, what was the (a) purport of and (b) response to each such representation? B877E

THE MINISTER OF TRANSPORT

(1) No. The following bus companies render services in the Lenasia area

- * M I Tilly trading as Golden Highway Bus Lines,
 - * A Kandasamy and A K Govender trading as Lenasia South Bus Service, and
 - * Lenasia Bus Service (Pty) Ltd
- (a), (b) and (c) Fall away.

(2) Yes

(a) A Kandasamy as well as S K Bus Lines applied to the Local Road Transportation Board (LRTB) Johannesburg, for public carrier per-

The DEPUTY MINISTER OF DEFENCE

(1) and (2)(a) As far as could be ascertained the Judicial Inquest and investigation to determine the causes and factual circumstances of the person's death have not been completed by the responsible Department

(b) The name supplied by the hon member Mr R R HULLEY Mr Speaker, arising from the Deputy Minister's answer, could he justify how more than two years could go by without the parents knowing what the cause of death was? They are in possession of a death certificate which simply says of the cause of death "Being investigated" Could he also tell us what the responsible body or bodies is or are that he has referred to now?

The DEPUTY MINISTER Mr Speaker, I have great understanding for the fact that two years have elapsed since the death of this boy However, the investigation is not being done by the SADF, it is an ongoing police investigation I suggest the hon member directs his question to that Department

Robertson Civic Hall, dispersal of crowd

*8 Mr J H MOMBERG asked the Minister of Law and Order

(1) (a) What is the rank of the officer in charge of the members of the South African Police who allegedly used birdshot and teargas to disperse a crowd that had gathered at the Robertson Civic Hall on the night of Wednesday, 11 April 1990, and (b) in terms of what statutory provisions or regulations did he issue instructions to disperse the crowd,

(2) whether he will disclose the name of this officer, if not, why not, if so, what is his name?

The MINISTER OF LAW AND ORDER

(1) and (2)

The investigation into this matter by a senior Police officer has been completed and the docket has already been submitted to the Attorney-General for his decision In view of this fact, I do not consider it advisable at this

the Regional Court, Rustenburg on charges of murder and kidnapping and were acquitted Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

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(2) whether any evidence suggesting a connection between this person's incarceration by his employer and his death was found, if so, what are the relevant details, (3) whether this matter was referred to the Attorney-General, if not, why not, if so, when?

The MINISTER OF LAW AND ORDER

(1) to (3)

I refer the hon member to my reply to oral question 9

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(2) whether his Department and/or the Local Road Transportation Board has received any representations in this regard, if so, what was the (a) purport of and (b) response to each such representation?

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* Lenasia Bus Service (Pty) Ltd

(a), (b) and (c) Fall away;

(2) Yes

(a) A Kandasamy as well as S K Bus Lines applied to the Local Road Transportation Board (LRTB), Johannesburg, for public carrier per-

1209

The MINISTER OF FOREIGN AFFAIRS

- (1) Yes *Handwritten: H... 5/5/90*
- (a) One.
- (b) I will gladly furnish the hon member personally with these particulars
- (c) Exemption from restrictions on occupation of immovable property

Group Areas Act: alleged contraventions

*18. Mr W A BOTHA asked the Minister of Law and Order *Handwritten: 5/5/90*

- (1) Whether any alleged contraventions of the Group Areas Act were reported to the South African Police in Uitenhage during the latest specified period of 12 months for which information is available, if so, how many; *Handwritten: 5/5/90*
- (2) whether he will make known the addresses at which the alleged contraventions took place, if not, why not, if so, what are the addresses concerned,
- (3) whether the Police have taken any steps as a result of the alleged contraventions, if so, (a) in what cases and (b) what steps? *Handwritten: 5/5/90*

The MINISTER OF LAW AND ORDER

- (1) Yes — 7 cases
- (2) and (3)

All these cases have been referred to the Department of Local Government, Housing and Works, Administration House of Assembly, for investigation. Therefore, I do not consider it advisable to furnish information which may possibly jeopardise the investigation or anticipate the judicial process

Castillo de Belver

*19 Mr J H MOMBORG asked the Minister of Transport *Handwritten: 5/5/90*

- (1) Whether his Department is monitoring the wreck of the Spanish oil tanker *Castillo de Belver* off the west coast of South Africa, if not, (a) why not and (b) when did the tanker sink, if so,
- (2) whether there is any danger of the tanker leaking oil if so,

The MINISTER OF TRADE AND INDUSTRY AND TOURISM

- (1) Yes

(a) Mr C J van R Botha, former MP for Umlazi, and Mr R P Meyer, MP, Deputy Minister of Constitutional Development, on behalf of certain constituents of theirs, as well as *Handwritten: 5/5/90*

(b) 16 November 1989, 28 November 1989 and 1 February 1990, respectively

Explosing fireworks/crackers: banning

*20 Mr M J ELLIS asked the Minister of Trade and Industry and Tourism

- (1) Whether he has received any representations regarding the banning of the importation of exploding fireworks and/or crackers, if so, (a) from whom, (b) when and (c) what was the (i) purport of and (ii) response to each such representation.
- (2) whether he has given any consideration to banning the importation of such fireworks and/or crackers, if not, why not, if so with what result? *Handwritten: 5/5/90*

B92E

The MINISTER OF HOME AFFAIRS

Handwritten: 5/5/90
The Task Group on Broadcasting will in the course of its activities give attention to all broadcasting rights and future policy will be determined after receipt and consideration of the report of the Task Group. The position of the existing broadcasting services will naturally be taken into account

Hout Bay area: squatters

*16 Mr C W EGLIN asked the Minister of Planning and Provincial Affairs *Handwritten: 5/5/90*

- (1) What is the estimated number of (a) individual squatters and (b) family units of squatters residing in the Hout Bay area, *Handwritten: 5/5/90*
- (2) whether any steps have been taken to (a) find suitable land for the housing of, and (b) provide alternative accommodation for, such squatters, if so, what steps; if not, why not? *Handwritten: 5/5/90*

B880E

The MINISTER OF PLANNING AND PROVINCIAL AFFAIRS.

- (1) (a) 473
- (b) 171
- (2) (a) Yes
- (b) No

The squatters are in a white group area that falls under the jurisdiction of the Administration House of Assembly, who will hold a meeting on 16 May 1990 with all interested parties with a view to finding a solution

SP: diplomatic immunities/rights/privileges granted

*17 Mr C W EGLIN asked the Minister of Foreign Affairs *Handwritten: 5/5/90*

Whether the State President granted diplomatic immunities rights and privileges to any persons in 1989 in terms of section 2B of the Diplomatic Privileges Act, No 71 of 1951, if so, (a) how many (b) what are the (i) names of, (ii) nationalities of, and (iii) positions occupied by, each of these persons and (c) what was the nature of the status granted to each of them? *Handwritten: 5/5/90*

B881E

mits to convey passengers between Lenasia and Johannesburg.

- (b) The application by A Kandasamy was granted on 7 November 1989 in respect of three buses Lenasia Bus Service (Pty) Ltd appealed to the National Transport Commission (NTC) against the grant of public road carrier permits by the LRTB to A Kandasamy. The NTC upheld the appeal on 8 March 1990. The application by S K Bus Lines is still to be considered by the LRTB

Broadcasting: deregulation/privatisation

*14 Mr S S VAN DER MERWE asked the Minister of Home Affairs *Handwritten: 5/5/90*

- (1) Whether any representatives of the independent broadcasting services will be co-opted to serve on the task group appointed to investigate the desirability of the deregulation and privatisation, and all other aspects, of broadcasting in the region concerned, if so, (a) when and (b) which representatives are involved, if not,
- (2) whether the independent broadcasting services will be invited to make representations to this task group, if not, why not, if so, when? *Handwritten: 5/5/90*

B878E

The MINISTER OF HOME AFFAIRS

- (1) Yes
- (a) with effect from 23 March 1990
- (b) Mr C Stofberg
- (c) Falls away

Broadcasting rights within SA: applications

*15 Mr S S VAN DER MERWE asked the Minister of Home Affairs *Handwritten: 5/5/90*

Whether those members of the independent broadcasting services who are wholly or partially owned by the Governments of the independent Black states are to be given preference over new applications for broadcasting rights within South Africa, if not, why not, if so, which independent broadcasters are involved? *Handwritten: 5/5/90*

B879E

SAA to buy two more 747s

By John Miller

10/5/90

269

South African Airways yesterday announced that it would buy another two of the 400 series Boeing 747s in addition to the two which were previously ordered and expected to be in use early next year.

One of the special features of the new aircraft will be a television screen attached to the back of each seat. However, the airline will at first only make this facility available to first-class passengers.

A spokesman for the airline said the latest 747s would be delivered and in service at the beginning of 1992. The four aircraft have cost more than R1 300 million.

This plane will increase the amount


of seating available by 1 540

The 400 series is also able to fly an extra 1 900 km further than its predecessor and is 12 percent more fuel efficient.

Its wingspan is 62,3 m and it is over 70 m long. Man's first flight was shorter than the length of the plane's business class section.

Another feature of the aircraft is that the cockpit seats only two crew members instead of three members as on the older series. South African Airways is the first airline in Africa to purchase this aircraft.

Two weeks ago, Boeing delivered its 6 000th aircraft. The 747s have carried 950 million passengers worldwide to date.

(264) 

Govt plans to allow SA involvement in foreign air charters

B/Durr 10/5/90

LESLEY LAMBERT

CAPE TOWN — Trade, Industry and Tourism Minister Kent Durr will announce plans today to allow SA companies to operate or participate in foreign charter flight services.

This follows the collapse last year of a tourist charter service between SA and the UK launched by Cape-based travel company Masterleisure.

The venture failed largely as a result of the refusal by the transport authorities to grant upliftment rights on return flights carrying South Africans to the UK.

Opening Durban's Indaba/Focus yesterday, Durr said SA's growing tourism industry could be further enhanced by certain types of charter traffic from abroad.

He said the development was not intended to encourage the "type of cheap mass travel" that most major tourist destinations now sought to avoid.

It would be possible to limit the development to quality charter traffic without damaging the commercial interests of the scheduled carriers, Durr told delegates.

"I shall be releasing a Press statement tomorrow which will outline the new framework

within which charter traffic will be accommodated in future in order that those entrepreneurs interested in promoting charter traffic may know exactly what we want and where they stand," he said.

Durr said the number of foreign visitors to SA, which increased by 15,6% to 939 393 last year, was expected to reach the million mark by the end of this year.

Inquiries

There had been record arrivals from many of the country's major markets, including Austria, Belgium, France, Germany, Italy, Switzerland, Taiwan and Israel.

The US, Canada, Australia and Japan were showing strong and consistent recovery, Durr said.

SA was also receiving a large number of visa and immigration inquiries from Hungary, Poland and East Germany — an indication of possible future markets.

In addition, opportunities were stirring in the Baltic, the Balkans and Central and Eastern Europe, he said

Time to go private?

With the proposed R65m upgrading of Jan Smuts Airport expected to be outdated by the time it's completed (*Business* May 4), the time may have arrived for the private sector to step in. FIM 11/5/90

Bringing the airport up to international standards could involve an investment of R600m-R800m, funds that are way beyond government's capacity when viewed against its spending priorities. The only solution may

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be to involve private investors

Transport Minister George Bartlett is expected to comment on the vexing Jan Smuts issue when his budget vote is discussed this week. A central problem, which Bartlett is expected to raise, is the lack of a dedicated source of funding — all of Jan Smuts Airport revenues go into the State's central revenue account

Increasing the number of charter flights and deregulating the corset of rules that determine minimum airfares for all carriers flying into SA are now on the table. If government decides to allow freer competition — and lower fares — on the lucrative SA route, the number of overseas tourists could explode, straining the airport's creaking facilities even further.

Meanwhile, the Department of Public Works, which is also under Bartlett's jurisdiction, says existing tenders for the R65m project "will be allowed to lapse" Revised tenders will then be obtained from the original tenderers

With red tape — and a perceived lack of funds — snagging government's proposed refurbishment, drastic action is needed to meet the demands of a possible tripling or even quadrupling of incoming passengers over the next two decades. Government is thus understood to be looking at various proposals from the private sector on how to upgrade Jan Smuts.

"We have run Grand Central airport (in Midrand) on a highly profitable basis for the past six years," says MD Errol Friedmann of property developers J H Isaacs, which is interested in developing a new airport for Johannesburg. "But, looking at Jan Smuts, I would say about R250m needs to be spent on the international terminal alone to upgrade, redesign and redevelop the facilities The R65m allocated by government is too little."

Friedmann says parking facilities are hopelessly inadequate and the airport is also in dire need of quality shopping and restaurant facilities, cinemas and other public services

"Jan Smuts has only a few kiosks and it is extremely difficult to gain access to the airport's hotel facilities European airports have

all-weather bridges that provide entry into modern Sheraton or Hilton hotels One's first entry into Jan Smuts airport creates the impression of being in a Third-World country."

Friedmann says an in-depth feasibility study should be undertaken to establish what's needed and, because government does not have the funds, a consortium of private institutions should finance and develop a new airport.

"The problem is that SA's financial institutions are not experienced in this type of development, which might involve R600m-R800m A proper viability study alone could cost about R10m. Underlining the lack of interest is the fact that the proposed privatisation of Lanseria airport elicited only two inquiries"

Arnold van Huyssteen



Could the private sector handle the crowds better

Durr hands operators of charters vital concession

B15am 11/5790

(269)

CAPE TOWN — The revised policy on international charter passenger flights includes an important concession for local operators — conditional upliftment rights to carry SA passengers on return flights abroad.

Trade, Industry and Tourism Minister Kent Durr said yesterday the intention of the policy was to relax rigid control over charter flights. But apart from announcing that upliftment rights would be allowed, subject to approval from the National Transport Committee, and confirming existing concessions, the policy supported protection of SAA and other scheduled airways.

Restrictions on upliftment rights to carry SA passengers on outbound flights have in the past made international charter ventures financially unattractive to local operators.

The refusal by transport authorities to grant these rights to Cape-based company Masterleisure forced the company to close the Christmas season charter venture launched last year.

Without these rights, it is likely return flights will be half empty or

LESLEY LAMBERT

that carriers will be grounded until the first foreign arrivals, who are likely to visit for two weeks on average, are ready to return home.

Durr said in his policy statement that single or ad hoc flights, including charters over routes where no scheduled services operated, round-the-world charter flights and other drop-in charter which included SA in a broader itinerary, would receive favourable consideration by the National Transport Commission.

Other applications which did not meet administrative approvals would be considered individually. These included applications for extended series of charter flights on routes that were adequately served by scheduled operators, low cost single destination itineraries and low season charter flights where scheduled carriers have adequate capacity available.

Private sector operators and travel agents said yesterday these services had been available — subject to approval — before the policy was revised.

A condition of approval was that

passengers on the charter services showed through the applicant operator that they had bought a significant ground component as part of their stay in SA.

This would pressurise the operators to sell package deals, including accommodation, industry spokesmen said.

Other requirements were reasonably in line with normal aviation requirements for registration, safety and consumer protection.

Durr said it was "not desirable to adopt a totally open skies policy because it would impact detrimentally on the international scheduled carriers serving SA.

"It will also lead to the development of low income tourism which will not bring meaningful benefits to SA and which will compete for the use of facilities currently utilised by up-market traffic."

He said the policy represented the best way of promoting the tourist industry, while maintaining scheduled services to and from SA.

The revised policy did not preempt the investigation into international services, Durr said.

IEF

APLUS 11/5/96 269

Spoornet may not be privatised — De Villiers

SPOORNET may not be privatised for a long time, if ever, the Minister of Privatisation and Public Enterprises, Dr Dawie de Villiers, has said.

Introducing the debate of the Extended Public Committee yesterday, he said the Department of Transport Services had recently been transformed into a broad transport company and a commuter services corporation.

This did not constitute the transfer of ownership to the private sector and was wrongly referred to as privatisation.

"REAL MISSION"

Sats had restructured its operations into five separate divisions and many separate, smaller business units.

"This exercise, which will take a long time to bring to its

final conclusion, is done to direct one of the largest State enterprises to efficiently concentrate on its real mission in the economy. This entails the commercialisation of its activities.

"Having arranged its business into different divisions, it will now be easier to manage each respective division on a commercial basis. Every division may not necessarily make a profit and socio-economic services may still have to be performed in certain instances.

"In these circumstances, we may find that Spoornet in itself may not be privatised for a long time — if ever — while South African Airways and Road Transport may well be attractive prospective candidates for investment by private investors or entrepreneurs." — Sapa.

SAA privatisation study

CAPE TOWN — Government is looking for a private sector consultant to investigate the possibility of privatising SAA and splitting it into different companies.

Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers announced this during his department's budget debate in Parliament yesterday.

Introducing the debate, De Villiers said he had issued instructions for inquiries to be made "in the market" for a consultant to investigate the most suitable structure within which SAA should operate in a deregulated market.

His announcement coincided with the release by Trade, Industry and Tourism Minister Kent Durr of a revised policy for international charter operations which took a small step towards deregulation.

De Villiers also suggested it might be necessary to split SAA into different companies to encourage greater competition in the industry.

269
LESLEY LAMBERT

With deregulation of the air transport industry expected in the "near future", barriers to entry would be removed and those who wished to participate would be able to do so, he said.

But, because SAA's dominant position in the industry could inhibit the entry of competitors, even in a deregulated market, government needed to investigate whether further fragmentation of the national airline was necessary.

"Government may, for instance, find it is conducive to greater competition in the air transport industry to form an international company, two or more domestic airline companies and one maintenance company, or other configurations from the integrated SAA structure as it operates today," De Villiers said.

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 To Page 2

SAA study

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This type of measure would be accompanied by a certain amount of regulatory measures to ensure entry into a market which had been dominated by one participant.

But he warned regulation was no substitute for real competition, and said government would go out of its way to not introduce regulation if it could be avoided.

The investigation would take full account of recently concluded in-depth studies into the deregulation of the air transport industry, he said.

Referring briefly to Eskom, De Villiers confirmed it was not in line for privatisation in the "near future". Government would first have to determine whether or

not privatisation would be in the national interest, he said.

He added that no decision had been taken on the future of Foskor, another subject of investigation with a view to privatisation.

Government was awaiting guidelines on the most equitable way to transfer ownership of the sorghum beer industry to blacks, De Villiers said.

"To us it is logical that the control of ownership of the sorghum beer industry, whose customer base is comprised solely of blacks, should rest with that community," he said.

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 From Page 1
● See Page 5

Airport tax soon, talk of new road toll

CPK Tint's 12/5/90

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Political Staff

TRANSPORT Minister Mr George Bartlett produced a double jolt for travellers yesterday — airport taxes and the possibility of metropolitan toll roads.

The airport taxes would be introduced soon, he said, but the concept of tolling major roads in and around cities was still "just an idea".

Mr Bartlett said the tax on all domestic departures was expected to be about R3 and about R25 for foreign departures.

Deregulation of air transport went hand-in-hand with commercialisation, and airports had to be self-financing, he said. State airports were losing money and funds for capital expenses

were becoming increasingly difficult to obtain.

"Levying passenger charges is common around the world and will not significantly affect travelling costs."

He said the board of airport operators was happy with the move.

Mr Bartlett dropped his hint of a "metro toll" on roads during the debate when replying to inquiries about the proposed MR77 road around Durban which would, in effect, be an outer ring road.

If existing roads in the metropolitan areas were tolled there might be enough money to build proper roads in disadvantaged areas, such as black townships, and in developing areas, he said.

Airport fly-out tax of R3 is on the cards

By ROGER MAKINGS

SOUTH AFRICANS will have to pay an airport tax within months — to help finance the badly needed R65-million revamp of Jan Smuts Airport

Reform moves by State President F W de Klerk have seen an enormous increase in foreign tourism in the past few months, making the revamp vital

Minister of Transport George Bartlett announced in Parliament on Friday that taxes of R3 for departing domestic passengers and R25 for departing international passengers were being considered.

However, the chief director of the Directorate of Civil Aviation, Mr Japie Smit, said the figures were "tentative"

He said it had not yet been decided how the tax would be collected

Boost

- There were three options
- Selling airport tax tickets to departing passengers,
- Adding the tax to the price of air tickets,
- Adding it to airlines' landing and parking fees, in which case it will, no doubt, be passed on by them to passengers.

"We still have to liaise with local and international airlines on this matter," said Mr Smit

It has also still to be decided if the tax would initially be charged at Jan Smuts only, or at all state airports simultaneously.

"This is not a dedicated fund, merely a means of boosting state coffers to enable the Government to proceed with the facelift," he said

Tenders will be called next week for the revamp which will feature airside corridors along the facade of the building with passenger loading bridges

ast

Black airline dream takes shape at last

By PATRICK MAFAFO

cf/press 13/5/90

269

THE dream of a black-controlled international airline could soon become a reality.

Liberty Airlines, formed two years ago with a 55 percent black shareholding, is expected to take the lead.

Company chairman Steve Ramatlo, 39, said landing rights have been secured in the Far East and parts of Europe, and negotiations are at an advanced stage with Australian authorities for landing rights.

However, a bid made last November to the National Transport Commission for permission to fly direct to the US is being opposed by South African Airways and Safair.

SAA is the only South African carrier licensed to fly directly to the US, but its landing rights were cancelled in 1986 as a result of sanctions.

Meanwhile, Ramatlo's company has split into two divisions, Liberty International and Liberty Charter (LC).

LC has reached an agreement with the Saudi Arabian national airline, Saudi Air, to lease three Boeing 747 jumbo jets to carry South African Muslims on pilgrimage to Mecca.

The first trip to Mecca will be in 30 days, while other flights will cover Mauritius and other Arab states.

Ramatlo said Saudi Arabians have agreed to inject R250-million into his company to improve cash flow.

Liberty plans to buy 12 second-hand 747s. Delivery is expected this month. According to manufacturers Boeing, a new 747 costs 150 million dollars.

Ramatlo, an accountant and director of insurance company Gabsy Melnick, said his interest in the airline industry began in March last year when he bought shares in Lesotho-based Freight Intertrans.

He said that LC has a network of 56 branches in major capitals of the world. He also promised 20 percent of profits will go into training blacks in various technological fields.

■ In a related development, Privatisation and Public Enterprises Minister Dr Dawie de Villiers announced this week the government was keen to create more competition in air transport services.

Barriers to entry into the air transport industry would be removed, he said.

A consultant was investigating the most suitable structure for SAA in a deregulated market before a final decision was made to privatise.

New airport tax approved in principle

CAPE TOWN — The levying of departure tax on passengers leaving state airports would enable the government to start upgrading facilities at Jan Smuts airport, according to Transport, Public Works and Land Affairs Minister George Bartlett.

Opening the debate on his department's budget on Friday, Bartlett said government had approved, in principle, the levying of departure taxes ranging from R3 for domestic to R25 for international passengers.

He said state airports were running at a loss and funds for necessary capital expenditure were becoming increasingly difficult to obtain.

But, with the additional income from departure taxes, government

LESLEY LAMBERT

would be in a position to start upgrading facilities at Jan Smuts.

He said the original tenders received for work at the airport had been cancelled for technical reasons. New tenders would be invited on May 18 and the contract would most probably be awarded by the end of July this year. (269)

Bartlett said that apart from generating funds, the new tax would create the necessary climate for the commercialisation of airport operations.

He also hinted during the debate at the possible tolling of metropolitan roads.

Ste 14/5/90

Transport planners to talk to the public

269

By James Clarke

Masstran, the consortium of engineers, planners and environmentalists who are planning a mass transport system for the inner Witwatersrand, begin talking to the public tomorrow.

It is the biggest public-participation planning process in South Africa's history.

The representatives of more than four million people will be involved in the basic stage (this month) and then right through to the final stage when Greater Johannesburg ends up with a public transport system in whose design all citizens had a part.

That is the planners' aim.

The first meeting — a briefing session — will be with public representatives of the region centred mainly on Northcliff and Randburg.

Environmental impacts

"We just hope we have missed nobody out," said one of the Masstran public liaison team. "If we have, we'd like to hear from them."

On Wednesday the consortium's liaison team meets with members of the transport industry.

On Thursday it holds a primary discussion on environmental impacts with appropriate experts, and on Saturday morning it meets the civic associations of black, coloured and Indian areas.

A spokesman said "We are trying to miss nobody. All the same we still feel we are thin in the following areas: the west, south-west, south-east and east."

"If anybody in these areas feels they can give us input on behalf of some local group, they are requested to ring us on (011) 403-2852."

Air travel soon to be deregulated

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B (Day) 14/5/90

CAPE TOWN - Deregulation of the domestic SAA-dominated air travel market is imminent, with enabling draft legislation ready to be introduced to Parliament.

The long-awaited legislation, which will open up domestic routes to competitive airlines, was recently approved by the Cabinet for introduction to Parliament, according to Transport, Public Works and Land Affairs Minister George Bartlett.

Bartlett told Parliament on Friday that the draft Air Services Licensing Bill provided for the removal of barriers to entry to the market and the strengthening of safety regulations.

He said it also made provision for a new air services licensing authority, while its emphasis was on safety, a free market, consumer protection and a level playing field for all participants as far as rules were concerned.

If passed, it will open the way for market forces to operate in what has always been a highly regulated, SAA-dominated, industry.

Under current legislation, private carriers can only fly routes not covered by SAA and the National Transport Commission can reject an application for a licence if it feels the operation will be commercially unviable.

According to chief aviation director Japie Smit, the new legislation will place the onus on the individual airline to decide whether or not its operation will be profitable.

Smit says the deregulation should provide a wider choice of packages and more competitive prices to domestic travellers.

He says a major aim of the deregula-

tion is to provide more air transport services for the leisure and the black markets.

Bartlett's announcement rounded off two other important developments related to the freeing of the industry last week.

Trade, Industry and Tourism Minister Kent Durr released a revised and less restrictive policy for international charter operators in SA, while Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers hinted at the possible privatisation of SAA.

De Villiers also said that government was considering possible steps to prevent SAA's dominant position from continuing to inhibit entry even after the market was deregulated.

Split

These included the fragmentation of SAA into a number of smaller companies and regulatory measures to ensure that the market was not dominated by one participant.

"Before a final decision is taken about the privatisation of SAA, it will be important to determine whether the airline should be split into different parts.

"The government may, for instance, find that it is conducive to greater competition to form an international company, two or more domestic airline companies or other configurations from the integrated SAA-structure as it operates today," De Villiers said.

Bartlett said the deregulation went hand-in-hand with the "commercialisation" and self-financing of state airports.

Survey on transport

ALL traffic leaving the Sebokeng-Evaton region will be stopped for a minute today during a transport survey on origin and destination. *Sowetan 15/5/90*

Everybody in vehicles will be asked where they come from and where they are going to. *(269)*

The survey is aimed at assisting developers on the proper planning and development of roads, private transport, taxi service, shopping areas and other community services.

Traffic will be stopped from 6.30am until 5.30pm.

Daveyton bus crises worsens

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A CASH-strapped Daveyton City Council is experiencing transport blues with more than half of its bus fleet grounded, waiting for repairs.

Added to this, angry commuters set alight one of the buses in Etwatwa

By ALI MPHAKI

on Wednesday, after waiting for more than an hour for transport.

Then were not enough, bus drivers last Thursday downed tools in fear for their lives.

Sowetan 15/5/90
The drivers claim they have become targets of scorn and ridicule from angry commuters who accuse them of long delays and inefficient service.

The mayor of Daveyton, Mr Tom Boya, confirmed that out of the

council's 58 buses, only 22 are in a working condition.

He said 13 buses out of the 22 have to do special trips ferrying commuters to outside the township, while the remaining 11 have to service commuters travelling inside the township.

Boya said the council had applied for bridging finance from the Transvaal Provincial Administration to repair the buses, as the council's coffers had dwindled due to the non-payments of tariffs by the residents.

He condemned the act of arson on one of the buses, saying this was not solving the problem.

Boya called on the

Daveyton Peoples Delegation to meet his council, adding that if the ANC can hold talks with the Government, "it is surprising that people at a local level do not want to meet and discuss their problems".

Asked what his response was to the call for his resignation and that of the entire Daveyton council, Boya said it did not make sense to resign while there were no alternative local government structures.

He was, however, happy that the State President F W De Klerk has announced the abolishment of the Black Local Authorities to make way for viable non-racial structures.

Conflicting flight patterns

The airline industry has been pressing government to deregulate air travel, allow fewer restrictions on international charter flights and privatise SA Airways. In the past week government moved ahead on much of this agenda and the industry, surprised at Pretoria's speed, is now not so sure.

Let's recap

□ Minister of Trade & Industry and Tourism Kent Durr announced a more relaxed government attitude towards international charter flights to SA,

□ Mineral & Energy Affairs and Public Enterprises Minister Dawie de Villiers hinted broadly that SAA was to be privatised by saying government was considering splitting SAA into an international company and two or more domestic companies to reduce its stranglehold on the market, and

□ Transport, Public Works and Land Affairs Minister George Bartlett announced that the Air Services Licensing Bill, to deregulate domestic air travel, will be sent to parliament, possibly in this session.

The Bill will create a new air services licensing authority and make it easier for other carriers to compete with SAA, which will also ease privatisation of the airline.

Bartlett announced that to finance the sorely needed upgrading of Jan Smuts airport, government had, in principle, approved the levying of a departure tax of between R3 on all domestic passengers and R25 on all international passengers at State airports. He did not say how much this would generate but, in the year to March 31, SAA alone handled about 5,7m passengers, including an estimated 726 500 international travellers. So SAA's traffic would have produced more than R33m for Jan Smuts' airport fund in the last fiscal year.

"As a result of this decision by government it will now be possible to commence with the contract to upgrade the facilities at Jan Smuts," Bartlett told parliament.

None of these announcements pleases Cor Beek, executive director of the Commercial Aviation Association of Southern Africa. He labels them as an exercise in back-tracking and regulating by press release.

He asks how much will be collected from a departure tax and why government now thinks it's a good idea after it shot down the Margo Commission's suggestion that an airport departure tax should be charged.

Beek does not believe that all the money collected will be used for the upgrading of Jan Smuts. "It is government policy not to have dedicated funds. Everything has to be paid into the consolidated revenue fund, so what assurance can it give that departure tax money will be earmarked for Jan Smuts?"

"In the US it's called a ticket tax but only a small portion of the billions collected have been given to the intended recipients, the aviation industry. Nowhere do airlines like departure or ticket taxes."

He accuses Bartlett of riding roughshod over the industry. "Deregulation has been discussed since 1982," Beek says. "A timetable was agreed on. It was agreed that the Bill would be tabled in parliament and opened for comment by the industry in January. It is now May and the Bill hasn't been tabled yet."

"Even if the airways were deregulated today, no operator could compete with SAA, which has a 96% share of the passenger market. It would take at least a year to 18



Maybe soon they'll be flying in unregulated skies

months to set up one that can compete. The amount of money involved would be astronomical and can Jan Smuts accommodate more airlines?"

He asks what right has Durr, whose brief is trade, industry and tourism, to speak on aviation.

Piet van Hoven, MD of Comair, the biggest privately owned passenger airline in SA, says any move towards deregulation should promote competition. But he does not believe it's feasible for any company to challenge SAA. "Its dominant position in the market inhibits competition. It acquired its assets at historic prices, any new entrant will have to pay current prices. Furthermore, the domestic portion of SAA's operation does not yield a profit. No fledgling airline can accept loss-making yields."

He suspects that government believes that if it splits up SAA, it will dissolve its monopoly, create competition immediately and

open a door for privatisation.

Van Hoven, also chairman of the SA Tourism Board, defends Durr. He says international flights are the concern of the tourist industry and Durr conferred with and got the approval of all the ministries concerned before he made his announcement.

David Pincus

NATAL F/M 18/5/90

Picking up the pieces

After riding out some of the most intense political violence yet seen in the country, industry and commerce in Natal — in particular the Maritzburg-Hammarisdale corridor — are starting to pick up.

As a semblance of normality returns to the factory floor, employers are starting to count the cost of the violence. It's hard to measure, but all agree that business in the most troubled regions has taken a hard knock. There is also the uneasy feeling among employers and workers that they are now experiencing an artificial calm, imposed by security force reinforcements and stepped-up army patrols through the townships that serve as dormitories for industrial centres.

Rowly Waller, director of the Maritzburg Chamber of Industries, says that at the height of the stayaway in early April, forced by running battles between Inkatha and the UDF, one manufacturing member reported a daily production loss of R15 000. Other factors are harder to assess, like decreased productivity and lower morale.

"We estimate that over the past six weeks absenteeism has been running at about 30%, bearing in mind that there were periods when we had nobody at all coming to work."

Waller offers the following rough calculation, which applies only to the chamber's 200 manufacturing members, who employ about 35 000 people. A 30% absentee level means there are about 10 000 workers missing on any given day. Waller estimates the average wage to be about R80 a week, which means R800 000 in lost wages over the past six weeks.

He also estimates that wages make up about 20% of the cost of the average finished product, which means a loss of about R160 000 a week to industry — and that's only for the chamber's members in the Maritzburg region.

There have been other costs. "Our employees are losing houses all the time," Waller says. "In many cases they don't want to repair them, even when employers offer to help, because they feel it will just make them

SATS has R9,55bn debt report

THE newly commercialised South African Transport Services (SATS) incurred debt of R9,55bn during its 1989/90 financial year, more than half of which was in foreign loans, according to the auditor-general's report.

The report, which was tabled in Parliament yesterday, showed that of the total loan debt, 54,22% was foreign, while the remainder was raised on the domestic market and through the issue of treasury loans

The report indicated that SATS had protected itself against foreign exchange losses on repayment of the foreign loans by covering almost all the loans with

Capit Tint's 23/5/90
forward exchange contracts. Only American dollar/British pound loans worth £32,6 million (about R137m) had been left uncovered, it stated.

SATS's total operating income amounted to R147,39m after the appropriation of R1m for the reserve fund at the end of March 1989. This brought the cumulated deficit to R3,47bn

Total expenditure against the capital budget for the 1988/89 financial year amounted to R905m. While expenditure in two operating divisions exceeded the amounts voted by R7,93m, savings from other divisions were used to meet the excesses with the result

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that total savings were reduced to R35,91m, or 3,82% of the total capital budget of R941m

Debtors increased by R161m to R2,1bn during the course of the year, with provision of R9m for bad debts, while creditors increased by R267m to R1,84bn. The increase in creditors was attributed to growth in pension funds and outside contributions to capital projects.

The Reserve Bank had granted overdraft facilities for R50m for which SATS pledged R157,5m of their investments in 9 1/4% 2005 RSA stocks

According to the report, SATS's books reflected an overdrawn balance of R160,26m.

Police swoop on city trains: 177 arrested

Staff Reporter *AKG* 24/5/90 *(219)*

POLICE arrested 177 people in a widespread eight-hour crime prevention swoop on trains in the Peninsula.

Major Gys Boonzaaier said 27 people were arrested for serious crimes and 150 on lesser charges.

About 300 policemen, including detectives and members of the mobile unit took part in the crime prevention drive between 2pm and 10pm yesterday under the command of Colonel Philip Delpert.

Suspects arrested for serious crimes were booked on charges of possession of dagga, mandrax, stolen property, dangerous weapons, theft and possession of property stolen from motor vehicles.

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More guards for trains

Crime Reporter

SPOORNET plans to step up security on Peninsula trains after the police arrested 177 offenders on Wednesday.

A Spoornet spokesman said a new security department was recruiting guards, who would possibly replace the plain-clothes guards hired from a security firm.

On Wednesday 300 policemen in an eight-hour operation arrested 27 people in connection with serious crimes and 150 in other incidents. A police spokesman said most of the arrests were for drunkenness and minor crimes like riding on the roof.

Others involved possession of dangerous weapons, drugs and stolen property.

Putting SAA's claim to the test

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FIM 25/5/90

It's no secret that SA Airways' domestic fares will rise dramatically in the months and years ahead. The travel industry expects a 20% hike this year, implemented in stages.

As SAA prepares for privatisation, it is also unlikely to continue subsidising its money-losing domestic flights with profits from international services. So annual fare hikes that outstrip the inflation rate may become routine.

But for now, SAA's domestic fares are cheap. In fact the airline boasts that its fares are the lowest in the world. Is this true or just marketing hype?

SAA's position is clear. "We'll be an attractive investment only after we can increase our domestic fares and bring them into line with domestic fares in other Western countries," says CE Gert van der Veer. "Measured in price per kilometre, and converted into US dollars at the current rate of exchange, SAA's domestic fares are lower than domestic fares in the US, Europe and Australia."

Thanks to fare hikes that have trailed far behind the inflation rate in the past five years, domestic flights are undoubtedly cheaper in SA than in most countries. Most other countries still tightly control their airlines, which means exorbitant ticket prices. But, while government pressure has kept SAA's domestic fares low, most governments are not that heavy-handed.

In the US, however, wholesale deregulation of the domestic market 12 years ago made flying cheap. Last year, tickets cost in real terms about half of what they did in 1978. But are they cheaper than in SA?

A thorough comparison would probably keep a supercomputer busy for a week. The US has dozens of domestic carriers offering thousands of fares. The range of classes and discounts is also so wide that no passenger on a typical DC-10 flight may have paid the same fare as the travellers sitting on either side.

For example, the one-way fare on a United Airlines flight from Chicago to Kansas City ranges from US\$297 for first class and \$149 for economy class right down to \$48 for military personnel and \$21,50 for travellers willing to take a chance at least three weeks in advance that a standby seat will be available. If no seats are open the airline keeps the money and the traveller stays at home.

SAA has broadened its variety of discounts in recent years as it moves closer to privatisation. There are 40% senior citizen and military discounts, and the late night flights from Johannesburg to Durban, Cape Town and Port Elizabeth are as cheap as a few long telephone calls over the same distance — just R85 for a one-way economy seat from Johannesburg to Durban and R155 from Johannesburg to Cape Town. Nearly 40% of domestic passengers now fly

on discount tickets. But in the US the percentage is probably twice that.

However, while SAA may be discounting more, it rarely promotes its discount fares. US newspapers are filled with airline advertisements listing their lowest fares. SAA focuses on soft, image-building ads that avoid practical information. The airline clearly doesn't have the capacity to meet the demand that promoting its discounts would produce. And, by law, no other airline is allowed yet to step in and fill the gap.

Even if all the discounts and various classes could be sorted out, a comparison of flights of similar length is misleading because US airlines, as well as SAA, may charge less for high-volume, long-distance routes than for low-volume, short-distance routes. As Colleen Wagner, MD of United Travel Marketing, United Airlines' local representative, says: "Most fare patterns are tailored to suit routes."

Cheap, cheaper, cheapest

So, are SAA's tickets cheaper? Yes, if the exchange rate is used to convert SAA's fares into dollars. But the Association of SA Travel Agents points out that this is an invalid comparison. The rand is artificially depressed because of the political perception of SA, so prices here look much cheaper to the outside world than they really are.

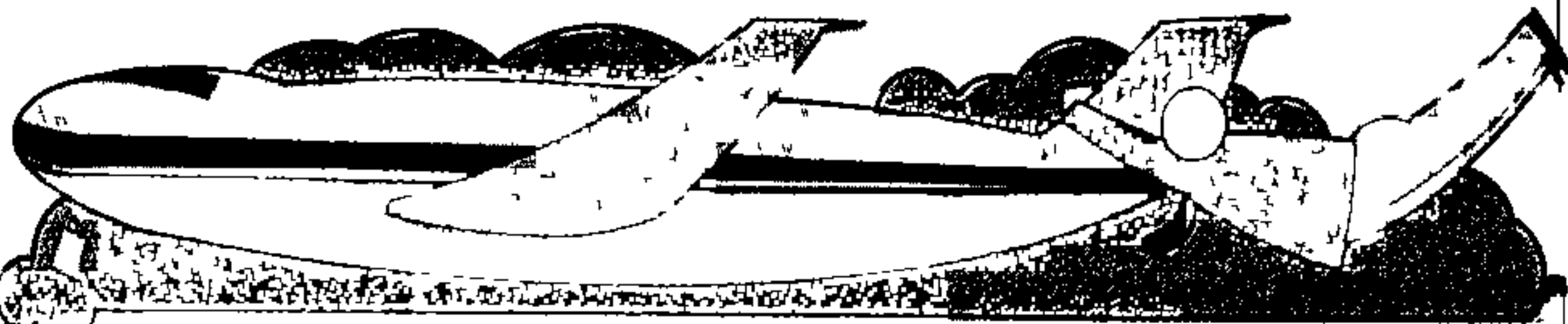
A much better method of comparison is to use the rand's purchasing power rate to convert SAA's fares into dollars. Keith Lockwood, an economist with the SA Chamber of Business (*Economy* January 26), figures that R2,05 buys as much in SA as \$1 does in the US.

Using this conversion rate in comparing economy fares, some SAA flights are cheaper than US flights of equal distance, some are more expensive (see chart). But the cheapest seat on a US flight — a seat that's often impossible to book because there are so few available and the restrictions on when the ticket can be used and how far in advance it must be purchased are so severe — usually costs less than the cheapest ticket on a flight of similar length on SAA.

If SAA kept as many statistics as US airlines do, a better, across-the-board comparison could be made. US airlines compute their yield, the amount of revenue they get from each first class and economy passenger for each mile their aircraft fly. Last year, US domestic air travellers paid an average of US13c a mile, according to David Donathan, an economist with the US Air Transport Association in Washington.

Unfortunately, SAA doesn't have a comparable figure yet; spokeswoman Zelda Roux says the airline is just now converting to yield bookkeeping.

David Pincus



TICKET TO RIDE

US domestic airfares vs SAA's

	Km	\$		Km	\$
Chicago to Kansas City	122	297	Johannesburg to Durban	104	85
Chicago to Kansas City (military)	122	48	Johannesburg to Cape Town	155	155
Chicago to Kansas City (standby)	122	21.50			

US tickets may have to be purchased a certain number of days in advance. Conversion into dollars at R2,05/\$1 purchasing power rate.

SOURCE: SAA, The New York Times, American and United Airlines

DEDICATED FUNDS FIM 25/5/90

Double talk (269)

Confusion surrounds the purpose of the charge to be levied on passengers departing from State airports, announced earlier this month by Transport Minister George Bartlett. "As a result of this decision (to levy the charge)," he said then, "it will be possible to commence with the contract to upgrade facilities at Jan Smuts airport."

It seemed clear that the charge is intended to upgrade facilities at Jan Smuts. Not so, says a spokesman for Transport "If we generate additional funds for the State coffers it will enable the minister of finance to allocate money to various things, including upgrading Jan Smuts."

Behind this semantic egg-dance lies a con-

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troversy over the use of funds allocated outside departmental budgets. In February 1988, government was rapped on the knuckles by a parliamentary committee for siphoning Central Energy Funds to other bodies. The Standing Committee on Public Accounts labelled it an "undesirable practice."

The then State President P W Botha responded by announcing that levies which previously flowed to any special funds would "henceforth be channelled unearmarked to the Exchequer and their application will be subject to the process of priority determination together with all other revenue."

The move left the administration free to juggle funds, without accountability — a familiar pattern in government finance.

Many representations have since been made for a return to the previous system. Officials and ministers fear the passenger levy will be seen as a precedent and pave the way to a return to dedicated funding.

"There has been a lot of debate on the subject," says SA Chamber of Business economist Keith Lockwood, "even within our organisation. Management of dedicated funds usually falls outside the control of parliament. Expenditure from such funds can run counter to broad fiscal policy objectives. On the other hand, they are equitable in that they incorporate user-payment. Moreover, now there is great concern that money has been diverted from road maintenance and past investment is being lost as roads deteriorate."

So the issue is not likely to go away ■

Joint bid

to open

Nairobi

By NORMAN WEST
Political Reporter

THE Kenyan Government is to be urged this week to lift the ban on South Africans using Nairobi airport.

The top-level mission will be made up of representatives of the ANC and the Cape-based Muslim Judicial Council.

The delegation will ask the Kenyan authorities to allow the thousands of Muslims and other SA passport holders to be granted transit visas.

All indications are that President Daniel Arop Moi's government will agree to the ANC-channelled request for the lifting of the visa restrictions which cause severe inconvenience, particularly to thousands of Muslims on their yearly pilgrimage to Mecca.

CAR Tickets 30/5/90

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BUS BREAKDOWN

City transport system is collapsing, says councillor

By PETER DENNEHY

GREATER Cape Town's public transport system is collapsing, town planning committee chairman Mr Clive Keegan said during a City Council meeting yesterday.

"Most people do not trust public transport or enjoy it," he said. "They do not regard it as safe or reliable or as having any virtue at all."

Public transport should be the prime mover of people in cities, he said, "yet our public transport system is crumbling into an even worse state every day".

Unless the planning and engineering bias towards the private car was redressed "to reflect our real traffic needs", Mr Keegan said, "our traffic situation will grow worse and worse".

He made these remarks on the occasion of the City Council's last updating of the Metropolitan Transport Plan before responsibility for it is moved to the Regional Services Council.

"Government intentions in respect of transport planning are still highly suspect," Mr Keegan said, adding that it was still officially the state's intention to shift responsibility for public transport subsidies

Municipal Reporter

ALL-DAY parkers at Riebeeck Square will have to pay R4,80 a day, instead of the present R1,50, as soon as pay and display machines can be set up there.

The City Council decided yesterday, despite objections, that the parking lot would be converted into a toll parking area with a tariff of 60c an hour.

Mr Joe Rabinowitz strongly opposed the conversion, arguing that a greater turnover of cars there would not help central city businesses.

"People won't want to climb up the hill laden with parcels," he said.

Mr Leon Markovitz, chairman of the utilities and works committee, said all-day parkers would still be welcome on Riebeeck Square, and it would still be much cheaper for drivers to park there than in a parking garage.

Mr Markovitz said businesses in the vicinity of the Grand Parade, which had been converted to a pay and display area some time ago, were thriving.

on to Regional Services Councils.

He said that in 1988, the last year for which he could get figures, the state's bus transport subsidy in the Western Cape was R38 million.

In the field of passenger rail transport, the subsidy had been R92 million.

Asking the RSC to assume responsibility for R130 million a year would be "an act of extreme foolishness", because it would take up "almost every single penny of its income".

RSC levies were in a real sense a redistributive tax, he said.

"If there is any protest to be made, this is where it should be."

He said the present Metropolitan Transport Plan, drawn up under the aegis of the City Council, was "biased in favour of privilege" as it gave cars an advantage at the cost of public transport.

Planning at every level was premised on the use of cars, he said.

Now that the state and the provincial authorities were cutting back on funding for metropolitan planning so severely, he said, what little money was available should be spent entirely on public transport.

LOCAL AIRLINES

Heading for the USA

On June 13-14, at a public hearing in Pretoria, the National Transport Commission will consider licence applications by Liberty Airlines and Metavia Airlines to fly direct between SA and the US.

The hearing is, however, likely to be an academic exercise.

Even presuming they have the aircraft and back-up systems (which neither claims to have now), they won't be able to start operating until:

- They have been designated by the SA government as carriers;
- The US government has granted them landing rights, and;
- In terms of guidelines laid down by the International Civil Aviation Organisation, to which both belong, the two governments have concluded an agreement to allow the

airlines to operate. The agreement between the two governments will also set fares

Namib Air, rumoured to start a Windhoek-New York service with connecting flights from Johannesburg and Cape Town, "is not in the race at this stage," says spokeswoman Susan de Villiers "We're flying from Windhoek to Frankfurt on Wednesdays and Fridays with a Boeing SP-747 leased from SAA, and we operate connecting flights from Johannesburg."

One straw Liberty (registered in SA in 1988 as Air Taxis International) and Metavia can clutch at is that a steering committee is investigating the "policy formulation" and possible deregulation of SA's external air links. But the committee has just started its work and has certainly made no representations to government as yet.

Another stumbling block is that SAA has filed notice of its intention to object to both applications. SAA is SA's licensed and designated carrier and was operating a regular

service to the US until Washington withdrew its landing rights in the second half of 1987

While there was talk earlier this year that the US government would allow SAA to resume flights to New York, a US senator has objected on the grounds that SAA is not an equal-opportunity airline. This claim is flatly rejected by SAA spokesman Leon Els.

"SAA is an equal-opportunity airline. We are not interested in the colour of anyone's skin. All we ask is that they have the right qualifications for the job. We have an Indian pilot and several black hostesses," says Els.

Metavia MD Peter Farquhar says it has the backing of a bank. If it gets the nod, Metavia will initially lease aircraft and then buy its own when there's enough business. Meanwhile, he's keeping his cards close to his chest "to avoid letting SAA know what questions it should ask at the hearing."

All that is known about Liberty Airlines is that most, but not all, of its shareholders are black. There's been talk that the Southern African Black Taxi Association has a substantial share but this is denied by association chairman Gaby Magomola.

The confusion, he adds, could have arisen because the association was investigating the possibility of acquiring landing rights in the US after SAA's rights were suspended. At one stage he was involved with Air Taxis International.

"Since then the association has given up trying to get those rights and I have resigned from Air Taxis International," says Magomola.

Liberty chairman Stephen Ramatlo denies it's merely a reworked Air Taxis. "We broke off with them and are now linked to Saudi Airlines, which has pumped R250m into our bank account," Ramatlo does not name the bank.

Ramatlo is sure Liberty will get US landing rights. He says it approached some US Congressmen who feel they can negotiate US landing rights if Liberty gets permission from SA to fly to the US. The airline, he says, will consist of Liberty International, which will operate its scheduled services, and Liberty Charter, which will operate charter flights mainly to the East.

The first charter flight to Mecca, through Mauritius, was scheduled to leave Jan Smuts "this week" but Civil Aviation chief director Japie Smit says. "I know nothing of Liberty being granted a licence to operate a charter flight out of Jan Smuts to Mecca, nor do I know of it being refused a licence. A foreign airline can apply for a licence to operate a charter flight 48 hours before departure but an SA airline must apply several weeks before the intended departure," he says. ■

Rail services hard hit by vandalism

By GLYNNIS UNDERHILL

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SPOORNET is spending R30 000 a month replacing 400 to 450 vandalised windows on the suburban trains operating in and around the city.

The windows were broken in stone-throwing incidents or stolen, said Spoornet spokesman Mr Brian Lotter. Thieves were now walking off with intact windows, complete with aluminium frames, he said.

Trains were withdrawn every two weeks to replace broken windows and repair damage to seats and doors.

Train doors were also being unscrewed and stolen, he said. "It would seem that aluminium fetches a fair price on the market."

Spoornet did not have the manpower to police the trains, said Mr Lotter. "We have the complete assistance of the police. Last week they did a blitz on the trains, but they don't have the manpower to stop the vandalism."

Spoornet has hired a security company to police the trains.

The two lines stopping at Mitchells Plain have been badly affected by the vandalism, according to commuters who complained of travelling in carriages without windows.

The 255 trains operating on these two lines transport 250 000 people a day. Captain Loekie Jordaan, commander of the mobile unit fighting crime on suburban trains and stations, said his unit had confiscated many weapons, including knives and pangas, and arrested people for carrying weapons on trains.

BUS operators, who carry 800-million black commuters a year in 22 000 vehicles worth R4-billion, will ask the Cabinet on Wednesday for huge subsidy increases.

↳ If they don't get them, they say they will be forced to curtail services to black townships and raise fares by 40% to 70%

The decision will be agonising for a Cabinet committed to free enterprise, deregulation and no subsidisation, because refusal could spell huge fare increases, fewer buses, and a furious reaction from black commuters.

Bus operators fear heightened unrest if the Cabinet rejects their request

Responsible for moving 800-million people a year from home to work, the SA Bus Operators Association (Saboia) says transport subsidies are hopelessly inadequate

The Department of Transport (DOT) agrees that subsidies should be increased, but the Treasury is curbing expenditure

Blow

A negative response from Government could set back industry, health services and education. Many black children rely on subsidised bus services to get them to school. If subsidies are insufficient, these services could be dropped

Bus owners have been dealt a devastating blow by mini-bus taxis, which have grabbed the lion's share of the off-peak traffic

As a result, bus companies are having to rely on peak-hour traffic for a return on their huge investment. This makes existing bus fares uneconomic. A new bus costs between R300 000 and R400 000

Saboia complains that taxis cause congestion around townships, often making it impossible for buses to run more than a single trip at peak hours

Bus subsidies increased from R150-million in 1980 to R540-million last year. But, says Saboia, the allocation in real terms last year was equivalent to only R127-million in 1980 money.

The allocation for the current fiscal year is up by only 6,5% to R575-million

Boycotts

Bus operators have assets of about R4-billion and employ about 80 000 people, but have experienced inflation of between 20% and 25% a year

To maintain an economic service, bus companies say they will have to increase fares by up to 70% for long distances — more than 30km — and by between 40% and 50% on shorter routes

An appeal to Cabinet for subsidy rise as industry faces the wall

By DON ROBERTSON

Bus companies fear that if they increase fares, boycotts, violence and damage to vehicles are inevitable

Saboia chairman and Putco managing director Albino Carleo criticises government "apathy" to the transport problem

Because commuter services are uneconomic, his company has reduced services and given to shareholders money that was saved to buy buses

Mr Carleo told the Saboia annual meeting in May "The

reduction of commuter subsidies to curb State expenditure, together with deregulation of mass transport, is the order of the day

"Suddenly, the reasons for the existence of organised mass transport systems seem no longer applicable in this country and there appears to be an irresponsible pursuance of principles irrespective of the consequence or the cost to the country and the commuter

"Regulation, which is an acceptable principle worldwide ... is apparently no longer acceptable to southern Africa's policy planners

"The gradual withdrawal of these subsidies has resulted in reduced availability of mass transport and the reduction planned for 1990-91 will result in tremendous ticket price increases"

Without higher subsidies, bus operators will be forced

to cut services, which will result in socio-political and economic problems.

The industry operates 22 000 buses, but it is expected that only 500 new vehicles will be bought this year. Putco has reduced its bus fleet by 1 500 since 1985. But for lack of buyers, the company would sell its unused buses

Meeting

The industry, through Saboia, was given little to enthuse about at the annual meeting

Deputy Minister of Transport Piet Welgemoed told delegates this year's allocation of R575-million would stand. He refused to give bus operators any indication of what the future held.

The SA Chamber of Business (Sacob) says it is concerned that bus services may be cut. Sacob has asked the

DOT for a place on the committee investigating bus subsidies. The DOT has invited Sacob to attend the meeting on Wednesday.

Jackie Walters, executive director of Saboia, says the industry is against the wall

"The subsidy for the current year is negligible considering that the Government is talking about uplifting the people. The Government is turning its back on us."

"The Government must decide if it wants mass transport. If it does, it must pay as governments elsewhere do. We must also have a clear direction for the next five or six years so we can make investments."

Professor Walters believes the R3-billion set aside by Government for elimination of "backlogs" should be used to subsidise bus routes

Appeal

"Many bus passengers earn as little as R160 a month and a 70% fare increase would be devastating for them. If we have to withdraw services, people will be forced to move closer to town, leading to squatter camps, as happened in Rio de Janeiro a few years ago."

Professor Walters believes a new transport policy is needed. He has been working on it with the DOT for 18 months

Even if it is decided to shift the financing of bus routes to regional councils from central government, the Treasury will still have to assist. Last year, regional councils received gross income of R1,5-billion, which was equal to the amount spent on road and rail subsidies in 1989

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Banana line's on track for maiden profit

SI Times 3/6/90

Business Times Reporter

IT'S been a long haul, but Port Shepstone & Alfred County Railway (ACR) is heading for profitability.

The company, funded by foreign and SA railway buffs and a R1,8-million share issue two years ago, reopened the 122-kilometre narrow gauge line between Harding and Port Shepstone in Natal after SA Transport Services withdrew.

ACR ran up costs of R1,5m and revenue reached R700 000,

or 47% of costs, in its first year. Income climbed to almost R2,25m, or 81% of costs of R2,8m, in the second.

The railway has had to counter tough competition from road hauliers, says managing director Allen Jorgensen.

In the last year that Sats ran the line revenue amounted to R1m and operating costs were R8,5m.

Mr Jorgensen says: "We're doing well enough to encourage investors to make an additional R500 000 available if it is needed."

Mobil in valley oil hunt

SI Times 3/6/90

Business Times Reporter

AMERICAN giant Mobil has launched a search for oil in Zimbabwe's Zambezi Valley.

Mobil Exploration (Zimbabwe) has been established to oversee a \$31-million exploration programme in a 31 540 sq km concession. The initial project is expected to run for four years.

Aerial survey work by two British companies began on April 1.

The UK company ULG will carry out a two-month survey to consider the environmental impact because of an outcry by conservationists when the concession was granted.

The project is the first co-ordinated search for oil in Zimbabwe by a major company. The former Rhodesian Government carried out limited drilling for oil or gas in the Lowveld in the late 60s without promising result.

Peanuts

The company operates the Banana Express in the tourist season, but it contributes peanuts compared with earnings from timber on the coastward trip and general cargo inland.

ACR estimates that it has 30% of all timber carried in the area. Main competitor Raven Hill Transport has 45%.

Mr Jorgensen says: "The line was discredited when we took it over, but we have turned it around. We think our case is strong enough now to ask the railways to help us get more cargo."

ACR's drive for freight is being helped by the poor state of roads in the district.

Bedtime apartheid on trains is over

Own Correspondent

Bedtime apartheid on the railways has gone. People of different races could now find themselves sleeping in the same compartment on overnight journeys.

Railway reform came without fanfare when Spoornet abandoned separate "black" and "white" coaches on main-line trains such as the Trans-Natal a few weeks ago.

Suburban commuter trains have already been desegregated

for some time.

The change for long-distance travel comes well ahead of the scrapping of the Separate Amenities Act in October, which might have brought it about in any case.

The only yardstick a reservations clerk or conductor is now supposed to use when allocating compartments on main-line trains is the class of ticket a passenger holds, but Spoornet sources said bookings were being treated "sensitively".

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Sta 4/6/90

Bedtime mixing

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Urban future 'more like Rio than Dallas'

WHITES would have to stop deluding themselves that they could still afford cities that looked like Frankfurt or Dallas when SA had a per capita GNP closer to that of Mexico or Brazil, Independent Development Trust chairman Jan Steyn said yesterday.

Speaking at a City Futures conference arranged by Wits University's Centre for Policy Studies, Steyn said whites had for too long used legal devices such as the black urban areas legislation and group areas to hide "our realities"

"This means we have to become accustomed to adapting our lifestyles to urban complexity... a situation far closer to that of Rio than to our delusive image of an unrealistic,

PETER DELMAR

hyper-privileged past incapable of being sustained save through oppressive and unjust measures."

Part of the solution to urban problems, he said, lay in features that were regarded as failures. These included shack settlements, which served an important housing purpose.

Steyn also urged the conference to consider federalism at a local government level as a means to avoid the alienation of important political groups.

He said a one man, one vote system at the local level could alienate constituencies whose councillors and officials had the longest experience in

local management

To avoid this, it was essential that a form of local federalism or dual level structures be frankly debated as soon as possible.

Transvaal MEC Olaus van Zyl told the conference local authorities in the province were being urged to negotiate with their people's delegations and civic associations on local issues, including rent boycotts.

Negotiation on local issues could not be delayed until a decision on future municipal structures was reached at national level, he said.

He said national negotiations on future municipal structures would have to be accompanied by negotiations "on the ground"

'Port' of Pretoria means saving for container shippers

GOVERNMENT has declared its Pretoria container depot (Pretcon) an inland port, which will have an impact on the Pretoria shipping community through significant savings in direct and indirect costs.

Safmarine spokesman Peter Kemp said yesterday the May 1 declaration by the Customs and Excise Department meant shippers could manifest shipments to and from Pretoria instead of to coastal ports.

Initial indications at Pretcon showed shippers were saving up to

EDWARD WEST

R200 on container shipments by saving on high delivery charges to the Johannesburg shipping terminal at City Deep, the spokesman said.

Two shipping companies, Safmarine and Mediterranean, had offices at Pretoria which were able to handle container shipments.

The declaration of the Pretoria depot as an inland port represented the first major change to container ship-

ping infrastructure since the introduction of containerisation in 1977.

Safmarine, having anticipated the move, opened a Pretoria branch in 1984 with its agents, Freightmarine and Saftainer, opening offices in 1985 and 1989 respectively.

These offices were electronically linked to one another and to Safmarine's Cape Town mainframe. They would enable Pretoria and northern Transvaal shippers to use a more effective through-transport service.

Call for bus subsidy voucher system

THEO RAWANA

BUS companies, including Putco, would trigger off strong and uncontrollable boycotts if they increased fares in the wake of government subsidy cuts, black consumer organisations said yesterday.

Putco said last month the phasing out of subsidies called for by Deputy Transport Minister Piet Welgemoed would result in "unaffordable fares to commuters".

National Black Consumers Union (NBCU) president Noma Ramphomane said in a statement that the union found the anticipated fare rises unacceptable.

The union recommended a voucher system, which would enable those in receipt of the vouchers to use them to claim such subsidies. *B. Ram 6/6/90*

"Subsidies are aimed at the poor black population, but the painful truth is that they never enjoy these benefits," she said.

Putco MD Jack Visser said. "Putco's services in Soweto are already running at a loss and if the government cuts its subsidies to passengers, the passengers will have to absorb the shortfall".

Welgemoed told a Southern African Bus Operators Association annual meeting last month a phased reduction of commuter fare subsidisation by central government was necessary. *(269)*

Consumer Institute for Research and Promotion MD Eldridge Mathebula said yesterday blacks would switch to using taxis "which are very competitive despite operating without subsidies".

Putco had been protected for too long, he said. It was enjoying a subsidy while being a monopoly.

The ignoble rise and fall of petty apartheid

NR6US 6/6/90

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By GERALD GORDON, QC, who was at the centre of the court battles against separate amenities in the 1950s, and who was counsel in the landmark *Abdurahman* and *Lusu* cases

TRUMPETS are sounding in conservative ranks. "Whites" must rally round "in self-defence" to save themselves from being "swamped" by blacks through the government's decision to scrap the Separate Amenities Act of 1953 as from October 15.

Every possible strategy — including "total onslaught" — will be invoked to resist the Discriminatory Legislation Regarding Public Amenities Appeal Bill published last Friday.

CONSTITUTIONS

The trumpet calls bring two echoes from the past, one here and one from America. In South Africa the trumpets that blazed in similar pitch were those of National Party members who in 1953 were angered at a decision of the Appeal Court decision that "Non-Europeans" should get substantially the same waiting room facilities on railway stations as "Europeans"

Mr Swart, the Minister of Justice, and Mr Sauer, the Minister of Transport, and others, told crowded meetings that the implications were "tremendous" and that the government would "put the matter right" if it was returned to power. Mr Froneman, MP, (later Administrator of the Free State) told the House of Assembly "If the Appeal Court wanted to be treated with respect it should give decisions interpreting the sentiments of the people who stood supreme in the country."

Equality

The "people who stood supreme" were returned — with an increased majority — and the matter was "put right". We shall shortly see how

In America the trumpets were set blasting as a result similarly of a court decision. There the Supreme Court in a famous judgment handed down by Chief Justice Earl Warren in 1954 went much further than our own highest court and held that substantial equality of treatment was insufficient.

Separation or segregation was in itself discrimination and therefore illegal.

In 1952 Oliver Brown of Topeka, Kansas, sued the city school board on behalf of his eight-year-old daughter, Linda Carol. She had to cross railroad yards to catch the bus for a black school 21 blocks away. Her father wanted her in the white school only five blocks from home.

Three federal judges heard evidence on teachers' salaries and qualifications, courses of study and buildings and, finding the respective "black" and "white" schools substantially equal in all these, ruled against Brown.

They relied on the 1896 Supreme Court decision of *Plessy v Ferguson* which had sanctioned the conservative South's dual society by upholding a state law requiring separate "black" and "white" railway carriages. Only one of the nine judges dissented, John Harlan, who said that the US constitution, as amended after the Civil War, "is colour blind, and neither knows nor tolerates classes among citizens. In respect of civil rights all citizens are equal before the law"

While his judgment became legendary, the "separate but equal" doctrine emanating from the majority of the court was the law of the land until Brown took his case on appeal to the Supreme Court

Chief Justice Warren said that despite the equality of the schools "we cannot turn the clock back to when the *Plessy* case was written. The opportunity of education must be made available to all on equal terms. Segregation has a detrimental effect upon the coloured children. To separate them from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone

And although racial integration remained a source of concern, particularly at presidential level, the fight for desegregation became broadly replaced by the fight for quality education.

In South Africa the fight in the courts was whether the "separate but equal" doctrine was our law. No court has gone as far as to apply the *Brown* case and hold that separation in itself was unlawful.

The first major act of the National Party government after it came to power in 1948 was to introduce apartheid into the suburban railway system of the Western Cape by affixing to certain coaches in each train boards reading "Europeans Only" "Slegs Blankes". The rest of the train was unmarked and could be used by all races.

A committee, called the "Train Apartheid Resistance Committee" was formed and at a protest meeting on the Grand Parade, one *Abdurahman*, told the gathering of some 2 500 to 3 000 people, most of them not white, to get into any part of the trains when they went home notwithstanding the notices. A resolution was passed unanimously rejecting the apartheid policy and giving the TARC full power to make the relevant regulation unworkable.

The regulation was made under the Railways and Harbours Act, 3 of 1916, under the South African Party of Botha and Smuts. It enabled the Railway Administration to make regulations reserving railway premises, coaches, etc, for the exclusive use of (inter alia), "persons of particular races." In 1937 (under the United Party government), a regulation was passed in terms of the Act. The Act made it an offence for any person to enter a coach in contravention of the reservation.

Question

Abdurahman was prosecuted for incitement, found guilty and fined R5 (or 7 days). The prosecutor argued that discrimination and separation was part of the law of the land. *Abdurahman* appealed to the Cape Supreme Court where the Judge-President, Mr Justice De Villiers, and Mr Justice Ogilvie Thompson dismissed the appeal. Mr Justice Herbstein, however, held that the appeal should be allowed.

The appeal to the Appeal Court opened with a question by Chief Justice Watermeyer to counsel for the government: "Can you tell us what 'race' really means?" From that moment the auguries that the appeal would succeed were strong and in the event it did succeed.

The fundamental issue was whether the regulation was *ultra vires* in that it "resulted in partial or unequal treatment as between members of different races."

"The conclusion at which I arrive," said Mr Justice Centlivres who wrote the judgment (which was unanimous) "is that the regulations have been improperly applied. The Act does not authorise the Administration to discriminate on a footing of partiality or inequality. The regulation must be construed in such a manner that it does not authorise discrimination between different races on a footing of partiality and inequality, and from this it follows that the action taken under cover of the regulation which results in substantial partiality and inequality is void"

Incitement

Accordingly it would not have been an offence to enter a coach reserved and consequently there could have been no crime of incitement to commit an offence.

Shortly after this the Railway Act was amended widening the Administration's power itself to take action reserving premises, etc, for the exclusive use of (inter alia) persons of particular races. But it is significant that the government was not yet brazen enough to say that there could be separation without equality of treatment.

Under its powers the Administration reserved the waiting-room of the Cape Town station for the exclusive use of "Europeans". One *Lusu*, a black, entered the waiting-room and

52 Olive Brown of Topeka, Kansas, sued the city board on behalf of his eight-year-old daughter, Linda. She had to cross railroad yards to catch the bus for a school 21 blocks away. Her father wanted her in the school only five blocks from home.

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Rejecting the *Plessy* case he held that "in the field of public education 'separate but equal' has no place."

Moreover the Fourteenth Amendment (of 1868) provided that no "state shall deprive any person of life, liberty or property, without due process of law, or deny to any person within its jurisdiction the equal protection of the laws," and segregation is a deprivation of such equal protection.

In the South the judgment (which was unanimous) produced rude reaction.

A Mississippi senator growled that the South would neither "abide by nor obey this legislative decision by a political court" while a Virginia senator rallied the swelling opposition under the call of "Massive Resistance" and 101 members of Congress in a "Southern Manifesto" denounced the decision as "a clear abuse of judicial power."

Interpreter

However it was not open to them (as it would have been under the South African system) to "put the matter right" by legislation. Whereas the US constitution is the highest law of the land, the Supreme Court is the highest interpreter of that law with the power to test whether any legislation is constitutional or not. The only power higher is the will of the people. They can reverse Supreme Court decisions by adding a new clause to the constitution, called an "amendment" but this requires the acceptance of three-fourths of the states and two-thirds of Congress.

The only other way open to the South was by factually and forcefully defying the law. Meanwhile the Supreme Court a year later, after further argument, directed that compliance with its ruling should move "with all deliberate speed" and many states took quick action. The law of force gradually succumbed to the force of law and over the years courts have consistently ruled in favour of desegregation, with *Brown v Board of Education of Topeka, Kansas* becoming one of the most important decisions on civil rights generally.

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Under its powers the Administration reserved the waiting-room of the Cape Town station for the exclusive use of "Europeans". One Lusu, a black, entered the waiting-room and remained there after being asked by a railway employee to leave. He was charged under the Act but acquitted by the Magistrate who applied the decision in the Abdurahman appeal. The facts were that the waiting-room facilities for "non-Europeans" were far inferior in many respects to those for "Europeans".

The government appealed on a point of law — that this case was distinguishable from Abdurahman's in that here there was executive action by the Administration reserving the waiting-room, not mere regulations.

In March, 1953, the Cape Supreme Court dismissed the appeal and the government appealed to the Appellate Division where Mr Justice Centlivres, now Chief Justice, held that there was no distinction between executive action and regulations in so far as it concerned the principle that facilities should be equal and impartially applied.

Reservation

The political uproar that followed this decision was much greater than that after the Abdurahman's case and now the government did not lose much time in putting things "right." In October, 1953, Parliament passed the Reservation of Separate Amenities Act which entitled any person in charge of public premises of vehicles to set apart or reserve such premises or vehicle or portion thereof "or any counter, bench, seat or other amenity or contrivance in or on such premises or vehicle, for the exclusive use of persons belonging to a particular race or class."

And here comes the cynical irony that "such setting apart, demarcation or reservation shall not be invalid on the ground merely that (a) no similar facility has been set apart, demarcated or reserved for the exclusive use of persons of any other race or class; or (b) that a facility for any other race or class "is not substantially similar to or of the same character, standard, extent or quality . . ."

In other words henceforth there was to be no dissembling or hypocrisy in the reservation. Out it came brazenly legislated discrimination with inequality.

Now, all these years later, With the complete repeal of this notorious measure, the way will be clear for a new South Africa where public amenities are open to all in the same way as is laid down in the Brown decision of America. After all, the noble words in our Constitution "To uphold equality of all under the law . . . and to respect and protect the human dignity, life, liberty and property of all in our midst" are no different from America's Fourteenth Amendment.

Warehousing and distribution part of new Transnet venture

NEWLY formed Transnet has added another link to its service chain with the addition of a multimillion-rand venture into warehousing, distribution and logistics. *B/M 8/6/90*

Transnet MD Anton Moolman said yesterday the new company, to be called Viamax Logistics, was formed in partnership with private enterprise and would comprise a network of multipurpose warehousing and distribution centres throughout SA — and possibly abroad

Moolman said the first of the centres, an

BRENT MELVILLE

equal partnership with Rennies, was being set up in a large 20 000m² Transnet warehouse at Natalspruit at a refurbishment cost of R1m, to store and distribute products for paper manufacturer Sappi.

Viamax was to kick off with initial funding of about R10m in the form of project and working capital — all to be provided by Transnet

And Moolman estimated that the new company should start to generate profits of about R5m by the 1992/1993 financial

year.

“(Viamax will provide a one-stop, logistics service to its partners/customers. It will advise on production runs, how to link up with the supply chain, to choose the right mode of transport, how to minimise inventory costs, and how to maximise efficiencies,” said Moolman)

Apart from paper manufacturing, other industries ideally placed to benefit from the Viamax concept include iron and steel, cement, fertiliser, liquid products and supermarket groups.

Trying for a lift-off

Should government continue with its cosmetic R65m refurbishment of Jan Smuts airport — which could be a decade out of date by the time it's completed — or should it start afresh by making use of the development skills available in the private sector to tackle the job?

The choice is complex and the implications wide-ranging. If the State decides to press ahead on its own, only to decide later to follow private sector proposals for a totally new Jan Smuts which will meet needs until 2025 — its planned refurbishment could be money wasted. It could also find itself locked into a cycle of costly airport upgrades which could cost taxpayers around R1,5bn over the next 10 years.

Government hasn't fully disclosed its plans for the airport but they are rumoured to include new terminal buildings between the two existing runways as well as six-lane highways from the south.

The private sector alternative, on the other hand (see plan), made public this week by consulting engineers Scott & De Waal, could be far less costly in the long term and would not involve the State in

any additional capital expenditure. Furthermore, the State would inherit a modern, refurbished airport as a profitable going concern after the 30-year lease expires.

"Our proposal follows the build-operate-transfer example used by the UK government when it privatised the British Airports Authority — which today successfully and profitably runs nine major airports," says Scott & De Waal director Gerrit Venter.

He explains how the project would work: "A public company is first formed, with the State as nominal shareholder. The developing consortium (major shareholders in the company) then obtains a 30-year lease from the State to build all facilities required to upgrade and modernise the airport, to operate it as a going concern, and, lastly, to transfer it back to the State after 30 years."

The payback for developers will be the returns earned over the lease period. Obviously, returns will depend on the type of investments involved and patronage of the services offered.

CIB Corporate Finance (formerly Corbank) senior manager Danie Meyer says the proposed plans for Jan Smuts (devised by

Scott & De Waal associate Wally van Rensburg, who has a master's degree in airport planning and design from Michigan State University) makes provision for wide-ranging commercial investments as an adjunct to the airport.

"These include two 5 000-car parking garages, a new hotel, an office block, a new domestic passenger terminal (on the site of

will also benefit from the modern amenities. Those who also stand to gain are shareholders in the development company who should see real returns of up to 7% on their investment and concessionaries who should profit from a growing, captive passenger market.

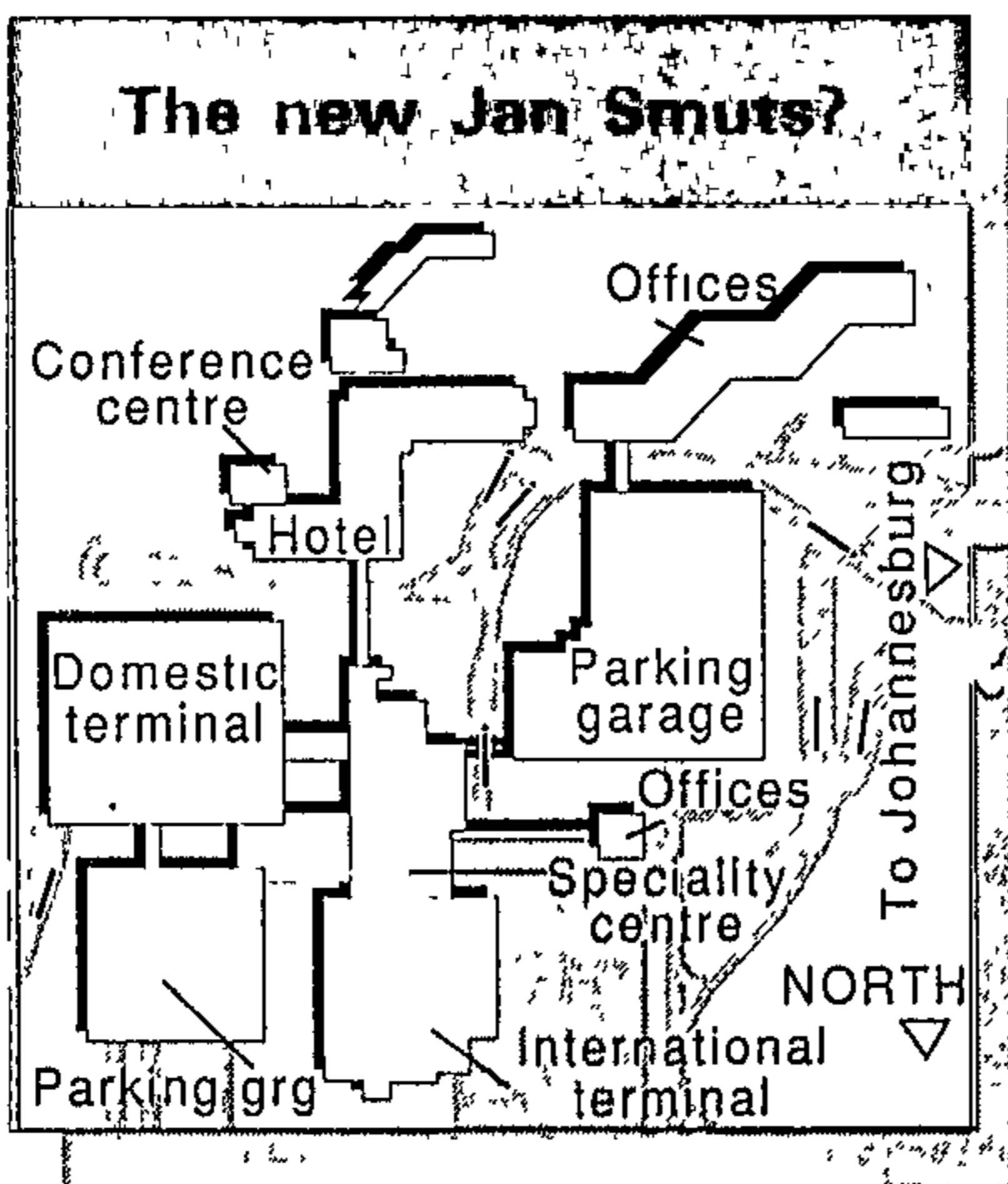
A possible loser could be the State which will lose the advantage of selling Jan Smuts (or any other public airport to follow) for billions to private-sector developers. In any event, buyers would probably be few and far between. The benefit of handing the airport over to competent private-sector operators, only to inherit eventually a smart, going concern 30 years later, might be infinitely more attractive.

There might be other advantages. While retaining eventual ownership, the State would benefit from whatever airport company taxes might flow its way. The improved international passenger flow, as millions of foreign tourists stream in through SA's new gateway, would swell State coffers as tourism revenues boomed.

The private-sector proposal is based on a projected growth in domestic passenger flows of 5% per annum over the next 20 years. International passenger growth in the same period is estimated at 4,5% a year.

Scott & De Waal's proposals have been submitted to government but there has been no response apart from a terse comment that "tenders for the R65m upgrading have again been asked for." Division of Civil Aviation chief director Japie Smit says comment would be counterproductive as the proposals seem to be "diametrically opposed" to the State's plans for Jan Smuts.

It is hoped reason will prevail and, in the current spirit of privatisation, the private sector will be accorded a role in the development of SA's principal airport.



the existing airport apron) and a speciality centre with provision for shops, boutiques, restaurants, cinemas and other facilities."

Central to the proposal is the phasing out of the apron east of the terminal buildings and its replacement by midfield domestic and international arrival and departure seating areas (and aprons) between the two existing runways. Access will be by means of a tunnel allowing for rail transit or some other means of transport. A cheaper alternative may be a causeway underneath the nearer runway to the midfield terminal buildings.

"The beauty of this proposal is that the existing apron's limited space for aeroplane access to the existing terminal buildings will be replaced by a huge new central apron area. And all the required extensions can be phased in over the next 20 years at the lowest possible cost," says Meyer. He envisages about R853m in 1989 rand terms being spent over the next 20 years.

Should government accept these proposals, there will be winners and losers. The winners will be taxpayers who will not be billed for the massive costs of upgrading the facilities. Passengers and aircraft operators

WOOL INDUSTRY F/M 8/6/90

Hairy times ahead?

The wool industry — a principal agricultural foreign exchange earner — is in trouble. Export revenues of R865m for the season which ended in May were 12,5% lower than last year.

Over the past 13 months the Wool Board has been forced to buy in 220 000 bales at a cost of R250m. The last three weeks of the season were particularly bad: only 13% of the clip offered was sold and the stockpile increased by 50 000 bales.

Wool producers Down Under are no better off. Last week the Australian government pulled the rug out from under the Australian

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Apartheid rules quietly shunted off the railways

PAT DEVEREAUX

APARTHEID on all South African trains slipped away some weeks ago — but passengers on “sleeper trains” can still stipulate what race group they prefer to travel with

Apartheid went on main line “sleeper” trains in May. All trains (the Trans-Natal, Trans-Karoo, Bosveld and others) are open for bookings to all races.

And passengers could find themselves in racially mixed compartments unless they demand otherwise, said Mr Jaque Pienaar, a spokesman for Spoornet.

“With the old system (in first- and second-class) some coaches were specifically reserved for whites only. Now all coaches are ‘open’ and anyone can book into any class compartment.” Third class travel was not affected and suburban commuter trains have been desegregated for some time.

The Saturday Star found no racially mixed compartments on mainline trains on Thursday evening from Park Station.

Mr Pienaar: “With bookings a passenger can establish with whom he wants to travel. It is the passenger’s choice. We from our side have done away with discrimination but we are not going to prescribe to our customers how they should travel. Ultimately it is up to us to satisfy our customers.”

This change comes well ahead of the scrapping of the Separate Amenities Act in October.

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More traffic cops to enforce tough laws

THE Department of Transport aims to have more traffic officials patrolling South Africa's highways to implement the stricter traffic laws which came into effect at the beginning of this month.

But the Automobile Association does not believe this is feasible.

"There haven't been enough traffic officers in the past and there won't be enough in the near future," the AA said.

Advocate JI de Wet, a member of Implan (Implementation of the Road Traffic Act, which is a consortium of consultants specifically created to help the Department of Transport implement the new laws) said the department will be working towards more traffic officials patrolling the country's roads and highways.

The first phase of the new Traffic Act, which drastically increases penalties for law-breakers, will see motorists being sentenced to fines of up to R8 000 and/or two years' imprisonment for drunken driving, reckless driving and for overtaking a vehicle without having "adequate sight distance".

Effective from June 1, the new legislation also allows for anyone found causing an accident or driving negligently to be fined up to R4 000.

Motorists who "hog" the right-hand lane on freeways will also be classified as offenders — even if they are sticking to the maximum legal speed limit. The reason is that they may be impeding an emergency vehicle.

The new legislation obliges drivers in the right-hand lane on freeways to move over when a driver behind indicates a desire to overtake.

Mr de Wet said "The Department of Transport would like motorists to comply voluntarily to the provisions of the Act and thereby eliminate the necessity of prosecution. But you always encounter the 10 percent who refuse to

SUE OLSWANG

comply with the law.

"We will try to relieve traffic officials of some of the less necessary duties to free them to combat serious offences. But we would also like to see civilians playing a role by taking down registration numbers and reporting offenders."

Mr de Wet conceded, however, establishing the veracity of civilian reports was often difficult.

"The situation is the same with any charge, even rape. A motorist will have to be proven guilty before being penalised and the reporting motorist will have to supply proof of his allegations against another driver.

"If a matter went to court and was proved to be malicious, the person making the charge could be in for a heavy claim."

The AA said motorists have in the past had the right to report traffic violators if they were willing to appear in court, so "the status quo remains".

● The AA advised that it is now also illegal to overtake on the left-hand side on freeways, a practice which has been a source of major concern.

The installation of anti-theft devices connected to or interfering with the braking system of vehicles registered after June 1 has also been outlawed. Sirens — fitted as part of anti-theft devices — will, however, be legally permitted in future.

The law on the minimum depth of tyre treads has also been changed. A tread pattern of a minimum of 1 mm is now required over the entire breadth and circumference of a tyre.

It is now mandatory for motor-cycle headlamps to be used at all times.

The maximum penalties for offences such as overloading, projections and the manner in which goods, and people, are conveyed have been increased to R8 000 and/or two years' imprisonment.

Transnet puts idle assets to use

By DON ROBERTSON

TRANSNET is to go semi-private by establishing joint ventures and partnerships with customers in an effort to get more out of its underused assets (222)

It has set up wholly-owned subsidiary Vimax Logistics, with funding of R10-million. Vimax will whip up business for idle warehouses and distribution centres throughout SA. *ST Times 14/6/90*

The first move in this direction is a venture with Rennies to use the 20 000m² Transnet warehouse at Natsalspruit near Johannesburg for paper storage for a new company, Forest Products Distribution.

The warehouse is fed by four railway lines and will receive paper and forestry products from manufacturers, store them in controlled conditions and deliver to customers in 25 Transnet trucks.

Transnet plans to open between 50 and 60 similar outlets in the next few years in association with companies, road hauliers and warehousing operators. It will also consider establishing warehouses abroad.

The R10-million will be used for project and working capital for Vimax, which is expected to make a profit in its third year on forecast sales of R5-million.

Other industries which could be included in the Vimax concept are iron and steel, cement, fertiliser, liquid products and even supermarket groups

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CME Times 11/6/90

SAA shows profits of R140m

Own Correspondent

JOHANNESBURG — Preliminary figures show SA Airways (SAA) has increased its profits from R133m last year to more than R140m this year, SAA CE Gert van der Veer said at the weekend.

He declined to give exact figures except to say the profit was "more than the R140m we budgeted for".

Last year SAA recorded a 17% drop in profits from a record high in 1987/88 of R160m to R133m in 1988/89. Its profit 1986/87 was R108m.

SAA's domestic services, which in the past few years has been unprofitable, "just about broke even" this year, Van der Veer said.

Only 40% of SAA's total revenue came from domestic services, while its international ser-

vices contributed a hefty 60% of total revenue.

The domestic services of SAA had a 15% growth per annum following the introduction of a variety of discount fares in the past three years, but this dipped in the past year as the market in discount fares levelled off, he said.

As a business concern, SAA could not be satisfied with "just breaking even", Van der Veer said.

"As a result of the formation of Transnet, SAA needs to produce an acceptable return on investment. At present, domestic fares are too low and must be adjusted to make it profitable for SAA and others to enter the market, he said.

"SAA favours the complete deregulation of the domestic market provided everyone is treated equally. The new Act has been approved

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by the Cabinet and is expected to be put on the order list before the end of the current parliamentary session," Van der Veer said.

Commenting on the possibility SAA could be listed on the JSE, Van

der Veer said while SAA was a candidate for privatisation this would not occur for at least three years as the JSE required a company to have a financial history before a listing could be considered.

SAA profits to exceed forecast

BID am 11/6/90 269

PRELIMINARY figures showed that SAA had increased its profits from R133m last year to more than R140m this year, SAA CE Geft van der Veer said at the weekend.

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Domestic services had showed a 15% growth per annum following the introduction of a variety of discount fares during the past three years, but this had dipped in the past year as the market in discount fares levelled off.

SAA could not be satisfied with "just breaking even", Van der Veer said.

Domestic commuters could expect an increase in fares by the time the new Air Transportation Act, which allows for the deregulation of the air transport industry, came into effect in July 1991, he said.

"As a result of the formation of Transnet, SAA needs to produce an acceptable return on investment," he said.

MANDY JEAN WOODS

The load factor on local flights averaged about 75%, he said.

"There is no doubt that when we deregulate, the load factors must fall and then utilisation will be lower, leading to higher costs

"SAA favours the complete deregulation of the domestic market provided everyone is treated equally," he said.

Commenting on the possibility of SAA being listed on the JSE, Van der Veer said while SAA was a candidate for privatisation, this would not occur for at least three years.

"The profit SAA is returning — mainly due to the unprofitability of the domestic services — is insufficient for a listing. If SAA were to be sold on the market today, it would realise only about half its net asset value of R2,8bn".

SAA had ordered new aircraft worth R3bn due for delivery between 1991 and 1994, he said.

"SAA is expanding and as the airline business is capital intensive, we do need to find a source of capital funding. As the government, the sole shareholder, does not have the money to inject into SAA, perhaps we could give institutions and others a chance to provide capital for SAA."

Tongaat: expropriation of pieces of land
 *13 Mr J A JORDAAN asked the Minister of Planning and Provincial Affairs †

- (1) What steps are being envisaged by his Department at present in respect of the expropriation of pieces of land in the vicinity of Tongaat,
- (2) whether he recently received any representations in this connection, if so, (a) from whom and (b) what was the (i) nature of and (ii) response to the representations,
- (3) whether he will make a statement on the matter?

B1214E
 THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS.

- (1) None The expropriation of land is not the function of my Department
- (2) No The rest of the question falls away
- (3) The Department is well aware of the necessity of identifying land north of Durban for development and urbanisation and investigations in this regard are in progress and a meeting will in time be held with the parties concerned

Voters' roll/census

*14 Mr J H MOMBERG asked the Minister of Home Affairs.

- (1) Whether it is the intention of the Government to compile a voters' roll of all South Africans over the age of 18 years, if not, why not; if so,
- (2) whether this is to be done concurrently with the 1991 census; if not, (a) why not and (b) when is it anticipated that it will be done?

B1216E
 THE MINISTER OF HOME AFFAIRS

- (1) and (2) In terms of existing legislation a joint voters' roll is not possible In this regard the hon member is specifically referred to section 52 of the Republic of South Africa Constitution Act, 1983 (Act 110 of 1983), and section 3 of the Electoral Act, 1979 (Act 45 of 1979) The manner in which voters' rolls are to be compiled in future, is an aspect which obviously will depend on the outcome of the

the town development has been completed
 (2) No.

Loftus Versfeld: aircraft Z5 FSV

*17 Mr P H DE LA REY asked the Minister of Transport †

- (1) Whether his Department keeps a register of aircraft registered in the Republic; if not, why not; if so, (a) who or what body is the owner of aircraft Z5 FSV which flew over Loftus Versfeld with a banner on 26 May 1990 and (b) who (i) authorised and (ii) bore the cost involved in the flight;

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

B1227E

THE MINISTER OF TRANSPORT

- (1) Yes,
 - (a) Mr J E Popham
 - (b) (i) no application for authority was received
 - (ii) unknown,

- (2) no

La Mercy Airport

*18 Mr J A JORDAAN asked the Minister of Transport †

- (1) What is the latest planning of his Department in respect of the La Mercy Airport;
- (2) whether he has received any representations regarding the alternative utilisation of the land for this airport; if so, (a) from whom and (b) what was the (i) nature of and (ii) response to the representations,
- (3) whether he will make a statement on the matter?

B1228E

THE MINISTER OF TRANSPORT

- (1) The Department of Transport is currently appointing a multi-disciplinary planning team which will investigate the airport system in the Durban area and make proposals regarding the possible upgrading of Louis Botha Airport and/or the bringing into use of an airport at La Mercy.

- (2) Yes,

(a) The North Coast Regional Development Association (NCRDA) and Members of the House of Delegates, including the hon Minister of Local Government and Agriculture in the Ministers' Council of the House of Delegates, made representations about the alternative utilisation of the terrain at La Mercy

- (b) (i) The NCRDA submitted a report to me, recommending among others, that the State should appoint consultants to investigate the La Mercy area, taking into account both the possible future airport as well as possible alternative usage of the area Members of the House of Delegates made verbal representations to my predecessor to the same effect as the Minister concerned of the House of Delegates who requested that a portion of the land be made available to Indian farmers for growing vegetables

- (ii) In accordance with my speech during the discussion of the Department of Transport's budget vote on 11 May 1990, it was indicated that the terrain at La Mercy be retained for an airport. To the Minister mentioned, I indicated that the lease of certain parts of the terrain for other purposes such as farming will be continued with In view of the uncertainty in regard to the time at which the development of the airport will commence, the land can only be let on a temporary basis and it would therefore be to the best advantage of the farmers if alternative land could be identified and acquired for settlement on a more permanent basis.

- (3) No, since I already made a statement on this matter on 11 May 1990

SAA phases out combi-cargo jumbos because of risk to life

By PETER DENNEHY and
ANDRE KOOPMAN

RESPONSIBILITY for the Heiderberg air disaster could not be assigned to "any person or body" and it was "virtually certain" the craft had not been sabotaged.

This was the finding of the long-awaited report of Judge Cecil Margo's Board of Inquiry, which was released today.

All 159 people on board flight SA295 from Taipei to Mauritius died on November 29, 1987, when the Boeing jumbo jet crashed into the Indian Ocean about 215km north-east of Mauritius.

The report said that "the detection system and fire fighting equipment and procedures, which until then had been considered adequate, were in fact not so".

The inquiry failed to determine the cause of the fire on board the Heiderberg.

SAA agree

Until present shortcomings in fire detection and firefighting equipment and procedures had been overcome, the board recommended that the "combi configuration" layout of the Heiderberg should be prohibited, as it created "an unacceptable risk to life and property".

The "combi configuration" is one in which passengers and cargo are both on the same level, with only a bulkhead separating them.

In theory, smoke in the cargo section should not come through to the passenger section because of a difference in air pressure. However, this did not apply when the smoke was driven by a raging fire.

Normally all the cargo on board is stored on a level below the passenger deck. In the case of the Heiderberg, the rear seats had been taken out for an extra cargo hold.

SAA spokesman Mr Leon Els yesterday said R18 million had been spent on efforts over several months to recover wreckage of the SAA Boeing 747 from the seabed at a depth of 4,5km in the hope of determining the cause of the crash. The "black box" containing the cockpit voice recorder was recovered.

Fire ON jumbo jet.

Capl Tim P
12/6/90

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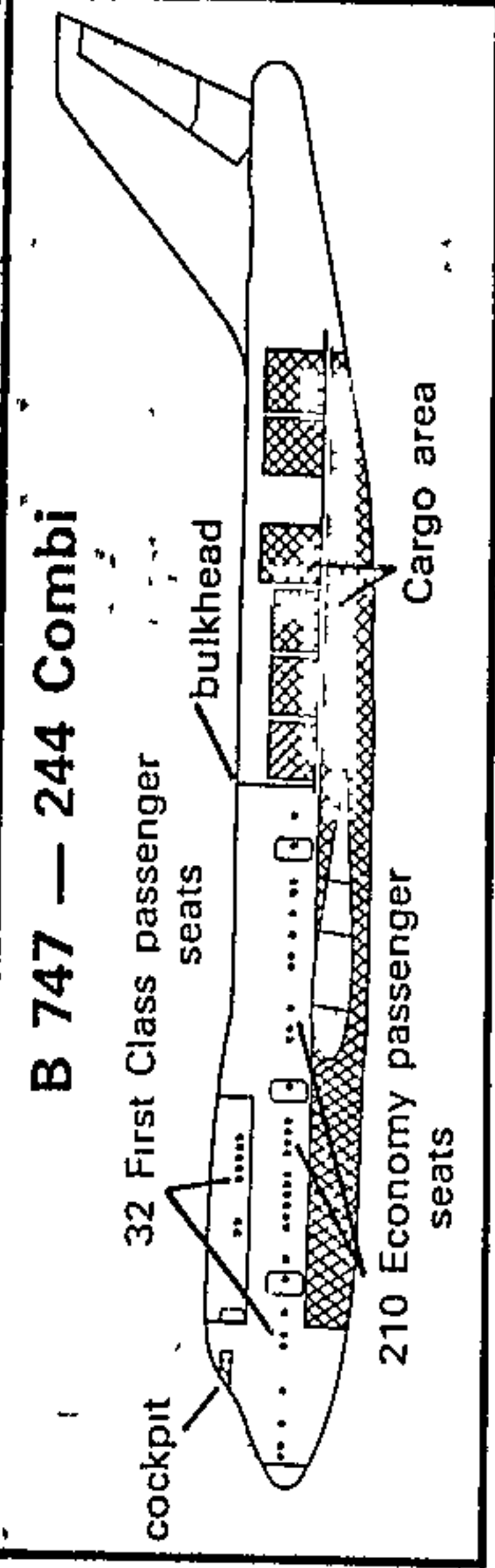
SAA chief executive Mr Gert van der Veer commented yesterday that at the time of the disaster, SAA immediately changed the configuration of its only other combi aircraft to a purely passenger configuration.

SAA "agreed fully" with the findings of the Margo Commission but felt it a pity the cause of the fire could not be ascertained.

The report said the firefighting procedure in the case of the "combi configuration" was based on timely detection of smoke in the hold.

A crew member then had to gain access to the hold to find the source of the fire and to fight it with a hand-held extinguisher "of limited capacity".

The Board of Inquiry found that a fire had developed in the right front pallet in the cargo hold which was on the same level as the passenger deck.



A jumbo jet's combi configuration which has been phased out

Computers, "hardly dangerous goods", had been stored in this pallet.

A spokesman from the office of the Minister of Transport, Mr George Bartlett, said

According to Judge Margo's report, the

fire "got out of control". Smoke and noxious gases penetrated the passenger compartment and possibly the cockpit.

There was a strong possibility that the quantity of noxious fumes released by the fire "caused the loss of consciousness or death of some, if not all, of the occupants before the aircraft crashed into the sea".

Speaking from Seattle in the US, a spokesman for Boeing, Ms Liz Reese, said she could not comment until the full report had been received.

The US National Transportation Safety Board (NTSB) was given an opportunity to comment because Boeing is a US company.

The NTSB disagreed with Judge Margo's finding that the combi configuration was unsafe, as it said fire detection and control capabilities had been upgraded "considerably beyond those in effect at the time of the Heiderberg accident" — Sapa

The mystery of the Helderberg

From HELEN GRANGE
Argus Correspondent
in Johannesburg

THE HELDERBERG INQUIRY

RELATIVES of those killed in the Helderberg air disaster have found little comfort in the findings yesterday of a Board of Inquiry into the crash

After two and a half years since the tragedy, the exact cause of the explosion on board the SAA Helderberg has remained a mystery never to be solved

Reacting to the final report, Ms Erina Botha — who lost her air hostess sister Estelle and steward brother-in-law Andre Schalekamp — said "The report comes so long after the accident that it will be of little comfort to any of the next of kin in helping them live through the event by reconstructing it for themselves

"In the absence of any physical evidence either of wreckage or bodies — families never saw the pieces of wreckage the report at an earlier stage could have served as a sort of substitute

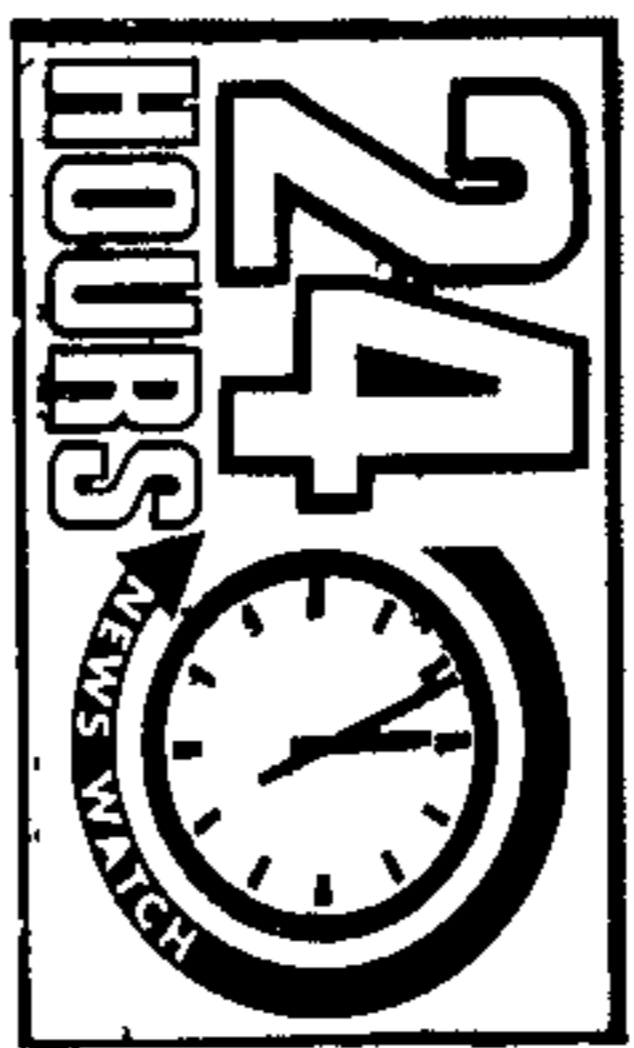
"One is left feeling a little let down, because the cause of the fire was never determined. But it is at least some comfort to know that more effective safety measures have been introduced to prevent such an accident from re-occurring."

Ms Botha added that it was a relief that the episode was closed, although there was "also a sense of sadness that the people we lost will now be forgotten by others and we will be on our own in remembering and mourning them"

Estelle's mother, Mrs Gladina Botha said she still felt "Sore"

"One still feels something lacking, but at least the whole thing is over"

Ruth Lourens, mother of



air-hostess Sandra Lourens, who was also aboard the fated flight, said she was relieved the whole thing had been put to rest

"We didn't expect any new findings due to the limited evidence, but I'm satisfied the Board did a thorough job," she said

A disappointed Solveig Gerstl, whose husband Hans died in the crash commented "Nothing new has come to light after two and a half years. It makes things a little harder again but at least it's over"

"I don't think anybody will ever really accept what happened, but there's nothing one can do about it," she said

Mrs Harvey, whose young travel agent daughter Jean was killed in the crash said "How can it be put to rest when there is no finding?"

"It will never be forgotten. The Board's finding is no comfort at all. They have not come up with anything," she said

In a statement from SAA last night, the chief executive of the airline, Gert van der Voer, expressed his gratitude to Judge Margo and his Board for a "thorough and comprehensive report" on the Helderberg disaster



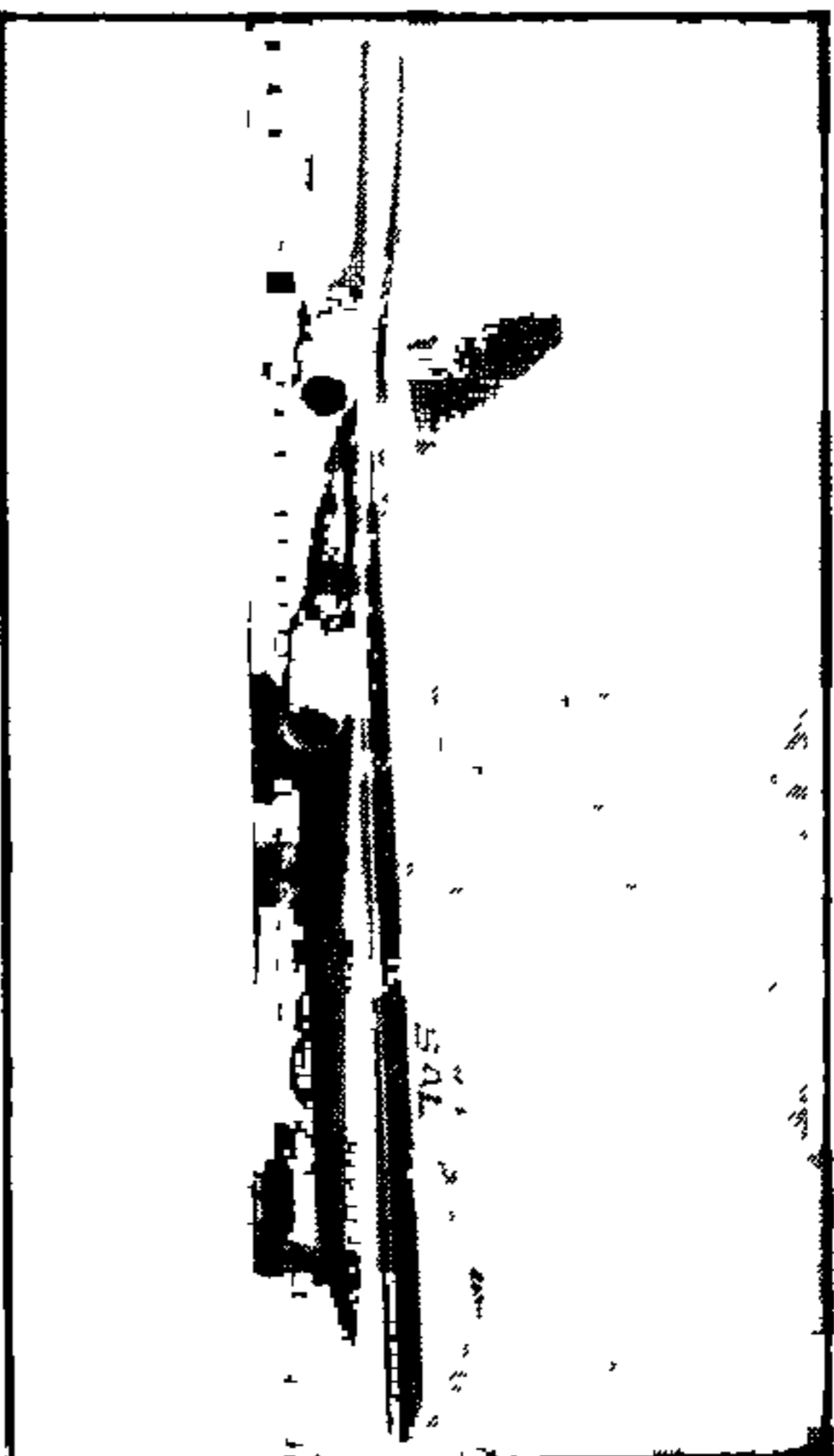
PARTS OF THE WRECK: Civil Aviation investigator Mr Piet de Klerk holds up a piece of debris

"SAA agrees fully with the finding of the report. It is just a pity that the cause of the fire could not be ascertained. SAA already at the time of the disaster immediately

changed the configuration of its only other Combi aircraft to a purely passenger configuration

"This report again emphasises that safety is not nego-

tiatable in the airline industry and that SAA will continue to adhere to all recommendations of governing bodies responsible for safety regulations," Mr van der Voer said



SAA's Helderberg

Aviation has gained from the inquiry

Argus Correspondent
in Pretoria

INTERNATIONAL aviation has benefited tremendously from the inquiry into the Helderberg disaster, according to the chief accident investigator, Mr Rennie van Zyl of the Directorate of Civil Aviation

"We've done a good job," he said today. About 242 Combi-type aircraft — in service worldwide — will be modified to prevent a similar disaster

South Africa's Directorate of Civil Aviation (DCA) report into the disaster found fault with fire detection and prevention facilities in the main cargo bay

A stepped-up "airworthiness directive" issued to the manufacturers of Combi-type aircraft, McDonnell Douglas and Boeing, by the Federal Aviation Administration (FAA) in Washington was a direct result of the South African investigation, Mr Van Zyl said

"We have set new standards for aviation safety. It is up to the rest of the world to

follow," he said

South African Airways has one remaining Boeing 747-200 Combi, the Waterberg. Its configuration has been changed to an all-passenger aircraft

"I'd be happy never to see a Combi-type aircraft fly in South Africa again," Mr van Zyl said

The Helderberg was the first Combi — aircraft in which passengers and cargo share the main deck — to be brought down by a fire in the hold

The FAA directive said that aircraft equipped with main deck cargo compartments did not provide an acceptable level of safety in terms of smoke and fire protection

Fullscale fire tests showed that fire in the compartments may be expected to result in a flash fire shortly after detection

Tests also showed the smoke detection system did not always give early warning of fire

Modifications are expected to cost the aviation industry millions of rands over three years

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'There was no sabotage' — Margo

This is a summary of the report on the Helderberg crash by Mr Justice Margo, chairman of the board of inquiry into the tragedy.

IN summary, the unanimous findings of the board are, inter alia

- That a fire developed in the right front pallet in the main deck cargo hold

- That the fire at some stage got out of control

- That the substances involved in the combustion included plastic and cardboard packing materials, but the actual source of ignition cannot be determined

- That smoke, carbon monoxide (CO) and carbon dioxide (CO₂) penetrated to the passenger compartment and possibly to the cockpit

- That damage to aircraft systems and structure was caused by the fire

- That the aircraft was not under control when it crashed into the sea

- That the only possible causes for the loss of control were one or more of the following

- (1) Pilot incapacity from CO and CO₂ poisoning, and/or smoke inhalation, or disorientation consequent on reduced cockpit visibility in smoke, or pilot distraction

- (2) Damage to the structure and/or the control systems of the aircraft directly caused by the fire

- That there is a strong possibility that the quantity of CO and CO₂ released by the fire caused loss of consciousness in, or the death of, some, if not all, of the occupants before the aircraft crashed into the sea

- That it is virtually certain there was no sabotage.

The technical evidence and the results of the researches led the emphasis in the inquiry away from the cause of the fire. Fires have occurred in aircraft from various causes (aside from sabotage), such as the ignition of cardboard matches through friction, electrical short-circuits, heat-generating friction between chafing surfaces, ignition of cigarette lighter fuel, the exposure of unstable or incompatible chemicals, or spontaneous combustion. The solution to the occurrence of such fires in cargo holds lies to a great extent in the proper inspection of cargoes and in the strict enforcement of the rules governing the carriage of dangerous goods.

The real emphasis in this inquiry has fallen on the detection as early as possible of a fire in the cargo hold, and the provision of adequate equipment and effective procedures for fire-fighting.

The board found, inter alia, that the Helderberg accident revealed that the detection system, and fire-fighting equipment and procedures, which until then had been considered adequate, were in fact not so.

The board also found that the



Judge Margo

normal differential pressure between the passenger compartment and the cargo hold, when disturbed by a thermal driver, was not enough to prevent smoke from the cargo hold from penetrating the passenger compartment, and possibly even the flight deck.

The procedure for smoke evacuation, which involves opening of the doors, would only be effective if the fire has been extinguished. If, in this case, the fire was still burning or smouldering when the doors were opened, the door opening would have fed the fire with more oxygen and could have turned it into an inferno, leading to the loss of the aircraft.

There was no basis in the evidence upon which the board would be justified in assigning responsibility for the accident to any person or body.

Among the several important recommendations of the board is that the Combi configuration, with passengers and cargo on the same deck and provision for fire-fighting in the cargo hold based on, inter alia, the timely detection of smoke in the hold, and access to the hold by a crew member to find the seat of the fire and to fight it with a hand-held fire extinguisher of limited capacity, should be prohibited as creating an unacceptable risk to life and property — at least until such time as adequate provision is made to overcome the present shortcomings in fire detection, fire-fighting equipment and fire-fighting procedures.

The latest airworthiness directive by the Federal Aviation Administration (FAA) of the US goes a long way towards minimising the hazard associated with a Combi configuration. The board's recommendation, on the other hand, is aimed at eliminating that hazard.

CAPT TINTS 13/6/90 (269)

SAA fares to increase by up to 40%?

By DANIEL SIMON

SOUTH AFRICAN AIRWAYS looks set to increase its domestic fares so that private air carriers can compete with it on inter-city routes when domestic air travel is deregulated.

One private airline company managing director indicated yesterday that if his company was to compete on an equal financial level with SAA, the giant carrier would have to increase its fares by as much as 40%.

SAA corporate affairs director Mr Leon Els said yesterday that SAA's present domestic fare structure was too low for competitors to compete against. As a result, an increase in fares was "very high on the agenda"

Mr Els said it would be wrong for people to think fares would decrease when competing airlines entered the market.

"Air fares will not decrease as a result of deregulation — they will increase."

He said increases would be announced before full deregulation was expected to come into effect in June next year

"Indications are that the new Domestic Market Act will be in force in

June next year," Mr Els said

He said a date for implementing the increases had not been finalised. However, when they were implemented, the present 40% discount and other discount structures would be retained.

SAA last increased its domestic fares by 13% in December last year, he said.

Civil Aviation chief director Mr Japie Smit said the Domestic Market bill was expected to be tabled in the next few days

He said that when passed, deregulation would take place with almost immediate effect — but in two phases.

"The first phase will see airline companies being able to fly the same routes under the old act but without the 'economic regulation'. This regulation stipulated that only one carrier could fly a particular route," Mr Smit said.

He said full implementation of the programme would take place over the next year.

The managing director of Comair, Mr Peter van Hoven, said though he was speculating, SAA would have to increase its fares by as much as 40% to make it economically worthwhile for his company to compete.

Helderberg disaster finding 'no surprise'

By BRONWYN DAVIDS

THE findings of Judge Cecil Margo's Board of Inquiry into the Helderberg air disaster has come as "no surprise" to the families of the crash victims.

The findings were that no person could be held responsible for the disaster, nor was the craft sabotaged.

Yesterday Mr John Hayward, the father of Stellenbosch travel agent Miss Lynne Hayward, who died in the crash, said, "We had an inkling that this was going to emanate from the findings. The papers fed us little bits of information."

"At the moment we are trying to put everything behind us. We are still very heartsore about the loss of our daughter but we feel no rancour towards anybody."

Mr Hayward said South African Airways had compensated them with R60 000 about six months after the crash.

"But nothing can make up for the loss of our child," he said.

Mrs Renee Prince, of Pretoria, widow of Iscor manager Mr Keith Prince, said: "No stone was left unturned to find out the cause of the accident. And I think the investigation has made a valuable contribution to stopping this type of thing happening again."

Miss Delfina Das Neves, of Platteklouf, Parow, sister of dead travel agent Miss Alice Das Neves, said: "Nothing new has come out of the findings, so there's nothing more we can say."

Miss Das Neves and Mrs Prince said their families had received compensation.

According to a statement last year by a SATS legal adviser, those families who did not accept compensation in April last year would have three years from the date of the accident to bring a civil suit against the SAA.

Bus boycott is into 11th day

By JOSHUA RABOROKO

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THE bus boycott by hundreds of black commuters in the eastern Transvaal over fare increases entered its 11th day yesterday.

Commuters are boycotting Inter-State Bus Services following the increase, which came into effect on June

1. Sowetan 13/6/90

The situation in the townships of Kwanyamazana, Pienaar, White River, Hazyview, Lekazi, Chochocho and Mahushu has remained tense and violence, involving bus stonings and alleged intimidation, has been reported.

Commuters alleged yesterday that they were forced out of taxis by authorities, who were apparently siding with the bus company.

Fares were increased by 15 percent after the company's application was approved by the Road Transportation Board early this year, the managing director, Mr Pierie Delport, said yesterday.

A spokesman for the taxi operators said yesterday that since the boycott started their vehicles had been checked and heavy fines imposed, even for minor faults.

The fares have been increased from R9,20 to R10,40 on weekly tickets, while a single trip has been increased to R2,40 from most townships to Nelspruit

Air routes open up soon

b/Daw 14/6/90 (269)

LESLEY LAMBERT

CAPE TOWN — The major domestic SAA air routes will be opened up to competing airlines as soon as legal amendments tabled in Parliament yesterday are promulgated.

Under existing legislation, private carriers are barred from operating any of the major domestic routes covered by SAA.

This, coupled with the relatively poor demand on other routes, has made it virtually impossible for the private operators to comply with the major condition to qualify for a licence — guaranteed future profitability.

An amendment to the existing Air Services Act will soon remove the legal protection clause excluding private carriers from the SAA routes.

If the amendment is promulgated during this session of Parliament, they will have access to these routes this year.

But, in what appears to be an attempt to phase in the deregulatory process, new legislation addressing the second barrier to entry — the difficulty in securing a licence — will only become effective in July next year.

The long-awaited Air Services Licensing Bill proposes the introduction of a new licensing authority and new conditions for licence qualification, with the emphasis on safety rather than profitability.

The Bill proposes that the onus be placed on the individual airline to decide whether or not its operation will be profitable.

The tabling of the draft Bill follows the recent release by Trade, Industry and Tourism Minister Kent Durr of a revised and less restrictive policy for domestic

□ To Page 2

Skyways

b/Daw 14/6/90

operators of international charter flights.

The new charter policy has the effect of enabling local operators to offer peak season, relatively low-cost, charter services to both foreign and domestic tourists.

Expectations are that the smaller operators will find new opportunities in the leisure and lower income sectors of the market and offer competitive fares.

Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers has said quite openly in Parliament that the

government is considering possible steps to prevent SAA's dominant position from continuing to inhibit entry to the market.

These steps include the fragmentation of the national airline into a number of smaller companies and regulatory measures to ensure that the market is not dominated by one participant.

On the matter of privatisation De Villiers has been more cautious, saying it is important to determine first whether the airline should be split into different parts.

(269) □ From Page 1

SAA Jumbos flying 'tanked up'

ARCA 269
14/6/70

Staff-Reporter

SOUTH African Airways Jumbos, flying the overseas routes, carry sufficient fuel to reach the airport of their destination and still fly on to a diversion destination with safety, an SAA spokesman said.

He was commenting on an incident at Heathrow Airport last week when a Qantas Boeing 747/400 from Singapore to London was unable to join the normal traffic patterns and had to ask for permission to land immediately because it had fuel sufficient for only 20 more minutes flying.

The spokesman said regulations at Heathrow required an aircraft to have sufficient fuel at the go-around point (the point just prior to touch-down), to be able to fly to a diversion airfield, to hold there for half an hour, to do a circuit, approach and then land.

In addition, an aircraft such as the Jumbo was required to have sufficient additional fuel to make allowance for normal fuel gauge error. "SAA 747s are required to have a minimum of 10 tons of fuel by the time they arrive at the 'go-around point' at the airport of destination," the spokesman said. In fact, they have more than 15 tons to allow for possible instrument error.

This was ample to enable an SAA Jumbo bound for Heathrow to fly to a diversion airport at Birmingham or

Manchester and then hold and land there.

All SAA Jumbos flying long-distance routes have several points en route, at which the captain must make a decision to continue to his destination or fly to an intermediate point for fuel.

This decision is based on the amount of fuel left and the requirement that the aircraft should at all times be able to reach a diversion airport, should this become necessary.

The spokesman said that many of the airline's direct flights to Europe were what were termed "full-tank flights".

Before departure from Jan Smuts, the number of passengers and weight carried on these aircraft are restricted to ensure that the aircraft can at all times en route reach given alternative airports, should the captain elect to divert.

But how did last week's Qantas incident happen?

The suggested explanation is that the Jumbo experienced unexpectedly strong headwinds.

The captain ascertained from several Air Traffic Control centres en route that there would be no delay at Heathrow.

He thus expected a delay-free "straight-in approach", which did not happen.



SAA set for direct flights to Europe, US

McLus 15/6/90
(15) (269)

The Argus Correspondent

JOHANNESBURG. — South African Airways is preparing for direct flights over Africa to Europe after being forced to fly round the western bulge since 1984, said general manager Mr Gert van der Veer.

Underlining that no date had been set, he said all orders for SAA's international fleet from 1995 to the year 2000 had been made with this in mind

"In April last year I said the tide was changing. Now, in view of the changing political situation in the country I can say the direct flights are a certainty. SAA will again have access to markets which were denied us through sanctions," he said.

The four-engined aircraft for the present long route around Africa would be phased out in fa-

vour of twin-engined planes, which would cut costs.

"With flying time cut by we will have fewer flying hours and therefore better utilisation of equipment," he said.

Two of the major markets which he highlighted were America and Australia. Before sanctions were imposed in 1986 SAA was flying five times weekly to the US and once weekly to Australia.

Job opportunities

"The general effect of sanctions and the loss of these two major markets caused SAA to shrink and for more than 3½ years we did not employ any additional staff.

"In 1984 our staff complement was 11 800, which has shrunk to the present 10 700. Since last year we have taken on a limited num-

ber of people, but now with the possibility of sanctions being lifted new job opportunities for people of all races and creeds will be opened up," he said.

Predicting a tremendous future for the airline, Mr Van der Veer said SAA would once more be able to compete with other airlines.

Thomas Cook Rennie Travel marketing director Lilian Boyle said fares which were set by the International Air Transport Association were unlikely to come down but the direct flight across Africa would make it easier to sell SAA.

"But the undoubted cherry on the top is to see direct flights to the US again.

"That is the greatest excitement, far bigger than direct flights across Africa," she said.

SAA 'striving to eliminate jet sabotage'

CHP 1/15/16/16/90
By CHRIS BATEMAN (269)

IT was impossible to eliminate all chances of dangerous substances being loaded aboard an SAA jet's cargo hold, but "everything possible" was being done and the single-level passenger/cargo plane configuration had been scrapped.

This was said this week by SAA spokesman Mr Leon Els in response to queries about safety improvements since Mr Justice Cecil Margo released his findings on the Helderberg disaster.

All 159 people on the November 29, 1987, flight died when the jet crashed into the Indian Ocean about 215km from Mauritius. Mr Justice Margo said the single configuration should be banned.

The configuration, which has only a bulkhead separating passengers from cargo on the same level, was "an unacceptable risk to life and property", the judge said in his long-awaited report this week.

Mr Els said the configuration was scrapped immediately after the disaster. Planes now carried cargo in their "bellies", below the passengers, with four fire extinguishers kept in the cockpit.

These precautions were fully in line with the International Air Travel Association and the Federal Aviation Association regulations, he added.

It was also reliably learnt that high-level discussions have been held between SAA and police and handling agents, to try to reduce dangerous cargo risk. SAA now uses sniffer dogs, X-rays and physical spot checks of cargo containers.

Guidelines on SAA

By DON ROBERTSON

269
THE Privatisation Board has had a "good response" to its invitation to financial institutions to provide guidelines for splitting up South African Airways. *S Times 17/6/90*

The invitation was extended to many financial disciplines, including merchant banks and management and transport consultants.

Within the next few weeks tenders will be called for a feasibility study into the benefits of splitting up SAA ahead of privatisation.

Private enterprise will find it too expensive to compete with a privatised SAA in its present form.

Minister of Mineral and Energy Affairs Dawie de Vil-

hiers said in his recent Budget speech that the necessity of splitting up SAA would first be considered before a final decision on privatising the airline could be taken.

"The Government may, for instance, find that it is conducive to greater competition in the air transport industry to form an international company, two or more domestic airline companies, one maintenance company or other configurations," he said.

B/Day 18/6/90

High-flyers facing SA airport tax

LINDEN BIRNS

PASSENGERS flying from SA's nine state-run airports could be paying airport levies from as soon as October, Civil Aviation chief director Japie Smit said at the weekend. (269)

Airline representatives would report back to the working group on the airport levies on June 26, he said.

Three proposals were put to government and airlines serving SA's international and domestic destinations.

Government rejected outright the initial idea of an airport tax payable by passengers at the airport terminals as it would delay passengers, Smit said.

Airline officials were sent away to think about either adding the levy to the ticket price, or absorbing increased landing and parking fees determined by each aircraft's mass and time spent on the apron.

Another idea was to bill the airlines a set amount according to the number of passengers carried on each flight.

The fees would affect all passengers departing from SA state airports.

Ball-park figures of R3 for domestic passengers and R25 for international passengers are being considered.

Return ticket passengers on domestic flights would have to pay the levy twice, on departure from both airports involved.

It would not affect transit passengers.

The state could generate R45m from international passengers, and R33,9m from domestic travellers annually.

Civil aviation examination

485 Adv C H PIENAR asked the Minister of Transport †

(1) (a) Who is responsible for (i) preparing examination papers for and (ii) conducting the civil aviation examination and (b) how frequently is this examination conducted per year,

(2) (a) how many persons entered for this examination during the latest specified two calendar years for which figures are available and (b) what was the percentage pass rate of candidates for the examination for each of these years? B1116E

The MINISTER OF TRANSPORT

(1) (a) (i) and (ii) The Chief Directorate of Civil Aviation of the Department of Transport

(b) Different civil aviation examinations are presented with the following regu-

Flight instructor	Number of candidates	Percentage pass
<u>Calendar year</u>		
1988	259	28%
1989	294	36%
<u>Instrument flight rating</u>		
<u>Financial year</u>		
1988/89	96	29%
1989/90	183	29%
<u>Flight engineer</u>		
<u>Calendar year</u>		
1988	39	20%
1989	62	23%
<u>Commercial pilot (A and B papers)</u>		
<u>Financial year</u>		
1988/89	747	34%
1989/90	954	20.5%
<u>Senior commercial pilot (only for the financial year 1989/90 available)</u>		
<u>Financial year</u>		
1989/90	80	93.75%
(Apr 1989)	77	45.45%
	105	48.57%
	94	80.85%

larity by the chief directorate concerned.
 * Flight instructor's rating — twice annually
 * Instrument rating — twice annually
 * Flight engineer — twice annually
 * Commercial pilot — twice annually
 * Senior commercial pilot — twice annually
 * Aircraft maintenance engineer — thrice annually
 * Special (for example Air Law for pilots who contravened certain regulations) — once a month
 * Air traffic controller — when the need therefore exists

(2) (a) and (b). The number of candidates that entered the different examinations during the latest two calendar or financial years (depending on the format in which the information is recorded) and the percentage pass rates for these examinations, are as follows

Flight instructor	Number of candidates	Percentage pass
<u>Calendar year</u>		
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1989/90	80	93.75%
(Apr 1989)	77	45.45%
	105	48.57%
	94	80.85%

Navigation	34.09%
Restricted	48.27%
Instruments	58.19%
TOTAL	83.01%
Meteorology	66.66%
Flight planning	69.17%
Radio	38.88%
Navigation	73.67%
General	39.31%
Navigation	61.72%
Restricted	
Instrument	
TOTAL	

* Aircraft maintenance engineer

Calendar year

1988
1989

* Special

Calendar year

1988
1989

* Air traffic controller

Financial year

1988/89
1988/89
1988/89

1989/90
1989/90
1989/90

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Primary

Control

Aerodrome

TOTAL

Number of candidates
(three papers each)

34%

30%

Number of candidates

72

118

Number of
candidates

12

10

8

30

23

14

16

53

AVERAGE

75%

40%

100%

70%

65%

71%

81%

72%

workers were registered — Male 768

and Female 5 943, (19/6/90)

(ii) 10 Whites

Motor vehicles stolen

19/6/90

Mr H H SCHWARZ asked the Minister of

Law and Order

(1) (a) How many motor vehicles were re-

ported stolen in the 1989 calendar year

and (b) what is the value of the motor

vehicles stolen in that year,

(2) how many such vehicles were recovered

in (a) an undamaged, (b) a damaged and

(c) a cannibalised condition? B1153E

The MINISTER OF LAW AND ORDER

(1) (a) 58 298

(b) R1 340 854 000 (estimated value)

HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY

W/E Mail

Lack of transport policy threatens cities' viability

Disputes between the government and RSC's over responsibility of mass transport have meant no policy has been formulated

By ALAN HIRSCH

The acceptance of kombi-taxis as a legitimate part of the mass-transit system may have solved some problems, but the failure of the government to formulate a general transport policy threatens the viability of our cities.

Kombis have cut commuting times for black passengers by one-third, but bus and train services which carry the bulk of peak-hour traffic are threatened by declining economic viability due to competition from taxis, and government plans to alter the subsidy system.

Though a white paper on transport was published early in 1987, legislation is only expected in 1991. Legislation seems to be held up by disputes between the government and regional service councils over responsibility for subsidising mass transport, and between the government and bus operators on the way subsidisation is organised.

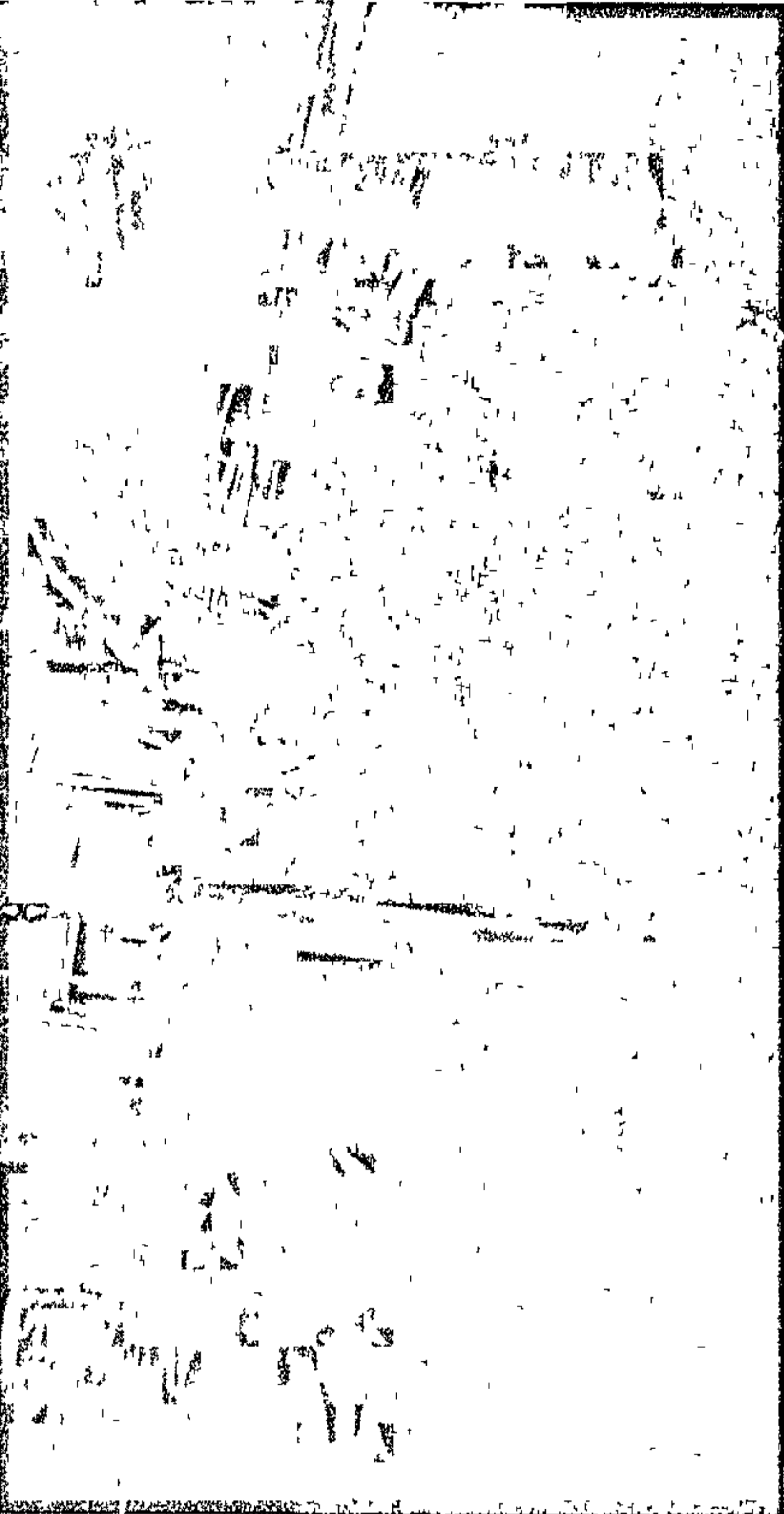
The government wants to hand part of the responsibility for funding mass transit subsidies to the RSCs which used to raise transport levies from employers until the mid-Eighties. It also wants to tender for bus services, and to tenderers to uneconomic routes as well as economically viable routes, policies opposed by some existing bus companies.

In Cape Town the crisis is coming to a head. Late last year City Tramways, the subsidised privately owned bus company, warned the city council that it was about to cut back on its services for three reasons. Competition from taxis was making many routes uneconomical. The government was moving towards cutting subsidies and metropolitan planning authorities were not moving towards creating bus lanes which would make buses more efficient and more competitive.

Similar cuts have occurred on the East Rand, and several new townships on the Rand are having to rely on taxi services alone. On top of this, the government is beginning to cut "uneconomical" train services, as Spoornet no longer benefits the cross-subsidisation possible in pre-Transnet South African Transport Services.

Cape Town city councillor Clive Keegan, chairman of the city's planning committee, recently launched an attack on the city's public transport system, noting that it was collapsing, that it was neither safe nor reliable, and that it was forcing more people to resort to private vehicles to get to work.

Keegan says the city's transport system is skewed in the interests of the privileged, the wealthy and the enfranchised, and that the engineers responsible for transport planning are deeply insensitive to the broader needs of the city.



Crowded trains like this may become a thing of the past as Spoornet plans to cut 'uneconomical' trains

Picture - SANTU MCFOKENG, Afrapix

cutting back on its commitment to transport. Keegan acknowledges the need for financial stringency, but argues that for this reason funds should go to supporting public transport networks, which is not happening.

The pendulum has swung too far towards deregulation, argues Keegan. It is not that more regulations are needed, he says, but standards should be regularly enforced, and it is illusory to believe that a metropolitan public transport system can be run without subsidisation. Nowhere in the world does this happen.

A memorandum from the City Planner's Department points out that the quality of service provided by transport operators has plunged. "Because it is the policy of the Department of Transport not to increase overall bus subsidies, the bus company is forced to reduce its unprofitable off-peak services. Kombi-taxi operators on the other hand, because they operate in a deregulated environment do not have to provide any unprofitable off-peak travel facilities."

City Tramways MD Bob Gie supports Keegan's stand, and attacked the council's new plan to build an underground parking garage beneath the St Georges Street Mall. To encourage more private transport to enter the CBD would only increase congestion which would make bus transport still less attractive. Government policy, said Gie, was haphazard, "making planning virtually impossible and investment decisions extremely risky."

The bus company called, not for more regulation, but for the equal enforcement of existing public transport regulations and traffic laws, for the retention of subsidies and for the "provision of priority lanes for multi-passenger vehicles", which would speed up bus services and make taxi travel safer.

A notable absentee in Cape Town's transport debate is the environment. Bob Krause, public relations manager for City Tramways, notes that the British Bus Council has estimated that exhaust emissions per passenger are 3,500 times greater per passenger carried by car than per passenger carried by public transport. But one searches in vain for any reference to the impact of taxis and private cars on the environment in Cape Town's metropolitan transport plan.

On top of the threat to cut central government subsidy outlays, local authorities are having to cope with a dramatic cut-back in capital expenditure by the Department of Transport. The original allocation for Cape Town in 1989/90 of R14,5 million was slashed to a mere R2 million - a real cut of 40% and the 1991/92 allocation was pegged at the lower figure, a substantial further cut in real terms.

Amongst the victims of the cuts, according to city council sources, are planned multi-passenger vehicle lanes. Attempts to get substantive comment from the Department of Transport proved unsuccessful. Government moves to reduce the expenditure of its transport department

disturbs both the bus operators and the deregulation and subsidy cuts. The city's planning head. The entire receipts problem is that there is no overall plan of the RSC would barely cover the cost of the transport subsidy. Decentralising use planning is done separately from the subsidy would put pressure on the transport planning, and transport plans subsidisers to reduce payments, and are commissioned out to consulting engineers. Keegan, inhibit the RSCs from engaging in the upliftment of the poorer urban areas that they were designed to do.

Keegan argues that the metropolitan transport problem is more complex than not be lost.

STON DOPLASGHE

CMAA 7/17/90 22/6/90

SAA won't be privatised in near future — Bartlett

269

THE South African Airways would not be privatised in the near future, the Minister of Transport, Mr George Bartlett, said yesterday.

Introducing the second reading debate on the Air Services Licensing Bill, he said it was aimed at providing safe and reliable services to the public.

In supporting the bill, Mr Robin Carlisle (DP Wynberg) said the bill needed the full support of the private sector.

Mr Errol Gordon (LP Bergrivier) said this was an authorisation bill to compete with the SAA and could be a forerunner for the privatisation of the SAA. The LP supported the bill.

This bill prepared the SAA for privatisation, Mr Jurgens Prinsloo (CP Roodepoort) said. The CP opposed the bill. — Sapa

Acorn Air is on time for lift-off

~~313~~ LINDEN BIRNS 269

STALLED negotiations with SAA would not ground SA's new Acorn Air charter airline, company director Captain Vere Webb said.

Set up by Air Crew Operating and Recruiting Network Ltd (Acorn), Acorn Air has scheduled its flight operations for an October takeoff, once it has taken delivery of the first in a fleet of medium-range 60- to 80-seater jets.

Acorn, originally a division of the SAA Pilots' Association (SAAPA), was established to look after the commercial interests of pilots.

"Shares were recently diluted, with SAAPA retaining 15%. The other shareholders are pilots and other aviation people," Webb said.

Acorn Air entered negotiations with SAA in a bid to secure operating rights in a deregulated market on some of the national airline's thinner routes. 15/04/90 22/6/90

A fortnight ago five Acorn directors — Blake Flemington, Piet Snyman, Collin Jordaan, Ian Domise and De Villiers Steyn, all serving SAA captains — resigned from the Acorn board to smooth the way for talks with SAA, which was reluctant to be seen negotiating with its own staff.

"Since the resignations we have asked for talks with SAA, but there's been nothing yet," said Webb.

Negotiations to operate on some of SAA's scheduled routes were over and above Acorn Air's other operations.

Subsidy increase blocks bus crisis

269

By DON ROBERTSON

THE bus crisis has been averted. The Government has provided higher subsidies, staying off a threatened collapse of bus services.

Operators have not been told how much extra money has been allocated, but the Southern African Bus Operators Association (Saboa) says "We have been assured that it is enough to avert the crisis facing us this year."

The Department of Transport (DoT) request for additional funds was met on Wednesday, two weeks after Saboa asked for increased subsidies.

Business Times believes that the additional amount granted for subsidies will take the full amount for the current fiscal year close to that originally asked for by the DoT.

Initially, R575m was set aside for subsidies, but operators warned that if this sum was not increased, services would have to be cut or fares increased by between 40% and 70%.

Bus companies fear that if fares were to be raised, social unrest, boycotts and damage to buses and terminuses would follow.

Bus subsidies increased from R150m in 1980 to R540m last year, but Saboa says the 1989 figure is equivalent to only R127m in 1980 money.

Buses carry 800m people a year to work and back in 22 000 vehicles worth R4bn. A second claim by Saboa to cover the cost of unrest damage to buses last year, is unlikely to be granted.

Operators say mini-bus taxis have taken away their off-peak traffic, making their business uneconomic.



ST Times 24/6/90

Trek Airways jets back into business on SA domestic routes

51 fl mēs 24/6/90

TREK AIRWAYS has emerged as the first airline to seriously oppose SAA's 41-year stranglehold on the domestic aviation market.

This week the airline revealed plans to acquire three Boeing jets and confirmed it had approached SAA to assist in the training of about 30 Boeing 737 pilots.

The move follows the amendment to the Air Services Act on Friday, which permits — from next month — any local airline to fly any internal route as long as it

By ROGER MAKINGS

complies with DCA requirements. The airline has applied for licences to fly the major trunk routes from Jan Smuts Airport to Durban and Cape Town.

Trek Airways spokesman Mr Jan Blake said much depended on when and how the air routes were deregulated and what licences were awarded by the National Transportation Board.

"We are merely positioning ourselves to be ready for deregulation when it is introduced and become an alternative to the national carrier," he said.

Mr Blake confirmed Trek had made forays into the international aircraft market, but had not yet decided whether it would buy or lease the proposed Boeing 737s — similar to those operated by SAA.

He said Trek planned to employ its own crews, all of whom, hopefully, would be recruited within

South Africa. None of the other contenders in the deregulation stakes has moved to acquire jet aircraft or recruit crews.

Some have said that to compete against SAA and its vast infrastructure, far-reaching government concessions would have to be made.

Minister of Public Enterprises Dr Dawie de Villiers is considering splitting up SAA's domestic fleet and selling it off to contend-

ers as one way of introducing effective competition.

This would enable competing airlines to buy multi-million-dollar aircraft with rands, avoiding more expensive overseas acquisitions with foreign currency.

However, the public should not expect cheaper fares because of competition in a deregulated market.

Mr Blake said price structures in SA were extremely low by world standards and to lower

them even more would be commercially unviable.

Trek's acquisition of the three Boeings would make it the biggest commercial operator of jet aircraft in SA after the national carrier.

SAA's senior manager for public relations, Mr Leon Els, welcomed Trek's entry into the domestic market, saying the airline would assist with crew training as far as possible, but on a purely business basis.

We Overfly ²⁶⁹ your way!

By ROGER MAKINGS

SAA has won the battle of the bulge and is set to overfly black Africa within the year.

After months of cloak-and-dagger negotiations with African governments, SAA has beaten the 26-year-old air ban by the Organisation of African Unity which prevented it flying the most direct route to Europe.

The breakthrough was confirmed this week by SAA chief executive Gert van der

SAA WINS BATTLE OF BULGE AS BLACK AFRICA HAS RETHINK

The possible new route will overfly Zimbabwe, Zambia, Zaire, Sudan and Egypt and is expected to lead to the opening of other destinations in Europe. SAA is also confident of regaining its US and Australian landing rights.

Giving impetus to the coup is President F W de Klerk's reform initiative, which has

provided African states with the excuse they need to "normalise" aviation links with SA.

This remarkable breakthrough by the national carrier means passengers will benefit from cheaper package flights:

- Save two hours or more when flying to European destinations

NEXT STEP IS TO REGAIN LINKS TO THE U.S. AND AUSTRALIA

opened an office there, giving rise to speculation that traffic between Zaire and Jan Smuts Airport would increase.

Plans to extend this route to Burundi in the north-east, just a few hundred kilometres from the Sudanese border, never materialised.

It is, however, understood

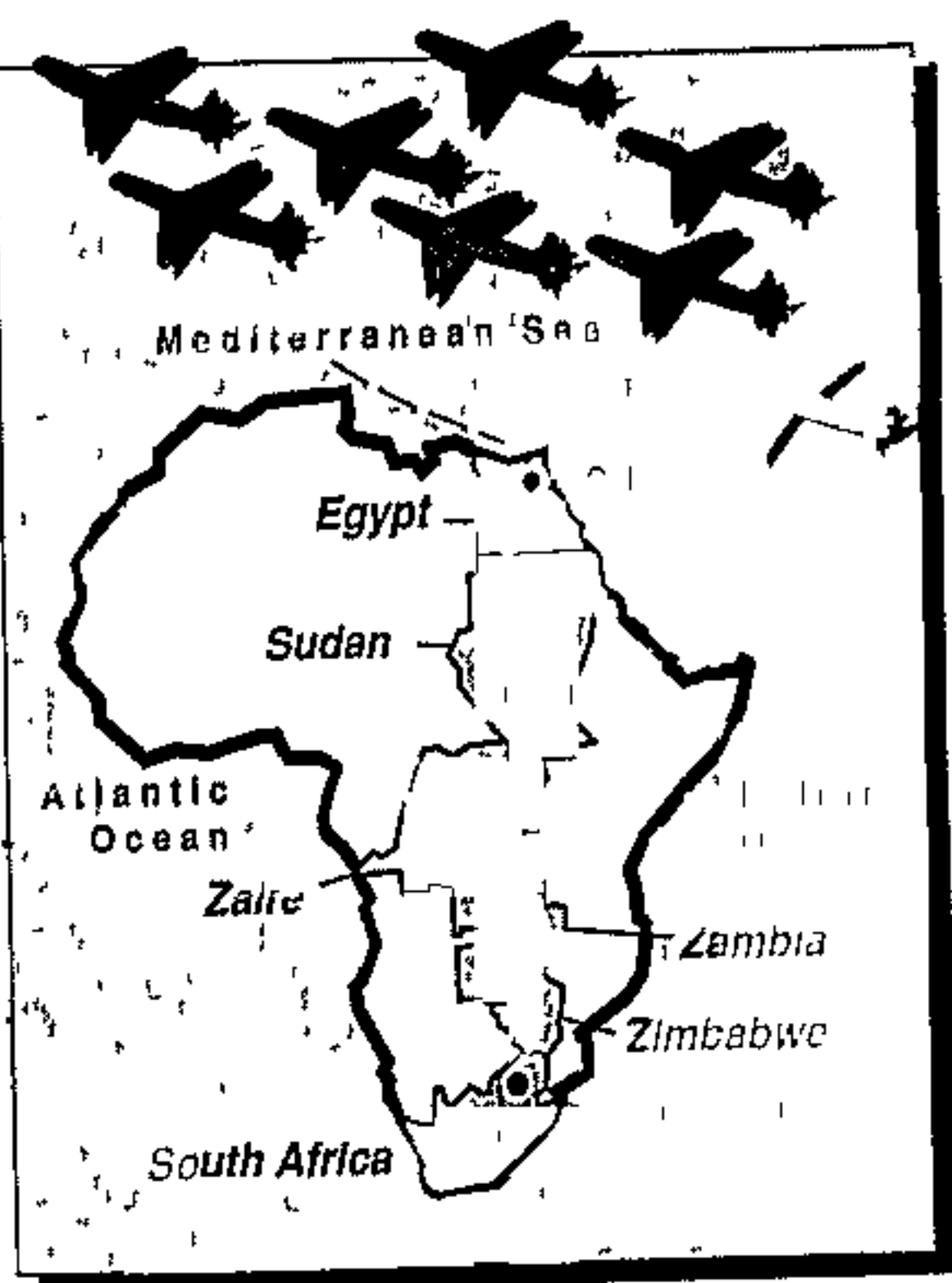
that Zaire is keen to begin a cargo-dedicated service between the two countries within the next few months. Lubumbashi is the commercial centre of Zaire.

South African mining houses have interests there and it is thought the airline flew in mining equipment from South Africa on its inaugural flight. It also picked up several passengers.

Since then, SAA has been strenuously lobbying African countries about international co-operation in aviation, which seems to be paying off.

At the time of SAA's first flight into Zaire, Mr Van der Veer said the tide against

The new route SAA will use as the most direct method to get to the European continent



South Africa was turning. And this week, he announced "In view of the changing political situation in South Africa, I can say direct flights are certain and SAA will again have access to markets denied us through sanctions."

Trade

Last year Mr Van der Veer had hush-hush meetings with various African leaders in Europe and wide-ranging talks with Egyptian airline bosses and government authorities.

Egypt is not expected to present problems, as last year an SAA charter flight was permitted to land in Cairo with Muslim pilgrims bound for Jeddah, in Saudi

Arabia. This arrangement included reciprocal flights by ZAS Egyptian Airlines to Jan Smuts. SAA also expects to open up a vast new trade route between SA and the rest of the continent. Safair freighters have for years been flying into "hostile" African countries, ferrying in SA-manufactured goods.

It is believed many African countries are keen to increase and "normalise" this trade in preference to importing more expensive European goods. At the moment, the ball is in the court of the Department of Foreign Affairs, with much depending on President De Klerk's African campaign later this year. Because SAA holds the monopoly to Far Eastern destinations, the thaw in international relations could see a number of Pacific rim airlines flying to SA.



Hopes flying high for SAA landing in US by next year

ARGUS 25/6/80 (100) (150) 269

The Argus Correspondent

DURBAN — Hopes are high South African Airways will be flying into the United States by next year

Besides a Bill before the United States Congress, there is consistent pressure from groups and individuals to break the sanctions deadlock that resulted in the withdrawal of landing rights for South African aircraft in the US, and prevented US airlines from flying into South Africa

One powerful official who is on the South African side is the Under Secretary of State for Commerce, Tourism and Travel, Mr Rockwell Schnabel, who is a former honorary consul for South Africa in California between 1968 and 1981 and who was rewarded by being made a

Commander of the Order of Good Hope in 1981

In an interview during "Pow Wow", the US travel industry's international convention held in Orlando, Florida, Mr Schnabel said South Africa represented the largest tourist potential in Africa

GREATER INTEREST

"Our attitude toward South Africa is similar to that toward the Soviet Union, where big changes have taken place. American airlines have reached an agreement to fly into the Soviet Union and Soviet airlines will fly into the States

"In South Africa, as changes take place, and the situation there seems to be changing rapidly, you will find greater interest by US companies to

take advantage of the definite potential you have there.

"South Africa is a beautiful country I know it quite well. It has a large potential for tourism, one we will have to address once the political matters have been resolved."

While Mr Schnabel said he knew of no airline negotiating to fly into South Africa at present and he would not say if SAA was negotiating to fly into the States, SAA marketing executive Mr Isak van Heerden said many of the big US airlines had visited South Africa in the past few months to test the potential and viability of flying into the country

"I believe we will be back in the United States, maybe as soon as the middle of next year," he said

One of a South African contingent of almost 30 travel people attending the "Pow Wow" convention this year, Mr Gordon Young, managing director of Nedtravel, confirmed many US airlines had taken a hard look at the South African market.

"I am sure we will get our landing rights back by next year, provided there is no political hiccup. Part of that decision will depend on Mr Mandela's visit to the States, but you must remember that behind all the razzle surrounding his visit, he is not all that popular among certain powerful groups in the States and the US authorities are going to be talking very seriously to him about some of his statements."

5% The volume of production of secondary industry grew by 0,2% in 1989

the growth force it w had to be placed on An outward-ori

Auditor General attacks public service duplication

GERALD REILLY

PRETORIA — The expensive duplication and triplication in SA of public services had for decades been uneconomic and inefficient, Auditor General Peter Wronsley said yesterday. (250)

Speaking at a SA Institute for Public Administration seminar at the University of Pretoria, Wronsley said, however, it was arguable they — duplication and triplication — were effective so long as integrated facilities were anathema to the parliamentary majority

"Pity the auditor entering this subjective minefield on a performance audit excursion," he said.

Wronsley said duplicated and triplicated facilities were under-utilised in one place or community while nearby facilities were overloaded as a consequence of ideology. This placed the auditor in an invidious position.

"However clinically correctly he might identify a fiscally indefensible arrangement, he could land up in a political crossfire," he said.

On standards, he said as the departments of finance discovered when norms and standards to underpin grants to "own affairs administration" were being designed, the norms were the least of the problem.

It was the standards that eluded agreement and to this day they were likely to feature high on the forthcoming negotiations agenda, he said.

Transnet control 'effective'

GERALD REILLY

PRETORIA — Although Transnet was only a few months old, it was already clear that control by a board of directors was far more effective for a government business than parliamentary control ever was, Transnet GM Anton Moolman said yesterday. direction — and it was not privatisation but commercialisation. (232)

In the case of Transnet, parliamentary control was replaced by a board of directors which, with the exception of himself, consisted of business leaders from the private sector

Speaking at a SA Institute for Public Administration seminar at the University of Pretoria, Moolman said the switch from SA Transport Services to a public company was a dramatic change in privatisation (269)

Safair welcomes changes to Act

EDWARD WEST

AMENDMENTS to the Air Services Act — effective from July 1 — will remove legal protection clauses excluding private carriers from domestic routes.

In a statement yesterday, Safair MD Braam Loots said he welcomed the new legislation. Domestic flying routes had now been opened up to competing airlines and this could only benefit the aviation industry.

Until now domestic airlines had been operating in an unsure environment. For the first time Safair and other airlines could plan long term operations, Loots said.

Safair operates a fleet of Hercules aircraft as well as a Boeing 707. It also flies two Convair aircraft from south and west coast routes from Cape Town. Loots said Safair would investigate further opportunities and Safair could offer a competitive freight service immediately and this would be addressed as a matter of urgency. However the airline would have to consider very carefully its options regarding the flying of passengers, even though Safair did offer charter services, said Loots.

Into the fast lane

Railways' proud boast that it intends challenging private-sector road hauliers for market supremacy once it is "corporatised" is being put to the test.

Now, nominally, a public company, and without the socio-economic responsibility for carrying commuters at a massive loss, Railways has come out from behind its tariff book and is operating along private-sector principles FIM 29/6/90

That is good news for customers but Railways has an ace up its sleeve. The new Class 14E prototype electric locomotive has the potential to siphon off road traffic because of its speed and capacity. Last week Railways took delivery of the first of three prototypes. These units, the most powerful in Africa, cost nearly R30m to develop. They can be used on Railways' 25 kV AC lines and 3 kV DC lines. Depending on the track, they can travel at a maximum 160 km/h or cruise at 140 km/h.

Each of their four axles can transmit 1 000 kW compared with the 630 kW by the Class 11Es which haul coal to Richards Bay. This immense power and speed gives them a

71

FIM 29/6/90 .

(269)

tremendous advantage over road trucks which are legally limited to 80 km/h

But it will take some time before Railways can unleash its new tool; the locos are still being tested. Though trains already run between Johannesburg and Cape Town in about 20 hours at up to 110 km/h, "the problem is that our signalling systems cannot cope with the 14E's speed," says Railways MD Barry Lessing.

Road transport spokesman Eduardo Garcia dismisses the threat posed by the new locos. "Speed is only one element in transport. What's the point of saving a few hours in getting a container from Durban to Johannesburg when it can take up to five days to get it to the customer?" he asks.

André Jacobs, executive director of the National Association of Private Transport Operators — the umbrella body for those

who transport only their own goods — agrees there are often snarl-ups at rail depots but sees great potential for the new locomotives.

He is certain Railways will overcome its signalling problems. Moreover, he says, "Transnet is bending over backwards to improve its service. That must be taken seriously."

Jacobs adds the real potential of faster rail travel will be unleashed only once Railways starts piggybacking road trailers on rail wagons with the development of its road-railer system. This will allow road trailers to travel on rail by lifting up their road wheels and lowering their rail wheels.

"When they get that right, Railways will probably be able to take a trailer off a ro-ro ship in Durban and have it delivered to the customer in Johannesburg quicker than a road haulier."

But it will still take years before Railways is transporting as much freight as road hauliers. Despite the massive tonnages of coal, ores and minerals conveyed by rail, Railways is still a poor second to road transport in volumes moved.

At best it has a 25% share of all goods transported in SA. This figure is often disputed, especially by those who overlook the fact that private carriers (those who convey their own goods in their own vehicles) convey an estimated 52% of all goods and it all goes by road. —

The length of the row Railways has to hoe can be gauged from the latest Central Statistical Service figures which show it conveyed 17 Mt in January (its best month since August 1988), while private-sector public carriers (who transport goods of others by road) conveyed 22,5 Mt the same month. ■

KALK BAY PROPOSAL: A diagram of the Kalk Bay upgrading proposals, indicating the three main areas for re-development, or "activity anchors", the proposed walkway and arrowed areas where community facilities will be provided.

Kalk Bay face-lift

R4,42 million plan
to upgrade facilities

By MICHAEL DOMAN, False Bay Bureau

A COMMITTEE investigating the upgrading of Kalk Bay has proposed spending R4,42 million on new housing on a limited scale, improved traffic light access to the harbour and the extension of the coastal walkway.

These proposals, in draft form at this stage, are to be discussed this week in a series of workshops to give locals an opportunity to comment directly to committee members.

The framework document isolates three "activity anchors" — the harbour and adjacent open space known as The Point, the New Kings and Majestic hotels sites, and the Brass Bell and environs.

The Point has been suggested as a site for high income housing and tourist accommodation.

At least 30 high density low-rise units have been suggested, with a possible 40 to 60 more units over retail developments proposed for the harbour and the Main Road.

More lively

Promotion of higher housing densities and bed-and-breakfast and tourist accommodation is also likely to be encouraged, providing existing views and the character of the area are respected.

The committee has said the present harbour buildings could be demolished to enable re-development. The harbour area could become more lively with restaurants, sightseeing boat trips and a locally-staffed and supplied shop or market.

Suggested ventures in the harbour precinct include a fisherman's tavern, an upmarket restaurant to capitalise on the views of the harbour and False Bay, and the upgrading or expansion of the Brass Bell.

The tidal pools on the seaward side of the Brass Bell should also be upgraded for "more friendly inter-relationship" between these two facilities.

The committee has recommended that the major private landholder — the owner of the New Kings and Majestic sites — be encouraged to relocate the present institutional use of the old hotels. Instead, they should create a major residential-/tourist development in keeping with the general character of Kalk Bay.

Proposals include extending the coastal walkway from Muizenberg to St James to Kalk Bay along the landward side of the railway line. The route would continue through the harbour across a bridge and then along the rocks at The Point to link up once again with Main Road on the way to Fish Hoek.

This would be done in three stages, first heading southwards from the station towards Fish Hoek, before linking the station to Dalebrook Pool.

Linkages between the coastal walkway and the Silvermine Nature Reserve trails, along pedestrian walkways and steps in Kalk Bay, will be well signposted.

Main Road's colonnaded shopping strip is to be protected and expanded on the seaward side of the road if it does not interfere with views

The committee had earlier recommended reviewing present major road-widening schemes and deleting a road-over-rail bridge from the Outspan to the harbour. They contend that these proposals would destroy the ambience and potential of Kalk Bay.

However, acknowledging the congestion and parking problems in the area, the committee has suggested gaining 98 additional parking bays for visitors at the Point development and the strip of land between the railway line and the Main Road.

The bottleneck at the entrance to the harbour would be avoided by a computer-controlled boom for safe access to the harbour. The boom would be linked to a set of traffic lights and turning lanes into and out of the harbour.

A further proposal is the upgrading of the exterior of the existing fishermen's flats at a cost of R205 000.

In addition, if loan finance can be arranged, 24 more units behind the flats are proposed. This would cost R1,75 million, or R72 900 for each 80 square metre unit. The amount is not included in the total R4,42 million upgrading price tag.

Community facilities which could be provided include a playing field and community centre at the Outspan, as well as a kickabout area, new equipment, a netball court, grassing and tree-planting at the Fishermen's Flats square.

City planner Mr Neville Riley emphasised in the framework document that none of the proposals had received any form of official approval and that final proposals would be drawn up only once comments had been received.

It was hoped to submit the final framework to the city council and its standing committees for approval by August, and then to key Kalk Bay public landholders such as Transnet and the Cape Provincial Administration in September.



FRAMES

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Freeing the skies

SA Airways' official monopoly on main internal routes — and protection from competition — ended this week (269)

In the long run this deregulation will dramatically remake the domestic airline industry, but changes will take some time in coming. In fact, it may be years before travellers can walk into any airport, as they do in the US, and choose between competing airlines offering flights at different fares.

This is because most of SAA's potential rivals are small operations that are far from ready to begin competing on major routes. The exception is the Safmarine group of airlines. Safair Freighters, the world's biggest civilian user of Hercules transport aircraft, Safair Lines, a small operation that flies passengers in the western Cape, and Trek Airlines, the fourth biggest international carrier operating out of SA, after SAA, British Airways and Lufthansa. Safmarine holds a 37,5% interest in Trek.

Piet van Aswegen, executive director of Safmarine's air interests, says its investment in aviation is exceeded only by SAA's. He says the replacement value of its aircraft is R400m and it has the necessary maintenance infrastructure. It's spending R30m on expanding facilities at Jan Smuts.

He sees "two market segments where the group can compete with SAA: the smaller routes, such as Cape Town-George-Port Elizabeth, and Cape Town-Upington, known as the turbo-prop market, and the main, or jet routes, such as between Johannesburg and Cape Town."

SAA can expect more than just competition for passengers. Safair Freighters, which carries mostly international cargo, lodged an application with the National Transport Commission this week for a licence to fly freight around the country.

"We're better equipped to handle freight than SAA and have established a passenger booking operation to serve Trek, the ticket operation can be expanded to serve the group," Van Aswegen says.

SAA says it welcomes increased competition. "It will be a challenge and will keep us

on our toes," says spokeswoman Zelda Roux.

Other local airlines are more cautious than the Safmarine group. Comair MD Pieter van Hoven says "We have no expansion plans at this stage. It will take time for a really free market to develop."

Van Hoven and others in the industry don't expect the free market to lower fares, despite the experience in the US, which deregulated internal air travel in 1978 and saw ticket prices plummet in real terms.

"The only benefit passengers will enjoy when more airlines are competing will be that they can choose which to fly with," Van Hoven says. "They won't benefit from reduced fares. At its present level of fares, SAA only just broke even on its internal services. Private sector operators cannot be profitable at those levels. They may contain some costs but their capital cost will be twice SAA's, which is using equipment it acquired when the rand was stronger."

Even if they can be cut, the internal fare structure may deter potential competitors. Colin Jordaan, a former director of Acorn Air, reportedly said this week that the airline was having difficulty raising the finance to buy six new British Aerospace jets. One of the reasons is that airfares are not high enough to produce a return on capital attractive to investors.

The report angered Hugh Flynn, a director of Acorn, who refuses to comment.

Jackie Walters, professor of transport economics at Rand Afrikaans University, cannot see any meaningful opposition to SAA developing for some time. "SAA conveys 95% of all passengers in SA. SAA will have real competition only when its competitors have 40% of the market — and that's a long way down the track."

There is room, however, for another airline on routes where SAA isn't satisfying demand. "However, caution will have to be exercised," Walters says. "Another airline can ruin the market if it suddenly adds 30% to the number of seats available on a particular route. That will result in overcapacity." Surely travellers — their discount tickets in hand — won't mind.

David Pincus

Kalk Bay plans still in dispute

Opt 7-15 9/7/90

Municipal Reporter

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AN intensive schedule of public meetings about proposals to upgrade Kalk Bay harbour was taking the edge off opposition to the scheme, according to local councillor Mrs Joye Gibbs.

She said the state was losing money on the harbour, so it had been made quite clear that the fishermen could not have the entire harbour to themselves, though nobody wanted them out.

Planners held well-attended meetings every evening last week and more are scheduled for this week.

Mr Tony White, proprietor of the Brass Bell Restaurant and a member of a committee set up to protect the interests of commercial fishermen, said the demand that the harbour be reserved exclusively for the fishing community would not be abandoned.

Proposals that as many as 65 yachts should be moored in Kalk Bay Harbour have been met with counter-proposals from the fishing community, which is not opposed to development but has its own ideas about how it should take place.

Kalk Bay Ratepayers chairman Mrs A Soule stressed yesterday that no decisions had yet been made on any development in the Kalk Bay area.

"It is all in the negotiation and planning phase"

Cable theft delays thousands

By SHARKEY ISAACS and EDWARD MOLOINYANE
Staff Reporters

THOUSANDS of rail commuters were more than an hour late for work today and train services were disrupted after thieves stole three signal and communication cables on the Khayelitsha-Mitchell's Plain line during the night.

The fault in the signal and communication system was discovered at about 1 am between Nyanga and Philippi where the thieves stole two 20 m sections of cable and one 30 m section.

Repair teams were immediately sent to the scene but they were still struggling to repair the damage when morning peak hour travellers began arriving at the stations.

PLATFORMS CROWDED

The platforms at all stations in Mitchell's Plain and Khayelitsha were soon crowded with commuters.

A ferry system from Khayelitsha and Mitchell's Plain was introduced to take passengers to Nyanga where a normal service was operating.

There were wild scenes when the angry and anxious commuters eventually arrived at Cape Town station.

A Khayelitsha man in his 20s was stabbed in the crowd as late-for-work commuters fought running battles with ticket collectors.

The incident took place at the exit from platform 21 about 8.10 am when commuters scrambled to get through the barriers without producing their tickets.

About eight ticket examiners attempted to hold them back.

DRIPPING BLOOD

Many commuters left without producing their tickets and, in the confusion, a man, who declined to be named, was seen with blood dripping from his left shoulder. He said he had been stabbed.

The first train to leave Khayelitsha today was 15 minutes late and was filled to capacity at the departure point. It travelled through the other stations without stopping.

The journey from Khayelitsha to Cape Town, which normally takes 50 minutes, took more than one and a half hours, with stops along the way.

Spoornet public relations officer, Mrs Yvette Olwage, appealed to anyone who had information about the vandalism to phone Spoornet on the toll free number 080-021-0081.

Mrs Olwage said there was total disruption and many workers were more than an

NEWS

By Helen Grange

The carnage on South African roads has this year resulted in one of the biggest road safety projects yet launched.

Last year, 10 634 people died on South African roads. And when it comes to costs incurred, statistics are alarming.

Road traffic accidents cost the South African economy an estimated R2,4 billion in 1983/84, and R5 billion in 1987/8.

Every fatal collision costs R220 000 while a serious injury suffered in a collision costs R52 000, according to the Na-

Big road safety project pays off

tional Road Safety Council (NRSC) Taking cognisance of these statistics, the NRSC, together with the private sector, has set about a campaign aimed at penetrating every motorist's conscience — at huge expense.

During two periods of school holidays over June and July, the NRSC has initiated the "Radio for Road Safety" campaign — involving 26 radio services.

The project, run jointly by the

NRSC and a major petroleum company, encouraged motorists to fax their observations and complaints regarding road safety to the NRSC from Ultra Cities countrywide. These messages were then relayed by the radio stations involved.

"This has been extremely successful. We received between 25 000 and 30 000 messages over these periods, we recorded 93 road fatalities. Comparing this statistic to the average of 30

deaths a day, we can safely say the project has had a major impact," Hans Oertel, NRSC spokesman said.

Over the last December holidays, road safety awareness was stepped up with the help of the television programme, "Good Morning South Africa". And over the Easter holidays, the NRSC launched a massive media campaign and provided a public information centre.

"Road safety has become a

major concern to ourselves and the private sector. Many large companies are spending thousands in an effort to make people more aware of the dangers.

"We have seen a notable improvement in holiday death toll statistics since the beginning of the year," Mr Oertel said.

Apart from the projects of the NRSC, South African roads have received much attention in the quest to cut the road fatality rate.

Toll roads have been hailed as being a major step towards cutting down road deaths.

Safmarine sets sights on the sky

(269)

R65m service facility lays groundwork

S/Times 15/7/90

NATIONAL shipping line Safmarine has big ambitions in the airline business.

The group is positioning itself to make an impact on recently deregulated aviation.

The first surprise came with the announcement by Safmarine's 38%-owned associate Trek Airways in the Sunday Times two weeks ago that it planned to acquire three Boeing 737s and employ 30 pilots to fly domestic trunk routes in opposition to SAA.

This week Safair Freighters managing director Braam Loots announced the near-completion of a R65-million facility to maintain wide-body Airbus and Boeing 737 passenger jets.

Trek is the first domestic airline to make positive moves in deregulation and seems set to become the No 2 passenger service Safair is the biggest air-cargo carrier with the largest maintenance facility. Safair is wholly owned by Safmarine. Safmarine, through Trek, has an interest in Luxavia, the SA general sales agent of international airline Luxair.

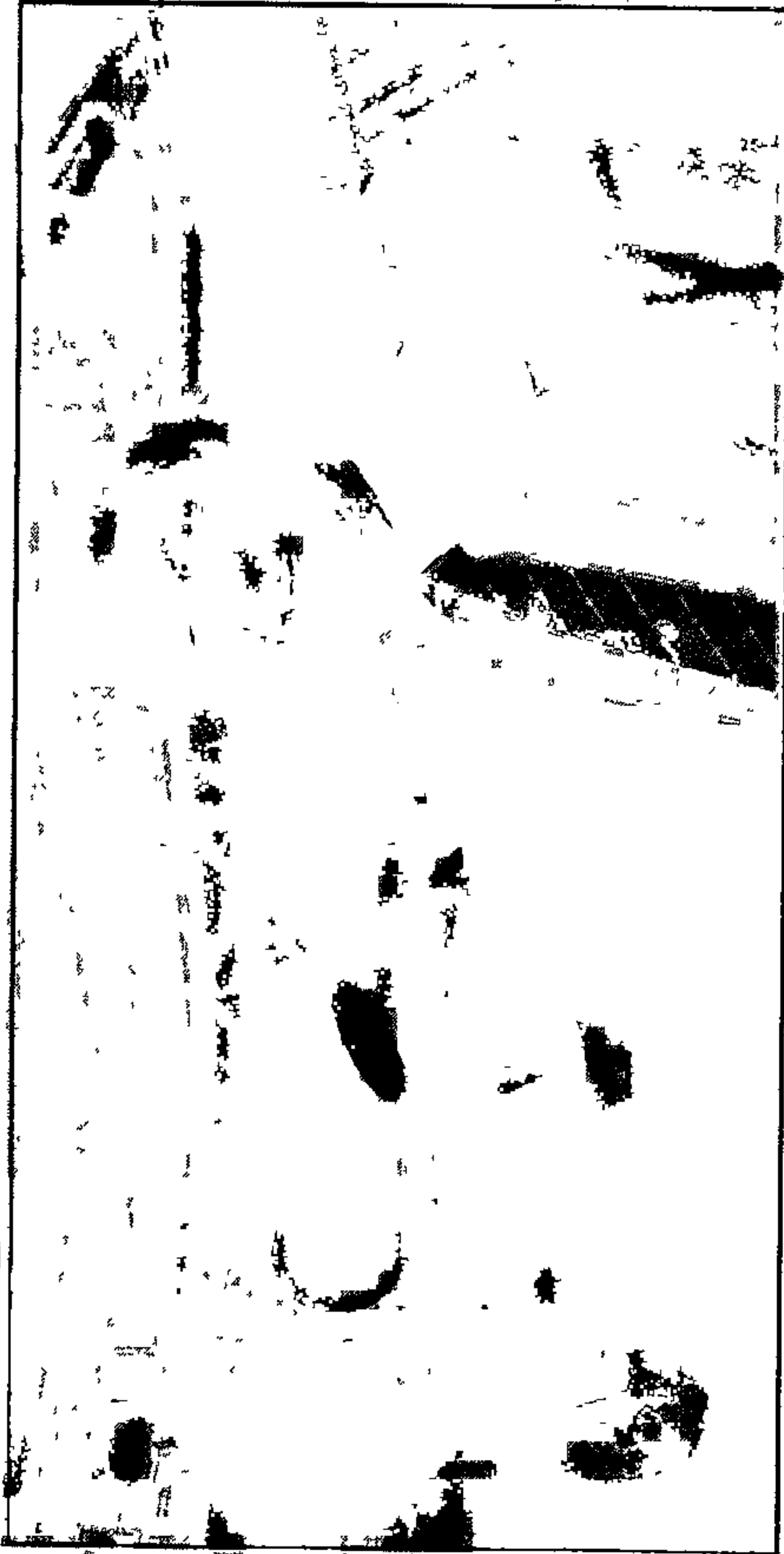
By ROGER MAKINGS

by June

Mr Loots says Safair is recruiting 20 Israeli technicians, all licensed on Boeing 737s and Airbuses, to form the core of the maintenance crews until SA engineers are trained.

Although Safair has shelved plans to enter the scheduled passenger market, it is watching developments. "Our first challenge is to prove we can make it in the freight and maintenance business," says Mr Loots, whose workshops already carry spares worth more than R200-million.

Safair is the only airline in the Cape passenger airline. Both operations have infrastructures which Trek and Safair Freighters could use for expansion. Trek managing director Jan Blake says barring complications and depending on what licences are awarded by the National Transportation Board, his airline could be up and running by February or March next year. Mr Loots's workshops should be able to service passenger jets.



BRAAM LOOTS . . . R200-million spares ready for servicing growing aircraft fleets Picture: TOM EDLEY

SA licensed to work on American-registered aircraft and maintains its own Boeing 707. It wants to service aircraft of European and American operators in Africa who use more expensive US-based facilities.

"The hard-line sanctions issue is easing and we are looking to capture not only the lucrative Hercules L-100 freighter market, but the 10, maybe more, African countries which fly the sort of jets we can maintain. We might even work on SAA's fleet."

Also receiving priority is the internal freight market, which until deregulation, was cornered by SAA. "Instead of taking what work SAA gives us, we can seek our own contracts. Our Hercules criss-cross Africa, but our future lies in SA."

"As the market grows, we will bring back more of our Hercules to work here." Only when these operations are established will Safair dip a toe into the domestic scheduled passenger market — in competition with SAA and Trek.

"In the meantime we will stay abreast of developments through our passenger charter flights, and if all goes well, will be in a position to compete on scheduled internal routes within three years."

His ambitions don't end there. Safair also plans to

challenge SAA on regional routes in Southern Africa.

"By 2000 Safair will be a major airline flying freight and passengers internationally in competition with SAA."

All of this will benefit Trek. With its Luxavia connection, it hopes to attract foreign tourists to its domestic flights and will also use Safair's freight and aircraft handling capabilities.

Mr Blake still has reservations. "Airlines work on thin profit margins. I would like to see an increase in SAA's domestic fares before we start flying. The balance is so delicate that an increase in the price of fuel could scupper our plans."

"All airline costs are 60% to 70% dollar denominated. If our internal fares had to match those of foreign airlines, we would have to increase them by 50%, but that's not possible."

Safmarine's airline operation could obviate the need for SAA to sell half of its domestic fleet to private operators to encourage competition in a deregulated market.

Rail coach arson: Big reward offered

By SHARKEY ISAACS 269
Transport Reporter

A REWARD of up to R25 000 is being offered by Spoornet for information about a fire that damaged two motor coaches at a suburban station at the weekend.

Arsonists are believed to have started the fire which extensively damaged a coach and caused minor damage to the other while they were parked at Wynberg station.

The fire, which started in one coach and spread to the other, was put out by firemen.

Mr Eddie Brand, a clerk in ticket booking at Wynberg station, said a commuter alerted him about the fire at about 2.45pm.

"BURNING FIERCELY"

"I rushed outside and saw flames leaping into the air. Smoke was pouring from a fiercely burning motor coach," he said.

"I rushed back to the ticket office and handed a dry-powder extinguisher to the commuter and asked him to fight the flames while I notified Spoornet's control and asked them to call the fire brigade.

"On returning to the scene and helping the commuter I saw the dry-powder extinguisher was almost empty. We then used the station's fire hose, but it was of little use because the fire was burning too fiercely."

Units of the Cape Town fire brigade arrived soon afterwards and used a powerful water jet on the fire. Firemen said flames had already engulfed one coach and spread to other motor coach on their arrival.

Anyone with information is asked to telephone Spoornet's toll-free number 080 021 0081. Spoornet PRO Mrs Yvette Olwage said rewards of up to R25 000 are offered for information about crimes committed on railway lines.



Picture: JOHAN SCHRÖNEN, The Argus.

BURNT OUT: A fireman inspects the burnt-out hulk of one of two motor coaches that were damaged by fire at Wynberg station at the weekend.

New airline law could bring a 'scrum for higher prices'

AKG's
16/7/90

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By DAVID YUTAR, Business Staff

A 'BLOODBATH' between smaller airlines and SAA with escalating air fares has been predicted, as smaller airlines join a competitive scrum following the recent deregulation of the domestic airline market brought about by the July 1 amendments to the Air Services Act.

The amendments, which became effective on July 1, remove legislative obstacles to free competition on domestic air routes and — for the first time in 41 years — make it possible for private carriers to compete with SAA on such routes.

Mr Richard Fleming, executive chairman of Link Airways, which runs an extensive service throughout the country, predicted that the present trend of smaller carriers rushing in to compete with SAA would lead to a "bloodbath" in which there would be "more losers than winners"

He said that deregulation had benefited no-one when it had come to the United States.

"There, two years after deregulation, there were four times as many airlines and five years afterwards, there were half as many.

He said that in the US a price-cutting war had resulted in a situation where even the larger airlines were unable to service their aircraft and couldn't get fuel with the result that passengers were "being let down left, right and centre."

More importantly, said Fleming, airlines had started to buy "non-approved, bucket-shop parts" in an effort to save expenses.

Turning to South Africa, Mr Fleming said:

"We should be deregulated but we need to have a flat playing field on which to play . . ."

He said the development of the airline business overseas had proved that the feeder airline service was the correct route to follow in South Africa.

"But if we all go bold-headed to try and get the main hub-to-hub routes which are already being flown very successfully by SAA, albeit at the wrong price, then nobody will win."

He predicted that many private airlines would

ECONOMICS

find themselves in serious trouble as a result of rushing in to compete with SAA when they could ill afford to do so.

Mr Bert Van der Linden, commercial director of Comair, which provides scheduled air services from the Rand to destinations such as Richards Bay, Phalaborwa, Manzini and Margate, said that if the public expected to see a massive influx of private carriers into the domestic market, with a concomitant lowering of air fares, it was going to be "bitterly disappointed"

"Contrary to the popular perception that air fares will come down, they will in fact go up," said Mr Van der Linden.

"And until such time as air fares have gone up sufficiently to make it enticing for private enterprise, we will not see competition on SAA's routes"

Mr Van der Linden said that as long as air fares remained at the current levels, private air carriers would be unable to compete with SAA, who would continue to monopolise the market in effect

He also pointed out that smaller carriers would find it difficult to acquire sophisticated capital equipment, which SAA had bought when the rand was still strong.

Mr Van der Linden said that even if SAA did raise its fares, as it had said it would, the anticipated increases would probably still not be sufficient to make competition by private companies economically viable.

Safair chairman Dr Piet Van Aswegan, who is also chairman of the Airlines Association of South Africa, agreed that as far as the passenger market was concerned, the results of deregulation would not be "as instantaneous as with freight".

"Anyone wanting to enter that market will have to do his arithmetic very well," he said.

"The air fares are low and we are looking at all the obstacles . . . but we do not think that they cannot be overcome."

He said Safair would enter the passenger market via Trek Airways, whom SAA was already assisting to train pilots.

Dr Van Aswegan said that as SAA was expected to earn a return on the capital they used, so air fares would have to go up.

However, the freight market was a very different matter, he said

Competitive rates made operation more feasible and Safair, which already owned capital equipment such as aircraft, was already flying some of the domestic routes under licence from SAA and would try to obtain its own licence in the near future.

'AWB' bomb threat forces down SAA jet

Capt T. J. 16/7/90

Own Correspondent

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PORT ELIZABETH. — A South African Airways direct flight from East London to Cape Town was forced to make an emergency landing at H F Verwoerd Airport here yesterday morning after a bomb threat.

The caller who made the threat said he was phoning on behalf of the Afrikaner Weerstandsbeweging (AWB), and warned airways personnel they should not have "played around with Trevor Tutu".

The Port Elizabeth airport manager, Mr Chris Jacobs, said the man spoke a mixture of Afrikaans and English when he called the information office of the Ben Schoeman Airport in East London five minutes after flight SA 603 left for Cape Town.

Immediately after the first call it was decided to re-route the flight to Port Elizabeth.

Putting the haste in the post

The dismal state of postal services has contributed to a 65% annual growth rate over the past three years in the booming courier business. Even stronger growth is possible in the years ahead as airline deregulation opens the skies to increased competition for parcels and packages between SA Airways and private airlines

Under the Postal Act only the Post Office may deliver ordinary letters and mail to businesses and households.

"We mainly concentrate on business-to-business documents and even goods deliveries — and, in any case, our tariffs for transporting these goods are prohibitive, compared to the Post Office's 21c for a letter," says XPS Services MD Peter Baker. "Even so, business is booming."

Baker says the courier industry would be very interested in helping the Post Office move its bags from towns such as Nelspruit to Johannesburg overnight at a far cheaper rate than now charged for individual items.

"We spoke to the Post Office about a year or two ago about the service we can offer, but since then nothing has happened," Baker says. XPS operates about 300 trucks countrywide and guarantees overnight deliveries between average-sized towns. "That includes towns like Upington and Nelspruit"

Senior GM, Postal Services, Willem van Rooyen, says the Post Office is investigating the possibility of using private hauliers, not courier services, to transport its bags between centres "But no finality has yet been reached in this regard, while we are also looking at expanding our own road transport network."

However, in the Cape, courier contractors have been used to help deliver post to rural areas for some time — though not in the Peninsula.

Industry also has some ideas on how to improve service.

Brian Hopkins, chairman of the Post Office sub-committee of the National Consultative Committee on Post Office Affairs, a private-sector committee, says the Post Office should consider charging different tariffs for first-class and second-class mail.

"But then the administration of sorting these out could add further to delays."

While postage charges could be increased to improve profitability, government's anti-inflation stance makes it difficult to charge cost-related tariffs now.

"I have seen no improvement in deliveries on the Reef — an SA Chamber of Business memo sent out June 28 had failed to reach most members by July 11," says chamber economist Bill Lacey. Johannesburg City Council management committee member Paul Asherson adds that postal deliveries now take place only once a week in Soweto. The reasons: "A lack of security; only six post offices serving about 2m people; and street numbers that had been painted out"

While Post Office customers suffer, the courier business is booming. XPS, started in 1984, now boasts a turnover of about R100m a year and transports about 80 t-100 t a day, of which 18 t-20 t goes by air. "And the competitive threat from Safair coming on the market has already led to SAA improving its service," Baker says.

Safmarine group air interest executive Piet van Aswegen says Safair now awaits the promulgation of the new Air Services Bill, which was to have come into operation on July 1 but has not yet been signed "As soon as it becomes law, we will apply for our licence and hope to be competing with SAA before Christmas."

Uniserv's Sun Couriers delivers about 400 t of cargo daily countrywide with its 400 trucks and, says Uniserv executive chairman Tiger Wessels, it handles 300 000 parcels monthly for 12 000 clients.

"But as we guarantee delivery within 24 hours we cannot do this at 21c an item, as the Post Office does," Wessels says.

Adds Sun Couriers' Barry Saxton: "Our services complement those of the Post Office"

DHL International GM Dave Spargo says US companies such as Federal Express and the United Parcel Service have revolutionised the courier business, offering worldwide, guaranteed delivery services "They have forced the US Post Office to become more competitive and market-orientated."

Meanwhile, new Link Airline GM marketing Des Collins says his company is also eyeing the lucrative courier business "That is where the profits are —

and we are well placed to meet demand to certain areas, with our expanding fleet of 13 aircraft."

Arnold van Huyssteen

COMPUTER MANUFACTURE

Strategic reverses

Large-scale computer manufacturing projects — designed to reassure customers worried over the potential of a technology blockade — have become redundant as the threat of sanctions recedes. FIM 20/7/90

TSM, the manufacturing arm of the TSI computer conglomerate, has put behind it thoughts of building large computers and is focusing on developing and designing specialised microcomputer products. The company, which only 13 months ago unveiled what it claimed was SA's first local mainframe, announced this month its first product since undergoing major cutbacks late last year. It has produced a high-performance i486 microcomputer designed for both local and export markets.

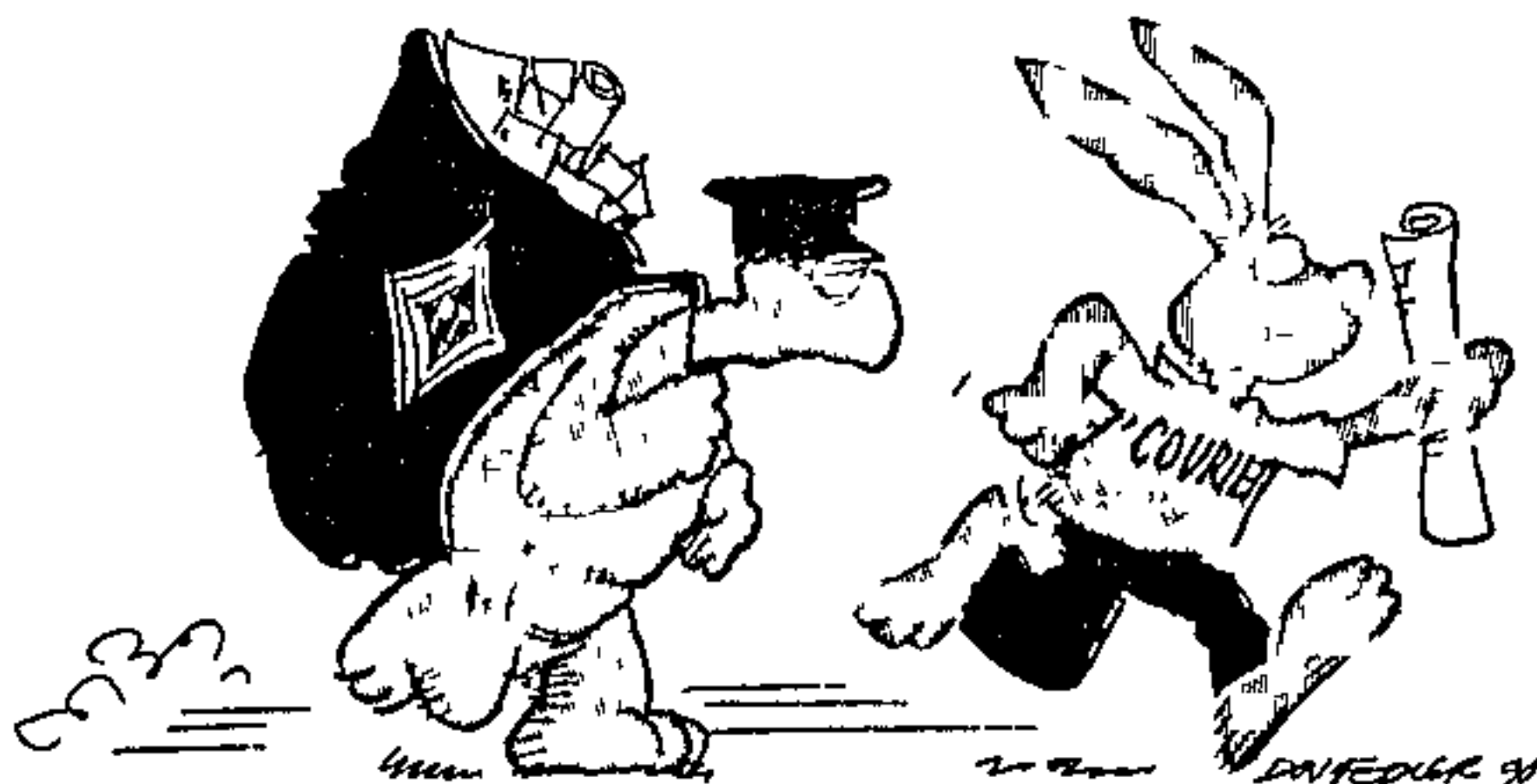
TSM, like many other local firms that have invested in manufacturing computer equipment, is turning to the export market to help offset production costs

Though there was much talk of developing an SA computer manufacturing capability and producing a local mainframe at the height of the sanctions fears a couple of years ago, TSM was one of only a few firms that embarked on such ambitious projects. Most suppliers were content to forge clandestine supply routes to ensure that technology from the US, Europe and the Far East continued to reach this country.

TSM, which cost its parent more than R30m to set up, entered the commercial minicomputer market in March 1988 with the launch of the ES/40, a machine compatible with IBM's System/36. This was followed in October 1988 by the DX Series of minicomputers that could run Unix or Data General software. In June last year a small IBM-compatible mainframe, the MF/100, was unveiled by TSM.

JSE-listed Central Data Systems (CDS) also invested heavily in the local production of large computers and launched its Quantum range of Unix minicomputers in February 1989. The machines, the product of a technology transfer agreement with an unnamed UK firm, were claimed to have cost CDS R6m to bring to market.

The easing of the political climate and the high cost of some of the local products compared with imported equipment hit both firms very hard. TSM has overhauled its



Pretoria buses

go non-racial 269

W/Manual 2017-221790
By SAMANTHA WEINBERG

PRETORIA'S buses go non-racial tomorrow with unchanged tariffs — until September when fares will go up between 13 and 20 percent, the Chairman of the Council Management Committee here announced yesterday.

Alderman James Leach said the decision was taken to open the municipal bus service to "all commuters, in the light of changing circumstances."

"I fully trust Pretoria's commuters will handle the opening with responsibility and consideration." The new fares would take effect from September.

Existing rules and regulations about concession bus fares would still apply, Leach said.

Pretoria Council opens buses to all

Star 20/7/90
In a move symptomatic of the sweeping changes taking place around the country, the Pretoria City Council yesterday announced the desegregation of its bus service.

The move comes into effect tomorrow.

"On January 30, the city council decided to apply to the Road Transportation Board for the amendment of its permit in order to make the bus service available to all commuters.

"The board recently informed the council that this application has been approved," said a management committee spokesman.

Safair withdraws bid to fly passenger routes

6/10 am 20/7/90

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TRANSPORTATION and freight company Safmarine has withdrawn its application to the National Transportation Commission (NTC) to fly scheduled passenger services on the major domestic routes in competition with SAA, a Safmarine spokesman said yesterday.

A new application only requesting daily scheduled freight and cargo flights would be submitted by Safair to the NTC soon, he said.

Safair MD Braam Loots said the Safmarine airline subsidiary did not have the infrastructure to cope with scheduled passenger flights but it had the infrastructure and equipment to handle scheduled freight flights.

Between five and seven flights a day would be flown between Johannesburg and Cape Town; Johannesburg and Durban; Cape Town and Durban, and Johannesburg to Port Elizabeth to East London to Johannesburg, the spokesman said. Six Lockheed Hercules 382G aircraft would be used.

An NTC spokesman said it had requested several airlines which applied to fly scheduled domestic passenger routes to resubmit their applications in the light of the new

MANDY JEAN WOODS

Air Services Act, which came into effect on July 1, which allows for the complete deregulation of the domestic air transport market.

Only Safmarine had withdrawn its original application; no response had been heard from freight company XPS, Magnum Airlines (now called Link Airlines) or Comair, the NTC spokesman said.

Loots said Safair could offer a competitive freight service with immediate effect. "Although Safair is involved in flying passengers we will have to consider our options very carefully before committing ourselves to extending services to scheduled passenger services."

Workshops

Safair would continue to offer charter passenger services, he said.

Safair's R65m maintenance facility being built at Jan Smuts would be completed by the end of the year. The workshops, which already carried more than R200m worth of spares, would be able to do maintenance work on Airbus and Boeing 737 aircraft, the NTC spokesman said.

Open buses for Pretoria

APC Times 20/7/90
PRETORIA — In a move symptomatic of the sweeping changes around the country, the Pretoria City Council yesterday announced the desegregation of its bus service.

The move comes into effect tomorrow.

"On January 30, the city council decided to apply to the Road Transportation Board for the amendment of its existing permit in order to make the bus service available to all commuters," said a statement by the management committee.

"The board recently informed the council that this application has been approved." — Sapa

Pta blacks shun 'open'

(269)

Sowetan 24/7/90

bus service

THE Pretoria City Council bus service may be open to all races - but black commuters have so far shown little interest in using it.

Council buses were desegregated with effect from midnight on Friday. A council spokesman said only 'between 10 and 20 blacks' had used the buses at the weekend. No incidents were reported.

She said the numbers of white commuters using the service had not dropped in reaction to the opening of the buses to all races.

The council chose Saturday and the school holiday period on purpose.

Sowetan Reporter

for the opening as buses would not be full.

It had adopted a "wait and see attitude towards possible racial tension over the issue.

Any problem which may occur 'will be handled as it comes'.

No blacks were seen using the buses on Church Square early yesterday.

Most bus drivers said they had not picked up any black passengers yet.

One, who did not want to be identified, said the fares were too expensive for blacks.

"A couple of blacks boarded my bus, but when they heard what the fares were, they decided not to use the bus."

The council spokesman confirmed that the council's bus fares were higher than those of Putco taxis and trains.

A news agency correspondent, Mr Johnny Masilela, who boarded a 'white' bus from Pretoria's Church Square to the eastern suburb of Sunnyside and back, said there were no other black people on board.

Lifestyle

A white passenger on the bus. Mr Charles Fourie, said he believed blacks did not board what were previously "whites only" buses because they preferred black taxis which did not run on stipulated time.

"When I nervously

the empty space next to me. "On the return trip, an elderly male driver greeted me as I boarded. "Good morning, and how are you?"

He chatted to Johan Niemandt (27) who said he worked for the SABC and who said "Welcome to the new South Africa."

"In this bus I happened to sit next to a white woman who stared out of the window as soon as I occupied the space next to her.

"I asked her if any blacks had boarded the municipality buses. Without looking at me she muttered 'Ek weet nie (I do not know)'"

The CP leader in the Pretoria City Council, Mr Paul Fouche, said prior to the opening of the service the "shocking" step would "without a doubt result in friction on the buses."

Is expansion on the right runway?

A battle royal has broken out between government departments, construction firms and airlines following the award last week of a R70m upgrading and refurbishment contract for Jan Smuts Airport to Rapp & Maister Construction. Work is to start by the end of August and stretch over the next 42 months.

Taking a myopic view, Directorate of Civil Aviation officials in Pretoria are pushing through their own plans for the airport, drawn up by the Department of Public Works, in order to undercut imaginative and far cheaper plans offered by private-sector consultants (see plan).

In the process, this could double the total redevelopment costs of SA's premier airport because it may commit government to the directorate's costly master plan for Jan Smuts — catering for 16m-20m passengers a year by 2020-2040

Adding insult to injury, the public works contract given to Rapp & Maister is outdated because it is based on a study completed six years ago.

Ironically, leading the attack on government's plans to upgrade the ageing airport is SA Airways CE Gert van der Veer, who says

the redevelopment plans should be put off until more studies are completed.

"We have spent R275 000 in fees to local and international consultants commissioned by ourselves to investigate the feasibility of development plans for the airport," he says. "As we handle about 80% of the 5m-odd passengers using Jan Smuts each year and with 11 new planes worth about R3bn on order, we have a vital vested interest in the future of Jan Smuts."

SAA's suggestions on redeveloping the international terminal were handed to the directorate early last month and its recommendations on the domestic terminal will be submitted shortly. Nevertheless, the tender was awarded last week. Van der Veer says he is meeting with Transport Department director-general Ronnie Meyer early in August to discuss the issue.

What worries Van der Veer is the refurbishment commissioned by the directorate may not meet the long-term needs of the airport.

"The upgrading is based on an investigation completed in 1984. Since then, huge changes have taken place in airline deregulation and in the security focus at airports.

And, with expected growth in world tourism of at least 6% a year into the next century, one has to take a long-term view."

SAA hired a representative of the Airport Consultative Committee of the International Air Travel Association, Hans Fischer, to visit SA and to evaluate the plans for Jan Smuts. He returned to SA this week for further discussions.

"We are worried that, once the current refurbishment is complete, further upgrading would immediately be needed to meet growing passenger and airplane parking demands at Jan Smuts — at a very high cost," he says. "It is better to hold back the current contract until all possibilities have been thoroughly aired."

SAA also would like to see passenger holding areas for individual flights. Under the R70m refurbishment, passenger flows through the terminal buildings will still present major logistical problems. "If flights were delayed, major congestion problems could occur, based on the current plans," Van der Veer says

His views are echoed by Lofty Dundas, chairman of the Board of Airline Representatives, which talks for all international airlines at Jan Smuts. "We would prefer the matter to be put on ice for at least three months," he says.

But Meyer says the directorate's plans are flexible and can accommodate any amendments deemed necessary. "But we cannot again put off the tender — last year the cost was R65m, now it has gone up to R70m."

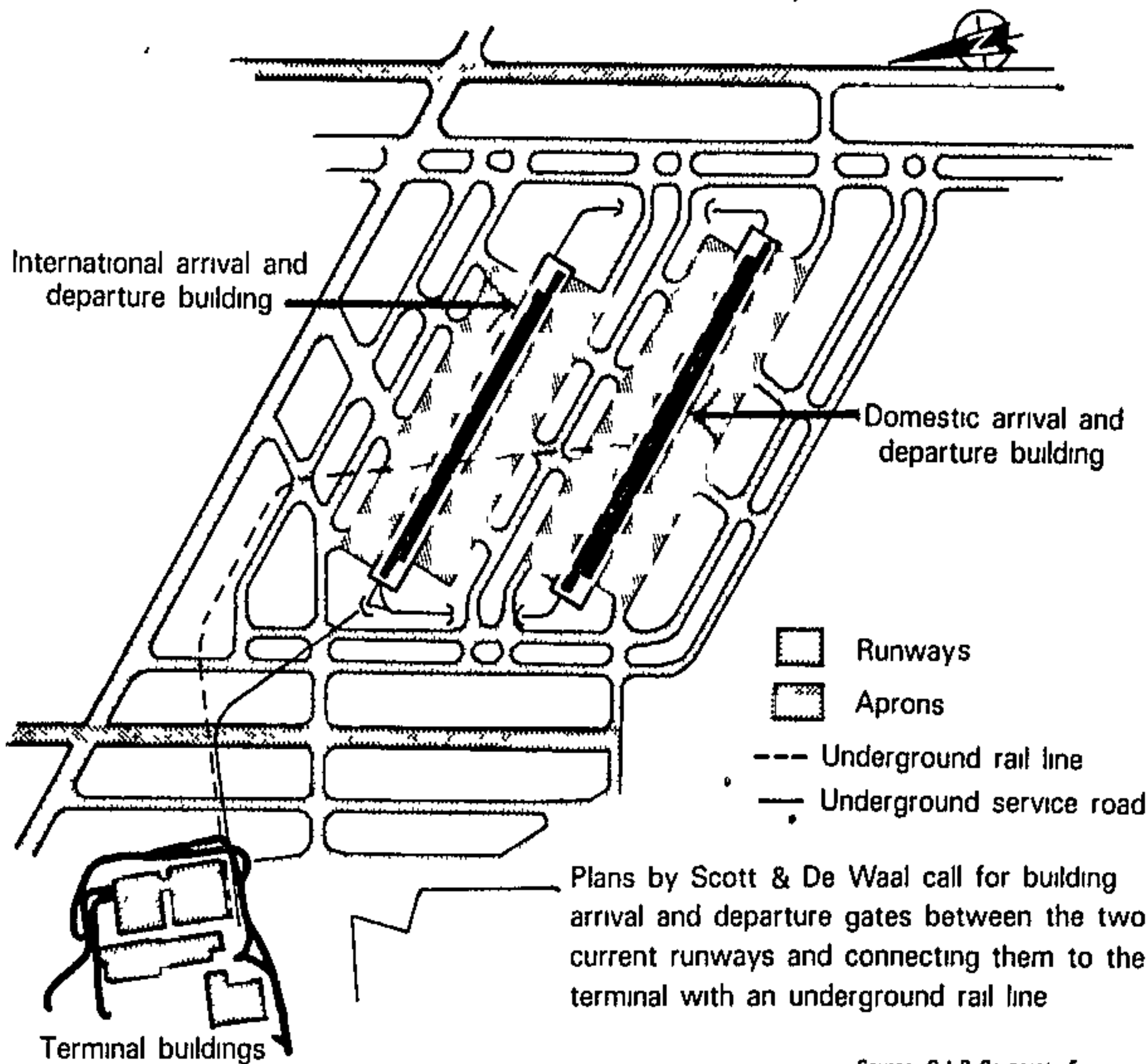
The details of the contract were not available this week. Rapp & Maister director James McLean declined to discuss specifics. Meyer says the directorate's master plan for Jan Smuts has never been published

"Looking at proposals for a total upgrade, we must remember that SA is not a rich country and our infrastructure must be provided accordingly," Meyer says. "In any case, most airlines have told us that anything is better than the status quo." But, he admits, the directorate has not estimated the cost of the final phase of its plans, which would include a new domestic terminal between the two existing runways, as well as six-lane access roads.

Scott & De Waal, the consulting engineers who designed the original access roads and bridges to Jan Smuts, says the directorate's plans could be "twice as costly" as their own proposals for the airport. "Our plans involve the optimum use of existing infrastructure, including the terminal buildings and access roads," says director Gerrit Venter. "At the final phase, the total cost should not exceed R850m." *Arnold van Huyssteen*

The Jan Smuts of tomorrow?

Proposals for the 21st century



Source: C I B Corporate Finance

No fuss after integration of buses

Pretoria Correspondent

The Pretoria City Council bus service is open to all races, but black commuters have so far shown little interest in making use of the service

The council buses were desegregated at midnight on Friday.

A council spokesman said only "between 10 and 20 blacks" had used the buses at the weekend. She said the number of white commuters had not

dropped.

The council claims to have adopted a wait-and-see attitude towards possible racial tension over the issue.

A Sapa reporter, Johnny Masilela, boarded a white bus from Church Square to Sunnyside and back, and said there were no black people on board

"When I nervously entered a white bus on Church Square on Saturday, I was greeted by a

female white driver who behaved as if the historic moment was her usual lifestyle," he said.

"In the bus I met a Mr Fourie, with whom I struck up a conversation. No heads turned as white folk went on reading their newspapers"

The CP leader in the council, Paul Fouche, said prior to the opening of the service that the "shocking" step would "without a doubt result in friction on the buses"

SAA promotes export awareness

8/10/92 25/7/90
SAA has embarked on a programme to act as a facilitator to exporters.

It is tying up with organisations such as Safto and is pooling its resources to provide potential exporters with assistance, in-

formation and guidance

SAA says it will promote an export awareness and culture among SA companies.

Most businessmen accept the anti-SA tide is turning and new business

opportunities are opening up for SA exporters.

United Europe 1992, commercialising Eastern Europe, an increasingly friendly Africa and the possibility of the US lifting sanctions, hold great promise.

Highlighted

However, SA tends to be a commodity exporter, and the need to export value-added products has been highlighted by authorities and business leaders.

SAA says the cargo industry has developed a level of sophistication beyond that of many exporters and the freight industry has systems in place to cope with competitive new challenges.

Most freight forwarders are established and specialised. They have international links tying them to companies in all corners of the globe and their expertise in dealing on an international scale is proven.

Geared up

SAA has geared up to assist exporters. As an IATA carrier, it has links through interline agreements with most major carriers.

It has also paid attention to ensuring its cargo capability qualifies it as an international freight carrier.

SAA says it and the freight industry are ready — all that is needed is exporters.

SAA to increase domestic flight fares

SAA would have to increase its fares on domestic flights this year if it wanted to be competitive now that transport had been deregulated, SAA public relations senior manager Leon Els said last night.

He said no decision had been taken on when the fares would be increased or by how much as "we are still looking at the fare structure".

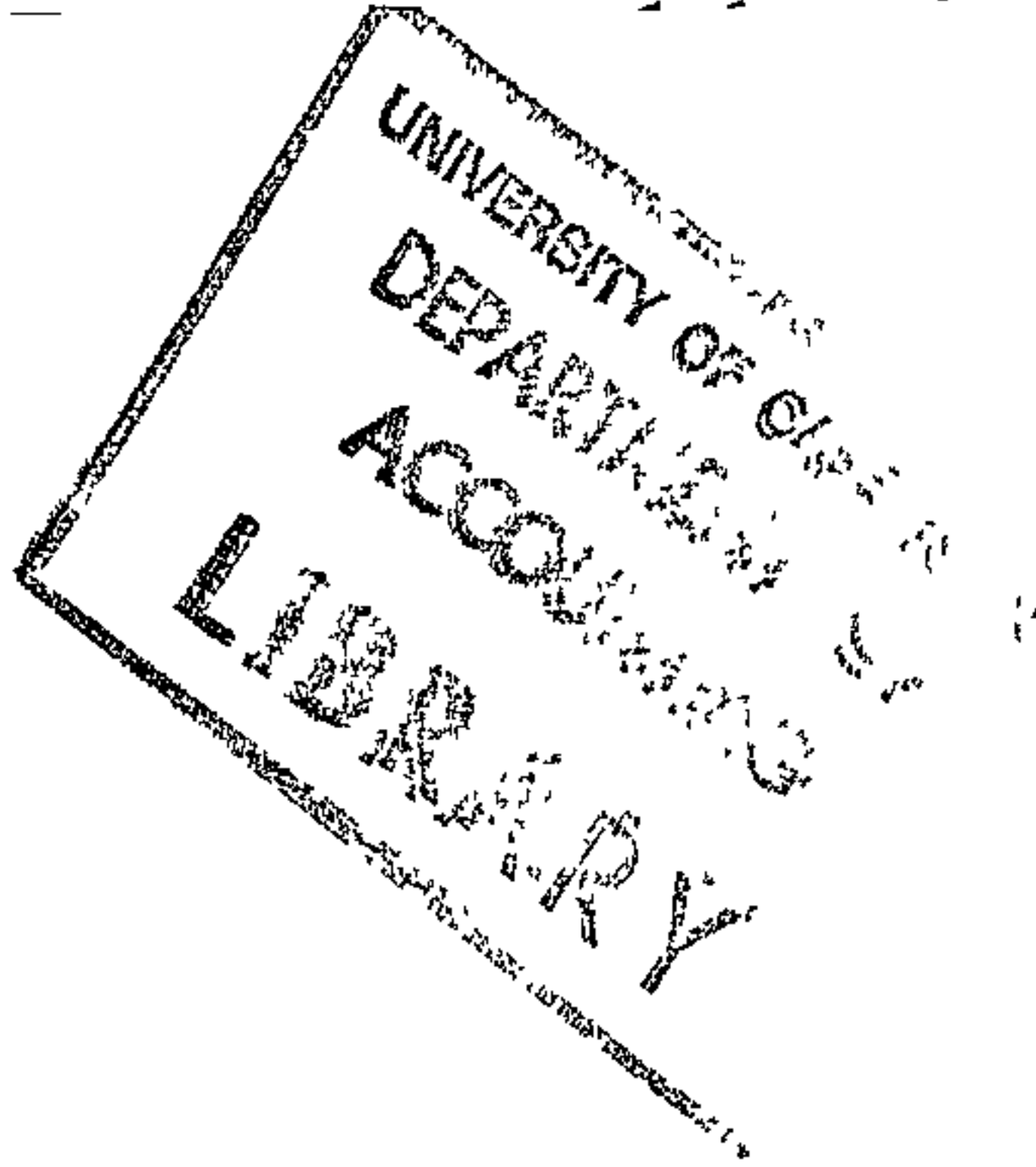
SAA had not increased its domestic fares since December 1989 and prior to that April 1989.

"Deregulation will not bring lower fares."

BILLY PADDOCK

Our domestic fares are the lowest in the world but we have the same cost structure because we are dependent on getting all our parts from overseas," he said.

SAA's fuel bill went up R55m in the last year. To be competitive SAA had to be profit-oriented and it had instituted several schemes to achieve this, including flying nine hours an aircraft on the domestic market — up from five-and-a-half hours.



Public transport system on the move in Johannesburg

Star 26/7/90 (269)

Minibus termini at shopping centres, co-operation with the taxi industry, integration of black and white bus services in Johannesburg and privatisation, are options being looked at by the Johannesburg City Council transport department.

A team of consultants has been appointed to look at options for the future and will investigate privatisation of the department or the establishment of a Transport Management Board consisting of council and private sector representatives to run transport in Johannesburg.

Management committee member in charge of transport, Paul Asherson, said consultants had been appointed to find a place for Johannesburg transport in the future.

After the de-segregation of Johannesburg buses in February this year, the Johannesburg transport department has investigated radical changes to prepare for the year 2000. **Municipal Reporter LOUISE BURGERS** reports

"They believe we must plan for flexibility and new thinking in transport in the new South Africa," Mr Asherson said.

At the top of the agenda of the Johannesburg transport department is the integration of the two separate bus services which are running parallel on some routes

The desegregation of buses in Johannesburg went off without a hitch and without racial incident. Director of transport Ed Curtis said only a few complaints had been received since desegregation

"Up to that time (February), we had been carrying large

numbers of black passengers on the white service — a survey we conducted showed there were about 6 000 black passengers using the higher tariff (white) buses"

Figures show that 5 percent of the 175 000 people who make use of the higher tariff service every day, are black

Mr Curtis said that since desegregation pressure had been taken off bus drivers and productivity had improved in the department

The main stumbling block to integration of the services was the 50 percent difference in fares

Mr Curtis said "It will take a couple of years before we can integrate the services. It would cause too much hardship to implement immediately."

One of the rationalisation options being considered is a main bus service from the city to mini-termini at shopping centres or at other points in the suburbs. Passengers could drive and park at the terminus or be taken there by taxis or minibuses serving the suburbs only.

The new Passenger Transport Bill being drafted will affect transport drastically. It will deregulate the industry

and eliminate the permit system and the reservation of bus routes. This means that any private company can set up a bus service

Mr Curtis believes there are going to be "radical changes" in the passenger transport industry.

The new Act will take away many of the barriers which have precluded the council going beyond the city boundaries to service other areas

"We need to plan our future strategies now. Do we keep the present type of bus or routes, or do we give away some of our operation to private operators, as is done in Britain? We could be completely privatised and run by one company or several."

black and white passengers travel together on a Johannesburg bus.

Airways deregulation report nearly complete

B/DW 26/7/90

269

FINDINGS on several recommendations by the steering committee which investigated the deregulation of the domestic air travel market will be completed within the next few months.

The Domestic Air Transport Policy document, published two weeks ago, said detailed recommendations on how to implement the steering committee's recommendations should be completed by December "with a view to implementing these on July 1, 1991".

Guidelines for a study of the future of SAA in a deregulated market would be completed by the end of this month with the contract being awarded about mid-September, a Privatisation Unit spokesman said yesterday.

And the investigation into the possible privatisation of the state's nine airports would be completed within the next two months, a Directorate of Civil Aviation (DCA) spokesman said. The steering committee's report

MANDY JEAN WOODS

said the Department of Transport should preferably not be involved in offering services such as the provision and operation of airports, and airport and air traffic services

The department's role should be to set, monitor and enforce safety standards in this regard

Functions

DCA director Japie Smit said the department was "very, very keen on getting an independent airport authority which could decide on matters concerning airports, like capital expenditure".

- The report also recommended that
- The National Transportation Committee's aviation functions should be abolished from July 1991,
- The Air Services Act 1949 should be renamed the International Air Services Act 1949 and be retained for international air services to and from SA,

- A new licensing system, based on safety-related criteria, should be introduced and make provision for the licensing and control of operators;
- A new statutory body, the Air Service Licensing Council, should be established to judge prospective entrants against the entry criteria to ensure they rendered a safe and reliable service,

- Auxillary services such as the provision and operation of airports, airport services and air traffic services should be rendered on a commercial basis and the principle of user-charging should be applied to ensure users paid for these benefits.

Government accepted all the recommendations but reserved judgment on those affecting the position of SAA in a deregulated domestic market, according to the report.

It would only make its position on these recommendations known once consultants have put forward proposals on how SAA should operate in a deregulated market.

Hotel industry 'has management skills shortage'

THE SA hotel industry suffered from a lack of management skills, National Productivity Institute (NPI) executive director Jan Visser said yesterday.

In his address to the annual Fedhasa congress, Visser said there was a need for solid management development in the industry.

An NPI productivity study of the hotel industry showed that there was an annual labour turnover of about 67% among middle management, 27% of whom left the industry completely.

ACHMED KARIEM

The study showed many managers were not aware of the extent to which staff were leaving the industry.

Further, management was not focused on industrial relations. "A lack of trust existed between management and unions," he said.

Managers needed to build relationships of trust and to train people properly.

More than 50% of the hotels in the

sample had an occupancy rate of less than 50% and barely 23% had an average room occupancy rate higher than 70%, showing a major marketing problem, he said.

Another criticism was that some hotels had no idea where they made their money

In the decade to 1988 the industry's salaries and wages index had increased from the 1978 base of 100 to 479,7, while the Consumer Price Index had risen from 100 in 1985 to 383,7. Visser said the real standard of living went up.

D/L 26/7/90

interviewed yesterday. A memorial service will be held today.
The youths are expected to appear in court soon

artificial lake.
The airplane came to a halt amid astonished tourists — UPI

SAA jumbo ruptures engine on take-off

CAIT TMS 26/7/90

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JOHANNESBURG — A South African Airways Boeing 747 bound for Frankfurt, carrying 81 passengers and 23 crew, was forced to return to Jan Smuts Airport this week after an engine duct ruptured during take-off, an airline spokeswoman said yesterday.

The jet landed on Tuesday night without incident and no injuries were reported.

The engine malfunctioned on take-off Tuesday night, setting off a fire alarm in the cockpit and prompting the pilot to shut the engine down. The aircraft returned to the airport, cir-

clered the area for nearly an hour to burn off excess fuel, and landed.

Witnesses quoted yesterday said they saw flames in the engine, but SAA spokeswoman Ms Zelda Roux said the "terminology was a bit extreme" and that only sparks and hot air had spewed out of the malfunctioning engine.

Emergency vehicles were put on standby but passengers did not evacuate the aircraft. The flight was rescheduled for last night after technicians were unable to make repairs within a reasonable period of time, Ms Roux said. — UPI

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Transnet seals network deal

MELANIE SERGEANT

IN A major deal worth more than R4m, Transnet has ordered a network of ISDX PABX systems from Plessey.

The system has about 6 000 ports, links Durban station, Bayhead and Smith Street sites and will be integrated into Transnet's national communications network.

Transnet Telecommunications subsidiary Transtel's chief Alf Schulzer says installation and other costs will increase the systems price to about R7m.

Plessey MD John Temple says the order is one of the largest for PABX equipment in recent years.

Schulzer says Transtel has 43 phone exchanges on its network, and 22 are now fully electronic.

The new generation systems handle much higher-speed digital lines, and see the network moving to higher switching speeds, better quality speech lines — and they are able to handle data.

Temple says Plessey has invested about R5m for these PABX's to be made in SA.

PAY NOW, FLY LATER

(269)

FIM 2717190
SAA wants its money and it wants it now.

Until now passengers who booked economy tickets on domestic flights didn't need to pay until 48 hours before departure. From September 1 these tickets, often reserved months ahead, will have to be paid for at least five days before departure. Payment for business class seats can still be made 48 hours before departure.

SAA says no-shows, who make up 6% of bookings on domestic flights, are the reason for the new policy.

Five days, instead of two, gives the airline more flexibility to resell seats.

"They fail to turn up and don't have the courtesy to cancel their bookings," says SAA's Zelda Roux. "Even if the cancellation is made an hour before the flight it would help us."

"We don't always have enough time to resell the seat if a passenger decides not to purchase a ticket just 48 hours before the flight." She adds that passengers who decide to fly within five days of departure will still be able to purchase tickets on flights though they'll have to pay for them right after booking.

Many airlines overseas charge cancellation fees to no-show passengers, but there are no penalties with SAA. The airline considered the administration of such a system too expensive.

Undoubtedly the new policy will anger the procrastinators who want to put off paying until the last possible moment while, at the same time, please the legion of would-be fliers who haunt the stand-by counters. ■

Driver fights bus apartheid

CM-7a's 28/7/90 @ 269

Staff Reporter

A 62-YEAR-OLD pensioner bus driver has decided step into the bus apartheid fight.

Father of six Mr Paul Fisher of Kleinmond is to provide his own transport for two coloured children who walk 16km every day to a Kleinmond school while a half-empty bus for white schoolchildren drives past them.

The plight of Charles Smith, 16, and eight-year-old Christolene Williams was highlighted in the Cape Times last week. A quirk of the bus apartheid system means they have to walk for three hours from Pringle Bay to Betty's Bay and back each day.

Every morning the Kleinmond Primary School bus for white schoolchildren leaves Rooi Els with two children on board and

stops in Betty's Bay to pick up more children

And every morning the Kleinmond Primary School bus for coloured schoolchildren, driven by Mr Fisher, leaves Betty's Bay en route to Kleinmond. It cannot pick up the two coloured children from Pringle Bay because coloured school buses run only for a minimum of 10 children.

Charles and Christolene have been leaving home at 5am to meet Mr Fisher and the school bus in Betty's Bay.

An appeal to the Caledon School Board to change the bus regulations was refused, so a concerned Mr Fisher began ferrying the children in his own car or paying the extra petrol needed to drive the children in the school bus.

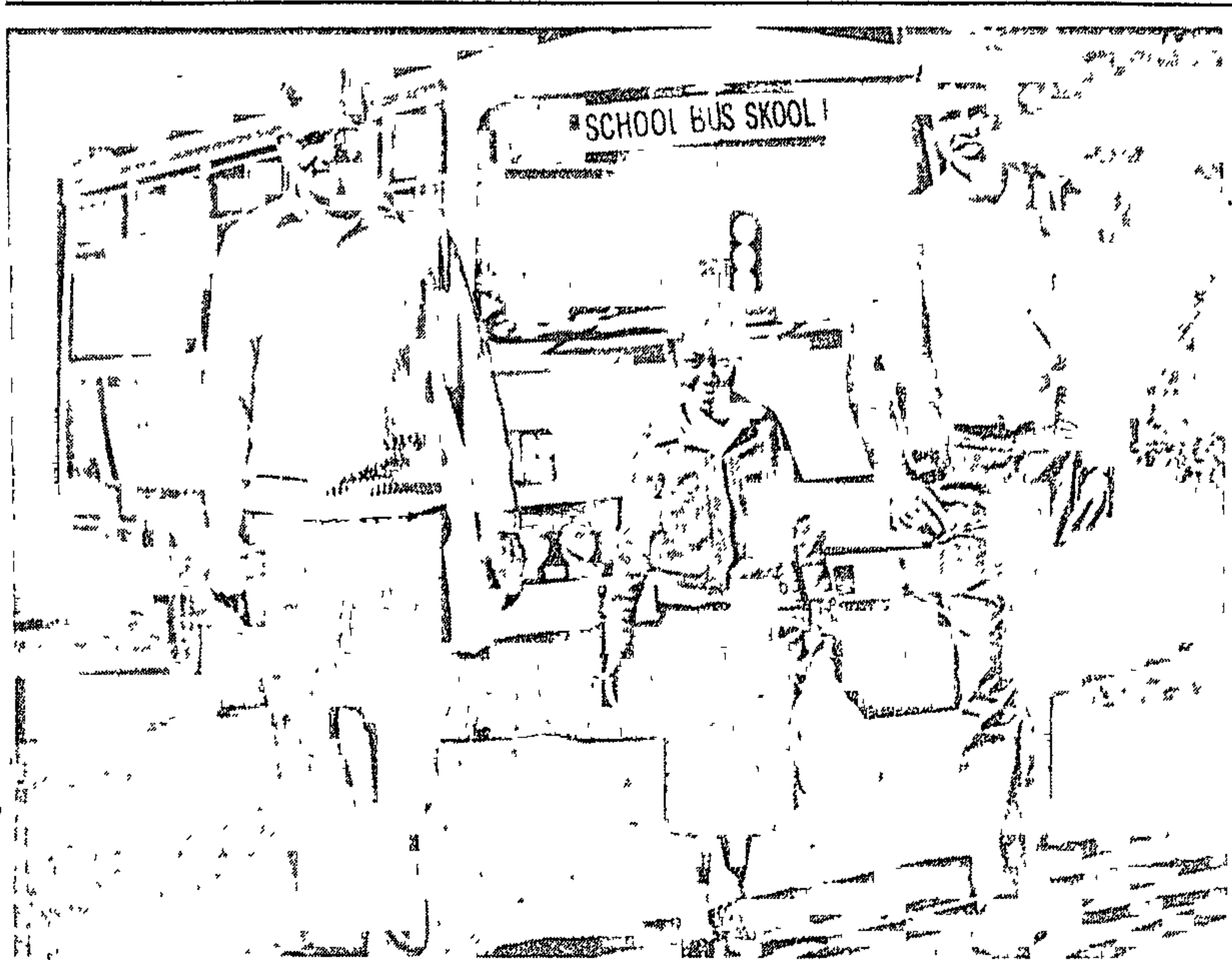
"When the rains started I decided something had to be done and started paying for it out of my own pocket," said Mr Fisher.

Mr Fisher, who began driving the school bus only last year, has been to see the parents of both Charles and Christolene.

His offer took Charles, a Std 5 pupil, by surprise. "I always looked at that bus going past with the white schoolchildren and wondered why I had to walk. But I want my education and I never thought of stopping school," he said.

The long-limbed Charles hurries the small, shy sub-B pupil Christolene on the daily hike. "She's quite slow because she's so young," he laughed.

The pensioner is a "good kind man", said Charles.



COMPASSION ... Driver Mr Fisher with his special passengers Christolene and Charles.

Picture STEWART COLMAN

Jet fuel to fall, but air fares the same

THE price of aviation fuel will be reduced next month, but SA Airways will not cut fares.

The National Energy Council (NEC) says that because of lower international prices of crude oil and a fairly stable rand-dollar exchange rate, the price of "non-controlled petroleum products", such as aviation turbine fuel (jet) and aviation gasoline (avgas) will be cut in August.

The proviso is that oil prices and exchange rates do not alter.

SAA says it buys jet fuel in international markets on contract. A decline in the SA price of fuel, even though it is

By DON ROBERTSON

used on domestic flights, will not allow fare reductions because it is also bought on contract.

It is expected that the price of jet fuel and avgas will fall by about 7,5c a litre. Lower prices can be expected for lubrication oils, greases, liquid petroleum gas (LPG) and benzene.

The price of petrol and diesel will, however, not be reduced, in spite of an over-recovery in the price paid for 93 octane on the Reef in June.

The over-recovery results from the difference between the cost of producing petrol and its retail margin after taxes and other levies have been taken into account.

Embargo

The improved rand-dollar exchange rate and the lower landed cost of oil, resulted in an over-recovery of 0,643c/l for petrol and 3,897c/l for diesel in June. The money has been credited to the Government-controlled equalisation fund.

The fund also finances 1,5c/l in the retail margin, granted last December, increased road and rail tariffs and the higher delivery cost of 0,3c/l which came into effect in January. It also pays the petrol protection levy to Sasol.

The over-recovery follows under-recoveries each month since January amounting to 13,373c/l. But by using the equalisation fund, price increases have been avoided.

Surplus

It is the first time since 1970 that the price of petrol and diesel has remained unchanged for 12 months.

The equalisation fund had a hefty surplus at the beginning of the year. Although it was depleted by under-recoveries in the first five months, it will be boosted by over-recoveries, which are expected to continue for some time. Petrol and diesel prices should remain unchanged for several months.

SA pays a premium for its oil, but if the embargo is lifted after political changes there could be benefits for motorists.

Spr 30/7/90

269

Train violence now serious, says Transnet

By Helen Grange

Political violence on trains, an alarming new trend in the wake of deepening divisions between Inkatha and the ANC, is being investigated by Transnet as a "serious problem".

Last week one person died and at least 29 Soweto train commuters were injured after being attacked with knobkerries, iron bars and pangas by a group of men said to be Inkatha members who went on the rampage in trains from Johannesburg to Naledi.

The men told commuters they were looking for "mzabalazo dancers" (toy-toyers).

In one incident, people jumped from windows of a moving train in an effort to escape.

Transnet spokesman Gawie Visser said the violence in black residential areas had spread to the trains. "People board the train and start singing and rocking the coaches, inciting clashes. We are trying to identify the latest elements. They are not usually the city workers."

Mr Visser said it was impossi-

ble to provide sufficient security staff to man the 1400 trains which passed through Johannesburg daily.

"There is one security official a train — and a security team that moves around doing surveillance — but in the face of a group, there is little one security official can do," he said.

Stepped-up safety measures to protect passengers were being looked at as a matter of urgency.

"People prevent the hydraulic doors from closing by wedging their feet or bodies between them as they close. The doors can be easily opened with force because, in an emergency, passengers must be able to get away," said Mr Visser.

Some passengers had devised a home-made key that activated the safety valve that opened the doors. Some criminals kept the doors open with their feet in order to escape after snatching another passenger's bag as the train moved out of the station.

"We are very perturbed about the ongoing crime on trains and we are trying to eliminate it," Mr Visser said.

Jo'burg to spend R0,7-m on costs

Star 31/7/90 (2b9) (206)
By Louise Burgers,
Municipal Reporter

The Johannesburg City Council is to spend R700 000 in investigating privatisation options and ways to increase productivity and cut costs in its departments.

About R500 000 is to be spent on a study of the council's organisational effectiveness and a further R200 000 in a separate study of the transport department

Consultants Pim Goldby and Deloitte have been appointed to handle the investigations and will begin as soon as the council approves the appointments. A report is expected in December.

Councillor Brahm Spies, who proposed the study, said the team dealing with the transport department would take a hard look at privatisation options, management committee member in charge of council transport, Paul Asherson, said.

"We will spend about R200 000 on this study, but the consultants have already saved us R7 million by advising us not to buy any new buses this year," he said

CAP 714D 3/7/90 (269)

'Buses should be sold'

Business Editor

TOLLGATE Holdings should sell its fleet of buses to the Government or local authorities and manage them under contract, the Chairman of the Shareholders Association of SA, Issy Goldberg, said yesterday.

Recommending this at the AGM, he said it was ridiculous that a company which paid taxes should take over the responsibility for providing public transport — which should be that of the authorities.

Tollgate chairman Julian Askin said the transport side of the business was profitable. He told Goldberg "I hear what you say about the buses

"I have ideas of my own, and I don't

want to prejudice any negotiations that may be held"

After the meeting Goldberg pointed out that the replacement value of the company's fleet of 2 400 buses all over the country would be enormous.

"Their value would be very great if they were exported — but the Government would never allow that."

If, instead, Tollgate sold the buses to the authorities — allowing them credit over 10 years — the paper could be discounted, to clear the company of debt, he suggested

It should be made a condition of the sale that Tollgate would continue to run the bus services under contract, so that it would be done efficiently.

Rwanda grants landing rights to SAA

SAA has been granted landing rights in the tiny central African republic of Rwanda, SAA public relations director Leon ^{Els} announced yesterday.

Els said negotiations with the Rwanda government started in May and SAA would evaluate a possible route from SA to Rwanda before taking a decision on establishing a service.

Els attributed the Rwandan government's move to the changing mood on the continent towards SA in the wake of political changes.

MATTHEW CURTIN

He said the question was no longer if SAA would be able to resume flying to the rest of Africa, but when services would start.

8/Day 318/90

Meanwhile, MANDY JEAN WOODS reports that SAA yesterday announced economy class domestic air fares would be increased 12% from August 8, while there would be a 5% increase in the surcharge on business class fares.

Air fare increase was prompted by R25-m loss - SAA

By ROBERT LAING

SOUTH African Airways was forced to raise its domestic air fares mainly because the service ran at a loss of R25 million during the last financial year.

SAA senior manager Leon Els said yesterday the airline also had to raise money to pay for seven new A320 airbuses it has ordered. The first of these will be delivered in November 1991.

The fare increase of 12 percent for economy class and 17 percent for business class was announced yesterday, and comes into effect next Wednesday.

"Like any other organisation, SAA is subjected to various cost increases, such as aircraft spares, an increase in labour costs as a result of recent salary adjustments, as well as fuel increases by Opec," Els said. *with Mail 3/8-5/8/90*

He said the recent deregulation of air travel had not affected these fare increases and no more increases are forecast for this financial year.

Johannesburg to Durban economy class fares will now be R372 (R332), and business class R466 (R398). Johannesburg to Cape Town economy class will be R684 (R610), and business class R856 (R732).

The Durban/Johannesburg midnight flight will be R95 (R85), and business class R120 (R100).

The fly-away packages with Southern Suns will not change until after October 20.

Jan 4/8/90

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Some coaches safer, and it's far cheaper

DANNY Mathikge (30) has been travelling by train for the past four years. His wife is unemployed and his monthly earnings do not meet his needs.

Mr Mathikge normally chooses a coach where people sing church songs and sermons are conducted. In his experience, such coaches are seldom if ever attacked.

"Sometimes one has a feeling one may not reach one's place of employment or return safely home," he said. "But, you just have to be as alert as anyone else in all the other coaches."

Mr Mathikge also said one considered himself lucky to be alive after a journey by train. "Man," he said, "you just have to trust in God."

Asked why can't he change his means of transport, he said: "The train is cheap." He spends only R24 a month. If he was to use a taxi, he would have to part with R57,60, and a similar amount for a bus.

Tota Matima (31) is married with three dependants. He has been using the train to go to work for five years. He was almost caught in the cross-fire at Jabulani last week, when al-

ABBEY MAKOE

leged Inkatha members attacked people

Mr Matima regards travelling by train to be the safest mode of transport, especially when it comes to accidents. "Again," he said, "when trains are late, it's very rare for employers to take disciplinary measures against workers, because it is announced through the media."

Mr Matima will still resort to trains as a means of transport "because it is cheap". His monthly expense is R33,60, compared to R110 he would have to spend on taxis.

Mr Patrick Mphuthi (35) has been travelling by train for 10 years. He prefers them because they were always patrolled by Railway Police, and generally punctual.

Mr Mphuthi's annoyance about trains started when the comrades forced people to join in their singing. "Recently they've even forced us to toyi-toyi with them".

Asked why he doesn't stop using trains he replied: "It is still by far the cheapest form of transport".

Fear, even death stalks, the daily train to work

TRAINS, some of them without windows and toilet doors, others without proper heating systems and luggage racks missing, ferry thousands of commuters daily to and from work.

Sullen looks, staccato conversation and a feeling of silent intimidation makes everyone obey. An unspoken rule known only to daily commuters.

At Inhlazane station, a group of seven elderly women assembled on a brokai seat, talked in naudible tones. I sat within hearing range. "... really, Gathaha and his Zulus are going to kill us all with the help of the 'boers', she concluded. She returned, looked suspiciously at me, then changed the conversation to church matters.

Seenonce

There were no ticket examiners to check on passengers' tickets as we boarded the train. Percy Diale, a regular commuter, when asked why, replied "I've only seen them once since January, and they were accompanied by the police."

In one coach, a sticker "Do

TRAINS have always been the favourite "turf" for certain criminals. Now they have become the new battleground for armed gangs who have, according to some, political ambitions. ABBEY MAKOE rode the trains this week to investigate.

not lean against the doors" has been changed to read "Lean against the doors". In train No 9909, there is a first-class ticket coach always occupied by the third-class ticket holders.

I entered the coach on a tip-off that a "shebeen" was in operation there, and was greeted by a loud sound of disco music from a radio cassette player, with most of the people drinking beers from bottles and cans. There were also four uniformed policemen in the "shebeen", who seemed to be deep in their own conversation.

Then came the smell of dagga, and the policemen went to investigate. The train reached Benrose station and most of the

drinkers got off the train, including the music operator, while the investigation was still going on.

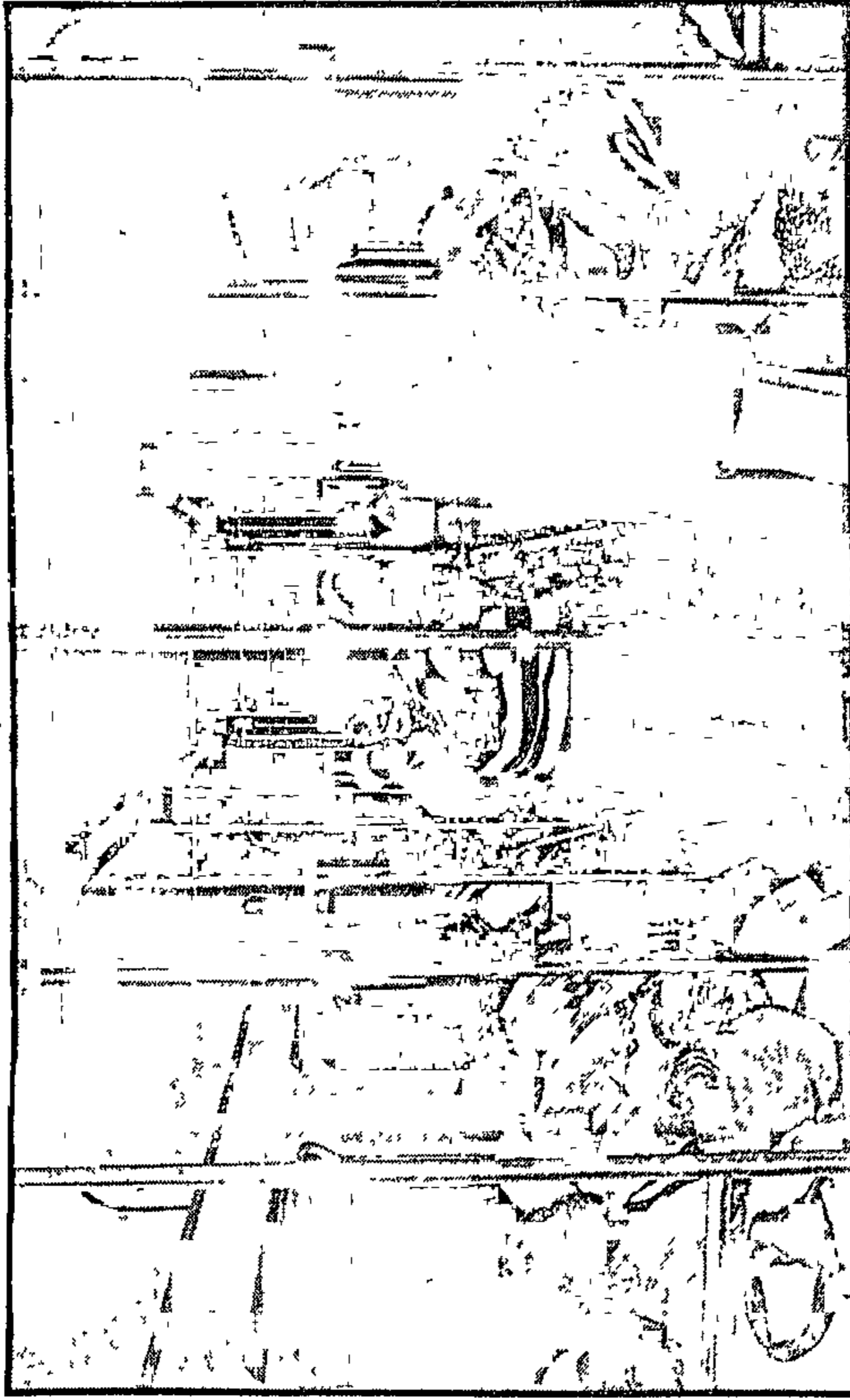
One policeman came back with a full can of beer.

A woman, who would not be identified, told of her experiences of train life "Sometimes a guy," she said, "insists that you have met with him before, and that you're his girlfriend." She said it was funny that people never assisted when one was being molested. "Perhaps," she concluded, "as long as it doesn't concern them they've got nothing to do with it."

Out the window

Another woman spoke of the shebeen runners. "At times they fight over the right to sell alone in a coach." She said if they physically fight, the victim may be thrown out of the window while the train is in motion.

Two men believed that the recent political violence was the result of the comrades preaching about chief Buthelezi and Inkatha members as sell-outs. One of them concluded "Most



COACH TRIPS: Conditions on township trains will soon improve, say authorities.

hostel Zulus find it hard to accept, because their families and relatives are in Natal." Speaking to Saturday Star, South African Rail Commuter Corporation (SARCC) marketing manager Dr Koos Meyer explained. He said tickets were checked inside the train and at the security gates, where passengers passed through.

About the toilets he said

"Very soon, we intend to rectify the situation to reach acceptable levels." Questioned on the shebeens, dagga and gambling, he replied "It has just recently come to our knowledge, and we are taking necessary steps to stop this unwanted behaviour."

On the security of passengers Dr Meyer said they are in the process of developing a strategy to eradicate rudeness, intimidation and general lawlessness in the trains. Two-way radios would also be installed in the trains, to link the drivers and the security office.

He appealed to all commuters to dial an emergency number (774-4001/2/3/4/5/6) in the event of trouble. "Passengers will soon see an improved situation," Dr Meyer said, "because their safety is at our very hearts."

Local air traveller 'milked' by SAA, says DP

Political Correspondent
The Democratic Party
yesterday criticised the
12% increase in economy
class domestic air fares,
which will take effect on
Wednesday, and accused
SA Airways of "milking"
battered air travellers.

"Price increases in do-
mestic air travel over
recent years are far in
excess of the inflation
rate," the DP's spokes-
man on transport, Mr
Robin Carlisle, said yes-
terday.

"The application of
VAT to air travel will
mean that the battered
air traveller can expect
a further increase of up
to 10% next year," he
said.

Mr Carlisle said SAA
international air fares
had not risen at the same
rate as domestic air
fares, even though they
were subject to the same
cost pressures.

The reason was that
SAA had to compete
internationally and so
had to pare its fares to
match the other major
carriers.

"Internally, it has a
captive market, which it
milks at will."

Mr Carlisle said that
deregulation would lead
to competition on do-
mestic routes in the next
few months.

"The current price
hike has been squeezed
in ahead of deregula-
tion, therefore the an-
nouncement that compe-
tition on domestic routes
will not lead to lower air
fares is both alarming
and illogical."

There was possibly
"some comfortable
arrangement" between
SAA and its future com-
petitors to lift prices
now and then maintain a
price-fixing cartel in
future, said Mr Carlisle.

Airport tax

to be levied

By John Millar and Sapa

The Minister of Transport, George Bartlett, said yesterday he intended levying charges for departing passengers at national airports.

Opening the annual Transportation Convention in Pretoria, Mr Bartlett said the step would create the necessary climate for the commercialisation of airport operations and the upgrading of South African airports.

Members of the travel and airline industries said they were in favour of the new airport tax if the money were used solely to upgrade South Africa's major airports.

Passengers to pay airport departure tax

6/04 7/8/90

GERALD REILLY and
MATTHEW CURTIN

PRETORIA — Air passengers will have to pay departure tax when leaving SA's state-run airports, Transport and Public Works Minister George Bartlett said yesterday.

Speaking at the National Transportation Convention in Pretoria, he said the charges were necessary to compensate for declining government funding.

The 'user pays' principle would create the necessary climate for commercialisation of airport operations and generate funds to finance needed capital spending.

Bartlett said deregulation of air services had got closer with the passing of the Air Services Licensing Act.

This provided for the deregulation of the

domestic air transport market, which went hand in hand with the commercialisation and self financing of state airports.

These were running at a loss and funds from government were declining.

Association of SA Travel Agents (Asata) president Rupert Lawlor said yesterday he was only in favour of the taxes if they were levied only on foreign travellers at the international sections of airports, and only if the funds raised were earmarked for the upgrading of SA's airports.

upgrading of SA's airports.

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R51m to upgrade city train service

Cap. 7116
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8/8/90

By PETER DENNEHY

TRANSNET is spending R51 million on two extra sets of railway lines along the 7km stretch between Salt River station and the point beside Settler's Way where the Khayelitsha/Langa line now joins the Cape Flats line.

Project leader Mr Alex Stewart of Protekon, the construction wing of Transnet, said the extra lines were needed because the existing rail system in the city had been overloaded ever since lines were extended to Khayelitsha in March 1988.

Virtually every train that came into and out of Cape Town station was affected by this overloading, he said. When construction was completed at the end of April next year, the entire rail system would be far more efficient, although delays could not be completely eliminated.

He said the R51m included the cost of rebuilding Pinelands and Ndabeni stations, which were both completed within the past 18 months; the demolition of Oude Molen and Raapenburg stations, and the new bridge at Forest Drive in Pinelands.

Maitland station is still being rebuilt at a cost of R6,8m to accommodate the extra lines, and the section of Berkeley Road on the bridge over the line is being widened.

Just beyond Maitland station, work is under way on a R7m kilometre-long rail-over-rail bridge which will take the four sets of lines over the existing Bellville lines.

The bridge builders regularly have to close the Bellville lines between 9am and 2pm so that the workmen are not in danger of being electrocuted. Just beyond the end of the extra lines, on the edge of Rondebosch Golf Course, Transnet is also extending the Vygekraal River bridge and widening the river to alleviate winter flooding.

Several hundreds of metres of the new lines are already in place.

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World airlines consider raising tariffs

By John Miller

Airlines around the world, including South African Airways, are extremely concerned about the near doubling of the oil price as a result of the Middle East crisis

Director of Tariff Co-Ordination for (IATA) International Air Transport Association, Rick Bauer said he heard through the industry grapevine yesterday that a leading airline was about to file with the American government to implement a 10 percent tariff increase worldwide following the dramatic rise in the price of crude oil

"Various airlines are monitoring the situation very closely, even though the general sentiment is that it is too early to take any type of action."

"We have calculated about roughly 15 percent of an average airline operating costs are due to fuel expenses" he said

"Most airlines generally contract for prices over long periods of time

"Clearly if SAA's contract happened to be up, you can believe the fuel supplier will be trying to put the new price in the contract"

He said another concern was the

long time the government usually took to implement new price structures

Members of IATA around the world will be asked within a week whether they think a conference is necessary and if this is so, and depending on the duration of the oil hike, association officials could meet within the next two weeks

SAA waits

Media Manager for South African Airways Zeldia Roux said the airline was adopting a wait and see attitude, but at the same time along with the

other independent carriers was extremely concerned about the present oil price

SAA's concern was also because of the most recently announced fare increases, which come into effect today, as well as a loss of about R25 million on domestic routes.

Miss Roux said officials would meet on Friday to re-evaluate the position.

"We are in a slightly different position than most other countries as the rand is a lot weaker than many other currencies and we too have to pay for our fuel in dollars."

Whites down tools, refusing to do work of black strikers

Star 10/8/90 (269) (1/2/90) (2/2)

— By Brendan Templeton

About 200 white Spoornet artisans in Braamfontein threw a spanner in the works yesterday when they downed tools in protest against having to do the jobs of 350 black workers who went on strike last week.

The strikers' jobs included fetching materials, carrying tools to job sites, and assisting in repair work.

A spokesman for the white workers said they wanted to be paid their own salaries and that of the black workers as they were doing more than one job.

They would return to work tomorrow but in all likelihood, would refuse to work and return home, he said.

This could hold serious impli-

cations for Spoornet because the railway traditionally relies on its white workers to do manual jobs during strikes.

The South African Railways and Harbour Workers' Union (Sarwhu) said it expected the strike among its workers to escalate because negotiations with Spoornet management were progressing slowly.

The strike was sparked off by the dismissal of three workers and the issuing of a final warning to another.

Spoornet spokesman Ian Bleasdale said the workers had been told they could appeal against the disciplinary hearing's findings, but they had insisted on embarking on strike action.

AIRLINE DEREGULATION (269)

Eyeing up Goliath

It hasn't taken long for the first challenger to step forward and put SA Airways on notice that it will soon have company on major domestic routes.

Looking to be the first out of the deregulation gate, Trek Airways is considering leasing three narrow-bodied jets, seating about 120 passengers each, to fly the main routes.

"We trust that our licence application in terms of the new Air Services Act will be finalised within the next three to six months," says Trek MD Jan Blake "After that we will start serious feasibility studies for entering the domestic market in competition with SAA. In view of the small size of the local market, we might have to share supporting services such as training, repairs and spares with other operators. We've already made some inquiries to SAA."

While Trek is preparing for battle against SAA, which controls 94% of the domestic passenger market, another airline is apparently taking a bye, at least for now. Safair recently says it "will have to consider its options very carefully before committing itself to an extensive scheduled passenger service." FIM 10/8/90

Felix van der Merwe, Safair's GM for freight and passenger services, says the airline will continue to upgrade its passenger charter service until it feels ready to compete directly with SAA. "Let's face it, they're good — they have not had 50 years of experience for nothing."

But Safair will go after SAA's cargo business now that deregulation opens the way for competition. "Our service will commence within six months of a licence being granted,

FIM 10/8/90

or within such period as stipulated by the authorities," says MD Braam Loots.

Safair will use six Lockheed Hercules 382G aircraft to operate five to seven daily scheduled cargo flights between Johannesburg and Durban; Durban-Cape Town, and Johannesburg-Port Elizabeth-East London. Its task is formidable: SAA now flies 97% of the 50 000 t of annual air freight. (269)

Both Safair and Trek are linked to Safmarine. Safmarine controls Safair and has a non-controlling shareholding in Trek. But Trek's Blake says there is no link between Safair's decision not to commit itself to scheduled passenger flights and Trek's decision to push ahead.

"We independently applied for passenger service licences under the old Act. With the new Act, Safair has now decided to concentrate on the airfreight market, while we will again apply for a scheduled passenger service licence."

Two smaller airlines are following Safair's cautious approach. Comair MD Pieter van Hoven says his airline has no plans to compete with SAA on its main routes. "But this could change at a later stage, once things start warming up a bit."

Link Airlines GM marketing Des Collins says his company plans to act as a feeder from outlying centres to the main hubs.

In the long run, there is little doubt that deregulation will succeed, as it did in the US and elsewhere, with lower fares and better service. But a big lesson can be learned from the US, where continued government control of airports and landing rights has allowed established airlines to dominate air traffic to many cities, hinder airport expansions and retard competition.

The expansion of Jan Smuts, especially, must provide sufficient check-in counters and other facilities for new airlines entering the market. "At the moment," Trek's Blake says, "there are not sufficient facilities for new airlines to come in — unless these can be shared with SAA." ■

Who's fooling whom?

It's not clear what constituency Transport Minister George Bartlett was addressing when he said he intended to levy charges for departing passengers at airports to "introduce the user-pay principle." But it certainly wasn't a constituency that knows anything about economics.

Who does Bartlett think pays for the upkeep (if that's not too strong a word for disasters like Jan Smuts) of airports now? Clearly the breath of economic literacy that has brushed the Department of Finance in recent years hasn't reached Transport, which seems unaware of the distinction between the person from whom a charge (or tax) is collected and the person who pays it (see VAT for an example).

Fact is, users already pay for airports. The cost is built into their air tickets. A separate levy will not introduce a user-pay principle. It will just charge users more heavily.

Perhaps airport users should pay more, though it's not clear why airports should be the only passenger transport terminals which are not financed out of ticket revenue. As anyone who has encountered the system abroad knows, separate airport levies are one of the most irritating and inconvenient of all taxes.

But they are, of course, a way of concealing what amounts to yet another increase in the cost of air travel. When SAA announced its next round of formal fare increases this week, it yet again tried to justify it with the tired and misleading argument that domestic air fares in SA are the cheapest in the world.

Neither SAA's ignoring international purchasing power comparisons nor Bartlett's fudging over price hikes with economic jargon is likely to win over the sceptics. ■

Post Office registers R693-m surplus

THE South African Posts and Telecommunications (Sapt) realised an operating surplus of R693-million for the 1989/90 financial year. *W. Maré 10/8-12/8/90*

In a statement yesterday, Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers said revenue was 14,6 percent more than in the previous financial year and came to R5,98-billion. Initially, revenue of only 4,1 per-

cent was expected from tariff adjustments on April 1 1989. (269)

De Villiers said at the annual meeting of senior Sapt officials in Pretoria it was possible to limit operating expenditure to only R5,29-billion. This was possible, despite rising costs, a weak dollar/rand exchange rate which negatively affected foreign payments as well as higher salary expenditure. — Sapa

SAA granted landing rights

FW signs trade pact in Madagascar

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ANTANANARIVO — SA yesterday achieved a new breakthrough into Africa when agreements were reached with Madagascar to establish trade missions in each other's countries and to allow SAA landing rights.

SAA immediately announced that it would introduce a new weekly flight between Johannesburg and Antananarivo from September 1.

This came at a meeting between President F.W. de Klerk and Madagascar's President Didier Ratsiraka in the Madagascan capital.

Although Madagascar is one of the poorest nations in the world, the agreements are significant because until earlier this year SA had not had official contact with the country.

Ratsiraka was formerly one of SA's staunchest opponents and wielded considerable influence in forums like the OAU.

Foreign Minister Pik Botha, who accompanied De Klerk on the one-day trip to Madagascar, said the visit differed from all those undertaken into Africa by the president as SA had never had official contact with the country.

The SA delegation was met at Antananarivo airport yesterday by Prime Minister Victor Ramahatra.

After walking along a strip of red plastic — in place of the traditional carpet — the delegation was flown to Ratsiraka's palace. The meeting continued through lunch. Botha and Madagascar's Foreign Minister Jean Bamanjara emerged from the meeting to sign the air agreement.

A joint statement issued at a Press conference said it was hoped the air agree-

MIKE ROBERTSON

ment would facilitate relations between the two countries

The thawing of formerly chilly relations between SA and Madagascar can be traced back to February 2 when Ratsiraka wrote to De Klerk congratulating him on his watershed speech.

Ratsiraka later sent an envoy to SA to explore the possibility of further improving relations. In July, SAA MD Gert van der Veer, hotel magnate Sol Kerzner and Safto officials visited Madagascar to examine its tourist potential.

Ratsiraka said at the Press conference yesterday he had invited De Klerk to encourage him in building a new SA.

Madagascar had abandoned its policy of isolating SA because negotiations were taking place in SA which held out promise for the future. He did not believe anyone in the OAU would oppose this.

De Klerk said he foresaw a new relationship developing between the two countries in tourism and economic matters.

He said some senior businessmen had accompanied him on the visit. While he had held talks with Ratsiraka, the businessmen had met senior Madagascan politicians to examine the possibility of establishing sound business relationships.

He announced that SA would finance the supply of 5 000 tons of chemical fertiliser to Madagascar.

The businessmen and finance officials who accompanied De Klerk included Sasol MD P Kruger, Development Bank MD Simon Brand and Van der Veer.

● Comment: Page 8

New Africa link for SA

Cart Times 15/8/90 (269)

Political Staff

ANTANANARIVO. — South Africa yesterday achieved a new breakthrough into Africa when agreements were reached with Madagascar to establish trade missions in each other's countries and to allow SA Airways landing rights.

SAA immediately announced that it would introduce a new weekly flight between Johannesburg and Antananarivo from September 1.

The breakthrough was achieved at a meeting here between President F W de Klerk and Madagascar's President Didier Ratsiraka.

Although Madagascar is one of the poorest nations in the world, the agreements are significant as, until earlier this year, South Africa had had no official contact with the country since 1972.

Mr Ratsiraka, who has ruled since 1975, was formerly one of South Africa's staunchest opponents and wielded considerable influence in forums like the OAU.

Mr De Klerk said that in tour-

ism and economic relations he foresaw a totally new relationship developing between the two countries.

The South African delegation, which included Foreign Minister Mr Pik Botha, was met at Antananarivo airport early yesterday morning by the Prime Minister, Colonel Victor Ramahatra, and was then flown by helicopter to Mr Ratsiraka's North Korean-built Iavoloha Palace.

Just after 3pm local time Mr Botha and Madagascar's Foreign Minister, Mr Jean Bamanjara, emerged from a meeting to sign the air agreement which makes provision for establishing and developing air services between and beyond the two countries.

A joint statement issued at a press conference held after the signing ceremony said it was hoped the air agreement would facilitate relations between the two countries, particularly in tourism.

Madagascar at the moment receives only 34 000 tourists a year.

Madagascar new target for tourism



MARCIA KLEIN

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THE announcement yesterday that SAA would fly to Madagascar once a week from September 1 could see a mass of SA hotel groups jumping on the Madagascar tourism bandwagon.

Sun International was there in July, but marketing director Ernie Joubert said yesterday the group had no definite plans and was still "at the feasibility stage".

SAA officials were on the island with a number of tour operators looking at facilities and possible tour packages, senior manager Leon Els said. However, no announcements were made regarding tourist packages or the involvement of any SA hotel groups.

Tourism on the island was negligible at present, with about 34 000 foreign tourists a year and 111 existing hotels, but it was believed this was the area likely to be developed the most.

8/10 am 16/8/90

Accessible

Joubert said there were "great holiday sites", and a keenness on the part of Madagascar to get tourism going. "Tourism will definitely be a major source of foreign exchange and employment creation," he said.

A small island to the north, Nosy Be, accessible by direct flight from the capital, was expected to become the main tourist area, with three hotels there at present.

SAA flights departing Johannesburg every Saturday at 8.50am would arrive in the capital Antananarivo at 2.30pm after a brief stop in Durban. The plane would go on to Mauritius and return to pick up SA passengers at 8.50pm, arriving in Johannesburg via Durban at 1am on Sunday.

Although there were no bookings yesterday, an SAA spokesman said there were many inquiries.

Mauritius-based hotel group Beachcombers was building a R40m hotel on the island, and Pullman Indian Ocean had secured rights to build 10 hotels.

...which ...

Spoornet woos customers in a bid for efficiency

RESTRUCTURED national railways company Spoornet is establishing closer links with its customers to improve efficiency and meet their requirements in a changing environment.

This move is a significant step in maintaining and strengthening market share in an industry feeling

the effects of an ever-tightening economy.

Spoornet CE Barry Lessing says his division's long-term objective is to generate better returns by improving service and productivity and upgrading marketing strategy.

The division will also continue to reduce capital expenditure.

Stronger links through

improved service geared to customer requirements is a prime pre-requisite in clinching long-term contracts, he says.

The eight business managers appointed last year will spearhead the customer relations initiative at regional level.

"The customer service emphasis is not only a

major challenge but represents a big change in the culture of the railways network.

"It means we have to provide structures which appeal to our customers and are also more cost effective and profitable."

Lessing says the new look Spoornet (while not totally free of government in-

fluence) is a leaner and more flexible organisation with less obstacles, in the way of improving customer service.

In a survival mode along with the rest of the transport sector, the task ahead is for Spoornet to find the right balance between attractive tariffs and improved earnings for its bulk transport.

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Travelling into the future

How do you involve 4 million people in a transport plan involving 21 towns and local authorities? That's something town planners the world over would give their eye teeth to know.

A team of engineering and planning consultants on the seventh floor of Devonshire House in Braamfontein, Johannesburg, may be approaching the answer.

The team, appointed by the Department of Transport and known as Masstran, this week completed an important stage in one of South Africa's most involved planning exercises.

Working *with* the public, as distinct from working *for* the public, they have moved a step nearer to recommending a mass transit system for the greater Johannesburg area.

The public involvement team has emerged satisfied, if not elated. They have won public praise and respect after 2½ months of almost daily discussions with community leaders, ratepayers associations, business and property people, transport operators, environmentalists

Johannesburg transport planners move a step nearer to achieving the impossible. **JAMES CLARKE** reports.

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and others. The aim of the first three rounds of meetings — all held in Masstran's office — was to establish the public's areas of concern regarding mass transport.

Ten citizens' liaison committees (CLCs) were formed on a regional and special interest basis. A committee of prominent community leaders helped them draw up lists of people for the CLCs.

I spoke to some who attended. They all seem pleased with the way things went.

Remano Dei Mistro, transportation consultant and academic — who is on the steering committee — which provides guidance to the Masstran team — said that in his "private view" the exercise has had "excellent" results and that Masstran is "on target".

Val Kleyn, representative of the Federation of Ratepayers in Randburg and who has attended three of the late-afternoon sessions, said, "We managed to identify many problem areas. The exercise was

When might that be?

"It depends on a multitude of factors, not least of all the economy," says Mr Stanway. Ideas that have been mooted in the past, such as light rail systems, will be tested as options in the event that conditions could make them viable."

When the brief is completed in March next year it is unlikely that it will focus on a fixed, long-term master plan.

"We are more likely to recommend a practical planning process — a process that identifies scenarios and trends so that planners can implement a rational approach to public transport as circumstances change," said Mr Stanway.

What about getting people to leave their cars at home?

"That is not in our brief, but it may evolve if our recommendations result in a more attractive public transport system. We are not out to change existing modes of transport, but to maximise their potential in terms of a combined system. The combi-taxi, for example, will continue to pay an important role in the overall system."

pleasant, rewarding and stimulating." Bob Stanway, director of the project, said. "We now have a much clearer idea of what people's concerns are and what they would look for in an improved public transport system."

Every issue raised was noted and cross-referenced. From this material the team has prepared a questionnaire ranking the relative importance of the public's concerns and, for the rest of this month, will survey almost 1 000 households to get the man-in-the-street's opinion.

Masstran's "second success", as Mr Stanway put it, has been to prepare computer models so planners can examine the potential and the limitations of all of Johannesburg's existing types of public transport — heavy rail, buses and combi-taxis.

It will also enable planners to see how these can be combined and at what point additional systems — such as a light rail system perhaps — need be introduced.

SAA flies the African skies again

1981
1981
1981

MORE African destinations are on the cards for SAA, including the Kenyan capital of Nairobi.

Chief executive Gert van der Veer said this week that the airline was talking to "several other African countries", all of which were seeking to normalise relations with SA.

Those talks, this week's flight to Madagascar, and Rwanda and Egypt's granting of landing rights have brought the airline closer to being able to fly over Africa to Europe, something Mr Van der Veer predicted would be achieved within the year.

He was also confident that SAA's air

06/18/81
1981 Times

By ROGER MAKINGS

links with Australia and the US would be restored

SAA is believed to be evaluating Rwanda's landing rights offer, but is unlikely to take it up.

President F W de Klerk's economic pact with Madagascar is seen as the breakthrough other African countries were waiting for before openly seeking the normalisation of trade with South Africa.

Madagascar was, until recently, one of SA's fiercest critics in the UN and an

arch supporter of sanctions.

The only stumbling block remains war-torn Sudan whose government is in disarray which has created problems for airline officials seeking negotiations.

SAA spokesman Zeldi Roux said 40 SA businessmen had already booked for the airline's inaugural Boeing 737 flight to the island's capital, Antananarivo, on September 1

In other encouraging developments, Australian National Party leader Tim Fischer this week said a direct air service between Australia and SA should be restored as soon as possible.

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Armed attacks on consecutive Fridays

Youth held after train muggings

Staff Reporter

A YOUTH has been arrested and will appear in court soon following the second "horrific" hold-up and knifepoint robbery of train commuters in two weeks.

During the incidents a man and a woman were brutally stabbed while travelling between the Lakeside and Steenberg stations on consecutive Fridays

A police liaison officer, Major Jan Calitz, said yesterday that police "could not be at all places at once" because 760 trains left and arrived at the Cape Town station daily

This excludes "the" other 101 railway stations falling within the jurisdiction of the South Afri-

can Police", he said.

Mrs Lynn Frost, 26, a passenger travelling from Kalk Bay to Plumstead on August 10 when the first of the two incidents occurred, said yesterday that a gang of six teenagers armed with knives entered the coach and demanded money from Mr Alexander de Kock, 47.

Mr De Kock drew a firearm but the youths disarmed him in seconds and while holding his firearm against his head, robbed him and repeatedly stabbed him, Mrs Frost said

She too was approached by one of the gangsters and immediately handed him her purse in the hope of not being attacked, she said

"The gangsters told a group

girls from the Star of the Sea Primary School in St James and myself that we would not be harmed if we remained quiet, and kept us in our seats until our arrival at the next station — Steenberg station — where they jumped off the train and ran away.

"It was all over very quickly — and horrific!" said Mrs Frost.

The investigating officer in the first case, Detective-Constable S Teladia, said yesterday that several reports of a woman being stabbed had come in, but the woman herself had not reported the incident. He asked that she do so urgently

He confirmed that a 19-year-old man had been arrested, and would appear in Simon's Town Magistrate's Court this morning.

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SA 'should build rapid-rail systems'

CAPE TOWN and Johannesburg should stop talking and start building a rapid-rail system, Swiss urban planning expert Professor Ervin Galantay told the South African Property Owners' Association convention in the city yesterday

Presenting a paper, "Changing Metropolis Worldwide Trends with Reference to South Africa", he said a metropolis that passed a certain population threshold should have rail system

"The threshold is 2 million in developed countries and 5 million for developing countries," said Prof Galantay

Caracas, Rio de Janeiro, Santiago de Chile, Seoul, Hong Kong, Singapore and Cairo all built underground metro systems and could no longer function without them, he said

Shanghai, Canton, Kuala Lumpur, Bangkok and Sydney seemed to be opting for elevated systems, he added.

"It is time for Johannesburg

and Cape Town to stop talking and start building a rapid-rail transit system

"In addition, to provide easy access to the new sub-centres, light-rail transit loops should also be provided," he said

"For example, a new centre in Soweto should be served by a figure-eight transit loop on the model used by the British

'new town' of Runcorn. "It is of crucial importance that South Africa — with its high cost of petrol — should not follow the wasteful American model of low-density dispersal and total reliance on the private automobile.

"In Los Angeles, people are obliged to spend 17% of their income on transportation and a further 5% to fight air pollution," he said.

SA metropolises should strive to maintain the presently optimal model split of 70% of all trips made on public transport, and only 30% by private vehicles — Sapa

Beware train muggers

By HENRI du PLESSIS
and SHARKEY ISAACS
Staff Reporters

A SUDDEN increase in the number of commuters being mugged by gangs of knife wielding thugs on the Peninsula's suburban trains has sent a chill of fear through commuters who rely on the train service

CRIME

It has got so bad in recent weeks that a group of St James primary schoolgirls have taken to travelling in the guard's carriage

About 50 pupils, aged between six and 12, of the Star of the Sea School in St James, now travel in the guard's carriage which is normally reserved for smokers, since a group of their friends were robbed by gangsters while on their way home last week, the school's principal has disclosed

"I feel the situation is very serious and that is why I am prepared to have as many details of the incident published," said acting principal Mrs Thecla Daniel.

Perpetrators

"We have told the childrer to sit in the carriage with the guard and driver. The teacher who puts the children on the train after school has been told to see to it

"The mothers of some of the girls have asked us to prepare a list of children who normally travel by train to school, because they want to hire a bus to transport their children.

"One girl has told me she had difficulty sleeping at night after the incident and kept on seeing shadows and visions. She thought she saw one of the perpetrators on a station this week, but could not be sure."

One of the pupils catches her train to school from Salt River and the rest from virtually all the stations be-

tween Wynberg and St James

This meant many had to travel a long distance every day, which made them vulnerable to attack

A spate of muggings on urban trains in the Peninsula, especially on the lines in the southern suburbs, have become a cause for concern among commuters recently.

Apart from the attack on the girls, several other incidents have occurred, including an attack on journalist Mr David Breier on Friday last week.

According to police, there were 234 robberies, 41 assaults and 94 thefts (such as pick-pocketing) in the last six months on trains in the Peninsula.

At the same time, 397 people have been arrested for serious crimes and 3 666 for less serious offences, a police spokesman said

These statistics might not be accurate, because many incidents were not reported at all, he said

This week, only one robbery took place on the southern suburbs line, because of increased policing. Regular conferences were being held with all organisations involved to improve law-enforcement

He refused to disclose the number of policemen employed in the special unit to guard trains

Mobile patrol

Informed sources said manpower in the special unit was so low, it would become a public outcry if it became known.

City commuters complained there were not enough policemen to protect the Peninsula's daily 550 000 suburban train passengers.

Knife-point hold-ups and stabbings between Salt River, Woodstock, Lakeside and Steenberg stations on the Simon's Town line gave rise to this speculation, they claim.

Sources said a police task force of 68 members backed

up by a mobile patrol unit, had to police 760 rush hour trains and 101 stations.

Spoornet PRO, Mrs Yvette Olwage, however said: "The safety of our commuters on board our trains is of great importance to us

"We must however appeal to the public to be more safety conscious. For example commuters travelling during off-peak hours should avoid sitting alone in a coach."

On Spoornet's policy of locking connecting doors between passenger coaches on suburban trains with inter-carriage keys given only to conductors and ticket examiner staff, she said there were a number of practical reasons for keeping the doors locked.

Security conscious

The primary one was to prevent muggers from moving freely from one coach to another and roaming the length of the train to look for a single commuter

If the doors were unlocked, there was also a danger of children falling between carriages because there was no connecting gangplank between coaches

Staff were trained to be security conscious and lent assistance, wherever "reasonably possible". It was, however impossible to be everywhere at once on trains, which varied in length from eight to 14 passenger coaches on train services

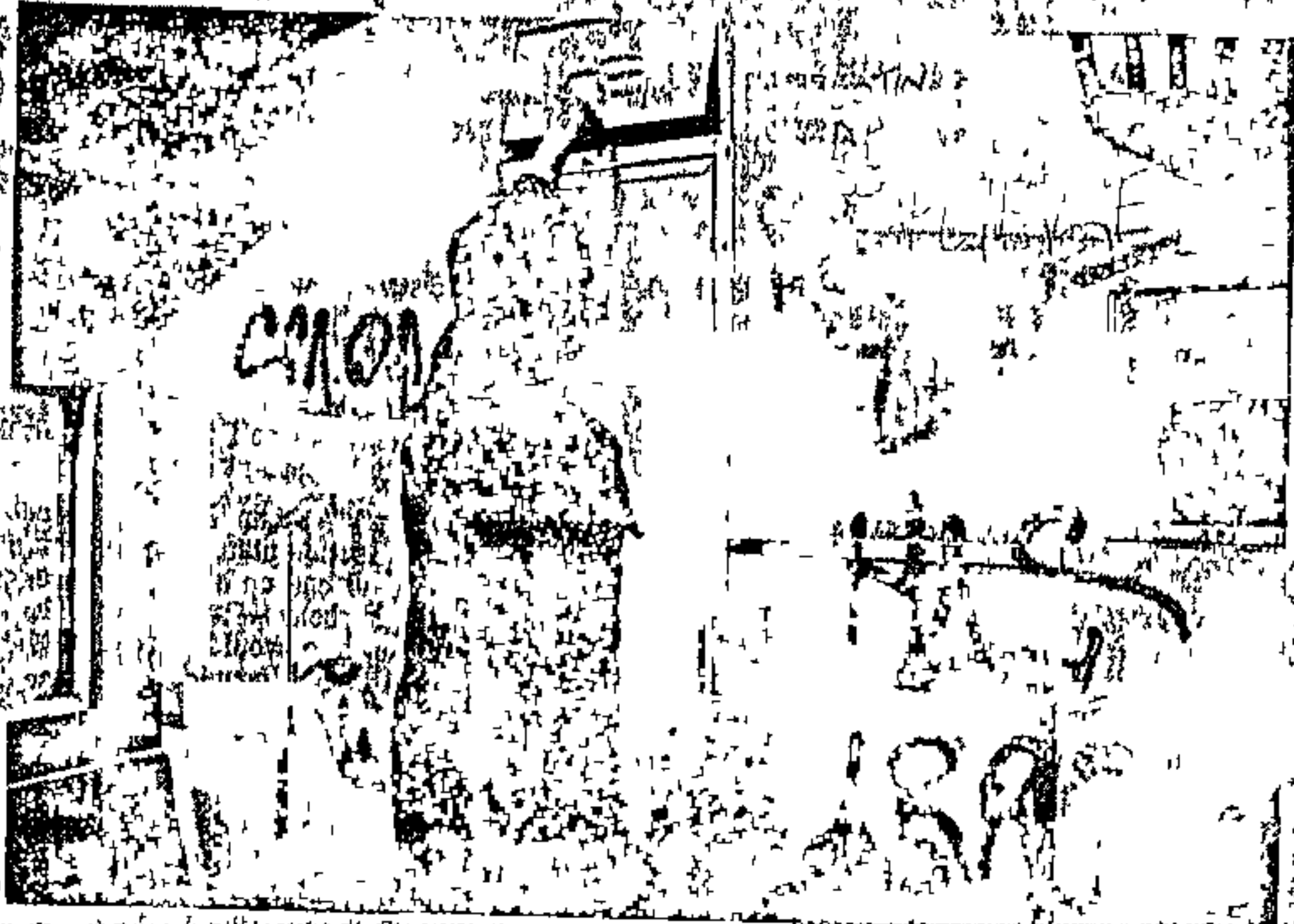
"If the doors are unlocked they might also simply get stolen," she said.

She rejected suggestions of installing intercom systems or close circuit television on trains and claimed they would be instantly vandalised or stolen.

● Spoornet recently established a toll-free telephone number which enables commuters to phone any information regarding any incident that occurs on a train or any station. The number 080 021 0081 is in operation 24 hours a day and is connected to an automatic answering service

Ticket to ride can spell t-r-o-u-b-l-e

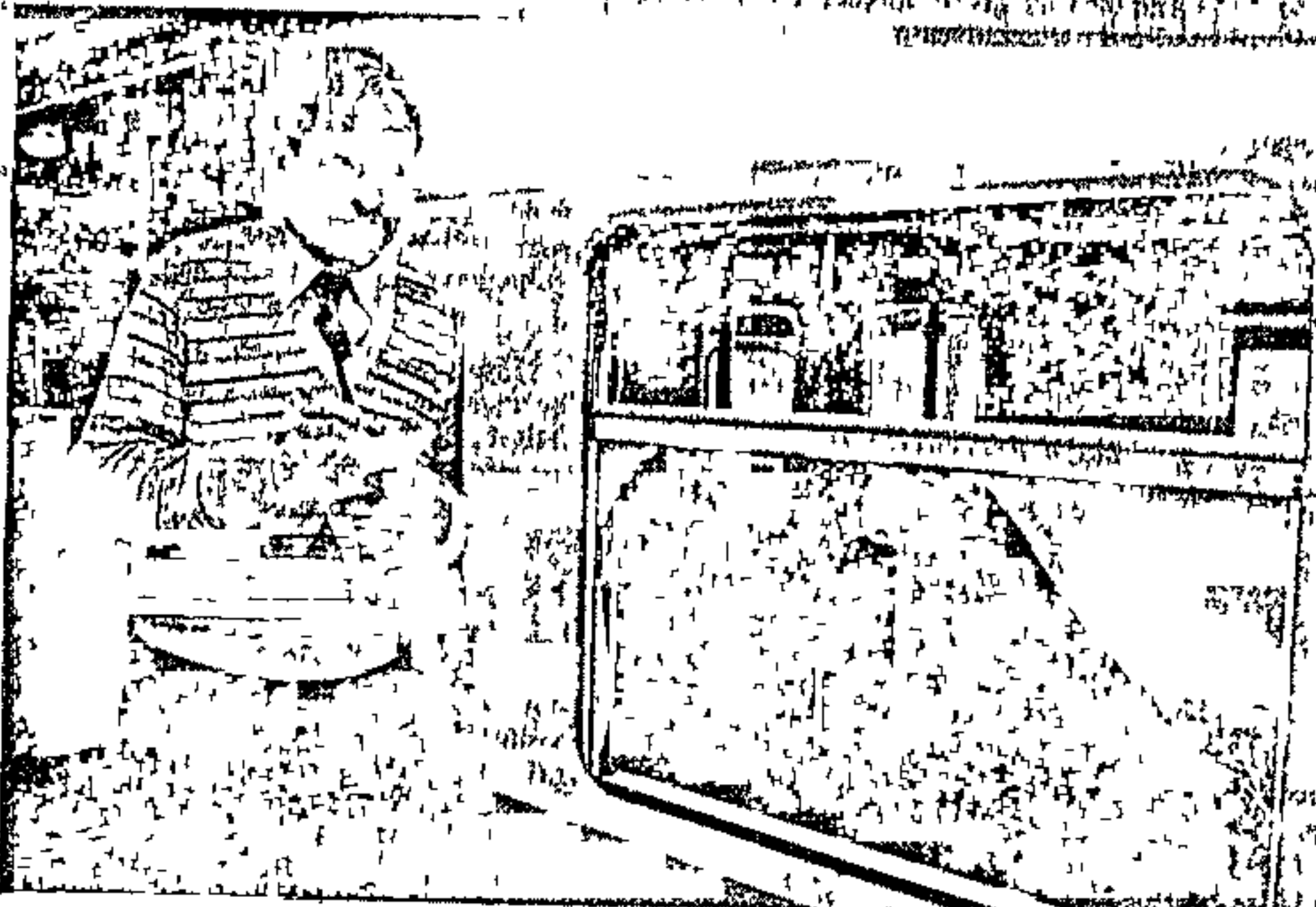
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A Spoornet staffer shows how vandals would open a mains box, using a home-made key, to turn out carriage lights.



A staffer cleaning up after the graffiti artists. Dagga pipes hidden in the carriage guttering. Thugs kick out the windows to hide the pipes.



Technical superintendent Mr Johan Crafford inspects a broken window.

By TYRONE SEALE
Weekend Argus Reporter

A SPIRAL of mindless vandalism and bloodlust is turning rail commuting in to a growing nightmare, and repair costs run to millions of rands each year.

The scenic Simon's Town line — a vital link between the city centre and the southern suburbs — has been the scene of horrifying muggings in the past few days.

Last week half a dozen teenage thugs with knives threatened a group of children from the Star of the Sea primary school in St James while they were sitting in a moving train.

Witnesses pleaded with the robbers to let the children go.

They did — but then turned on the witnesses, slashing one with a knife and cutting watches off others' wrists.

Last weekend Argus Group journalist David Breier became another victim as a man wielding a knife and two other muggers demanded cash and beat him in the face. A terrified woman passenger tried to pacify them by turning out her purse.

Earlier this week a grandmother in her 70s was mugged.

Cauldron of terror

The Simon's Town line is a relative newcomer to the cauldron of terror on the rails. The Cape Flats, Mitchell's Plain and Khayelitsha lines are already unpopular but necessary means of transport to most of the 550 000 people who use Spoornet daily.

Police and Spoornet officials urged the public this week to gang up on hoodlums by travelling in groups and reporting all incidents.

Spoornet spokeswoman Yvette Olwage said that while the organisation was trying to improve the image of the Cape Flats rail network and while police were trying to beat the muggers' onslaught, the public had to become involved as well.

She said that apart from muggings, big-scale vandalism made trains uncomfortable and unsafe. Rewards of up to R25 000 are offered for information on muggings, vandalism and other violence that lead to convictions.

Between August 6 and 17, vandals caused damage totalling R49 900 to railway property — including many of the 700 trains that criss cross the city daily.

At present 500 train windows have to be replaced, 22 intercarriage doors costing R970 each are missing and graffiti has to be removed at great cost.

Mr Johan Crafford, technical superintendent at Spoornet's repair yard in Paarden Eiland, said the facility serviced 10 trains a day.

Vandalism

Vandals remove entire window frames, slash seats, smear toilets with excrement, walk off with inter-carriage doors, break into mains boxes controlling lights and doors, stamp on hard plastic seats until they crack and sell aluminium luggage racks for cash.

A Weekend Argus team visited the Paarden Eiland workshops yesterday and counted 60 broken windows on a train arriving for repairs.

One of the most attractive features of the new Japanese-style, stainless steel-finish M8 trains is full airconditioning — a great help in winter, but useless once vandals break windows that are supposed to help contain the warmth.

Mr Crafford said that with the current rate of vandalism and 700 trains to service, it was impossible for the Spoornet repair crews to eliminate their backlog of work.

In 17 months 22 of an expected 24 of the new M8 trains have been delivered to Spoornet. Many were vandalised even before spares became available.

They cost R21 million each.

This year vandalism on railway property has ranged from monthly totals of R23 062 in January to R49 962 in just 16 days this month.

Commuters who want to help fight crime on the track may call Spoornet's confidential, toll-free service at 080 021 0081.

New bus sales set to plunge

EDWIN UNDERWOOD

SALES of new buses were expected to fall by 44% to about 450 units this year because of a lack of confidence in the future of the industry, Associated Automotive Distributors (AAD) truck and bus director Mike Elsbury said yesterday.

Elsbury said the proposed reduction of government subsidies and the political sensitivity of increasing bus fares had had an adverse impact on the confidence of the industry to operate economically and to secure long-term viability.

He said about R600m was being paid out annually and the government had a stated intention to reduce this amount over the coming years.

The 200% to 300% rise in the cost of new buses over the past few years had diminished confidence further and costs of operating fleets were becoming more punitive he said.

However, Elsbury said a less volatile climate and a strategy to develop tourism should boost revenue for the bus industry.

New
Plan to

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eww deal

revamp economy, cut inflation



Own Correspondent

JOHANNESBURG. — The government will soon unveil a comprehensive economic package aimed at reducing inflation dramatically, creating maximum new job opportunities and restructuring the savings pattern in SA.

Top business leaders have already been briefed on the most important facets of the restructuring programme

They predict that when President F W de Klerk unveils the package — the most likely dates are the Natal NP conference this week or the Free State conference the following week — it will be the economic equivalent of his watershed February 2 speech.

A cabinet source said that Mr De Klerk aimed to break the "psychology of inflation"

Government's belief that the restructuring programme will be effective explains the repeated and confident predictions of Mr Barend du Plessis, Minister of Finance, that the inflation rate will continue to fall despite the Gulf crisis and the possibility it holds for an increased fuel price

Dr Wim de Villiers, Minister of Administration and Economic Co-Ordination, outlined broad details of the package on Friday

Factors inhibiting growth in SA, he said, were

- The high inflation rate,
- Limited export capacity and relatively high imports,
- The outflow of capital and skilled workers,
- Excessive state spending by government, and
- Lack of efficient competition

Policy strategies

Dr De Villiers said government had investigated

● The most suitable policy strategies to be followed by Eskom, Transnet and other government institutions in combating inflation,

● The effect of import parity pricing of the international competitiveness of local products,

● The important contributory factors towards inflation and measures in terms of monetary and fiscal policy to counter them, and

● The removal of tax measures which distorted price and production structures

Dr De Villiers and his Mineral and Energy Affairs counterpart, Dr Dawie de Villiers, have held a number of meetings with senior management of Eskom and Transnet in recent months

Business leaders who have been briefed on the broad outlines of the restructuring programme expect that Mr De Klerk will announce that Eskom and Transnet will restrict tariff increases to considerably below the inflation rate in the next few years

Dr De Villiers said that an important part of the restructuring programme would be to reform the savings structure in SA, in particular restoring the traditional pattern of private saving

He told the agricultural summit that to encourage maximum job creation the restructuring policy laid stress on the exploitation of the country's strategic advantages — mineral wealth, agricultural potential and an adequate basic infrastructure

No pay at Spornet

Star 31/8/90

By Shareen Singh

Spornet employees are in dire financial straits because the company has not paid them their salaries for the past three months, a representative for white workers said yesterday.

Abraham Koekemoer of the SA Footplate Staff Association said most of Spornet's 110 000 employees had not been paid in June. The situation improved in July, but this month many employees had still not received their salaries.

About 60 train drivers and assistants in the Pretoria area have not been paid for three months.

Mr Koekemoer said Spornet management claimed the situa-

(269)
tion was due to their computer problems, but the association does not accept that they have not been able to sort out the problem in three months.

"Our members have been embarrassed because they cannot meet financial commitments," he said.

• Spornet has advanced employees a token amount to tide them over and the association was arranging loans for its members. Employees were contemplating action if the situation continued.

A spokesman for the Transnet Union of South Africa, Willie Niewoudt, said his members were experiencing similar problems.

Spornet management was not available for comment.

PUBLIC SECTOR - TRANSPORT GENERAL

1990

SEPT. - DEC.

PUBLIC SECT.

Transport General

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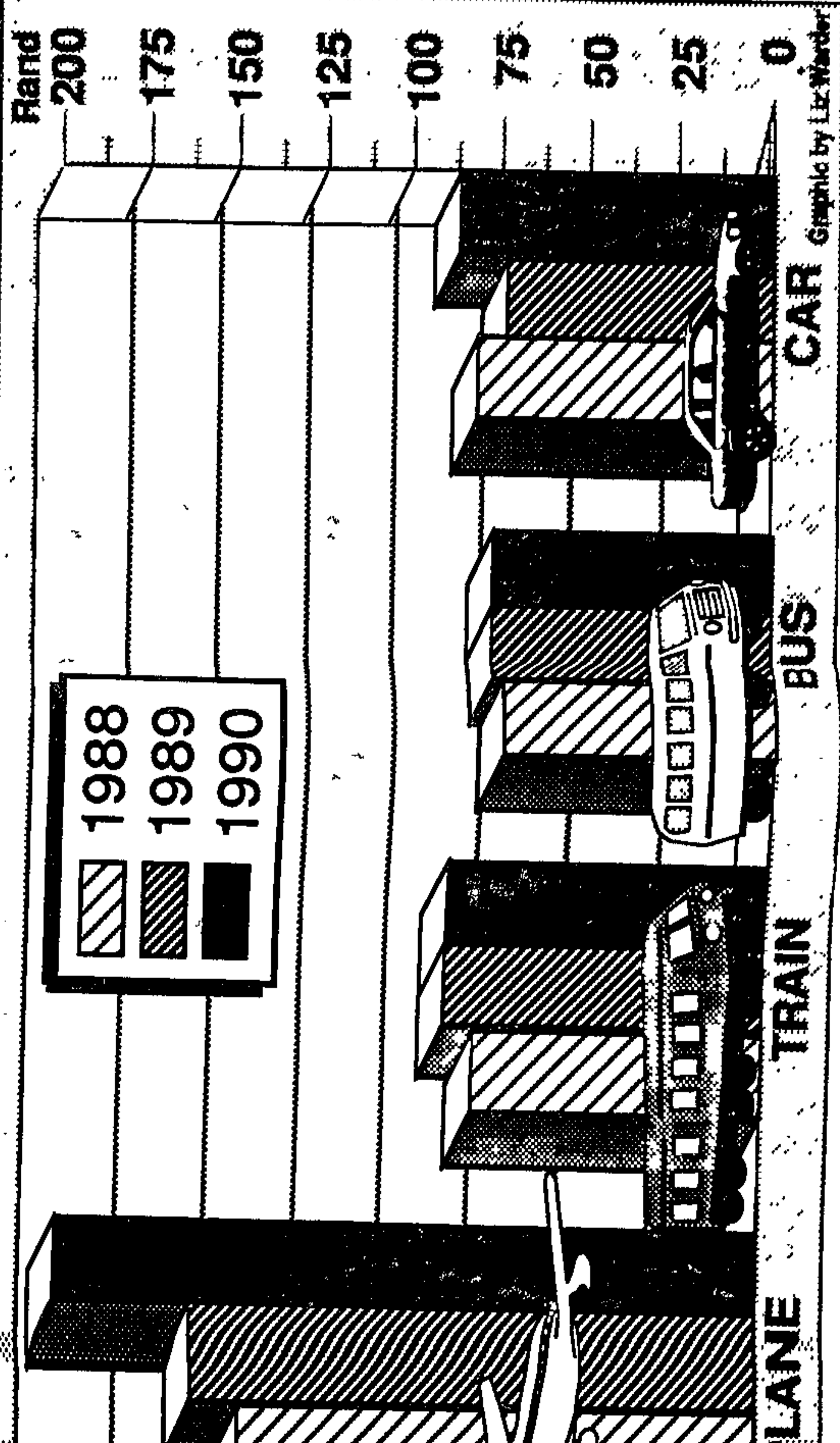
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NEWS

Cost from Johannesburg to Durban



Travellers save as competition

SOUTH African travellers are beginning to reap the benefits of public transport deregulation and free-market competition.

A survey conducted by Saturday Star recently showed that competition among inter-city bus operators has not only resulted in fares remaining almost constant over the past three years but seasonal "special offers" have resulted in off-peak fares dropping dramatically.

Special

On the Johannesburg/Durban route for example, four bus companies compete for passengers with the result that since 1988 fares have only increased from R76 to R79 for a one-way trip with "special offer" fares as low as R65.

On the other hand, the cost of flying from Johannesburg to Durban (including the cost of bus transport between airports and city centres) has increased from R146 in 1988 to R198 in

rules the roads

five hours which is only an hour longer than getting from city centre to city centre by air.

Last year, before the Villiers to Warden toll section was opened the car journey cost R75 but took approximately half an hour longer.

In comparing various modes of transport on the Johannesburg/Durban route (city centre to city centre) the Saturday Star survey found that at present it takes four hours to do the trip by air at a cost of R198 (R108 for the "midnight" and other discount fares), 14 by train at a cost of R90 (second class), 7,5 hours by bus at a cost of R79 (R65 for off-peak periods) and five hours by car at a cost of R89 (R64 on the "alternative" routes).

Train fares have also remained constant over the past

two years and have only risen to R90 from R82 three years ago. The opening of the Villiers to Warden toll section has not only speeded up the car journey from Johannesburg to Durban but the survey found that the new toll sections significantly improved fuel consumption.

Miserly

The same car was used in the 1988 and 1989 surveys and although it could be argued that the Corolla's miserly fuel consumption might have given the car an advantage over other forms of transport, it was chosen for the survey because it is one of South Africa's top-selling cars and therefore most likely to be typical of the car used by most motorists on the route.

CHRIS MOERDYK

1990 But, even for someone traveling alone, it's still cheaper by car — and almost as fast as flying.

The Saturday Star survey found that by using the "alternative" route to Durban and avoiding toll sections a medium sized family car — in this case a Toyota Corolla — is able to make the trip in under six hours and at a cost of only R64 (petrol and pro-rata servicing and tyre costs).

Quicker

By making use of the toll sections this cost rose to R89 but the added cost had the benefit of a quicker trip — a comfortable

STW 1/9/90 (269)

Workers paid, says Spornet

ADVANCE payments to make up for Spornet salary discrepancies over June and July have been made to all affected employees, the company said in a statement yesterday.

Accusations by the SA Footplate Staff Association that many employees had not been paid were therefore not correct.

The problem had arisen because Spornet had in June begun installing its new computer system, it said. The company apologised to employees for any inconvenience.

A spokesman for the SA Footplate Staff Association had claimed that most of Spornet's 170 000 employees countrywide had not been paid their salaries for the past three months. And a spokesman for the Transnet Union of South Africa, Mr Willie Nieuwoudt, said his members were experiencing similar problems.



South Africans still splashing out on holidays overseas

Star 3/9/90

269

By Monica Nicolson

In spite of poor exchange rates and expensive airfares, South Africans are still travelling overseas in their droves, say travel agents.

Rupert Lawlor, president of the Association of South African Travel Agents (ASATA), says flights overseas are still full.

However, he adds that further price hikes because of fuel increases may negatively affect the market in a few months' time.

"I get surprised at the resilience of holiday-makers — but South Africans just love to travel.

"I don't expect businessmen or people with family overseas to stop travelling. But even the leisure market has not been affected," he said.

Although there has been a marked increase in domestic tourism, with far more people travelling locally, Mr Lawlor says it is not at the expense of the overseas market: more people are travelling.

Discerning

"People have cut down on lavish travelling by staying in cheaper accommodation, not eating at expensive restaurants and generally travelling within a small budget.

"The public now looks closely at travel packages and has become far more discerning," he says

Travellers have also been choosing overseas destinations such as Turkey and Thailand, where the exchange rates are more favourable.



INTO AFRICA... The coloured part of this map indicates the extent to which the continent is opening up to South Africans. In some cases the countries are open to tourists with South African passports; in others to businessmen only or, as with Egypt, to South Africans with special business in the country.

269 Cape Times
8/9/90

WELCOME MAT OUT FOR SA

Into Africa!

SAA set to

beat battle

of the bulge

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CAF-71413 8/9/90
269 8/9/90

For 27 years, most of Africa has been virtually out of bounds to South African passport-holders. ROGER WILLIAMS reports this situation is rapidly changing, with the prospect of an even more dramatic "opening up" soon.

AFRICA is opening up to the South African traveller and there is a real prospect that, against the background of the Pretoria reforms, SAA will "in the not too distant future" be flying directly up Africa after having to go "round the bulge" to Europe for 27 years.

SAA started flying around the bulge of West Africa in August 1963 in an emergency re-routing of its overseas services forced by air-space bans imposed by a number of African states

Now almost all Africa south of the Equator is accessible to South Africans

Latest moves in the "normalising" of cross-border air services from South Africa are the start by SAA of a once-a-week service to Madagascar, the start by Air Zaire of a reciprocal service, with SAA, between Jan Smuts and Lubumbashi and the granting of landing rights at Luanda in Angola

Definite landing rights

Last month Zambia lifted its three-year ban on businessmen using South African routes for imports and exports because of Pretoria's reforms

These are the African countries to which SAA, or airlines operating on behalf of SAA, are flying, or where South Africa has landing rights: Zimbabwe, Zambia, Zaire, Malawi, Mozambique, Namibia, Swaziland, Botswana and Madagascar, Angola, Ivory Coast and Egypt

Zambia and Madagascar have in the past been two of the strongest advocates of Pretoria's isolation

While Egypt has not yet opened its doors to South African tourists, South Africans on special business have been able to get into the country with South African passports. Landing rights in Cairo have stood for many years

Increase in tourism

Rwanda has granted the airline landing rights and SAA is considering making this central African state a new destination.

Leon Els, PR director of SAA, told Top of The Times there were positive indications that SAA would be able to fly directly up Africa "in the not-too-distant future"

The airline, he said, also hoped it wouldn't be long before SAA's routes to the US and to Australia would be reopened.

While more of Africa is opening up to the South African traveller, there has been a 54,6% increase in the number of visitors to South Africa from other parts of Africa.

Open-door policy

In May a total of 41 000 visitors came to South Africa for various reasons, mainly from Botswana, Kenya, Malawi, Mozambique, Lesotho, Zambia, Zimbabwe and Swaziland

Spencer Thomas, chief executive of Satour, said of visitors from other parts of Africa "We have always had an open-door policy and tourists from all parts of Africa are welcome here. We are gratified to note that their number is increasing"

Spectacular train journeys in Madagascar await tourists from South Africa.

See Page 18.

Piet 'Skiet' delivers letter

CAPE TOWN 14/9/90
JOHANNESBURG.

Right-wing fugitive Mr Piet "Skiet" Rudolph calmly walked into the Vrye Weekblad offices here this week to deliver a letter he wanted published in the newspaper.

The newspaper's editor, Mr Max du Preez, said yesterday that Mr Rudolph had lost "quite a lot of weight since last seen. He did not want to stay for an interview".

— Sapa

Outrage over cat barbecue

AUCKLAND — A Vietnamese man's attempt to roast a cat for breakfast has outraged animal lovers in this New Zealand city

Horrified passers-by found the man skinning and skewering the cat in a city cemetery ready for spit-roasting over a small fire, police said yesterday.

They stamped out the fire, got rid of the cat and offered the man a meal. He said he was very hungry but turned down the offer of food. — Sapa-Reuter

SAA fares up, city flights cut

CAPE TOWN 14/9/90 269

Staff Reporter

DOMESTIC air fares go up 8% from next week — and more price hikes could be in the pipeline if the Middle East crisis continues

This means that from Monday, commuters flying between Cape Town and Johannesburg (one way) will pay R461 (business class), R369 (economy class) and R235 (midnight flight).

Air freight charges have been increased by 8,5%

In addition, SAA has cut 24 of its weekly 684 flights.

The airways yesterday said the fixed fuel price for September was 33,5% higher than the August price and that prices could leap by a further 55%.

"To compensate for this unusual price increase, it would have been necessary to introduce a fuel levy of at least 12,6% "

However, SAA had decided to introduce an 8%

levy and to withdraw some of its under-used flights in an effort to cut costs

● Tickets bought before midnight on Sunday will not reflect the new increase

An SAA spokesman said the following flights had been cut:

Cape Town-Johannesburg: SA 354 at 9 40pm and SA 314 at 11.40am on Thursdays SA 304 at 7.40am on Sundays.

Cape Town-Durban: SA 608 on Monday at 11.40am.

Fears of right wing forces halt to film

CAPE TOWN 14/9/90

FEARS of right-wing attacks on the Labia Theatre have caused its management to withdraw screening of the controversial film "How to Make Love to a Negro Without Getting Tired"

The withdrawal follows Tuesday's suspected right-wing bomb blast at Johannesburg's Avalon Cinema. It was hosting the Weekly Mail Film Festival which included the movie in its lineup. No one was hurt in the blast

The Labia released a statement yesterday saying that "as a result of the explosion (at the Avalon Cinema) we have decided to cancel two screenings of the movie".

Consequently, the two scheduled screenings, on September 18 and 21, would be replaced with screenings of "The Miracle Healing" on September 18 and "City of Woman" on September 21



Safair request tests deregulation laws

SAFMARINE's aviation company Safair has applied to the National Transport Commission (NTC) for non-scheduled passenger and freight flights in competition with SAA on all its domestic and international routes.

Observers say this is the first real test of the new legislation allowing for a deregulated air transport industry.

SAA and Trek Air, both of which operate scheduled international flights, have indicated to the commission they intend opposing the application.

bloem 14/9/90
Restricts

Safair MD Braam Loots said yesterday Safair held a licence to operate non-scheduled passenger and freight services worldwide except on routes already operated by SAA. The application requests the SAA clause be dropped.

The new Air Services Act allows only for the deregulation of domestic routes; international routes are still governed by the clause which restricts competition on economic grounds.

Meanwhile, Trek Airways has become the first airline formally to apply for a

MANDY JEAN WOODS

licence to fly scheduled domestic routes in direct competition with SAA.

According to the September 7 issue of the Government Gazette, it has requested a licence to fly scheduled passengers and cargo on four daily return flights between Johannesburg and Cape Town, and Johannesburg and Durban; one daily return flight between Johannesburg and Port Elizabeth, and Johannesburg and East London; two daily return flights between Durban and Cape Town; one daily return flight between Johannesburg and Bloemfontein, and Cape Town and Bloemfontein.

Trek Airways will use Luxembourg-registered 747-SPs on the routes, according to the gazette.

A commission spokesman said both applications were expected to be heard on October 8 at a scheduled meeting of the commission in Pretoria.

In another development, SAA has formally applied to the commission to fly a scheduled route between SA and Madagascar. Landing rights in the former French colony were recently granted to SAA following the signing of a trade agreement between the countries' presidents.

SAA FARES 'RIPPING OFF' THE CAPE

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FIM 1419/90

The good news: SA Airways will look at reducing airfares to Europe after sanctions are lifted and it resumes flying over, instead of around, Africa

The bad news: "Add on" fares — the extra fee that SAA and other airlines charge on direct Cape Town-London flights even though the distance is shorter than Johannesburg-London — will not be scrapped

This message comes from SAA's deputy manager of tariffs, Godfrey Toerien. Speaking at a SA Chamber of Business regional conference in Fish Hoek last week, he said it's not a question of if but when SAA will resume direct flights over Africa. Then, the airline will be able to "basically look at reduced fares," he said

But he rejected new calls from Cape Town business leaders to eliminate the add-on surcharge, saying it's justified in terms of International Air Transport Association (Iata) agreements, which cover SAA (*Business* November 17). The surcharge now equals 49% of the Cape Town-Johannesburg economy class return fare

The Iata pacts set fares between airports designated as international gateways. Flights from other airports are subject to add-on fares, though the add-on can be set at zero if the distance involved is shorter. For example, there is no add-on on the Cape Town-Buenos Aires and Durban-Mauritius routes.

Former Cape Town Chamber of Commerce president Philip Krawitz estimates that SAA collects R22m a year from the add-on. He charges that Capetonians are being "ripped off" by a "cosy collusion agreement" that allows SAA to reap this windfall without doing anything extra for its customers.

He bases this figure on the sale of 900 return seats a week between Cape Town and London. He says people travelling to and from Cape Town are "paying for the privilege of flying a shorter distance; this process is a major aberration and must be eliminated."

Toerien says the Cape Town-London add-on is necessary to cover the additional costs of operating out of Cape Town, even though the distance is shorter.

Wounded describe their nightmare ride into hell

Star 14/9/90

Staff Reporters

Amid scenes reminiscent of field hospitals after a pitched military battle, wounded survivors of last night's "train of death" told The Star of a commuter trip that turned into a nightmare ride into hell.

At the Johannesburg, Hillbrow and South Rand hospitals scores of medical personnel battled to cope with the deluge of bloody victims

As ferry services of ambulances

roared in, the wounded told of the most cold-blooded and merciless slayings yet seen on the country's transport network.

Obed Sithole of Soweto, being treated by medics for head wounds resulting from leaping out of a carriage said he heard one of the men, "hefty, middle-aged and wielding a gun", speaking in Zulu.

Just before he jumped he saw the man fire a shot through a window, then ask a passenger why he

had not jumped like the others.

A man in the emergency section at Hillbrow Hospital, where about 25 of the injured were taken, said passengers had been singing and praying before the violence began

Thomas Ndimande of Soweto said he jumped when the shooting began. He injured his leg and arm.

"When I heard the first shots everyone opened their eyes from praying and started screaming and running. Some jumped out of the

train and others hung on outside from the doors and windows.

"I saw two black men, about middle-aged One was wearing a black tracksuit with white stripes down the arms I saw one of them stabbing a woman.

"They were using their pangas on anyone I didn't think I would come out of it alive. I was very scared," Mr Ndimande said

Another eye-witness, Sidney

● To Page 2

Nightmare ride into hell

Star 14/9/90 ● From Page 1

Ntshingila, said he had seen four black attackers between the ages of about 28 and 36.

Two of them had knives, one a panga and another a pistol. They wore ordinary clothes and "just started stabbing and shooting".

At Johannesburg Hospital, Edison Tshilamali of Dobsonville, said black men who boarded at George Goch station

and opened fire

"They were shooting at random, men and women People started throwing themselves out of the windows in panic.

"I remember one of the men was dressed in an army outfit

"He had a panga in his hand and his pockets were bulging"

Mr Tshilamali did not know how many attackers there were — but enough to give him nightmares for years to come

26 die and 100 injured on Soweto-bound train as Reef slaughter continues

Squatters hacked and shot, shacks demolished

50 more slaughtered in township violence

● Station panga attacks ● Ambulance 'no go' areas

Orgy of killings continues

Mimbus gang guns down 11 pedestrians

Police hunt for random city street killers



A week of violence . . . The Star's front-page headlines on Monday (left), Tuesday (above) and yesterday (right)

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THE CARRIAGES OF DEATH





● Picture by Associated Press.

Death train . . . the bodies of a man and a woman lie in a railway carriage — two of the victims of yesterday's brutal rampage among passengers

Train gang may be city street killers

By Julienne du Toit, Guy Jepson, Shirley Woodgate and Carina le Grange

The gang which carried out the slaughter of the innocents on a Soweto-bound train last night may be the same killers who ran amok in central Johannesburg on Wednesday night.

Police said today they were investigating the possibility that the gang responsible for last night's train attack also gunned down 17 people in the city on Wednesday, killing three.

There is still no apparent motive for either attack

Last night's train carnage left at least 26 people dead and more than 100 injured when a gang armed with shotguns, pangas and knives hacked and shot their way through a crowded passenger train on its way to Soweto.

Planned

Survivors told The Star of the cold-blooded, planned slaughter which began when the killers climbed aboard at Jeppe Station. With their weapons concealed, they joined the mass of workers on their way home to Soweto.

It was 5.15 pm and the train took the "loop line", which heads through Johannesburg's eastern suburbs before turning towards Soweto. Several minutes later the



To the rescue . . . paramedics give emergency treatment to a victim at Denver station.

● Picture by Karen Fletcher.

train made its scheduled stop at George Goch station.

Then began the "journey of death". The 8 km of line between George Goch and Denver stations "I saw about five people with

shotguns, pistols and pangas. They just started killing everyone. Then two or three people came from the back, also with guns and pangas. They had trapped us all.

"I jumped off the train. I think I saw some of the attackers run off towards George Goch hostel."

Moving from carriage to carriage, the black attackers shot, stabbed and hacked their way through the passengers.

Some, such as Mr Makhado, jumped for their lives.

Others covered under seats. Some were slain where they sat, or hacked as they tried to flee.

The killers shouted as they carried out the slaughter.

The Highveld evening was rent by the screams of the injured and dying in the train and along the track. It was a five-minute rampage that left 26 dead and more than 100 injured.

The driver brought the train to a stop at Denver Station.

Contrary to earlier reports, police said today a second group of killers were not waiting at Denver.

The attackers used pangas and knives, with most of the victims having slash wounds or injuries from leaping from the train.

As the train lurched to a stop, passengers fled into the night and the killers escaped.

A huge rescue operation — involving helicopters, a disaster bus and virtually every available ambulance in Johannesburg — was carried out as reports of the

● To Page 2

"LET YOUR VOICE WORK FOR YOU"

Are you a professional competing with professionals?

Are you irritated by voices that:

- Mumble?
- Are too Loud?
- Soft?
- High pitched & Squeaky?
- Fast?
- Slow & Monotonous?



Monique Rissen

BA(HONS) A.T.C.L. L.T.C.L. NEM. SAGSDT

"Have you ever thought that you may be guilty of irritating others through poor voice production? Be aware of the power of the voice for successful communication?"

Train gang may be street killers

● From Page 1

wholesale slaughter on the National-bound train filtered through.

A section of the M2 highway was closed off as emergency services personnel battled to get the injured out of the scene.

Last night the Denver Station platform was coated with blood.

Bodies lay in the train and along the platform — some trembling, some motionless. One man lay propped up against a pillar. His chest was shiny with blood.

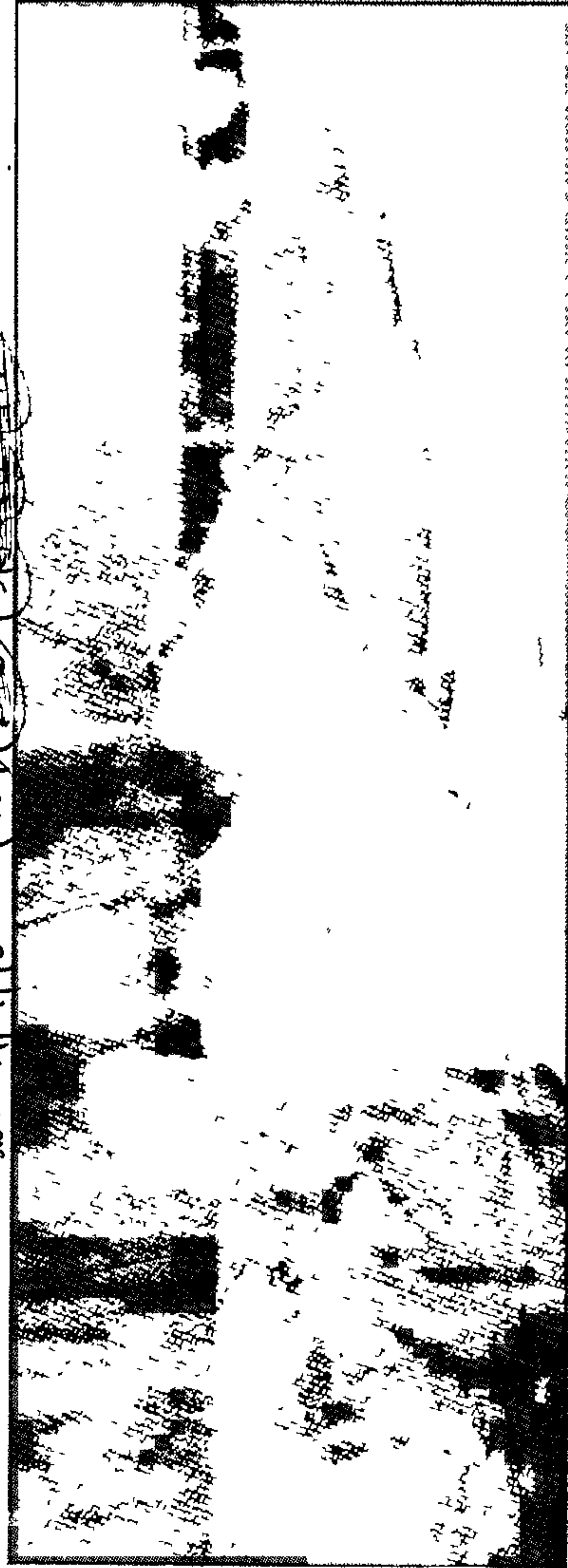
Emergency personnel had to step over bodies strewn on the ground.

It was impossible to tell how many were dead and how many unconscious. Some had blood-soaked rags or jackets over their faces. One or two moaned softly, only their eyes moving as they watched ambulance men carrying other injured on stretchers, drips attached to bleeding patients.

Security police blocked off Main Reef Road and riot gear police surrounded Denver Station after more shots were heard from there.

They refused to let anyone close to the area or to say if any more people had been killed in that incident.

An intensive manhunt was launched, but no arrests had been made, said Witwatersrand



Violent death . . . the body of a victim lies on Denver station platform last night.

police liaison officer Captain Henriette Bester.

She said "a large group of blacks" who boarded the train at Jeppe station launched an attack on passengers as the train passed George Goch Station, using firearms, pangas and sharp instruments.

"Many passengers fled their attackers by jumping of the train between George Goch and Denver Stations."

Johannesburg director of public safety John Pearce, holding an Uzi sub-machine gun in one hand and a walkie-talkie in the other, was on the scene

at Denver Station.

He co-ordinated emergency personnel, which included three helicopters, a disaster bus and "every ambulance available".

Ambulances were loaded and helicopters hovered overhead waiting to land.

A total of 57 injured were sent to the Hillbrow, Johannesburg, South Rand and Baragwanath Hospitals.

Dozens underwent surgery. Eighteen were discharged after treatment. Other victims received first aid at Denver Station. Early today several patients were still in a serious

condition, and at least two of them were critical.

Two of the 29 patients treated and admitted to the Johannesburg Hospital died after emergency surgery, a spokesman said early today.

Their deaths took the death toll to 26.

Injuries ranged from lacerations, fractures, stab wounds to gunshot wounds.

Acting superintendent of Hillbrow Hospital, J Norman-Smith, said today 11 patients were admitted to the emergency surgical unit last night and

three patients were in a serious condition.

Eight more patients were referred from the hospital's casualty section to the Johannesburg hospital.

Another 15 were treated last night and discharged, Dr Norman-Smith said.

A South Rand Hospital spokesman said two patients were admitted and were in "a stable condition" this morning.

She said one, a pregnant woman, who had jumped from the moving train, had sustained lacerations while the man had undergone surgery.

In Wednesday's killing spree, which is now being linked to last night's carnage, four unidentified men in a minibus unleashed a wave of terror starting at about 7.30 pm in the Johannesburg city centre.

Randomly firing on commuters and pedestrians with AK-47s as they travelled down Polly Street towards Marshall and Nugget streets to the Wolhuter mens' hostel in Jeppestown, they killed three people and wounded at least 17.

ANC deputy chief Nelson Mandela blamed "hit squads."

"We certainly have instances where people have been paid . . . it is quite clear that Inkatha has not got the capacity to organise this type of attack.

"There is no doubt that the people are very angry. I have never seen them as angry as they are. They are demanding to be armed and we are going to find it very difficult to resist that demand and you know the implications of that," he said.

President F W de Klerk said. "Those responsible are greatly mistaken if they believe that the Government's search for a peaceful solution is a passport to lawlessness, unrest and murder."

Police spokesman Colonel Frans Malherbe said "This was a blatant attack on innocent passengers.

"I can't call it faction fighting — anyone could have been on the train."

● Picture by Associated Press.

Stampede

● FROM PAGE 1

said: "People rushed in from another coach screaming: 'Here come the Zulus again, they're coming to kill us!'"

"There was a total stampede and I and many others threw ourselves from the moving train." He saw no attackers.

Harrison Marasha (29) gave a similar account of an incident on train number 9402 near Mayfair at about 3.45 pm.

He said that after commuters stormed into his coach shouting that Zulus were coming, panic ensued and he had "found himself on the tracks". He did not see any attackers.

Pressmen at Jeppe Station said they saw what appeared to be a gang of black youths flinging people out of the moving carriages, but police could not confirm this.

A witness in an office block opposite Ellis Park station said "We heard people screaming and what we thought were gunshots coming from the train. People seemed to be fighting on the carriages and we

saw bodies hurtling from the carriages, but I am not sure whether they jumped or were "pushed."

Within minutes of the incident police, soldiers and Spoornet security officials mounted heavy patrols on platforms and circled the area in a helicopter.

Four injured commuters were admitted to the Hillbrow Hospital and five were treated and discharged.

In other attacks this week:

- Commuters were hacked and stabbed by panga-wielding thugs in an attack on a train between the Johannesburg Station and Braamfontein Station on Tuesday
- Four unidentified gunmen wielding AK-47s rampaged through central Johannesburg on Wednesday, killing three and injuring 17.

- A petrol bomb was hurled into a Putco bus in Linden on Thursday

- About 26 people were killed by a heavily armed gang shortly after a train left the Johannesburg Station bound for Soweto at 5 04 pm on Thursday.

- Three people died when youths attacked taxi-owners at two Soweto ranks yesterday.

the station yesterday.

● Photograph: Sean Woods.

Soweto's mayor
willing to mediate

ABBAY MAKOE

SOWETO mayor Sam Mkhwanazi last night demanded that ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi meet to end township violence.

He said he wanted them to shake hands in public and said he would be prepared to mediate in any move aimed at ending the carnage.

The Five Freedoms Forum (FFF) has added its voice to the growing call for an end to the violence, saying that President de Klerk, Mr Mandela and Chief Buthelezi should commit themselves to action for peace.

FFF press officer Gael Neke said: "We are extremely concerned at the lack of urgency demonstrated by the three leaders who should be most concerned by the violence. They should at this time be demonstrating 'on the ground' involvement and intervention."

Train drivers fear attacks in townships

SHAREEN SINGH

TRAIN drivers are reconsidering servicing townships after the spate of attacks on trains travelling to and from Reef townships.

Mr Abraham Koekemoer of the South African Footplate Staff Association said drivers are in constant fear for their lives.

There is no real protection for drivers servicing the townships. The issue has been raised with Spoornet management, but no concrete steps have been taken, he said. The association was planning to meet management next week to address the situation

Attacked

Several train drivers have been attacked and one seriously injured during the past few weeks while walking from one end of the train to the other, Mr Koekemoer said.

A spokesman for Spoornet, Transnet's rail division, said train safety was a broad transport issue and not just the responsibility of Spoornet.

Spoornet is a subcontractor to the state-owned South African Commuter Corporation

He said the Minister of Transport and Public Works, Mr George Bartlett, was meeting the South African Police to discuss the issue.

When township violence reaches into the home

Star 15/9/90

VIOLENCE — you can read about it, talk and argue about it. But until it disrupts your family life, as it did mine this week, you will never know what thousands of residents on the Reef and Natal have gone through

A week ago, after colleague Arthur Molisiwa lost his brother Jerry under a hail of bullets in Vosloorus, I saw the pain that masked his face.

The smile he so effectively used to charm everyone in the office had disappeared.

The sadness in his eyes was more than I could take and that was when it really hit me.

I asked myself, what is happening to our country?

Last Sunday morning, when I

left with my softball team for Carletonville where we were to play friendly games against teams in that area, little did I realise that it would be the last time I would be home in four days.

While in Carletonville my pager beeped with the message that would disrupt the bright spring Sunday we had been enjoying: **"POLICE SHOOTING PEOPLE IN NALEDI TOWNSHIP..."**

I lost concentration and after the games, we headed straight home, worried about the welfare of our families.

We arrived in Soweto and the first thing I did was to phone

of the day I tried getting into Soweto, without success.

The telephone became the only lifeline to my family who were barricaded in a township under siege.

My heart went out to those poor people without phones.

The worst moment was on Monday night. I was speaking to my mother.

"My son," she said in a hushed tone. "They are at our gate ... they are firing, the whole township is dark, there are no lights."

As she said this to me I could distinctly hear the sound of gunfire. Up to five shots. "Hello, hello," I shouted into the mouthpiece; my mother was not there...

I felt a shiver go down my

spine. I hung up not knowing what to do. After a few minutes I called again. My father answered. My mother was in deep shock, she could not talk. That night we kept a vigil over the phone, calling each other every 10 minutes.

Nothing happened to my family, but I still felt the urge to be with them during those terrible times.

I hadn't done it in many years, but I found myself closing my eyes and saying short prayers.

It's been said before, but I'd like to add my little voice to those of community and church leaders: **STOP IT**. We have too many orphans and widows already.

JOVIAL RANTAO

My mother answered "Where are you calling from," she inquired. "Dube," I replied.

"Just stay where you are. The way things are this side you won't be able to reach home. The streets are barricaded and police are firing ... I don't know whether it's teargas or bullets," said my mother.

I slept with a friend on Sunday night and tried getting home on Monday morning. I couldn't.

I couldn't go to work I had no clean clothes, and I was still in my softball shorts and vest.

I called the office and explained my plight. For the rest

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Trains: 'Ensure our safety or ...'

Commuter fury as boycott looms

By CHARLES MOGALE

COMMUTERS have threatened to stop using trains unless strict measures are taken to ensure their safety following cold-blooded attacks on innocent people travelling to and from work.

At least 32 people were killed and several hundred injured in less than two weeks when unknown persons attacked commuters on trains.

The first incident was at Jeppe station last Thursday when a group of men opened fire on innocent passengers, killing six and injuring 12 people.

On Thursday, in the worst carnage seen on suburban trains, 26 people were hacked to death and more than 100 wounded when a heavily armed gang attacked commuters on a train at Denver station.

On Friday, about 15 people were thrown or jumped off trains shortly after Spoornet announced its decision to beef up security on trains.

In a snap survey by City Press this week, 11 commuters said they would consider other means of transport rather than leave themselves open to attack.

However, the South African Rail Commuter Corporation

(SARCC) has promised to beef up security on trains and stations in collaboration with the SAP.

Commuters questioned attacks on people inside trains "when it is so difficult for anybody who has not got a ticket to get on to a train".

Teacher Irene Molaba, whose nephew was injured when he fell from a moving train when it was attacked in Denver on Thursday, said: "We were surprised nobody seemed to have any inkling that the attacks were about to take place. How did the culprits get past the gates unnoticed?"

An SARCC spokesman said "everything humanly possible" was being done to ensure the safety of train passengers. "We are very concerned and it is very difficult for us to contain a problem on a train which is moving from one point to another."

"You will understand it is not easy to locate the problem. However, we are doing everything we can to make the trains safe and we appeal to commuters to help us identify the culprits and bring them to book," he said.

SARCC marketing general manager Dr Koos Meyer said security on trains and at stations

would be increased with the addition of personnel.

Meyer sent his condolences to bereaved families and wished those who were injured a speedy recovery.

He said: "We call on all rail passengers to remain calm and observant in these situations of violence."

Steps have already been taken to protect passengers on suburban trains after consultations among officials of Spoornet, the SAP and the SADF.

According to Spoornet spokesman Jacques Pienaar, the measures include the following:

- Apart from security officials who have already been deployed at stations and on trains, additional people will be employed to assist in ensuring the safety of passengers for an undetermined period;

- Spoornet officials will cooperate with the SAP and police presence will be increased, and
- Operational centres will remain functioning to enhance co-operation between security forces and Spoornet.

A police spokesman confirmed measures had been taken to prevent incidents of violence on trains.

He refused to divulge any information, saying this could put the plans in jeopardy.



Neckbrace and broken bones ... This innocent train passenger was one of many who were thrown from moving trains this week after a series of horror attacks. Pic: EVANS MBOUENI

WHAT kind of men are these who randomly kill men and women they don't even know and have never seen before?

Unless, of course, they are lunatics or hired killers.

What kind of people are these who burst into a crowded train, as was the case at Denver Station on Thursday, and without any warning or provocation start shooting, hacking and stabbing the passengers?

The story of Martha, one of the survivors of the carnage, should touch the conscience of every person in our country.

Many others like her are now destitute, homeless and perhaps crippled. Others did not live to tell the story.

As a staunch

Christian Martha had just bowed her head and closed her eyes ready to pray during a service that normally takes place in the train, when she felt a thump on her head.

The next thing, she was on the floor and another woman was lying on top of her with blood pouring all over. It was not only her blood but that of a woman friend as well.

"There was another woman sitting opposite me, screaming and

apparently shot in the stomach. A man came in and stabbed her until she stopped screaming. I think she died," she said.

A chilling story indeed. Not from a James Bond or James Hadley Chase novel, but happening right on our own doorstep.

Martha and all those men and women who were caught in this carnage of death don't deserve this kind of suffering. For once, neither they nor the killers can be linked to any political or ethnic group.

They are people who work for a living, people who want to feed, clothe and take their children to school.

Have we, as a nation, reached a situation where we are no longer in control of our own lives?

When we are no longer sure whether our mothers or fathers will return home safely from work?

Our suspicions of a third force are gaining momentum by the day.

I will not dismiss as unfounded or groundless a story I heard from one Fakude of Natalispruit, shortly after the Denver shooting, about people who are being paid to carry out these acts of terror.

Fakude, like many of the people who phone us when something has happened in their area, is scared of being the next victim.

"Life is now cheap," he said. "Today it is my neighbour and tomorrow it may be me and my family."

What can be done to remedy this situation? Are we to fold our arms and

cry that it is hopeless and nothing can be done?

Or are we still bent on pontificating and playing politics while the country is engulfed in flames?

What goes through our minds when we see bloodstained bodies lying everywhere?

What do we do when we see survivors scamper like frightened chickens looking for shelter and a place of safety?

What do we do when we see fatherless and motherless children crying for their parents to return home?

Yes, this is no longer a skirmish or an unrest-related situation, but a national issue that needs all of us, black and white, to put our heads together and do something.

Comrade Peter Vundla of Soweto, with a lump in his throat, has

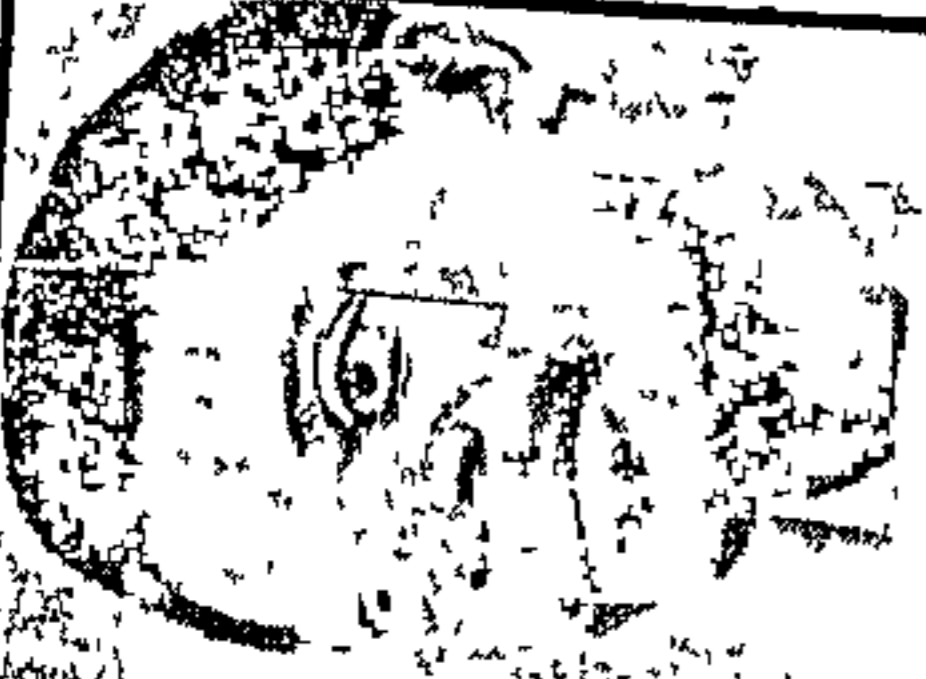
suggested a multi-lingual all-embracing monitoring group be formed NOW to stamp out this so-called "third force" or group of mercenaries which some people believe are the culprits.

"Now is the time for all of us to come together and fight this evil group. Let us for once forget our difference and go all out to unmask these people," he said.

I could not agree more with Peter. And I will go a step further and urge all those who were either approached to carry out these dastardly deeds or have carried them out, to come out into the open and tell us who their bosses are and why they have carried out these attacks.

The most disturbing thing is that no one wants to talk. Our people are scared. I suggest people should phone us or any other newspaper in the country to provide clues that may help in the arrest of this so-called "third force". We will take up any clues and expose these people.

Once again, our sympathies are with the bereaved families and those who are lying in hospital. We will not rest until these criminals have been apprehended.



MY WAY With Khulu Sibiyi Killers must be stopped

16/11/90

Train victims may claim millions

SPOORNET and South African Commuter Corporation may face claims totalling more than R2-million following last week's train massacre in which 26 people were killed and more than 100 injured between George Goch and Benrose stations. *Sowetan 17/9/90*

A Johannesburg lawyer said yesterday the families of the victims could claim for damages provided they could prove, beyond any reasonable doubt, that the massacre

By SY MAKARINGE

resulted from negligence by the companies. *(269)*

The corporation owns the railways and has contracted Spoornet, the rail division of Transnet, to run the train services on its behalf.

The lawyer said, however, that it could be very difficult to prove that the corporation was negligent in providing adequate security until and unless all facts concerning the

incident had been established.

Dr Koos Meyer, the corporation's general manager, said yesterday that families of the victims of violence had the right to claim for damages.

He said the claims would be considered provided the claimants proved that Thursday's carnage was as a result of poor infrastructure.

"Our main responsibility is to

● To Page 2

The train victims can claim

(269)
Sowetan 17/9/90

● From Page 1

make sure our infrastructure is working properly. It would have been a different matter if the people had died as a result of failing brakes.

"We are not responsible for personal safety. This is the responsibility of the South African Police," Meyer said.

The managing director of Transnet, Dr Anton Moolman, at the weekend condemned the attack on innocent passengers as "a cowardly and inhuman act against our society".

He said Spoornet would do everything in its power to ensure the safety of all commuters.

Police liaison officer for the Witwatersrand Colonel Frans Malherbe said yesterday security had been stepped up at all

On the Line

SOWETAN Editor Aggrey Klaaste's column, "On the Line", does not appear today.

Klaaste said. "The truth is I did not exactly know what I would say. I convinced myself that whatever wise saws, admonitions, appeals I make, will not sort out the mess."

The space is thus dedicated to those pictures on page 4, distressing as they are

Blom 21/9/90
**SAA launches
export drive**

(269)
MANDY JEAN WOODS

SAA has announced a campaign to make companies with the potential to export more export-conscious.

A three-pronged approach includes an Export Writers Award to encourage journalists to give more attention to export matters, the launch of a comprehensive export advice package developed with SA Foreign Trade Organisation (Safto), and the promotion of specific routes to lucrative markets in South America, the Far East and Africa.

In a speech at a gala banquet to launch the promotion yesterday, SAA CEO Gert van der Veer said the time had come for SAA Cargo to play a greater role in transporting goods quickly and efficiently to those markets opening up to South Africans.

Foreign exchange earned by exports could help fund vital social development programmes at home.

International air travel under scrutiny

THE Department of Civil Aviation is investigating a new international air travel policy, director-general Japie Smit said yesterday.

Pretoria-based consultants Van Wyk & Louw, appointed by the department, began working on the project four months ago and have already issued four reports.

The steering committee consists of the Transport Department, SAA, the SA Chamber of Business, the Afrikaanse Handelsinstituut, the Consumer Council, the Association of SA Travel Agents, the Freight Forwarding Association, the Deciduous Fruit Board, Sator and the Transport

MANDY JEAN WOODS

Consultative Committee. (269)

Study team leader Vic Prins said areas to be looked at included regulation, technical requirements, bilateral agreements, the impact of Europe 1992 on the future air industry, the globalisation of the industry, privatisation trends and fare regulation.

Smit said deregulation of the international air transport services was not possible as it was controlled by bilateral agreements and reciprocity agreements over which the department had no control. But the team would look into the matter.

B/Dew 21/9/90

Ministers tackle airport problem

8 10 am 21 9 90
THE raging debate over whether or not to proceed with the planned R70m improvement programme for Jan Smuts Airport was receiving urgent, top-level attention, a spokesman for Transport Minister George Bartlett said yesterday.

It is understood a committee made up of Privatisation Minister Dawie de Villiers, Finance Minister Barend du Plessis, Trade, Industry and Tourism Minister Kent Durr and Bartlett were appointed after Wednesday's Cabinet meeting to review the matter.

The spokesman said no decision was expected for about a week.

A dispute arose earlier this year after government finally allocated funds to upgrade poor or inadequate facilities at Jan Smuts. In August, the tender for the three-and-a-half-year project was awarded to

MANDY JEAN WOODS

Rapp & Maister Construction. Work was scheduled to begin at about the end of August (269)

But SAA, the single largest user of the nine state airports, said the plans on which the improvements would be based were out of date and inadequate to meet the future needs of the aviation industry.

The Department of Civil Aviation, responsible for co-ordinating airport improvements, fears that by postponing the project by even a few months, government might find another urgent priority and it would thus lose the money.

SAA has, in the meantime, spent close to R500 000 for local and international consultants to draw up proposals for improving Jan Smuts Airport.

Lonrho's attractions as a neglected rand hedge was the deal with Western Platinum

on reality But bulls say assets outside black Africa make the share good value

Mike Lear says corporate treasuries will have to study the Act carefully

centage points above that offered by institutions The borrower also benefits

SAA freed from Transnet web

EMBATTLED SA Airways has settled its fourth pay dispute this year — three of which could have seriously disrupted operations

The negotiations have set a pattern taking workers directly connected with flight operations out of the web of Transnet, which sets pay for all its employees

In April, the South African Airways Pilots Association threatened to take management to arbitration if pay demands, agreed to earlier, were not met

A month later, flight engineers threatened a work-to-rule which could have seriously affected flights abroad

Two months ago, senior administrative staff threatened to stop work

By ROGER MAKINGS

SITIMES 231 7670

This week ground technicians called off an overtime ban which could have disrupted both domestic and foreign services They received pay and other improvements

In a break with procedure, SAA management and not Transnet conducted the talks

Airline workers are seeking market-related salaries and rejecting lower rates offered by Government institutions

Earlier this year about 110 technicians resigned to take up other jobs and two years ago many pilots quit for

higher paid jobs abroad Instead of trying to replace trained staff members, SAA seems to be investing in their skills

The question is to what extent will SAA, which is working towards privatisation, be held to ransom by those responsible for keeping aircraft aloft?

Senior manager, public relations, Mr Leon Els, says "We have settled disputes in the spirit of negotiation and with the interests of the airline at heart Future salary talks will be conducted in the same way

"Management and staff realise that differences can be settled without resorting to industrial action, jeopardising the airline's smooth running"

A Wits Postgraduate Diploma in Management

Beckoning Durbs: How best to go?

Greyhound Citiliner marketing manager Gordon Holly said the cost of a return bus trip from the corner of Leyds and Harrison streets near the Rotunda in Johannesburg to the railway station in central Durban is R158. The trip takes seven hours each way.

Transport is in luxury air-conditioned coaches equipped with panoramic windows. Coaches depart three times a day from both ends with a fourth trip included on Fridays and Sundays.

The safety record is supreme, with no fatalities on any route since the launch of the coach service in June 1984, since when more than 500 000 passengers have been transported on all Greyhound routes. A Spoornet spokesman said a first-class adult return railway ticket costs R256, a second-class fare R180 and third-class travel R106.

Children under seven travel free and between seven and 11 pay half price.

The Trans-Natal departs daily at 6 pm on a 14-hour trip, while a slower train departs three days a week at 2 pm from Durban and noon from Johannesburg, arriving at 5 am. In addition a bedding ticket costs R7, and a la carte meals

It is now almost cheaper and faster to drive to Durban than to fly, claims Tolcon managing director Ron McLennan. Are these claims well founded? **SHIRLEY WOODGATE** included the safety factor and compared travel by car, plane, train and coach.

range from about R6,50 for breakfast to R15. Spoornet reports no accidents or fatalities on the Durban/Johannesburg route for the past three years.

SAA said a return air ticket now costs R402. Children under 10 pay 50 percent and up to age two 10 percent of the full fare.

The flight takes an hour and about 15 flights are scheduled daily in each direction.

Add to the one-hour flight at least another one hour for the half-hour check-in ahead of departure as well as trips to and from the airports.

AA estimate

SAA's safety record on that route is 100 percent.

AA spokesman Robin Scholtz said at current rates the 567 km trip for a 1 600cc car costing about R30 000 includes a fixed cost of 61c/km, petrol costs of 13,6c/km and maintenance costs of 7,7c/km.

The total of 82,3c multiplied by 567 and with the addition of

R24,20 in toll fees adds up to about R489 for a one-way trip or R978 return. This cost is the same whether the car carries one person or a whole family.

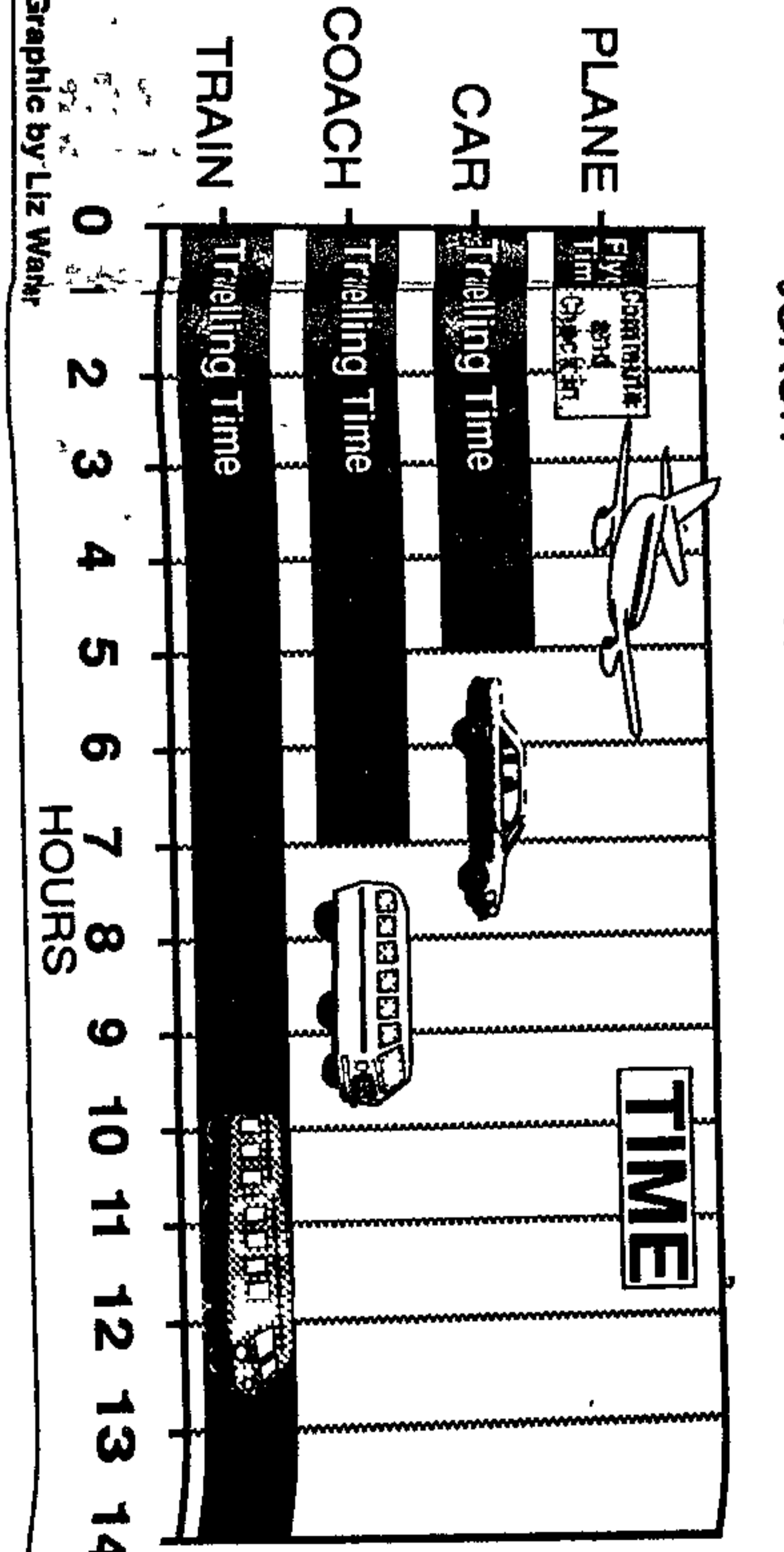
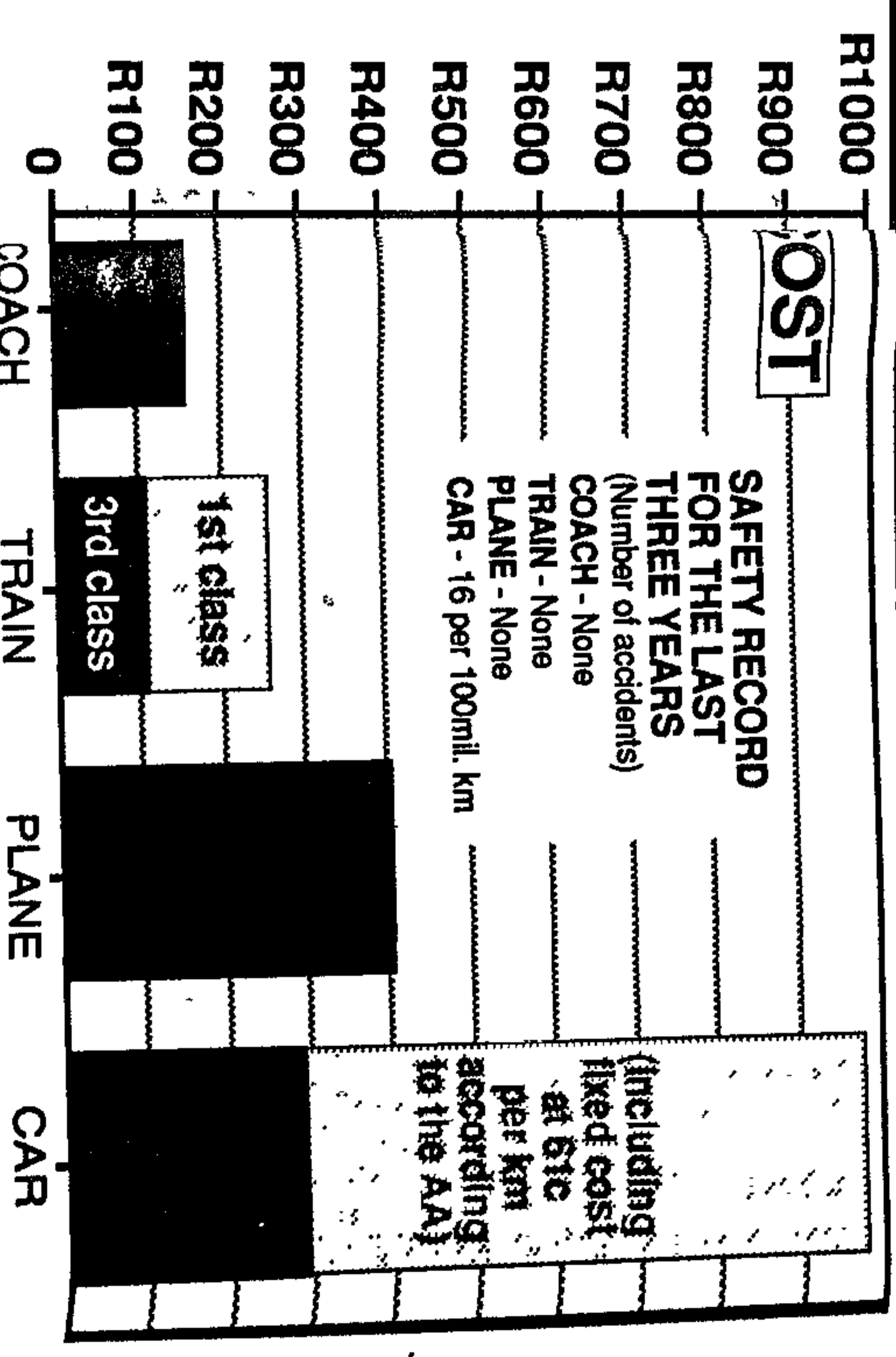
Thus does not agree with Tolcon statistics, which exclude the sometimes controversial fixed cost which AA maintains is incurred whether the vehicle is parked in the garage or in use. Fixed costs include the actual outlay on purchase, depreciation, insurance and licence fees.

Tolcon said the five-hour 575 km trip at 120 km/h includes toll fees of R24,20 and total running costs of 21c/km which puts the final figure at about R290.

Tolcon says toll roads have proved to be safer than other roads.

In the final analysis determining the preferred mode transport must include comfort and convenience, fatigue, cost, time, safety and whether the trip involves a single businessman who would probably opt for a plane, or an entire family setting off on holiday.

Johannesburg to Durban



cl from 23/9/90

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Massacre suspect freed

By CHARLES MOGALE

A MAN suspected of leading a gang that massacred commuters on a Johannesburg train earlier this month, was released from police custody because witnesses were afraid to identify him.

Twenty-six people died and 100 were injured on September 13 when a gang went through the train attacking commuters.

According to police, the suspect was released because witnesses refused to identify him before the expiry of the 48-hour period within which suspects must appear in court.

Police refused to name the witnesses who were "afraid" to identify the suspect, and would not hold the man under security legislation - leading to widespread accusations that the police did not want to arrest the culprits.

An identification parade had been organised at the Brixton police station, but only one of the witnesses called had turned up.

"The others did not come. Even the one who came refused to identify the man when he realised he was the only one," said Brig Blukkes Bignaut of the SAP detectives' directorate.

Defending the police action in releasing the suspect instead of holding him under security legislation, Bignaut said: "We should move away from security detention. Being a detective, I don't think we should

Witnesses afraid to point him out

think along those lines. Let us keep it as a plain crime."

Asked why the witnesses could not be disguised at an identification parade, Bignaut said: "We accept your suggestion. Maybe our original approach was not as good as it should have been. If the witnesses come forward, we can arrange that. We are also offering them protection from reprisals."

He refused to identify the witnesses "If we are offering them protection, we will not release their identities"

The suspect could still be rearrested if the witnesses came forward, he said

Witnesses interested in identifying suspects are asked to call Brig Bignaut at (011) 23-4750, Ext 241

SOPHIE TEMA reports that Transnet managing director Anton Moolman said Spoorinet would do everything it could to ensure the safety of commuters

He said the Rail Commuter Corporation, the SAP, the SADF and Spoorinet had decided there would be constant policing at stations. The groups agreed that Spoorinet's security services should be reinforced

"Because of the tragic occurrence, the

maximum number of security personnel have been deployed in sensitive areas, but due to the size of commuter services it will be impossible to ensure adequate security on all trains at all times," Moolman said.

"Where Spoorinet is responsible for the safety of passengers on mainline and long distance trains, commuters will be safe"

However, security men deployed to curb the violence at the stations have been described as ill-trained and a threat to the peace themselves. According to a weekly newspaper report, the security men were armed and given instructions to shoot to kill.

This week police found seven mutilated bodies near the line between Riverlea and New Canada stations. It is believed they jumped off the train after a false alarm was raised inside the train

Police said they made the gruesome discovery after an anonymous tip-off. The bodies have not yet been identified. Public relations officer for the Witwatersrand Police, Captain Eugene Opperman, said: "It is unfortunate that people have to die so brutally, but we do not exclude the probability that somebody could have planned this action."

International flight prices rise by 8%

B/124 11/10/90
LESLEY LAMBERT

SAA's international airfares increased by 8% today as a direct result of the higher fuel price.

The hike follows a 5% increase earlier this year — a routine annual increase agreed to by International Association of Travel Agents (Iata) members. Today's increase pushes the price of an economy return airfare from Johannesburg to London up from R5 979 to R6 458. (269) (284)

Domestic airfares were increased by an 8% fuel levy last month and commuters were warned that further increases would follow if the Gulf crisis continued to boost the world price of aviation fuel.

The fuel levy on domestic flights followed a number of fairly hefty increases over the past two years.

September's fuel levy increased the cost of a Johannesburg-Cape Town return from R856 to R926 (business class) and from R684 to R739 (economy class).

SAA withdrew some of its under-used flights in an effort to cut costs.

Massacre on train: 3 are held by police

Size 2/10/90

269

Staff Reporter

Police are holding three men in connection with last month's Johannesburg train massacre in which 26 people died and more than 100 were injured when a gang went on the rampage on a Soweto-bound peak-hour commuter train.

The three men, all hostel-dwellers, have been identified as Martin Ngcobu (49), Basie Nkosin-gondle (37) and Mmegela Magu-bane (34).

Minister of Law and Order Adriaan Vlok said last night that the three men were arrested on September 30 and were being held in custody pending a further court appearance on October 15

The three appeared in Johan-nesburg Magistrate's Court briefly yesterday in connection with charges of murder and attempted murder. Several other charges against the men are being formu-lated and further arrests are ex-pected

The arrested men have not been linked to any organisation at this stage.

A large quantity of weapons was seized by police during their in-tense investigation. Spent car-tridges, collected on the train and at the station, have been sent for ballistics tests

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SAA lands rights 269 to stop in Kenya

W/Man 5110 - 11/10/90
SOUTH AFRICA and Kenya will renew in early December air links severed 23 years ago because of Kenya's opposition to Pretoria's racial policies, a senior airline official said last night.

"The plan is that the airlines from both countries will make one flight a week between Nairobi and Johannesburg," said the Kenya Airways official.

He said both national carriers had already signed a memorandum of understanding. South African Airways would fly a Boeing 747 and Kenya Airways a Boeing 757. The *Kenya Times* reported yesterday that Kenya Airways aimed to tap the lucrative London-Johannesburg route. — Sapa-AP

Flights cancelled, tons of cargo delayed

SAA in crisis over soaring price of fuel

8/1 pm 5/10/90

269

MANDY JEAN WOODS

SOUTH African Airways (SAA) has been plunged into a crisis because of the increase in the price of jet fuel, an SAA spokesman said yesterday.

The airline has already been forced to cancel 29 domestic flights each week and reschedule four flights. It is considering cancelling further flights.

And cargo is piling up at airports as reduced flights put pressure on freight space. Yesterday, 26 tons of cargo for distribution all over SA was standing at Jan Smuts Airport.

● See Page 2

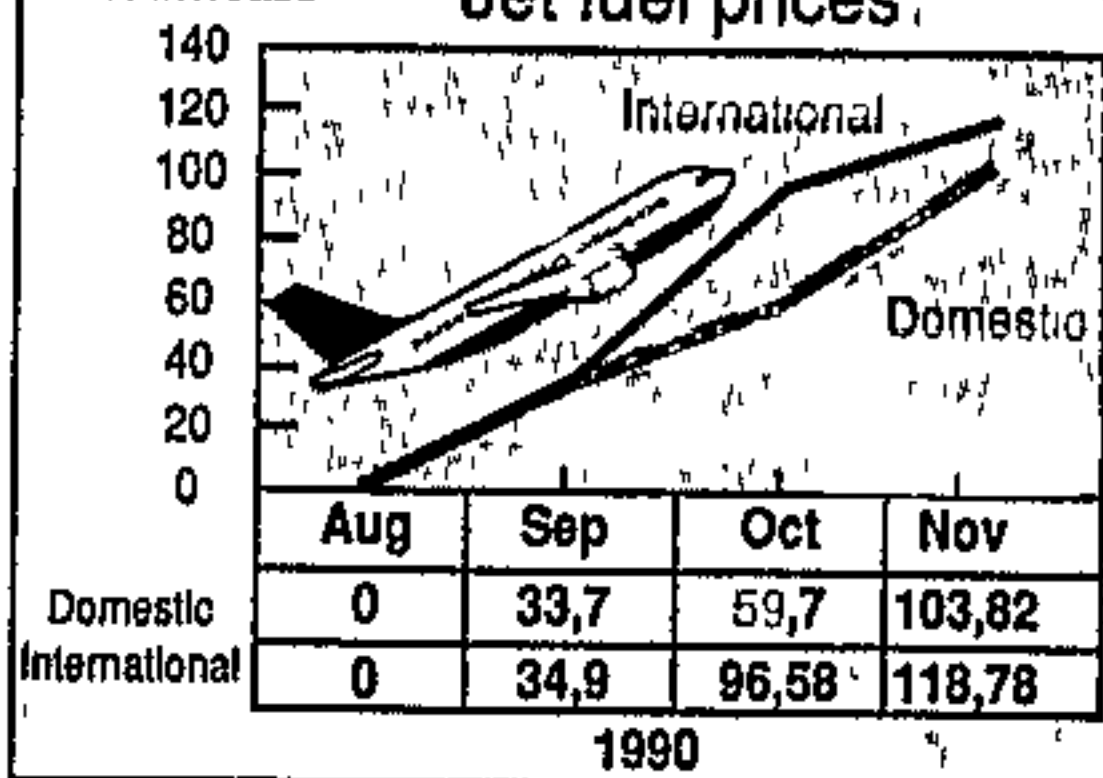
At current oil prices, SAA's fuel bill is about R1m a day over budget and the costs have to be passed on to passengers.

The carrier's fuel spending used to be 21% of annual expenditure, but the recent oil price hikes have pushed it to 40%.

Domestic fares, which were increased by 12% (economy) and 17% (business) in August, could rise within the month if, as proposed, a 10% fuel levy is added.

International fares increased by 5%

Jet fuel prices



Graphic LEE EMERTON Source SAA

(economy) and 6% (business) in April and an 8% fuel levy was added from October 1. This levy is also expected to rise again soon.

SAA executives are to hold a crisis meeting today to discuss measures that could be taken to cut expenses to the bone and keep fares from rising. Measures being contemplated included:

- Cutting direct flights to Europe and introducing flights with stopovers;
- Reducing discounts on midnight and early bird flights;

□ To Page 2

SAA crisis

From Page 1

- Putting a lid on employing new staff and retrenching temporary staff,
- Using smaller aircraft on certain routes,
- Slashing advertising and promotional costs,
- Putting a moratorium on all capital expenditure.

Perishable Cargo Agents domestic operations controller Leon de Lange said that in the past six months cargo rates had increased by 30% for general cargo and by 45% for commodity cargo.

At least two claims totalling nearly R6 000 had been lodged with SAA by the company because perishable cargo had been left standing on the tarmac due to cancelled flights and full holds on subsequent flights, De Lange said.

"Where it used to take cargo about six hours from delivery to collection to Cape Town it is now taking up to 26 hours. Two weeks ago we had flowers which stood at the airport for 11 hours before being ferried to their destination. Recently we had a cargo of 900kg of mushrooms which stood for 17 hours at the airport before it was

delivered," he said.

"On Wednesday we made a reservation to move 300kg of flowers from Johannesburg to Durban on Thursday morning. The cargo was bumped off its scheduled flight and six subsequent flights to Durban with the result the flowers, which should have arrived at 7am, only arrived at 2pm," he said.

Clients had threatened to resort to other forms of transportation as the airlines had become so unreliable, De Lange said.

The SAA spokesman said that when there were cancelled flights, priority and express cargo got the first berth on later aircraft. He denied there was a backlog of cargo.

"Cargo going at normal rates is getting delivered within a day. It is taking longer than usual but it is still being delivered within 24 hours," the spokesman said.

"It is essential for the airline to run as productively and efficiently as possible at this time in an effort to absorb as much as possible of the additional costs incurred by the increased fuel price," he said.

SAA to fly to Kenya

CAF Times 5/10/90
269

Own Correspondent

JOHANNESBURG — South African Airways is to begin flying to Nairobi, Kenya, from December 1 for the first time in 23 years, it is reliably understood.

A Kenya Airways official said the two airlines would fly once a week, SAA using a Boeing 747, Kenya Airways a Boeing 757.

The official said both national carriers had already signed a memorandum of understanding which would only come into effect if the airlines were going on "as part of the normalisation process".

The Kenya Times newspaper reported yesterday that Kenya Airways aimed to tap the lucrative London-Johannesburg route.

Quoting an unidentified government official, the ruling party-owned newspaper said recent changes in South Africa had encouraged Kenya to explore trade links with Pretoria.

But the Kenya Airways official said he was unaware of discussions on other commercial activities.

Kenya officials severed all commercial, cultural and political ties with SA on gaining independence in 1963.

To page 2

idorship overseas
ing director Mr

gratitude and very best wishes,"
Mr Mulholland said — Sapa

Mr Myburgh

From page 1

● Meanwhile, SAA has been plunged into its worst crisis in almost two decades because of the increase in the jet fuel price, an SAA spokesman said yesterday.

SAA executives will hold an urgent meeting today to discuss measures to pare expenses to the bone, and keep fares from rising.

At current oil prices, SAA is spending more than R1m a day for fuel in excess of budget. Where SAA's fuel bill used to total 21% of its annual expenditure, the oil price hike of recent months has pushed it to 40%.

The airline has already been forced to cancel 29 domestic flights each week and reschedule four flights.

Domestic fares, which were increased by 12% (economy) and 17% (business) in August, could rise within the month if, as proposed, a 10% fuel levy is added. International fares, increased by 5% (economy) and 6% (business) in April were burdened with a 8% fuel levy from October 1, and could have the fuel levy increased.

It is understood there have been a large number of cancellations of ad-

vance bookings but this had not yet filtered through to the airline as the frequency of flights had been cut, the spokesman said.

Today's meeting will address.

● Cutting down direct flights to Europe and introducing flights with stopovers,

● Reducing discounts on midnight and early-bird flights;

● Retrenching temporary staff;

● Using smaller aircraft on certain routes,

● Slashing advertising and promotional costs; and

● Shelving all capital-expenditure projects.

Cargo services have also been affected. Yesterday, 26 tons of cargo destined for distribution all over SA was piled up at Jan Smuts Airport as reduced flights put pressure on cargo space.

● Airlines Association chairman Mr John Morrison said air-fare prices for most airlines would increase by an average of 5% on Monday.

● Levy ups flight costs — Page 3

SA, Kenya 'to renew air links in December'

NAIROBI — SA and Kenya will renew air links in early December, a senior Kenya Airways official said yesterday.

He said SAA and Kenya Airlines had already signed a memorandum of understanding and each airline would make one flight a week between Nairobi and Johannesburg. SAA would be using a Boeing 747 and Kenya Airways a Boeing 757.

6/Dec 5/10/20

Kenya severed air links to SA 23 years ago in protest against apartheid, although it allowed other airlines to land at Nairobi en route to SA.

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An SAA spokesman in Johannesburg confirmed talks with Kenya Airways were going on "as part of the normalisation process". — Sapa-AP.

Govt still undecided on upgrading of Jan Smuts

269

MANDY JEAN WOODS

GOVERNMENT was still split over whether or not to proceed with the planned R70m upgrading of Jan Smuts Airport, more than three weeks after it began debating the matter, a government source said yesterday.

"They are still arguing like crazy but have not made any formal decision yet," the source said

Directorate of Civil Aviation (DCA) chief director Japie Smit said last night as far as he was aware, the project was proceeding as planned. Construction was scheduled to begin at about the end of August.

Two weeks ago a Cabinet sub-committee consisting of Privatisation Minister Dawie de Villiers, Finance Minister Barend du Plessis, Trade, Industry and Tourism Minister Kent Durr and Transport Minister George Bartlett was appointed to review the matter.

Shortly after the contract for the upgrading was awarded to Rapp & Maister Construction, SAA re-

quested the project be temporarily suspended as the plans were out of date and inadequate for future needs.

The source said: "I believe most of the arguments about the plans have been resolved. The issue now is, in light of President F W de Klerk's order to cut government spending, whether or not the airport project is a priority for government."

Amendments 10/5/90

Smit said: "We have a contract, it has been signed and the site handed over. The contractor is already on site."

If the project was cancelled at this stage, penalty fees could run into millions of rands, he said.

He said the department had held preliminary talks with SAA about suggested changes to the planned upgrading of the airport.

"It is early days yet and we still

have to consider some of their requests. Certain amendments can be effected," Smit said.

SAA has spent at least R500 000 on retaining local and international consultants to evaluate the airport's needs. Two reports on this have been handed to government.

Meanwhile, the Department of Transport announced yesterday an airport departure tax of R3 would be levied from Monday for all domestic passengers.

International passengers would have to pay a R10 departure tax from January 1 next year.

In a statement, the department said it had decided to collect the fees via a levy to airlines.

However, Airlines Association chairman John Morrison said the association, consisting of all scheduled airlines in SA, yesterday requested Smit to delay the implementation of the levy as airlines had not been given enough notice. He said the announcement was a surprise.

Wait attributes the marginal row
In two clear steps to eliminate the
One

Domestic air fare increase to pay for double fuel bill

Star 5/10/90 (269)

By John Miller

South African Airways' domestic fares could increase by about 10 percent within weeks to cope with the recent doubling of its fuel bill.

Chief executive Gert van der Veer said yesterday that the airline was presently paying 100 percent more for its fuel than it had been three months ago.

"Our fuel bill now is costing us R1 million more a day than we were paying in August."

Mr van der Veer said cost-cutting measures SAA was considering included a smaller discount on all midnight flights, reintroducing stopovers on some of its direct flights to Europe, cutting advertising and the laying off of temporary staff.

The Government has announced that service fees for

passengers departing on SAA flights will be introduced at airports on Monday. Passengers on internal flights will have to pay R3 and those on external flights R10.

A SAA spokesman said the revenue derived from the departure tax would not go into its coffers, but would be used by the Department of Civil Aviation.

Travel agents have criticised the Government's announcement of a R3 domestic departure tax.

Kathy MacWhiter, general manager, marketing, of Rennie's Travel, said the industry as a whole was opposed to a domestic departure tax and had made this known to Government.

"They have not consulted the industry and have not taken the market into account."

New tourism vista opens

Stc 5/10/90 269

Kenya air link seen as major reform reward

Air links between Kenya and South Africa are to be renewed from December in one of the biggest breakthroughs yet for South Africa's reform initiatives.

Sources forecast a large flow of tourists from South Africa to Kenya, especially to the many hotels on the coast. And South Africans will, for the first time in decades, have access to the famous game parks of Kenya.

The air link will become a reality before the end of the year, according to industry sources.

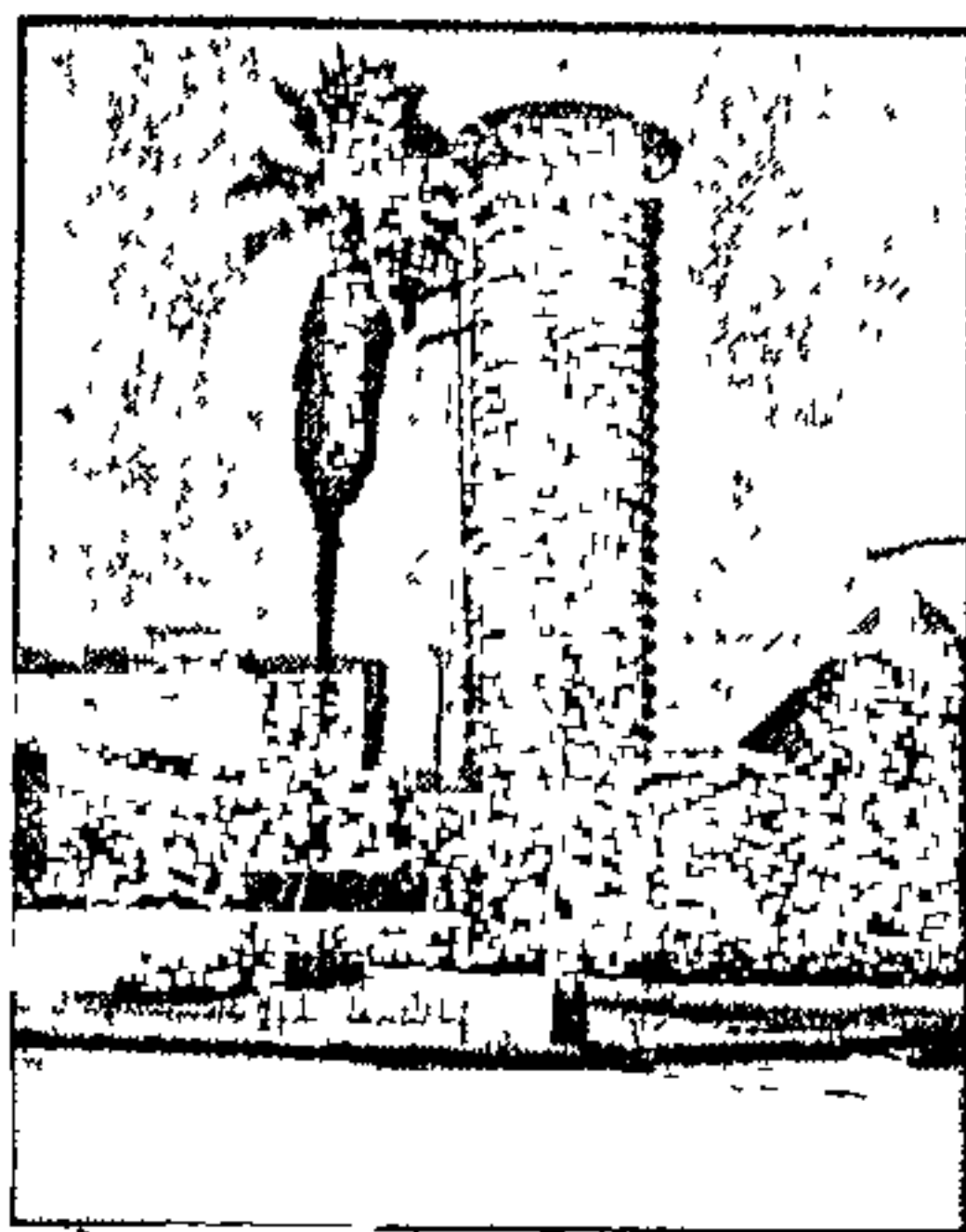
The Nairobi link will also be used to fly local Muslims on pilgrimage to Mecca, a business expected to be highly lucrative.

SA Government diplomatic sources were wary of commenting today, saying the diplomatic procedures had not been finalised.

However, they confirmed talks had been taking place and they believed the deal would go through despite a premature leak from London.

The sources stressed that at this stage it was not envisaged that Nairobi would be used as a stop-over for SAA flights to Europe, because Sudan was still denying SAA overflight rights.

The Johannesburg-Nairobi run would be purely regional. They ex-



Kenyan landmark ... the Kenyatta Conference Centre in Nairobi.

pressed confidence that this would change and that Sudan's opposition to overflight might go.

A full statement is expected next week.

Media manager for South African Airways Leon Els confirmed yesterday that talks were taking place with Kenya Airways, but could not give a date for the possible introduction of flights between the two countries.

However, a senior Kenyan airline official claimed the air link between the two countries, severed 27 years ago, would be reinstated in early December.

"The plan is that the airlines from both countries will make one

flight a week between Nairobi and Johannesburg," said the Kenya Airways official.

The official, who declined to be identified further, said both national carriers had already signed a memorandum of understanding.

He said South African Airways would fly a Boeing 747 and Kenya Airways a Boeing 757.

This would necessitate a certain amount of mutual technical assistance, because neither airline flies the other's type of aircraft, the official added.

The Kenya Times newspaper reported yesterday that Kenya Airways aimed to tap the lucrative London-Johannesburg route.

Quoting an unidentified government official, the newspaper, which is linked to the government, said "imminent majority rule" in South Africa had encouraged Kenya to explore trade links with Pretoria.

Kenya, like many African nations, officially severed all commercial, cultural, and political ties with South Africa on gaining independence in 1963.

However, Kenya continued to allow landings in Nairobi by half a dozen airlines enroute from Europe to South Africa despite criticism from most member of the Organization of African Unity — Political Correspondent-Staff Reporter-Associated Press.

CATCHING THE BUS

SA Airways has cut domestic flights and increased fares to absorb the higher cost of fuel caused by the Gulf crisis. By comparison the fares of competitors offering inter-city bus and train travel look attractive

SAA has increased its domestic fares by nearly 21% in the past two months — a 12% hike on August 8 and another 8% increase — which it called a fuel levy — on September 17

That was the fifth hike in less than two years. In November 1988 fares rose by 8%. Five months later they increased by 9% and jumped by 13% last December. The 8% fuel levy last month brought the price of a single business class ticket between Johannesburg and Durban to R251

How much the fare hikes have cost SAA in lost passengers is not yet known. Spokeswoman Zelda Roux says the August figures will not be released for another two weeks. But the airline expects patronage to drop because it withdrew several domestic flights when it announced the fuel levy.

SAA's likely loss is the gain of inter-city buses and trains



Riding the bus ... beating the high cost of flying

BUSINESS

There is, however, little evidence of an increase in the number of people travelling between major centres by car

A spokesman for Tolcon, which tolls sections of the highway between Johannesburg and Durban, says there has been no noticeable increase in cars.

It's too early for the trend to show up in statistics but Greyhound Citiliner CE Keith Morton feels there has been a spurt in business. This, however, could be a continuation of the increasing popularity of inter-city bus travel.

"We carried 162 000 passengers last year and we're looking at 200 000 this year," Morton says. "We catered for 90 000 passengers on our Durban route in 1989 and believe this will rise to 99 000 this year"

One-way seats between Johannesburg and Durban on luxury buses cost R79, but an increase is expected, probably on November 1, because of the added fuel burden.

A Railways spokesman says it's too early to determine the impact on inter-city services but preliminary figures indicate the increased cost of other modes of travel is benefiting trains. "Support for all classes of accommodation is increasing. We regard that as a window of opportunity for our passenger services."

Railways does not intend increasing rail fares this year. Most of its main line trains are electric

SAA's Roux says the fuel price, "which increases every month, is giving us grey hairs; it came just as business was improving." The 114 731 passengers SAA carried in July on the Durban-Johannesburg route was 2% more than in July last year.

The SAA domestic fare hikes are not the only bad news for air travellers. All international airlines flying in and out of Jan Smuts increased fares by 8% on Monday to cover higher fuel costs.

Attacks on trains continuing

By Thabo Leshilo

Four people were injured on Tuesday evening as unidentified men once again attacked Reef train commuters

Three people jumped off the moving train on the West Rand to escape the attackers and the fourth was thrown off

A snap survey by The Star showed recently that security arrangements to protect train commuters on the Reef, in the wake of recent attacks in which people have been shot, hacked, stabbed and hurled from moving trains, were not yet satisfactory.

This is in spite of assurances by Spoornet that "everything humanly possible" was being done to ensure the safety of commuters

Spoornet spokesman Ian Bleasdale said yesterday trains were being patrolled by Spoornet's security staff together with police. He said platforms were patrolled by guards from private firms

Mr Bleasdale strongly denied reports that the guards were untrained and came from fly-by-night security firms. He said Spoornet scrutinised each firm to ensure that it complied with the high standards required

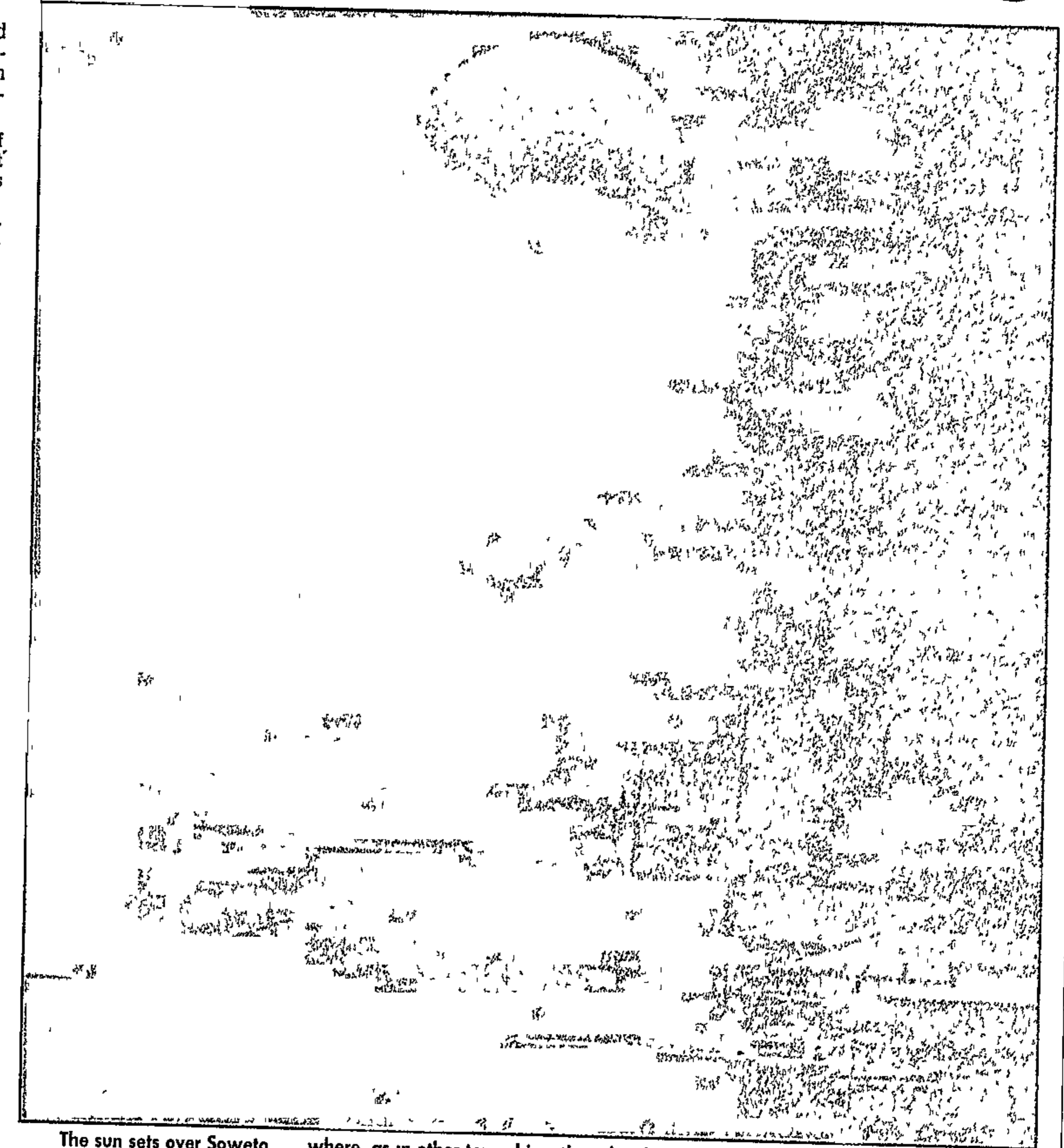
Police spokesman, Captain Eugene Opperman, said police were patrolling the trains "as usual" but emphasised officers could not be in all trains at all times

Every day 1 400 trains pass through Johannesburg. About 50 passengers have died and 200 injured since the spate of attacks started in July.

Prior to the recent attacks, attributed to the so-called "Reef war", The Star published reports about other forms of lawlessness rampant in the trains, including robbery, dagga smoking and illegal shebeens.

There have also been instances in which passengers have been forced to engage in indecent sexual acts.

On September 13, in the most horrific attack to date, 26 people died and more than 100 were injured when two groups shot, stabbed and hacked their way through a crowded train from Johannes-



The sun sets over Soweto where, as in other townships, there has been a dramatic decrease in violence since the introduction of curfews last month.

© Picture by Reuter.

burg to Naledi. At least two people were disemboweled in the attack. Many of the injuries occurred when commuters jumped from windows to escape

Three hostel dwellers, Martin Ngcobo (49), Basie Nkosin-gondle (37) and Mmegela Magubane (34) appeared briefly in the Johannesburg Magis-

trate's Court on Monday in connection with the attack. They were arrested on September 30

Several other charges are being formulated and further arrests are expected

The men have not been linked to any organisation at this stage. A large quantity of weapons was seized in the in-

tensive investigations. On September 23, police discovered the bodies of seven men, aged between 18 and 20, on the rail line between Riverlea and New Canada stations

Police later found that the men had jumped off the train after a false alarm to the effect that commuters were

being attacked. About 200 SAP, SADF and Spoornet guards launched a massive crime prevention exercise at a railway station near Benrose on Monday

No arrests were made during the two-hour operation during which four peak-hour trains were stopped and searched

Air fares to go up again soon

AM
Tours

6/10/70

269

Airport tax plan put back one week

JOHANNESBURG. — The government yesterday postponed to October 15 the introduction of the R3 airport departure tax to be paid by all passengers on domestic flights.

Earlier yesterday South African Airways warned that if the plan for the tax to be collected directly from passengers went ahead on Monday, October 8, it could lead to flight delays and congestion at airports.

SAA said the government announcement earlier this week of the levying of the tax from October 8 had come as a surprise.

The airline wanted the tax to be incorporated into air fares to minimise the inconvenience of collecting the tax directly from passengers.

SAA accepted that improvements to airport facilities could be funded only by a measure such as the departure tax.

Yesterday afternoon SAA said the Ministry of Transport and the airline had now entered into negotiations to review the implementation of the tax "so as not to inconvenience passengers".

JOHANNESBURG. — South African Airways will make an announcement "within days" on new air fare rises which could become effective as early as the first week of November, an airline spokesman said yesterday afternoon.

SAA admitted this week it had been plunged into a financial crisis mainly because of steep rises in jet fuel prices as a result of Iraq's invasion of Kuwait.

At current oil prices, the airline's fuel bill is a crippling R1 million a day over budget.

Less than a week ago international fares were increased by 8% and last month domestic air fares also rose by 8%.

"Now it seems that SAA will have to introduce a further fuel levy of at least 15% to keep up with the ever-increasing rises in the fuel price," SAA said in a statement.

The airline indicated it would try to absorb at least 5% of this figure.

The expected increases would probably result in international fares rising more than domestic fares this time, SAA spokeswoman Miss Anelda Reynecke said.

A 10% increase in domestic fares

could be in operation within the next four weeks, said the airline statement.

A price rise for international flights could also become effective within a month.

"SAA's fuel bill on international routes has literally doubled between August and now. On domestic routes it has increased by two-thirds over the fuel bill price for August," the statement said.

In the past SAA's fuel bill made up about 21% of the airline's total annual expenditure. Since the Middle East crisis, however, it makes up "about 40% of the total expenditure."

SAA has already had to cancel 29 domestic flights each week and reschedule four flights. Further flights may also be cancelled.

Stop-overs on flights to Europe are being considered, which will enable the airline to carry more passengers and cargo and thereby make flights more profitable.

Other measures SAA is studying include reducing discounts on mid-night and Early Bird flights, not employing new staff at this stage, using smaller aircraft on certain routes, cutting back on advertising and promotions and freezing all capital expenditure. — Sapa

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Director of the Johannesburg City Council's transport department Ed Curtiss, left, and management committee member Councillor Paul Asherson, show off the refurbished buses. Picture REUTERS

Johannesburg testing bus refurbishment

Blom 9/10/90

LINDEN BIRNS

A SCHEME to refurbish the Johannesburg municipality's 450-strong bus fleet could result in savings of about R150 000 a bus, transport director Ed Curtis said yesterday.

Speaking at the unveiling of five refurbished buses, Curtis said the rebuilding costs amounted to approximately R350 000 a bus — as opposed to a replacement cost of R500 000.

He said the council had decided to put the five completed vehicles on a trial of six months to a year. Their performance would be monitored and commuter reactions surveyed.

The five refurbished buses were all of different designs and the best points of each model would be incorporated into the final rebuild design if the scheme got the go-ahead, he said.

Extended

If the project is put into action, buses will receive an extended operating life of about 15 years. Most of the buses in the single decker fleet were purchased in the early 1970s.

The project involves the complete stripping down of the bus, an inspection, and replacement of fatigued parts. Single seats are included in place of the bench seating arrangement.

New braking and steering mechanisms are incorporated in the designs, as is a computerised central lubrication system ensuring regular lubrication and a cutback in wear and tear.

Refurbishment could take place at a rate of 30 buses a year, with the entire single decker fleet being rebuilt within 15 years, Curtis said.

Trust gives go-ahead on R500m for cheap housing

Blom 9/10/90 Business Day Reporter

THE SA Housing Trust (SAHT) gave approval for R500m to be spent on shelter provision projects in the year to end June, its annual report indicated.

Chairman Simon Brand said that this brought to nearly R1,3bn the total value of facilities approved by the board since the trust's operations began in 1987.

It was expected that these approvals would result in 62 681 houses and 54 831 serviced stands being made available. The value of advances made during the period was R268m compared with R142m for the 1988/1989 financial period.

New project approvals by the board of R500m in the past year indicated that the pace of work would continue to quicken in 1991.

MD Wallie Conradie said in the report that the trust was involved in 33 new projects nationwide in 1989/90, and that most of the 9 114 new houses built were in the price bracket below R20 000 each. This included a serviced stand.

MATTHEW CURTIN reports that Brand said the trust would shift the focus of its loan guarantee operations towards the area of greatest need, and would even be prepared to consider involvement in core home developments of under R10 000.

He said the trust welcomed the launch of the Urban Foundation's loan guarantee scheme as long as its focus remained on the lower end of the conventional housing market.

The first mortgage loan under the Urban Foundation scheme was granted at the beginning of September. The Foundation arranged R350m in insurance, and financial institutions agreed to provide R3,5bn to provide loans for houses in the R12 500 to R35 000 bracket.

that under skill and productivity differences should be postponed until it is clear that there is budgetary room to meet that cost".
nesses" can only be reduced with improvements in black education

Attacked conductor kills man

Crime Reporter
11/10/90
(269)

Crime Reporter
AN armed train conductor shot dead a middle-aged man — thought be a bystander — on Hazendal station while defending himself from about 30 knife-wielding passengers who refused to buy tickets yesterday morning.

Police said the dead man, who had not yet been identified, "was probably a bystander who got caught in the fire".

He was hit in the leg and bled to death on the platform.

The conductor, Mr Andries van Zyl, 24, was treated for bruises and a stab wound in the leg.

Police said violence erupted at Hazendal station in Athlone at 8am after Mr Van Zyl approached about 30 men who had boarded the train at Pinelands without having bought tickets.

The men pushed him off the train, then attacked him with knives.

Mr Van Zyl fired two shots in self-defence.

ANC proposes tax on white properties

11/10/90
306/77

Own Correspondent

JOHANNESBURG — The ANC proposed a windfall profits tax on residents of exclusive white suburbs as well as a punitive tax on under-utilised property in low-density residential areas to recompense people whose land was dispossessed under apartheid legislation

The "proposals and not hard-core policies" were put by ANC land commission member Ms Bongwiwe Njobe to the Building Industry Federation of SA (Bifsa's) National Association of Homebuilders housing-issues workshop held on Tuesday

Ms Njobe said strategies had to be put into action which would end the duality between exclusive white suburbs and their poorer neighbouring black townships and result in the establishment of non-racial democratic municipalities

"At the moment there is vast under-utilisation of property in the exclusively white urban areas," she said

"There should be a tax on this property as it would provide an incentive for land-owners to build cottages on their property which they could use for stimulating the rent market," Ms Njobe said

While the ANC would not be able to nationalise urban land, some sort of compensation fund would have to be set up and be paid for by those who "unjustly benefited" from dealing with land dispossessed under the apartheid laws, she said

Township infrastructure and services desperately needed to be upgraded and this should be carried out at the expense of white residents who enjoy the privilege of established infrastructures and services in exclusive residential areas, she added

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AIRFREIGHT F/M 12/10/90

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THE BUSINESS IN BUMPED CARGO

With its jet fuel bill running R1m a day over budget, SA Airways last month reduced domestic services by 29 flights a week and rescheduled another four. The move has played right into the hands of rival freight charter operators and road hauliers.

Many in the freight forwarding industry, angered by having to hold on to cargo until SAA can carry it, are examining these options, especially in the light of the airline and trucking deregulation that has taken place in the last year. If these options prove to be more reliable and cheaper, this could spell trouble for SAA — even after the fuel price and SAA's schedule return to normal

Safair, in the Rennies stable and the biggest civil operator of Hercules aircraft in the world, lodged an application with the National Transport Commission some time ago to operate a scheduled freight service throughout SA. It was opposed by Trek Airlines, partly owned by the Rennies group, and SAA. The hearing was to have been last Monday but was postponed at Safair's request. A Transport Department spokesman says no new date has been set.

Safair is, however, prepared to fly cargo around SA on a charter basis. Several freight forwarding firms believe this can be a viable option provided the rate is right. They are also examining the possibility of switching some cargo from SAA to road transport.

Perishable Cargo Agents' Cape Town director Gerd von Mansberg says, "We are stuck for space on SAA flights from Cape Town to Johannesburg. SAA isn't simply operating fewer flights, which inevitably results in some consignments being delayed, but it has also reduced its Airbus' cargo capacity by 3 t to fit more seats."

Unhealthy flowers

The Cape is in the middle of its flower season and SAA's cuts have resulted in exports sometimes missing international connection at Jan Smuts. "This has happened to us on several occasions and the flowers have had to stand over in Johannesburg, which isn't good for them," Von Mansberg says.

"I hope SAA sorts itself out before the fruit season starts at the beginning of December. We're waiting for Safair to start its scheduled service. We'll use it if its rates are comparable, or we'll resort to road freight. There won't be a choice in the fruit season."

Fresh produce growers in the Cape have also been hit hard by another two factors: the increase in international airfreight rates and withdrawal of the 46c/kg transport subsidy on their produce between Cape Town and Jan Smuts. Both increase the CIF value of their produce. The EC levies a 20% duty on the CIF value of all imports from SA.

This is affecting the viability of growers of fresh produce for export. Some have already decided not to grow sweetcorn for export this year because they fear it will be outpriced.

Von Mansberg met Agriculture Minister Jacob de Villiers to seek help and was told government does not have the money to continue subsidising the internal leg of fresh produce exports by air from the Cape. Von Mansberg says the industry will accept the disappearance of the subsidy if it is allowed to negotiate all-freight charter flights out of Cape Town at the best possible rates.

"Government is happy to help us remove some obstacles," Von Mansberg says. "One of those is chartering all-freight flights from Cape Town. Though SAA has the right of first refusal on international flights, it has conceded that DF Malan Airport in Cape Town is an international airport, so foreign carriers can uplift cargo here. It and British Airways already fly from here to Europe."

SA Association of Freight Forwarders CE Alan Cowell says his association was not consulted before SAA started cutting flights. He is getting a constant stream of complaints from members and there are fears of the damage the cuts will do to the sector at Christmas when passenger volumes increase.

"SAA is a passenger-orientated airline and will cram in as many seats as it can to capitalise on that demand, and will have to reduce still further the amount of freight it can take," Cowell says.

Gerd Kemper, Lufthansa German Airlines' regional director for southern Africa, says 80% of fresh produce destined for Europe comes by road from the northern and eastern Transvaal. There hasn't been any noticeable decrease in arrivals of fresh produce by air from the Cape.

Kemper believes trucking produce would be a suitable alternative from Natal but not from the Cape.

"We sympathise with SAA," he says. "Like all airlines, it is feeling the pinch. In June, Lufthansa paid \$150/t for aviation fuel. We are now paying \$410/t worldwide and slightly less than \$400/t at Jan Smuts."

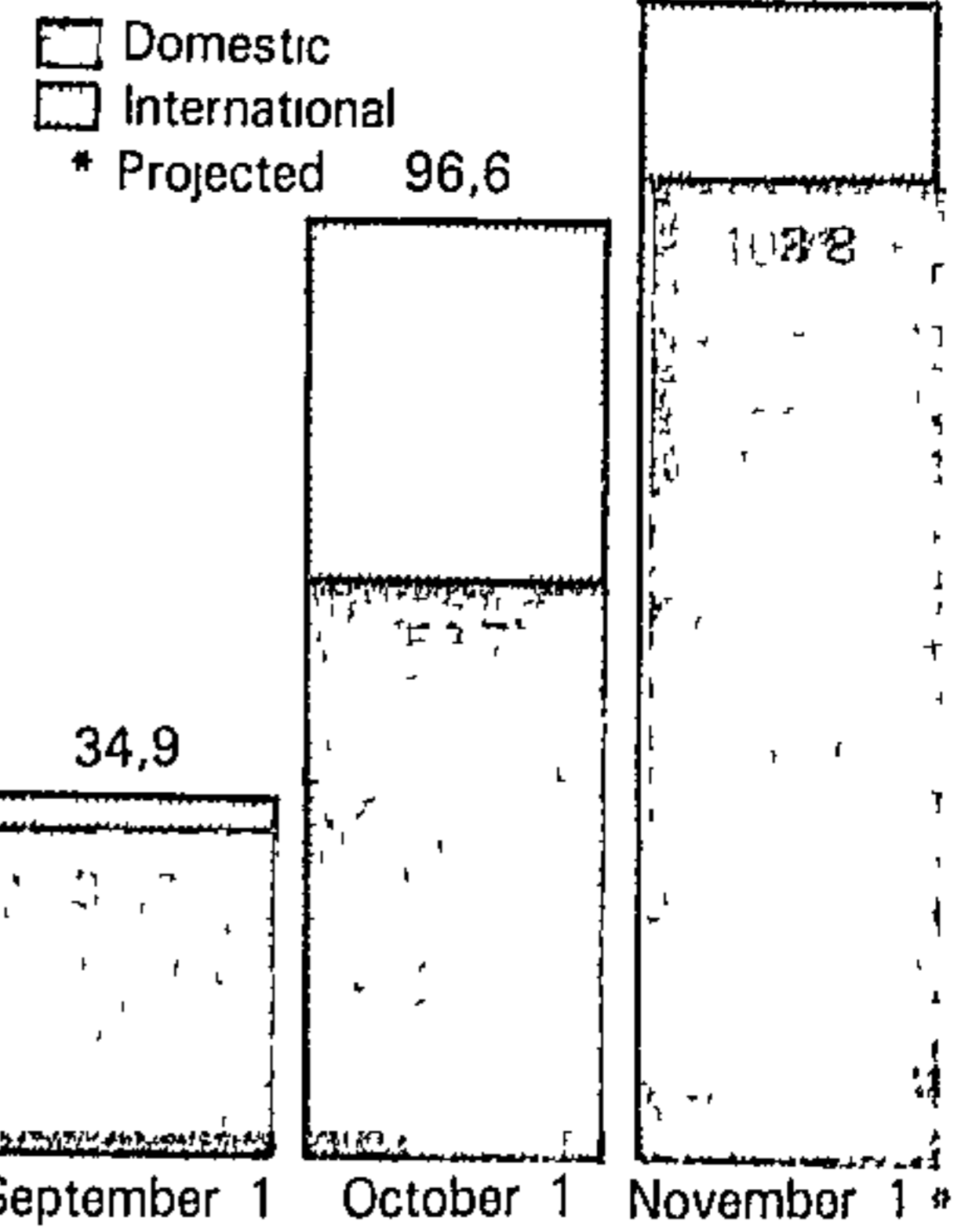
He believes over-reaction led to the sudden rise in fuel prices and adds "All that happened is two countries stopped selling oil. The other oil-producing nations can make up that difference without any difficulty."

The freight industry assumes more hikes are in the pipeline, the frequency of flights will be trimmed even more and the amount of freight on each flight reduced further.

This is possible. SAA stated previously it was considering pruning the less popular flights. Gert van der Veer, the airline's CE, also warned of another 10% hike "within the month" to keep up with the increasing cost of

Soaring prices

Percentage rise in jet fuel prices over August 1



Source: SA Airways

fuel

The SAA management held a brainstorming session last Friday to seek a way out. It wasn't possible to get comment in time for publication.

David Pincus

HEALTH CARE F/M 12/10/90

DOCTORS AND DRUGS

Until recently dispensing doctors had a good press because of their contribution to price competition in drugs.

They now dispense more than 30% of prescription medicines and, in reaction to competition from doctors, pharmacists have been forced to give medical aid schemes a 15% discount on approved prices. With the approved medical price usually cost plus 50%, the discount still leaves them with a comfortable margin of 27,5%.

Medical aids now feel it is time for doctors to contribute more to cutting rising medical costs which, on the face of it, they are reluctant to do.

The credibility of GPs was strained by their decision to boycott medical schemes belonging to the Association of Medical Schemes. Their decision came just a few days after the association won a 15% dis-

F/M 12/10/90

aggressive counterattack against record pirates, this year several have been convicted.

Despite the bright sales picture now, industry executives know that the local market is limited and that sales won't really explode until SA musicians begin topping the charts overseas. But until recently, SA musicians had scant success breaking into foreign markets. Many in the industry believe that overseas recording companies were — perhaps still are — reluctant to do business with SA companies

Now several local companies are promoting SA artists overseas, particularly in Britain and France. "If it's addressed properly, the export market is vast," says Keith Lister, executive director of Soul Bros, SA's largest black-controlled music company.

Last year Gallo signed a deal with Europe's Polygram that earns it a 7%-18% royalty for each tape or record sold. It also formed a division called Shisa International to focus on overseas sales.

EMI MD Mike Edwards says his company signed a deal this year for Fannie with SBK records in the US. A high-kicking Fannie is pictured in a recent issue of *Newsweek* magazine over the caption, "Banned in South Africa." (Indeed, there's money to be made in honing the image of a noble artist struggling under apartheid.)

But while groups such as Ladysmith Black Mambazo have racked up sales of more than 700 000 records and tapes, overseas sales are still a tiny part of local companies' revenue. Industry officials concur that SA musicians need much more overseas exposure. "Once that happens," Lister says, "you'll find that SA music has tremendous growth potential."

Mathew Copas

ROAD TRANSPORT F/M 12/10/90

TURNING A BLIND EYE

Last year the trucking industry was quietly, but radically deregulated (*Business* December 15 and March 9). Without a law being passed or proclamation signed, government dropped nearly all restrictions on permits and began granting them automatically to all applicants — as long as their vehicles were safe and the drivers qualified.

Quick to scent a new freedom in the air, some truckers started ignoring even the minimal permit requirements. They began conveying goods without permits, often on trucks without valid certificates of fitness.

At the same time, the authorities stopped enforcing the permit requirement and many other provisions of the Road Transportation Act of 1977, which has been in limbo while government officially decides how to revamp the traffic laws.

Hugh Sutherland, manager of business development at the Road Freight Association, says it's difficult to say when enforcement was ended. But as far as he knows, no truck driver has been stopped in the last eight months and asked to produce a permit

F/M 12/10/90

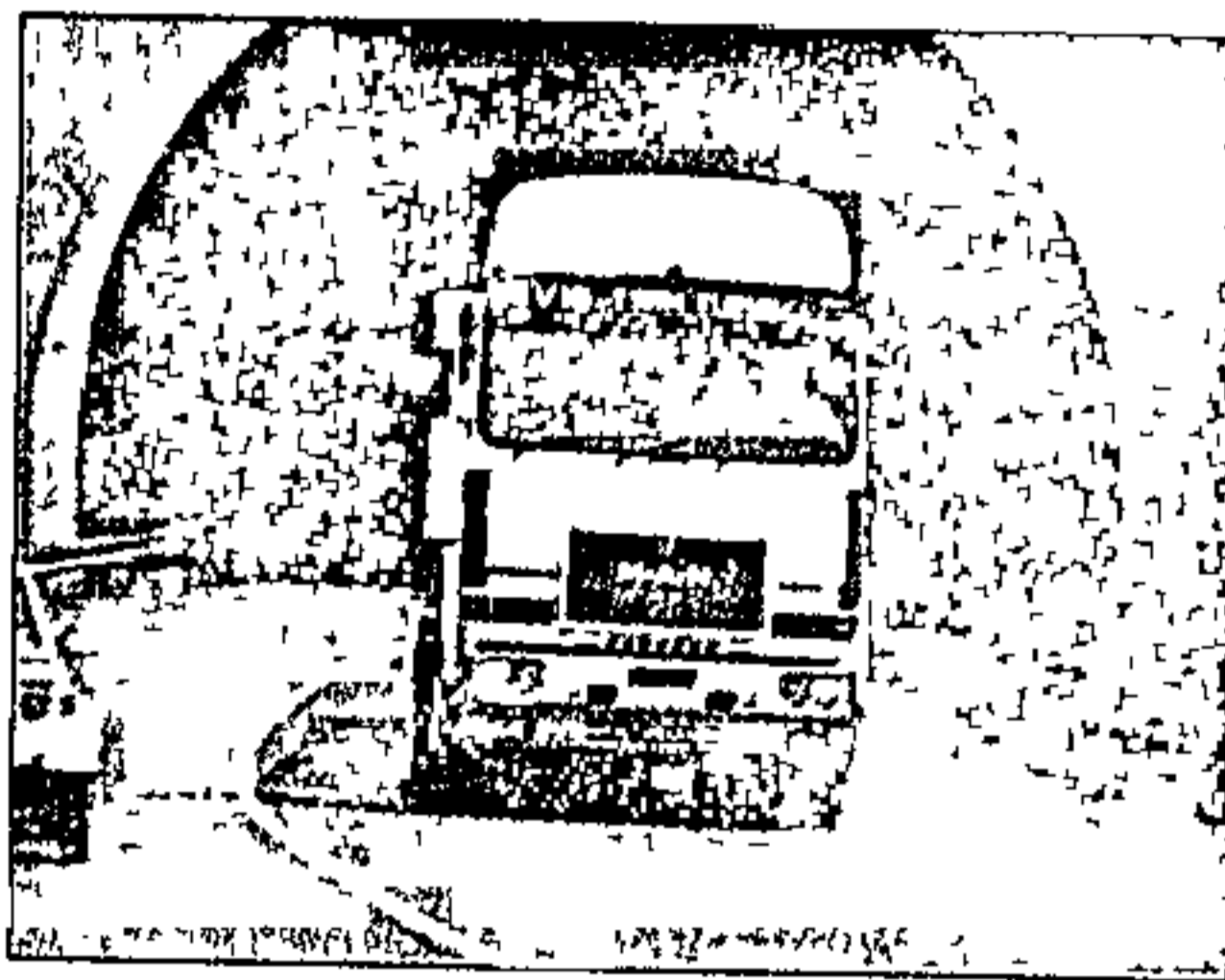
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"Before that, sorting out the problems of members ticketed for permit violations and whose certificates of fitness had expired could have been called the association's main line of business."

Louw Dreyer, the Department of Transportation's chief director of land transport, explains away this new *laissez-faire* attitude by saying his department's inspectors have probably found no reason to set up road blocks and stop trucks.

The road transport industry, while happy with last year's abolition of most permit requirements, is critical of the authorities not demanding permits at all. Sutherland says his association's members claim the number of unroadworthy vehicles on the road has risen, increasing the potential for serious accidents. Government should beef up enforcement, he says.

The situation may continue for some time because official deregulation of road trans-



Trucking . . . lots of confusion at the end of the deregulation tunnel

port faces lengthy delays. "We are working on a programme to deregulate transport in terms of the Road Traffic Act towards the end of 1992 or early 1993, but there are problems with the computerised information system that is an essential element of that programme," Dreyer says.

The department's deputy director-general, Malcolm Mitchell, says Transport Minister George Bartlett has stated he wants road transport deregulated by the end of the year. "But there are legal uncertainties — do we deregulate it in terms of the Road Traffic Act of 1989, which provides for the implementation of a Road Transport Quality System that cannot be introduced until the computer system is up and running, or do we change the Road Transportation Act of 1977 to implement it?"

Sutherland believes the Road Transportation Act should be expunged. "There is no reason for its continued existence. It was promulgated to protect SA Transport Services (now Transnet) against competition from road hauliers, but Transnet is now a company (operating) in the private sector and can no longer be protected by parliament."

"Also, if the Act is not being policed, why bother about permits and filling in forms, why should some operators do things properly and others be allowed to get away with virtual murder?"

David Pincus

SHIPPING

SALVAGING PAYDAY

The book closed recently on two shipping disasters off the SA coast that posed major environmental threats. After protracted hearings, London arbitrators have awarded Cape-based salvage operator Pentow Marine R18m for rescuing two giant oil tankers, the *Kitton*, in October 1988, and the *Pacificos* last October. Together, the ships and the cargo were worth more than R200m.

The awards, paid by Lloyd's, are six times what the salvage jobs cost Pentow and are two of the biggest awards ever made to a SA salvor. Lloyd's international salvage agreement provides for arbitrators to make awards far beyond a salvor's out-of-pocket costs if the operation was highly risky and was successful. The awards are an incentive for salvage tugs to stay on duty around the clock and are compensation for the many months they lie idle.

The large awards and the arbitrators' effusive praise for the salvage efforts signal that local operators are now regarded as among the world's top salvors. This has become critical as the number of tankers along the SA seaboard — up to 30 at any one time — has increased steadily over the years.

All hands on deck

In the first incident, Pentow, operated jointly by Murray & Roberts and Safmarine, was awarded £1,74m for recovering the 158 109 t Greek tanker *Kitton* off the Cape. The ship, carrying 129 482 t of Dubai oil, was totally disabled when a pipe fractured and the engine room flooded. Pentow's tugs prevented the helpless tanker from drifting aground. The ship was too big to enter the port, so in open seas the salvors stopped the intake of water, pumped out the engine room, provided portable generators and succeeded in reactivating a boiler.

The *Kitton* was eventually towed into Saldanha Bay and emptied of oil. Then it was towed to the Far East and sold as scrap. The salvage operation took 78 days and the arbitrator said Pentow had spent £200 000 on it.

In the second incident, the Greek tanker *Pacificos* was in danger of breaking in two off Port Elizabeth and spilling 256 196 t of Basra oil after a portion of its side plating fractured. With the ship progressively disintegrating, Pentow decided it was necessary to lighten the tanker. The salvors hired an empty Brazilian tanker and, moving to calmer waters off Mozambique, conducted the difficult operation of transferring oil at sea. The *Pacificos* then steamed to Durban, where the damaged ship was allowed to enter the harbour, despite its size. It now has the distinction of being the biggest ship ever to moor in Durban harbour.

The arbitrators awarded £1,83m for the 29-day operation, which cost £400,000. The *Pacificos* is now in service again, after a repair job that required 160 t of steel.

George Young

Most airlines may adopt SAA method of adding tax to fares

EDYTH BULBRING

PRETORIA — Most independent airlines will follow SAA's example by including the R3 tax for domestic departures from state airports in airfares when new increases are announced this week.

The R3 departure tax on domestic flights, which comes into effect today, will be absorbed by SAA until fare increases come into effect.

At the weekend, airline sources said they expected an SAA increase in the region of 8% to 10% to be announced this week when the aviation fuel price is announced.

Comair MD Peter van Hoven said the airline would pay the departure tax for its passengers until the airline was forced to increase its airfares.

The departure tax would then be added to the new fare. Van Hoven could not say when new fares would be announced.

Safair chairman Piet van Aswegen said the airline was looking at increasing its fares within the next few weeks and the airline would pay the departure tax until it could be included in the new fares.

He said it would be cheaper for the Airline to carry the cost for a few weeks rather than create a new structure to administer the tax.

Safair had increased its fares by 7% since the Gulf crisis began and Van Aswegen said the new increase would probably be in line with SAA's hike, although much depended on the new fuel price. (269)

Link Airways marketing general manager Des Collins said the Airline would review the departure tax situation in two weeks time.

Link Airways passengers would pay the R3 departure tax but the Airline reserved the right to revert to an "add-in system" after a re-evaluation, Collins said.

This add-in system would result in an increase in air fares, he said. Link Airways had increased its airfares twice, each time by 4%, since the Gulf crisis began.

The increase in aviation fuel has hit all other airlines, which have increased airfares.

15/10/90
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Air fares to rise another 10%

AIR fares would go up by 10% on domestic flights from November 1, SAA announced yesterday.

SAA spokesman Mike Pfeiffer confirmed last night that fares would have increased by about 30% in two months. Fares went up by 12% on September 17 and by 8% on October 1. Now they will go up again from November 1.

SAA said in a statement: "The November 1990 prices are 128% above the August 1990 price. To cover these additional and unexpected increases in costs, a fuel levy of 20% would have been necessary.

"SAA has decided, however, to absorb half of these costs by introducing only an average fuel levy of 10%."

The fuel levy would mean a 9% increase on fares between Johannesburg and Durban and on other short routes, 10% on

THEO RAWANA

middle-distance routes such as Johannesburg to Port Elizabeth, and 11% on longer routes such as Johannesburg to Cape Town.

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The reason for the different percentage increases on different routes was that longer flights used proportionally more fuel than shorter ones.

The airline was spending R1,5m a day more on its fuel than it had budgeted for, SAA said.

In an effort to increase revenue, discounts on fares had been reduced by approximately 10% across the board. This meant that discounts on midnight and early morning flights, for example, had been reduced from 50% to 40%.

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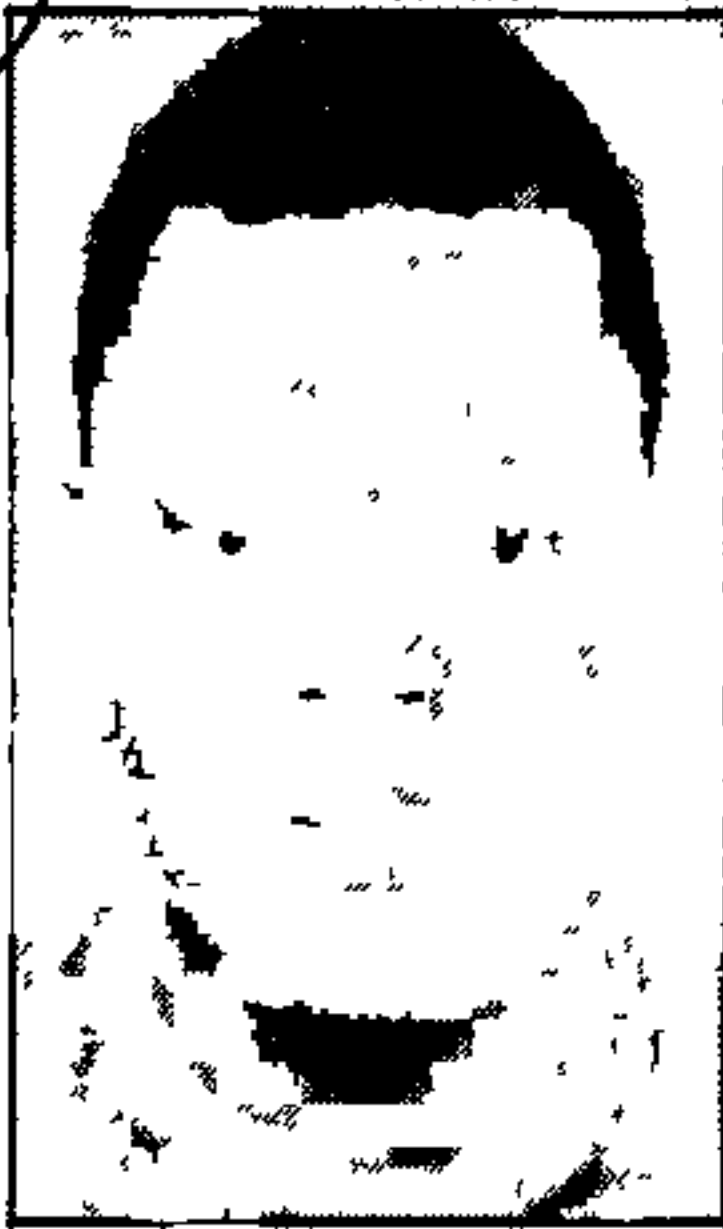
3 more sought over Jeppe massacre

Staff Reporter ²⁶⁹

Police have released the identities of the three other suspects wanted in connection with the Jeppe train massacre which left 26 passengers dead and more than 100 injured last month.

The wanted men, all residents of Jeppe hostel, are Mkeheza Stout Mbele of room 19, block 3; John Mahlazi "Matak" Nxumalo of room 48, block 1; and Jericho Ntsuseni Manyoni of room 90, block 2.

Five other men held in connection with the incident made their third court appearance at the Johannesburg



Wanted ... Mkeheza Stout Mbele.

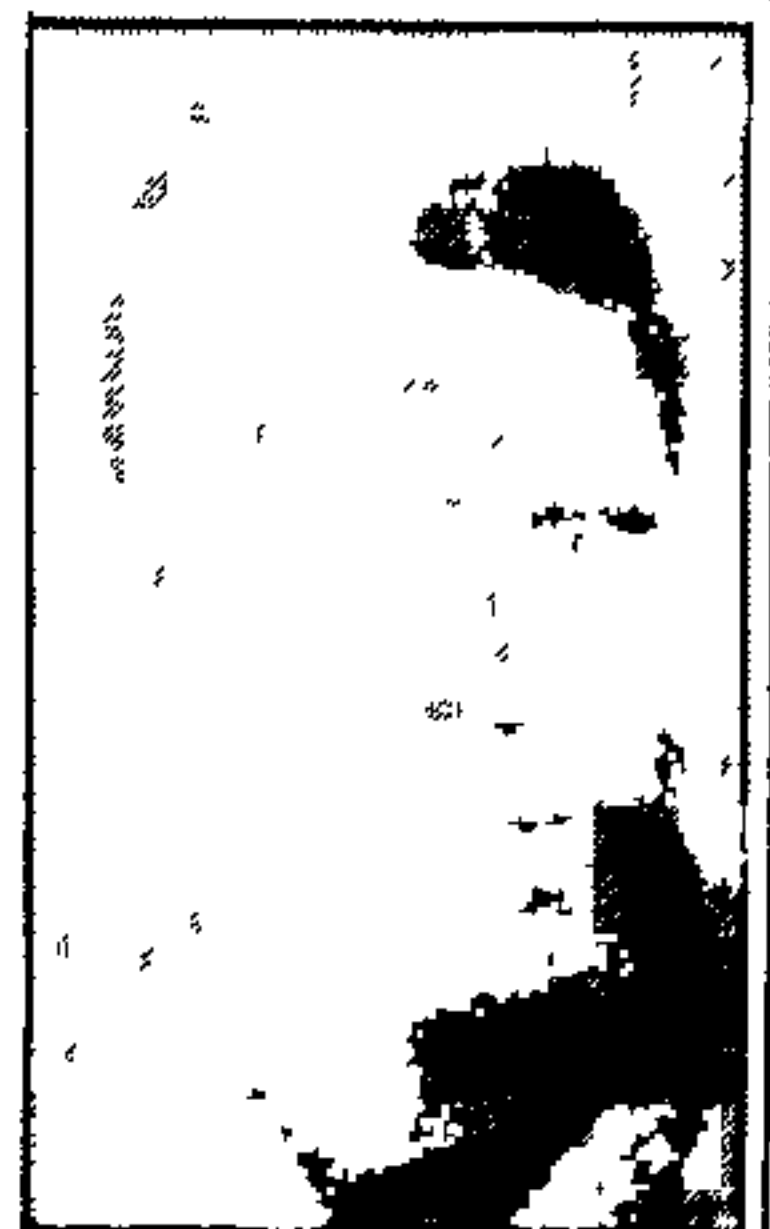
Magistrate's Court on Wednesday. They are Martin Ngcobo (49), Mmegela Magubane (34), Bassie Nkosigondle (27), Mandla Majosi and Solo-



Wanted ... John Mahlazi "Matak" Nxumalo.

mon Khumalo (no ages given).

They were not asked to plead and their case was postponed to November 1.



Wanted ... Jericho Ntsuseni Manyoni.

Anyone with information about the wanted men is asked to telephone the SAP at (011) 839-3322 or report at the nearest police station.

Sales of overseas air tickets soar

MANDY JEAN WOODS

THE number of international air tickets sold in SA in the past nine months had increased almost 30% over last year's total figure, British Airways (BA) manager SA Malcolm Freeman said yesterday.

Because of the high demand for seats on international flights, the airline planned to increase its economy seat capacity by 40% next year. First-class capacity would increase 7% and Club World by 2%

British Airways is the largest foreign carrier to SA

By April next year, the airline would operate a daily direct flight to London, the most popular destination out of SA, Freeman said

From November 1, a scheduled BA 747-400 would fly between Durban, Johannes-

burg and London and another direct flight to London is to be added to the schedule from December.

"In November next year, British Airways will add an 11th service which will be a direct flight between Cape Town and London. Cape Town definitely has the market to accommodate this flight"

He said there was an "incredible demand for seats" and BA flights out of Johannesburg were full almost every night of the week

President F W de Klerk's February 2 speech had also had a "very positive impact, especially on tourism", Freeman said

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SAA fares going up due to fuel price rise

Star 19/10/90 (269)

By John Miller

South African Airways will increase domestic fares from November 1 by between 9 and 11 percent.

At the same time, the 50 percent reduction on early morning and late night flights will be cut to 40 percent.

In addition, all local and international advertising and capital projects — such as extensions and upgrading of various SAA buildings — will be suspended

A further rise in international fares is expected at the end of this year.

SAA media manager Leon Els said the latest increases of 9 percent on short distances, 10 percent on middle distances and 11 percent on longer distances were unavoidable because of the dramatic increase in jet fuel prices.

He said the current fuel price was 128 percent higher than in August.

15 injured as train commuters panic

Star 19/10/90

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By Montshiwa Moroke

Four commuters were badly injured and 11 slightly hurt when passengers panicked on a crowded train travelling between Pretoria and Johannesburg yesterday morning.

Police said 15 people were thrown off the train by attackers, but none of the injured people interviewed by The Star had seen a hostile group.

Saleswoman Mabel Nkosi, who fractured her left hip, said that near Van Riebeck station, one of several policemen who were patrolling the train tried to search a man. The man resisted and hit the policeman.

"After that all hell broke loose as people in the packed train panicked and ran. I was sitting next to a window and because of the commotion I instinctively jumped out of a window while the train was moving," said Mrs Nkosi, a mother of two.

"I fell between the railway tracks, like many others who were injured. I'm lucky to be alive."

She said that of those injured, three were men and the remainder women.

W Lamola, a mother of four who broke her leg and injured her neck, said. "Commuters from another coach rushed into ours shouting 'Inkatha, Inkatha'.

"One minute I saw myself next to an open door and the next thing I was flung out of the moving train and fell between the railway lines. I can't remember exactly what happened in the confusion, but someone must have pushed me.

"I think all of us panicked because we remembered what had happened when 26 people were killed at Jeppe Station," Ms Lamola said.

The four badly injured were admitted to Tembisa Hospital on the East Rand. The names of three are Ms Nkosi (30) of Emangweni Section, Tembisa; Ms Lamola (39) of Lifateng Section, Tembisa; and Miriam Sondlane (29) from Bushbuckridge in the Northern Transvaal. The name of the fourth woman is not known.

Big apple takes bite out of Winnie

Own Correspondent

LONDON — Winnie Mandela tried three times to get the undivided attention of a Manhattan audience but was ignored — three times.

She rose to speak at a party given by the magazine Essence and cried out, "Amandla!" But the crowd carried on with their eating, drinking and talking. Twice more she shouted, "Amandla!", to no avail. She then began her speech but was inaudible over the noise.

She gave up, saying, "I guess you are all too tired," and left.

Sapa-Reuter reports from Sydney that ANC leader Nelson Mandela, accepting the key to the city awarded while he was in prison, said yesterday the 1989 SA elections would be the last for whites only.

"We are determined that last year was the last time in which whites voted alone," he told a 30 000-strong crowd waving black, green and yellow ANC flags. *B Day 25/10/90*

"The birth of a new SA is at hand," the ANC deputy president announced and thanked Australia for its commitment to sanctions.

Mandela said the ANC would return to armed struggle — suspended earlier this year — if agreements he had made with President F W de Klerk were not honoured.

SA would "be on fire again" if the government did not accept the principle of one man, one vote without qualification.

Vandalism, attacks lead to rail fare hike

VANDALISM, high inflation and inadequate levels of cost coverage had necessitated a 9% hike in commuter rail fares from November 1, Transport and Public Works and Land Affairs Minister George Bartlett announced yesterday.

Bartlett said millions of rands worth of commuter assets, mainly passenger coaches, had been destroyed during recent spates of unrest and violence on commuter trains.

The intimidation of passengers had also lead to a steep decline in income.

In addition, government had been subsidising 70c in every rand, or a total R700m, of the costs of rail commuter services, he said.

He said his department was investigating the possibility of a continuous police presence on trains and at stations and the upgrading of rail commuter services.

From November, a single first class fare from Pretoria to Johannesburg will increase from R6,80 to R7,50, a single fare from Naledi to Johannesburg will increase

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B Day 25/10/90
LESLEY LAMBERT

from R1,30 to R1,50 and a single fare from Cape Town to Bellville will increase from R1 to R1,10.

Bartlett said the question of commuter security was recently discussed in depth at the highest level.

"Commuters play a very important role in the economy of the country. The government is adamant that this essential labour force should be able to travel in peace and safety to and from their places of work."

He said SAP initiatives over the past two months, especially on rail commuter stations, resulted in a drastic decline in the occurrence of assault and fatal incidents.

"In this regard the possibility of a continuous police presence in the rail commuter environment is being investigated. Rail commuters may rest assured that government and the commuter corporation are doing all in their power to safeguard the personal safety of passengers."

Special attention was also being given to the upgrading of rail commuter services

Acting president to lead PAC

PAC vice-president Clarence Makwetu will serve as acting president until a successor to Zeph Mothopeng is elected.

Mothopeng, 77, died on Tuesday after a long illness.

However, there was uncertainty yesterday about the PAC's first legal internal congress in 30 years — scheduled for November 9-11 in Johannesburg — at which Mothopeng's successor will be chosen, according to the organisation's

constitution

PAC assistant general secretary Philemon Tefu said yesterday a decision on the congress would be made later in the day.

"National executive committee members, including vice-president Clarence Makwetu, are flying to Johannesburg from other parts of the country," said Tefu.

"A meeting has been scheduled for tonight at which such issues will be discussed.

"While we cannot predict the outcome, we can say that the dates of the conference will come up for discussion," he said.

Senior PAC officials, meanwhile, transferred the body of their late president from the government mortuary in Johannesburg to one where his family would have greater access.

Tefu said tributes to Mothopeng were pouring into the PAC's head office from all over the world. — Sapa

Budget crisis for SAA as fuel bills soar

By ROGER MAKINGS

DESPITE this week's 10 percent fuel levy increase on domestic air fares South African Airways is still running at more than R750 000 a day over budget.

With this figure expected to rise in coming months SAA has launched a huge cost-cutting campaign which it hopes will save at least R75-million for the airline in the next five months.

So far the airline has

- Halted all advertising including a R1-million promotion of its new Boeing 747-400s,
- Cancelled 24 off-peak, under-utilised flights a week,
- Halted all capital expenditure,
- Cancelled all promotional functions,
- Asked all departments to hand back portions of their budgets

Miss Roux said that no new increases to domestic fares were envisaged for this year, although observers believe that further hikes are inevitable in the new year if oil prices don't drop.

Especially hard-hit will be the overseas flights. External service fares were increased for the first time this year at the beginning of October yet they account for the bulk of SAA's fuel consumption.

Deficit

SAA spokesman Zelda Roux said this week that the airline was running R1.5-million a day over budget before this week's fare increase, the third this year.

"The 10 percent increase has only halved the daily deficit to R750 000, which SAA will continue to carry."

SAA's November fuel bill was 128 percent higher than in August and would have required a 20 percent increase in fares to break even.

Moroccan 'nod' to SAA landing rights

MANDY JEAN WOODS

MOROCCO has agreed in principle to grant SAA landing rights in the country.

This was a sequel to this week's meeting between King Hassan and President F W de Klerk, a Foreign Affairs spokesman confirmed yesterday.

SAA has never had landing rights in Morocco. The only country on the west coast where SAA has landing rights is the Ivory Coast.

Recently, SAA announced it would begin direct flights to Kenya from December 1.

To secure a route across Africa, SAA would have to get landing rights in Tanzania, Sudan and Egypt (if it flew via Kenya) and Mali and Mauritania (if it flew via the Ivory Coast and Morocco).

The Foreign Affairs spokesman said it was decided at the beginning of this year to make Morocco a priority as SA had no relationship with Arab countries.

De Klerk then sent a letter to Hassan who responded by inviting De Klerk to visit Morocco "any time".

"We also asked the President to mention landing rights. SAA told us they wanted fly-over rights as a priority to get a short route over Africa," the spokesman said.

SAA spokesman Leon Els said yesterday no decision had yet been taken on the



introduction of flights

Els also said yesterday that South Africans travelling to Kenya would probably be issued with 14-day visas on arrival at the airport. In the past, SA passport-holders were not allowed into the country.

The move would put Kenya in line with Madagascar, which recently granted SAA landing rights, and Zaire, both of which previously disallowed SA passport-holders.

"The matter is being sorted out by the two airlines and we expect finality on the matter after a meeting to be held next week," he said.

Travellers to fund airport work

31 Day 24/10/90
THE R69,3m upgrading of Jan Smuts Airport would be financed through the departure tax levied on passengers from October 15, Transport Minister George Bartlett said yesterday.

And Directorate of Civil Aviation (DCA) director of airport systems and development Stuart Huckwell said the Finance Department would contribute a "negligible amount", because escalation costs and the R69,3m would slightly exceed the R75m expected from the departure levy in the next three years.

However, it was possible — if the departure tax was increased or the number of departing passengers grew sufficiently — that the entire amount of the project could be funded out of the tax. *(269)*

All levy money collected would go into a dedicated account for the upgrading and maintenance of state airports.

Bartlett said: "Government is trying to reduce the current account and by using the departure tax to fund the upgrading, the Public Works Department will save R11m from this year's budget. We are implementing the departure tax specifically so we shall not have to call on that R11m this year from Public Works.

MANDY JEAN WOODS

"There has been tremendous pressure on capital for socio-economic development and for that reason we had to be careful not to put money into an airport which might not be justified in the light of other urgent needs," Bartlett said.

Bartlett said 45% of Jan Smuts Airport's operating costs were subsidised.

"All state airports currently operate at a loss. This is a situation we have to change..."

Huckwell said it was the department's "vision that airports will be profitable by 1995".

Construction on the project began on July 13. The contract was awarded to Rapp & Maister Construction, which will appoint five main subcontractors. So far, Siemens Ltd has been appointed to handle the electrical work, Northern Air Ltd the air conditioning, and Conveytrac the construction of baggage conveyors.

The upgrading includes improving the domestic and international arrival and departure halls, installing more baggage carousels and 13 passenger loading bridges linked to the existing terminal building.

Now rail

tariffs

go up

9%

Cap 700 f's
24/10/90

269

By DALE GRANGER

RAIL tariffs for commuters have followed the recent bus tariff increases and will rise by 9% nationwide from next month.

An official announcement to this effect is expected shortly from the Minister of Transport, Mr George Bartlett.

The move follows a weekend denial by Spoornet of a tariff increase.

Cape Town commuters buying tickets for November's journeys are already paying the additional 9% increase on monthly tariffs.

Inquiries to the Spoornet ticket office confirmed this yesterday.

Mr Con Pappas of Plumstead said yesterday that he had bought bulk tickets for November and was shocked to learn that they cost an extra 9%.

Cape Town is the only area in South Africa where commuters can buy their tickets in bulk.

"I am not happy, this price increase was initiated at very short notice and without any official announcement," Mr Pappas said.

Spoornet spokesman Mr Johan Hugo said yesterday that rail tariff increases

Petrol price could drop

Staff Reporter

THE government could lower the petrol price if the landed price for oil remained at the present lower level of \$30 a barrel for between a fortnight and a month, according to the National Energy Council (NEC).

Mr Lourens van den Berg, NEC group executive, said the NEC would recommend to the government that the petrol price drop "commensurately" if conditions remained the same.

He was reacting to the sudden drop of the oil price from \$37 to \$30 a barrel within three days this week.

Before the Middle East crisis the oil barrel price had been \$22 rising quickly to \$37.

Setting the petrol price was "guesswork to a certain extent", but a fortnight of stability "within a dollar or two" would ensure an NEC price drop recommendation, Mr Van den Berg said.

were determined by the SA Commuter Corporation and not Spoornet.

"I am not an employee of the Commuter Corporation and I cannot comment on tariffs," he said.

Dr Kobus Meyer, general manager of the SA Commuter Corporation, yesterday apologised for the misunderstanding and said the commuter corporation did not have a public relations department at present.

● Monthly return journeys from Mitchells Plain to the city will now cost R102. Return journeys from Claremont, Plumstead and Fish Hoek will cost R47, R61 and R98 respectively.

Spec 24/10/90

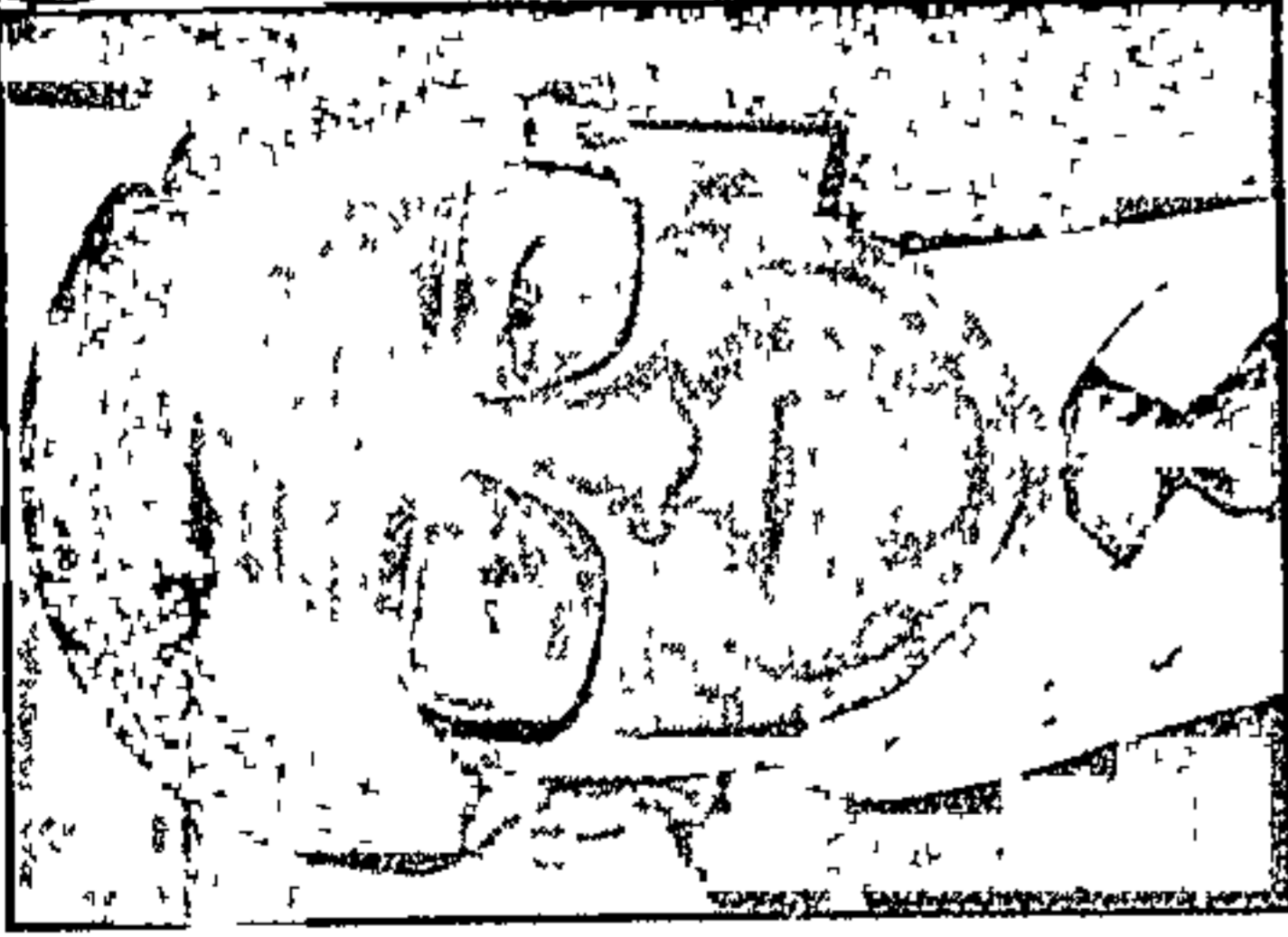
(269)

All roads lead to the CBD

For all the great commercial build-up of Johannesburg's satellites, the city's heart is as healthy as ever and its main survival factor remains the vital transport system.

"All roads lead to the central business district," says Stanley Arenson, a director of Sandton-based Russell Marriott & Boyd Trust (RMBT) — a "city man" who believes with the emergence of the non-white blue collar worker, the accessibility to the city workplace is of prime importance.

Substantiating this view is the on-going institutional development process within the city, which must inevitably lead



Stanley Arenson . . . accessibility is of prime importance.

to a constant growth in the office army well into the future

First National's Bank City complex and Standard Bank's blocks in Simmond Street — Standard also plans big commercial developments on adjacent properties — as well as projects by insurance groups and mining houses will all ensure a prosperous city centre

"The people needed to staff these undertakings can easily commute to work without the use of a second car which is very much a requirement for northern areas," says Mr Arenson

"Evidence of the use of public transport can be seen in the

parking allocation of the CBD — one bay per 100 sq m of office space — compared to the northern suburbs figure of four bays per 100 sq m"

The RMBT director, in a breakdown of the city office market, puts total A grade office at more than 822 000 sq m, of which nearly 77 000 sq m is vacant (9,34 percent)

There are more than 485 000 sq m of B grade offices, with a vacancy figure of 83 500 sq m (17,23 percent).

Planned new developments account for 268 500 sq m, while 250 500 sq m of new space coming on to the market has been prelet.

THE long-awaited R69,3m expansion and renovation programme for Jan Smuts Airport, first announced in 1988, was nearly shelved again this year because of lack of funds.

The only reason the project finally got the nod earlier this year was that the Transport Department said it would be able to fund almost the entire project by charging all departing passengers a departure tax. Directorate of Civil Aviation (DCA) director of airport systems and development Stuart Huckwell said.

The R3 departure tax for domestic passengers became effective on October 15 and from January 1 next year all departing international passengers will have to pay a R10 fee.

The first batch of tenders for the project was cancelled in October last year because the lowest tender had clauses unacceptable to the department. A second round of tenders was called for in April this year and awarded in July to Rapp & Maister Construction.

An estimated 5,6-million passengers passed through Jan Smuts's portals last year. By the year 2000 —

Airport tax

calculating passenger flow increases at between 5% and 7% annually — more than 10-million passengers will arrive or depart from Jan Smuts.

SAA believes, however, the figure could be higher and argues that in the six months from January to June this year, there had already been a significant 16% increase in inbound passengers and a 6% increase in outbound passengers.

But, said Transport Minister George Bartlett, the department was "quite confident" that the planned upgrading would be sufficient for SA's needs through to the year 2000.

For maximum capacity to be achieved development must take place between the existing parallel runways. The existing terminal building is eventually to be turned into an international terminal with a domestic terminal being built in the area between the two runways, probably after 2000.

saved Jan Smuts revamp

ors will be added to the domestic arrivals hall; and

□ Terminal C, currently used by commuter airlines, will be enlarged to three times the size of the existing facility.

Bartlett said. "We intend combining the area on the ground floor used by the major foreign airlines as an international departure holding lounge with the adjacent public concourse and the existing Terminal C building, resulting in a facility about three times larger."

Other facilities will also be improved.

These changes will be the introduction of four new large lifts between the parking garage levels and the departure and arrival concourse levels.

The existing facilities for business class passengers will also be relocated and improved.

Passenger safety, comfort and

convenience will be enhanced both during and after construction.

Rapp & Maister Construction director James McLean said. "There's no two ways about it. It is impossible to do work of this nature without some inconvenience. But we have every intention of trying to minimise the disruption and ensuring safety for passengers during the 42-month construction period."

On the subject of air congestion, Bartlett said that, as at any airport, there were differing amounts of spare capacity, depending on the time of day. At some points during any given day, Jan Smuts had 100% spare capacity.

"We must attempt to achieve a better distribution of flights through the busy hours. Why, for example, schedule three 747 flights to arrive within 10 minutes of each other and no other flight half an hour either side of that 10 minutes?" he said.

The proper management of flight schedules would result in Jan Smuts having plenty of capacity to handle incoming and outward bound aircraft, Huckwell said.

MANDY JEAN WOODS

The main part of the project consists of building 13 passenger loading bridges which will be linked to the existing terminal building by way of an airside corridor.

Both the international and domestic arrival and departure halls are to be totally revamped with:

□ A 50% larger holding lounge for departing international passengers with a duty-free shopping centre and expanded catering facilities;

□ A 40% larger international arrivals hall with additional passport control desks;

□ A single large domestic departure check-in area and holding lounge will be created out of the existing Durban and Cape Town departure halls;

□ Two additional baggage convey-

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25/10/90

(269)
Moi vetoes
SAA flights
to Kenya

CPM 7-1-71 23/10/90
NAIROBI. — Kenyan President Daniel arap Moi said yesterday he would not allow Kenya Airways and SAA to launch mutual flights to Nairobi and Johannesburg until apartheid was fully abolished.

He said no such flights could be allowed until the international community had reviewed sanctions

Kenyan and South African transport officials disclosed earlier this month that talks on flights between the two countries were at an advanced stage, and the two airlines hoped to begin flying twice weekly in December.

A Kenyan trade delegation was due to travel to SA this week. — UPI

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Kenya has shot down flight plan, says SAA

South African Airways has confirmed that plans by Kenya Airways and itself to start weekly flights between Johannesburg and Nairobi have been scuttled.

SAA said it had noted President Daniel arap Moi's announcement that he would not permit flights by Kenya Airways to South Africa before apartheid was "properly buried".

Mr Moi's decision, reported by Kenya radio on Wednesday, was apparently in response to ANC deputy president Nelson Mandela's appeal to Kenya to maintain sanctions on South Africa.

Access

SAA said it regretted that the profitable route between Nairobi and Johannesburg was being handled by two European airlines and that two of Africa's airlines were unable to use it.

It also regretted that Muslim pilgrims from South Africa would not have direct access to Jeddah airport in Saudi Arabia.

Flights via Nairobi would have significantly reduced travel problems experienced by Muslims on the annual pilgrimage. — Sapa

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Train fares go up from November 1

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Soweto 26/11/90

RAIL fares throughout the country will be increased by nine percent with effect from November 1, the Minister of Transport, Mr George Bartlett, announced on Wednesday.

"The low level of cost coverage on rail commuter services and an inflation rate of almost 14 percent are mostly responsible for the increase.

However, unstable labour and unrest-related conditions over the last few months resulted in rail commuter assets, mainly passenger coaches

worth millions of rands, being destroyed through burning and unnecessary vandalism," said Bartlett, citing reasons for the increase.

This, he added, had resulted in a severe decline in income.

The new weekly fare from Naledi (Soweto) to Johannesburg would be R25 for first class and R7,10 for third class commuters.

The Pretoria to Johannesburg weekly fare would now be R45,50 (first class) and R10 (third class); Cape Town-Mitchell's Plain R26,50 (first class) and R7,30 (third class); PE-Uitenhage R28 (first class) and R7,70 (third class); and from East London to Mdantsane, the fare will increase to R20 (first class) and R6,10 (third class) - Sapa.

Pamphlets woman acquitted

MBABANE - The wife of a man who hit the headlines during a recent Swaziland treason trial has been acquitted of charges of possessing seditious pamphlets.

Mrs Sarah Matsebula is the wife of Jabulani "Arafat" Matsebula who was allegedly head of the military wing of an underground political party.

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THE OIL CRUNCH

~~269~~ (269) FIM 26/10/90

SOME WINNERS, MOSTLY LOSERS

Transnet, Sasol and **Mossgas** — once attacked for being hopelessly inefficient and outrageously expensive — are coming up winners with the oil price surge. But just about every other business is suffering and industries are pinning their hopes on a continuation of the recent dip in oil prices.

Mossgas, which was seen as the last of the white elephant government synfuel projects, appears poised at last to help pay for itself. But **Engen** chairman **Bernard Smith** says it still isn't a viable proposition for the private sector to invest in such projects and government has already said it won't consider further projects. **Sasol MD Paul Kruger** has ruled out a fourth oil-from-coal plant, even though its revenues from fuel and chemical products are up.

Smith says synfuel is commercially viable only at very high oil prices. Besides, anything can happen to the oil price before **Mossgas** reaches full production in April 1992.

But **Smith** is convinced that the base price of oil has risen. "I believe that the price of oil won't fall below \$21, as the Opec countries need to finance their national debts. And \$21 a barrel would provide a positive real yield to shareholders in **Mossgas**."

Meanwhile, the **Railways**, which are heavy users of electricity and coal, are thriving. **Ronnie du Plessis**, a **Railways** spokeswoman, says that though price hikes will add R69m a year to **Railways**' fuel bill, they will exert a very small influence on tariffs because 65% of all rail traffic is hauled by electric locomotives, 5% by steam and 30% by diesel-powered locomotives.

This is in sharp contrast to the devastating effect of oil's spiral on road transport.

Eduardo Garcia, CE of road transport giant **Unitrans**, says that every time the fuel price rises, road transport becomes less competitive versus rail. "A number of road transport operators are already struggling to stay alive. They won't be able to compete. They'll be wiped out."

He fears that government will use the current high fuel price to divert traffic that normally goes by road to rail. It has already been announced that rail will hold its rates to the end of the year. Another fear is that when the world crude price comes down, government will divert

some of the reduction to its coffers through increased taxes and will not allow the full reduction to percolate through the economy.

"Finance Minister **Barend du Plessis** said SA's fuel taxes are the second lowest in the world (see graph), I cannot see him passing up this opportunity of balancing his books by bringing SA's fuel taxes into line with the rest of the world," **Garcia** says.

"Several Cabinet ministers have already said that, as an instrument of policy, **Railways**' spare capacity will be used to keep prices down. It is not possible to fill spare capacity on the railways without creating spare capacity in road transport. A consequence of keeping **Eskom** tariffs down is that **Railways** will not have to increase its tariffs to pay for an increased electricity bill."

It isn't just transport companies that have suffered. A whole range of industries that are dependent on petroleum-based feedstocks, such as plastics and chemicals, have had to pass on sharp increases to customers.

Plastics Federation executive director **Bill Naude** says the price of imported polymers, used in plastic packaging, increased by 15% just a week after **Iraq's** invasion of **Kuwait** and are now selling at a premium of 28% on the pre-invasion price. However, the price of locally produced polymers — 75% of the total of 600 000 t consumed — has increased at a slower rate, though increases of at least 10% have been passed on and further increases can be expected.

Sentrachem's **Johan van der Walt** says most feedstocks still haven't reached their peak 1988 prices, though solvents such as benzene are an exception. They tripled in

price almost overnight.

Nightmares abound for companies that can't pass on costs immediately. "Those players who are unable to pass on the full cost increase will find their operating margins shrinking and profitability depressing," says **Sasol Chemicals' Andre Bedeker**.

Sasol, however, will see its margins squeezed less than oil-dependent competitors because it produces chemical products from coal — and coal hasn't increased in price.

The beleaguered textile industry has been hard hit too. The price of cotton was recently increased by 30%. And now the cost of oil-based products such as nylon, polyester and dyes, which account for nearly 40% of raw material costs, have increased between 20% and 30%. These products aren't produced by the **Sasol** process.

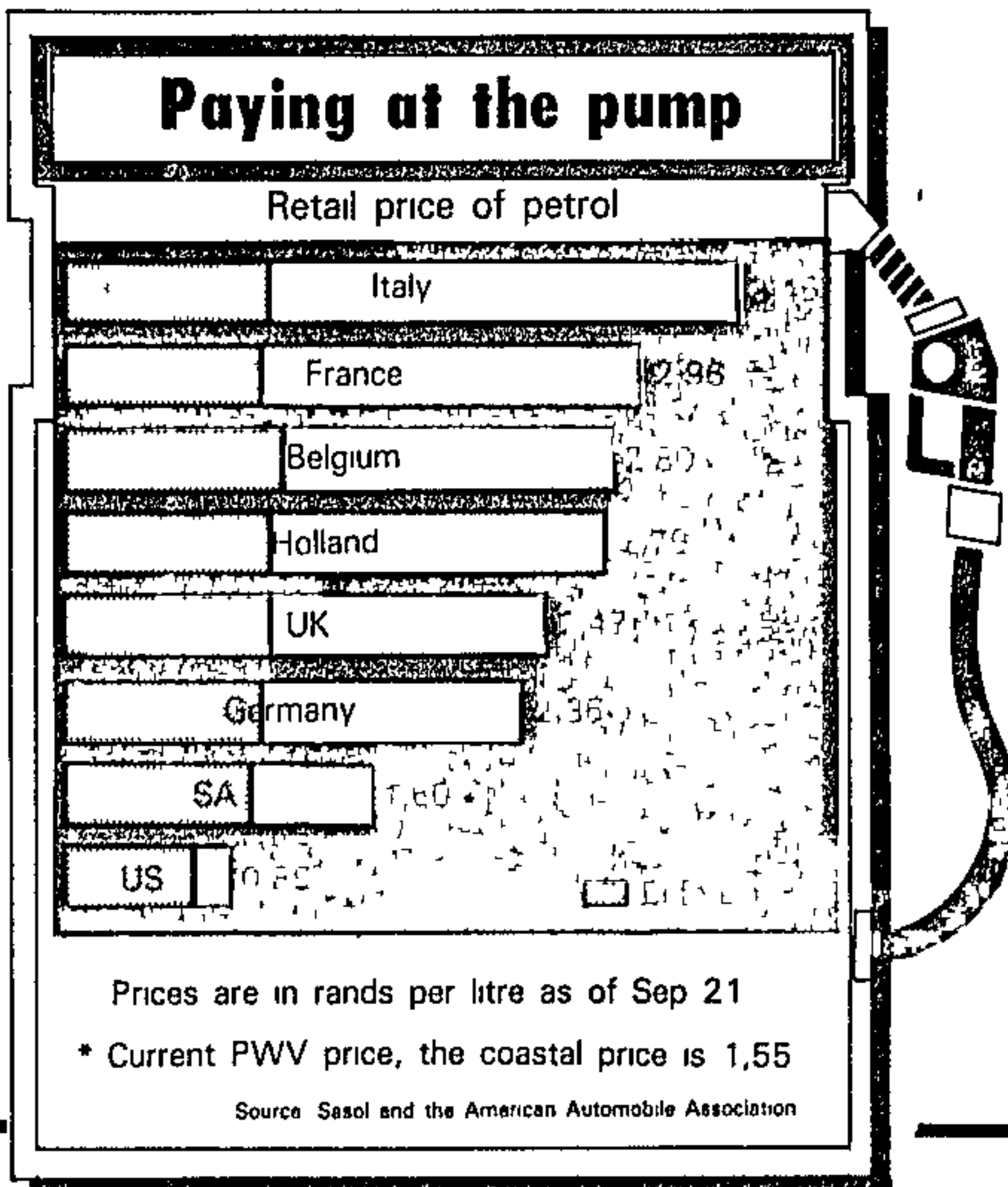
Frame Group chairman **Mervyn King** says overseas chemical suppliers aren't prepared to fix prices, which now often change daily. "We don't keep long-term stocks of these materials, so we've had no option but to raise our prices immediately."

Peter Boxall, MD of **SA Nylon Spinners**, the main domestic producer of polyester and nylon fibre, confirms that prices of their feedstocks are being changed on a ship-by-ship basis. "But we've decided to keep our prices constant until the second quarter of 1991 and take the price increases on the chin. Our customers in the textile industry set their prices on a quarterly basis so we've decided to fall into line with this."

Inevitably, the fuel increases will hit the demand for new cars. Says **Nico Vermeulen**, executive director of the National Association of Automobile Manufacturers of SA. "We have shown conclusively that a rise in the fuel price during a recession affects the motor industry much worse than a rise when times are normal."

But he does not see a repetition of the rush to buy small, more fuel-efficient cars that followed the 1973 oil crisis. "All manufacturers now make fuel-efficient cars," he maintains.

Stephen Cranston and David Pincus



ESKOM ~~269~~ THINKING SHORT TERM

FIM 26/10/90
Short term, the decision to raise electricity rates by only 8% next year — 6,3 points below the September inflation rate — is great news for business and consumers.

Long term, the consequences are ominous. Government is back to its old trick of imposing prices, and **Eskom's** customers can't be sure they won't be hit with a whopping increase in following years to make up. Since

Gang terror On city train

CMH TWP 30/10/90 269

Staff Reporters

A GANG armed with knives robbed passengers on a southern suburbs train on Saturday afternoon.

Details of the robbery came to light only yesterday

At least six passengers were robbed of watches, jewellery and money

Saturday's robbery was the latest in a spate of similar incidents on the line. Last month conductors warned that passengers travelling on the Simon's Town line during off-peak periods should sit together for safety. In August a group of schoolgirls was robbed while travelling home.

One of those robbed on Saturday was 15-year-old Kenwyn schoolboy Shane Meyer. Yesterday he told a harrowing tale of how a gangster held a knife to his throat and made him hand over his R12 pocket money.

Police believe the gang boarded the Cape Town-bound train about 3pm at Fish Hoek and started searching the carriages for victims.

Near Kalk Bay the gangster held up a Guguletu couple, Mr Victor Nomdidi, 26, and his wife Mavis, 24. They took a watch and a ring.

Shane was their next victim, and between Steenberg and Retreat stations they robbed Mr Mark Brandt, 19, of Grassy Park, Belinda MacDonald, 17, of Rondebosch and William Woodhouse, 17, of Hout Bay.

Last night Shane, a Std 5 pupil at Sunlands Primary School, described his terrifying journey.

"I was coming home from Muizenberg beach when about seven youths came through the carriage.

"One of them took out a knife and grabbed my shirt and held a knife against my throat.

"I couldn't move and two others went for my pockets and began fighting over my wallet.

"They took out my money (R12) and dropped my wallet. As I bent down to pick it up, one of them slammed his fist into the top of my head."

"He said the robbers then robbed other people in the packed coach before going for the first-class section.

"About 15 minutes later, at Retreat station, they came back to rob other people who had boarded the train and one of them saw me and said 'Hey whitey'. He flicked a knife and I thought he was going to stab me so I jumped out of the door."

Shane said that after he jumped from the coach, other passengers jumped out of windows and a passenger in a first-class coach alerted the driver.

The robbers escaped on a train heading in the opposite direction.

Last night Shane's mother, Mrs Alicia Meyer, said it was terrible that her son had been attacked in daylight.

"We are shocked. There should be police on the train full-time."

Police said the suspects got off the train at Retreat station. No arrests have been made.

Spornet said it was doing everything in its power to try to put an end to such incidents.



SURVIVORS . . . Mr Deon Brown, also known as 'Brooke Shields', left, and Mr Adiel Bekko at the Supreme Court yesterday where Mr Duncan Kensley is on trial for the murder of two of their friends. Mr Brown is the current holder of the "Miss Fascination" title, a beauty competition for transsexuals.

Picture: STEWART COLMAN

Man 'shot men in drag', court told

BY RONNIE MORRIS
Supreme Court Reporter

MOMENTS after a Mitchells Plain man "with murder on his face" discovered that "women" he had kissed and petted were transvestites, he shot dead his friend and a young woman the Supreme Court heard yesterday.

A packed court heard that Mr Deon Brown, also known as Brooke Shields, was wounded in the stomach in the same incident.

This was evidence in the trial of Mr Duncan Richard Kensley, 29, of Station Road, Westridge, who has pleaded not guilty to two counts of murder, three of attempted murder and one of handling a firearm while under the influence of alcohol or a narcotic drug.

The state alleges that on May 20 last year, at Tulip Street, Lentegeur, Mitchells Plain, he murdered Miss Yolanda Jallahrs and Mr Shaun van der Westhuizen and attempted to murder Mr Deon Brown, Mr Randall Adams and Mr Adiel Bekko.

Mr Kensley admitted he had been in the company of the group but denied knowledge or recollection of the events.

Mrs Adelaide de Sousa testified that she, Miss Jallahrs, Mr Brown (Brooke Shields) and Mr Bekko had gone to a Mitchells Plain nightclub.

Afterwards Mr Kensley had taken them to Miss Jallahrs's Tulip Street home, where Mr Van der Westhuizen, Mr Kensley's friend, joined them.

She told the court they had bought a bottle of rum and drank it while driv-

To page 3

Make trains safe again, says chamber

By ANDREA WEISS, DALE KNEEN
and SHARKEY ISAACS
Staff Reporters

A DRIVE to combat crime and vandalism on trains has been called for following thuggery on the Cape Town suburban line when six passengers were attacked and robbed.

The Cape Town Chamber of Commerce says in its weekly bulletin it is essential to restore public confidence in the railway as a safe and reliable. However, Spoornet says its crime-prevention programme in the Western Cape has been a "big success" and more than R17 000 in rewards has been paid in the past 12 months.

The project is aimed at encouraging the public and Spoornet staff to provide information about crime.

Threatened couple

On Saturday passengers on a train between Fish Hoek and Retreat were terrorised by three men who held them up and robbed them of money, watches and jewellery.

Mr Victor Nomdidi, 26, and his wife Mavis, 24, were attacked about 3pm between Fish Hoek and Kalk Bay stations. Police spokesman Major Jan Calitz said the attackers threatened the couple with a knife and stole Mr

Nomdidi's R174 watch and Mrs Nomdidi's R145 ring.

As the train approached Muizenberg, the thugs forced Kenwyn schoolboy Shane Mayer, 15, to hand over R12.

Three more teenagers were robbed between Steenberg and Retreat stations.

The thugs grabbed a wallet containing R60 and spectacles from Mark Brandt, 19, of Grassy Park.

Belinda MacDonald, 17, of Rondebosch, was threatened with a knife and her watch and a bag containing R500 worth of cosmetics and jewellery was taken.

Red tape

William Woodhouse, 17, of Hout Bay, was robbed of money and a watch.

The thugs jumped off the train at Retreat station and have not been arrested.

The Chamber of Commerce's transport committee is to recommend urgent action for the short-term to ease the city's transport problems.

At a recent seminar organised by the committee, transport operators cited bottlenecks, red tape, gang rivalry, rampant crime and vandalism on trains as serious problems. Fare evasion and damage by vandalism was also adding significantly to transport costs, according to the chamber.

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35/10/90

Plan to halt train attacks

CMF Tech/S
31/10/90

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Crime Reporter

HIGH wire fences, turnstile control access to stations and police body searches are to be implemented by the railways following the recent spate of attacks and killings of commuters countrywide.

These measures were announced last night by Dr Koos Meyer, general manager, marketing, of the Johannesburg-based SA Rail Commuter Corporation (SARCC) — the body which took over the railways in April.

He said the plan, however, would not reach Cape Town "for some months, at least".

In the meantime, Capetonians would have "to take responsibility for their own safety", though police and security guards would "be more alert than ever". Precautions will include the erection of high wire fences around major stations, and turnstiles, manned by attendants, to control access to trains. Police will assist with body searches and crime prevention on a 24-hour basis.

Meanwhile, Spoornet — contracted by the SARCC to run the railway service — announced last night that more than 70 cases of violent attacks on Cape Town commuters on suburban trains had been reported to it this year.

Spoornet spokeswoman Ms Yvette Olwage appealed to the public to report all incidents by phoning 080-021-0081 toll free, as this service had resulted in many arrests. About 67 rewards worth almost R17 000 had already been paid out, she added.

Dr Meyer said the security plans would start on Monday with a one-month pilot study of the Soweto line — "the worst hit in the country" — before being implemented in Cape Town and elsewhere.

Police spokesman Major Jan Calitz said there were 45 robberies, 13 thefts from passengers, 11 murders and 11 serious assaults reported on trains from January to September this year.

"In the Western Cape region there are 101 stations which we police and approximately 700 trains leave Cape Town station daily.

"Between January and September this year 617 people have been arrested on charges including robbery, murder, theft, assault and possession of dangerous weapons as well as firearms and ammunition."

He said more than 4 700 people were summonsed for drunkenness, drinking in public and other misdemeanours.

"We have been very successful when you take into account the number of stations we have to police, as well as the number of trains we have to patrol," said Major Calitz.

R1,9bn Transnet fuel bill if oil price stays high

S/Tues 28/10/90

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By DAVID CARTE

HIGHER fuel prices will cost Transnet R300-million a year extra and only two-thirds will be recovered from transport users.

Transnet managing director Anton Moolman says the fuel bill could exceed R1,9-billion if present oil prices hold.

Notwithstanding higher fuel prices and recession, which have reduced volumes and revenue, Transnet will comply with Government structures requiring it to keep tariff increases well under the rate of inflation.

Full details of how Transnet will comply will be provided next month.

More good news from Dr Moolman is that the R7,7-billion actuarial shortfall in the pension fund will be remedied by Transnet itself and not by taxpayers

Strategy

Transnet last year made a profit of R148-million in spite of a loss of R788-million by the railways. Profits of SA Airways, harbours, pipelines and road transport more than compensated for it.

An important part of Transnet's price-holding strategy will be to win back freight lost to road hauliers. Because Transnet uses mostly electricity and Eskom raised its prices by only 8% compared with diesel and petrol increases totalling 55% this year, it is well placed to win extra tonnage.

The Road Freight Association (RFA) says last week's price increase alone added 3% to 7% to the cost of running trucks. Earlier fuel-price increases and the rising costs of trucks, parts, licensing and tolls have lifted inflation in

SAA is to take delivery of two Boeing 747s next year at R350-million apiece plus four Airbus 320s at R100-million each. Dr Moolman says running costs of the fuel-efficient aircraft will justify the heavy outlay. To save fuel, flights that are not full enough are summarily cancelled. Unused aircraft are leased to other airlines.

Dr Moolman says Transnet's locomotives and its road transport operations spent R490-million a year on diesel and petrol. This amount will rise by R70-million. But Transnet will not increase tariffs to recover it.

Diesel locomotives will be used sparingly and road deliveries rationalised.

"We spend R570-million a year on Eskom power. That is due to rise by R45-million."

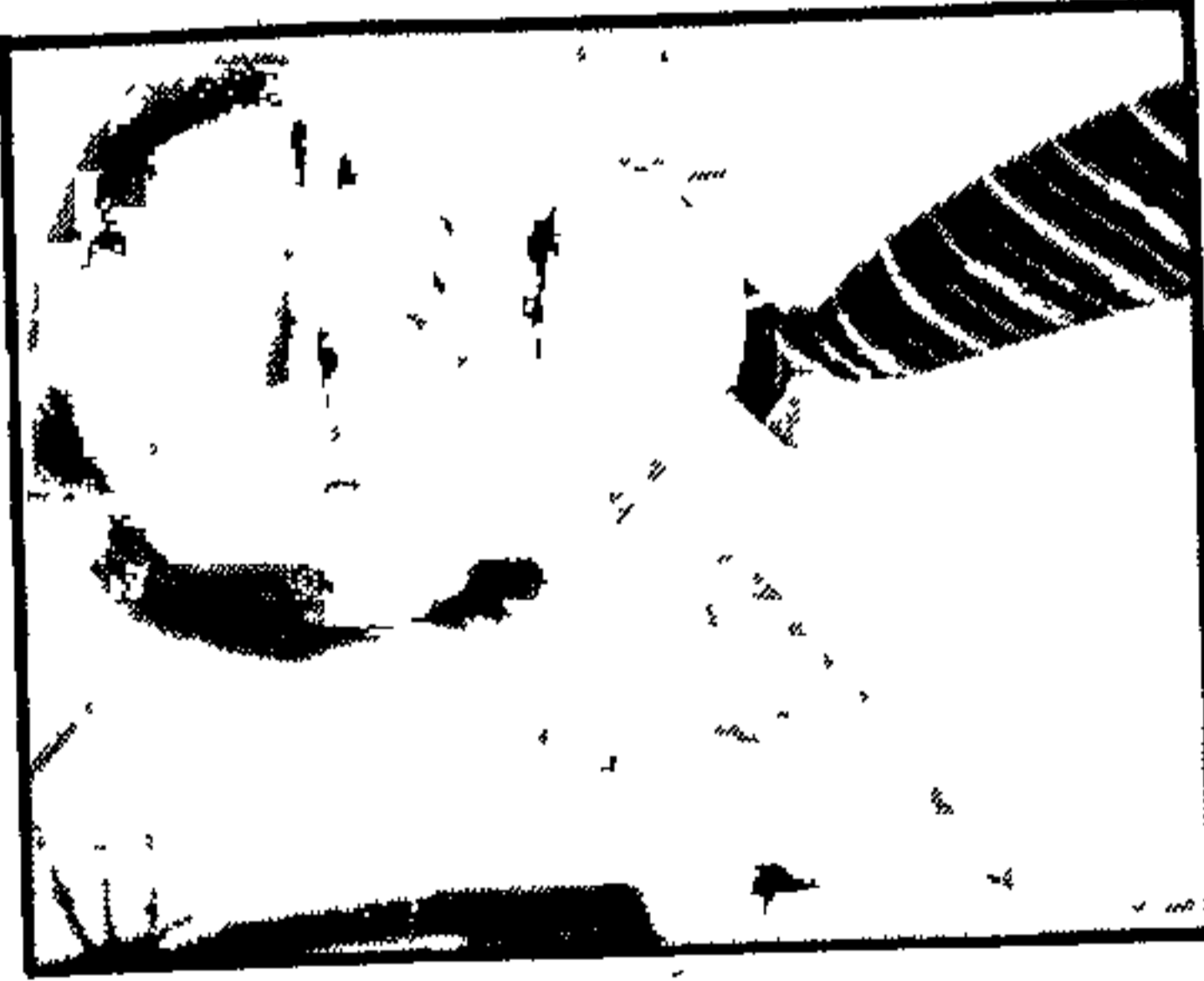
Savings

Commuter services have been moved out of Transnet at a saving of R500-million a year. Long-distance passenger trains run at a loss of R300-million a year — but they generate cash flow and increase the use of equipment. They will not be stopped until Transnet runs into capacity constraints. At present Transnet is operating at 75% of "practical" capacity.

Dr Moolman has effected huge savings in Transnet Manpower. It has been cut from 279 000 in June 1982 to 167 000 and the numbers are still falling.

Dr Moolman says the R7,7-billion pension shortfall liability will come on Transnet's balance sheet when it produces its first set of accounts as a tax-paying limited liability company next June.

The revaluation of assets is expected to more than match the liability. Higher contributions from Transnet and moderated benefits will reduce the liability over time.



ANTON MOOLMAN. Transport is joining the battle to bring down inflation

trucking to well above 20%.

Dr Moolman says SAA has been particularly hard hit by costly fuel. Aviation fuel prices have risen more than other types because of strong demand precipitated by the Middle East crisis.

"We estimate that at an oil price of \$37 to \$38 a barrel, SAA's fuel bill will rise from a budgeted R466-million to R715-million — an increase of R249-million."

The first 8% surcharge on domestic air tickets will recover R70-million and the second 8% another R70-million. Increased international fares would recover R40-million, so SAA should receive only R180-million of the R230-million additional cost. If fuel prices fall, the surcharges will be reduced.

SAA cuts its first flight to Nairobi

Sunday Times Reporter

SAA last night announced that it had cancelled its first flight to Nairobi because of "limited time to operate the flight and too few passengers"

Kenyan President Daniel arap Moi announced in October that he would not permit flights to his country's capital until apartheid had ended.

SAA later said the agreement was still valid and the scheduled flights — the first in 20 years — would go ahead despite the presi-

dent's objections

Last night SAA senior public relations manager Léon Els said: "The flight was not economical because we only had four passengers." Regular flights would resume on Saturday, he said.

"We have opted for Saturday flights so that our passengers can get easy connecting flights

"There are very few flights out of Nairobi on a Sunday and many passengers would have been forced to stay overnight," Mr Els said

Obeliz 21/10/70
S. Times
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start concentrating by December 15 in two 6 km security zones.

One corridor will run

his record of opposing colonialism, became a symbol of Roman Catholic resistance. — Sapa-
Reuter.

SAA to get Seychelles route

By John Miller

(269)

South African Airways is to take over the Seychelles holiday route in April, and the price is going up. *SAA 3/12/90*

The good news is that tour operators will probably offer a greater variety of packages because they will be booking scheduled flights. The previous monopoly was TFC charters leased from Luxair.

An SAA spokesman agreed that the scheduled air-link with the Seychelles meant higher fares, but added: "There

is no guarantee with a charter flight, and if there are not enough passengers it can be cancelled. This can't happen on a scheduled flight."

Cathy MacWhirter, general manager, marketing, for Rennie's Travel, said: "The consumer will pay more but the retail travel agent will now hopefully have a greater variety of products to offer."

Thompson Tours managing director Anton Thompson said: "If SAA want to fill the planes, they will have to keep fares at the present price structures."



President F W de Klerk greets Transkei military leader Maj-Gen Bantu Holomisa at the Union Buildings in Pretoria yesterday. Transkei President Tutor Ndamase, left, and Foreign Affairs Minister Pik Botha look on. Picture ROBBIE BOTHA

Transport subsidy campaign intensifies

blm 4/12/90
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TRADE unions and employers have intensified their campaign for better subsidies to shore up the ailing bus transport industry.

On Saturday the Transport and General Workers' Union (TGWU), the SA Railway and Harbour Workers' Union and Nactu's Transport and Allied Workers' Union held nationwide demonstrations to demand improved subsidies for the industry.

TGWU information officer Kally Forrest said workers presented memorandums outlining their demands to local

MATTHEW CURTIN

Transport Department offices.

She said unions and the SA Bus Operators' Association also met Deputy Transport Minister Piet Welgemoed to express concern at the state of the industry.

Welgemoed had said the ministry had no power to alter the situation and was caught between the private taxi industry and bus industry's demands. The parties rejected Welgemoed's proposal that RSCs should assume responsibility for subsidies.

Airlines to submit views on Jan Smuts

AIRLINES are to present the Directorate of Civil Aviation (DCA) with proposals tomorrow for some changes to the upgrading of Jan Smuts Airport, Airlines Association of SA chairman John Morrison says.

Morrison, who is CE of Link Airways, stresses the changes, motivated by the airlines and backed by suggestions from International Air Transport Association (IATA) airport planning specialists, involve only some of the original plans.

He says: "Since the plans were drawn about six or seven years ago, some aspects of the original plans are outdated, and the volume of passengers at the airport has increased significantly."

Some of the proposals are for internal changes to allow for easier flow of passengers, and holding lounges at each depar-

THEO RAWANA

ture point of the airport. (269)

Morrison says a delegation made up of two representatives from the airlines and one from the DCA went to Geneva to meet IATA airport planning specialists.

When the delegation returned from Geneva early last month, a meeting of the Airport Consultative Committee — which comprises the Board of Airline Representatives, the Airport Operators Committee, the Airlines Association of SA and SAA — was convened. B1Dun. 5/12/90

"It was decided that the proposals should be put to the DCA at a meeting on December 6, after which they will be passed on to the Department of Transport," Morrison says.

SA passport won't wash in Nairobi

By John Miller

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If you are one of those South Africans who possess only a blue-backed passport and you are booked on the SAA inaugural flight to Nairobi, you will get into the airport building and no further.

All the money and goodwill in the world will not get you further than the transit lounge.

A clerk at SAA reservations told The Star "They will not ac-

cept you if you have a South African passport, and we have not been told when they will."

According to a spokesman for the airline, Flight SA184 with its 282 seats on the airbus was almost fully booked. By mid-morning yesterday there were only 10 business-class seats available.

He denied claims that most of these passengers were staff or officials, saying more than 98 percent were fare-paying passengers.

06/21/5 SFS

Visa bar continues

By MUSA
NDWANDE

12/12/90
SOUTH African Airways (SAA) is blowing its own trumpet for its "success" in forming air links with Kenya — but it is not known who will be its passengers to fill its planes as ordinary South Africans are still not allowed to visit Kenya.

6/12/90
Passengers seeking to take advantage of SAA's air link to Nairobi, the Kenyan capital, would have difficulties obtaining visas as there are no diplomatic ties between the two countries.

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According to SAA spokesperson, Ms Janie Van Vuuren, South Africans

cannot land in Nairobi without Kenyan visas unless they are passengers on transit to other countries. (269)

The direct flight, the first in 20 years, was announced last Friday by the SAA. On the same night, flight arrangements for about 31 passengers were cancelled because of "unforeseen problems".

Although Van Vuuren would not say what the "problems" were, she indicated that there were "difficulties with valid Kenyan visas".

All is not gloom in airport passenger halls

SAA passengers will find that at least one out of every 13 of the airline's 630 weekly domestic flights is delayed.

Yesterday SAA released flight delay figures for an eight-week period, from October 8 to December 2, which reflected an average of 196 late arrivals for the period — or 25 late arrivals a week

They also showed that 213 flights took off late (at least 26 a week)

On the bright side, this means SAA is recording an average of 92% on-time arrivals and 91,5% of punctual departures.

SAA spokesman Zelda Roux said the

LINDEN BIRNS

airline operated about 630 weekly domestic flights with an average of 899 take-offs and landings

The arrivals figure was marginally lower than the late departure tally because aircraft could make up lost time in flight, depending on wind, weather or other factors, she said.

Of the country's three major air traffic hubs, Jan Smuts Airport had the highest incidence of delayed domestic departures with an average of 11% of departures (or

28 out of 256, or one in nine weekly flights) leaving late.

Cape Town's DF Malan came a close second with one in 14 departures delayed, while Durban's Lous Botha had the lowest incidence of delayed departures with one in 21 flights taking off late.

At Jan Smuts the delays problem was compounded by a busier flight-line.

If a plane missed its take-off slot because of a delayed arrival, for instance, it had to be rescheduled into the next available slot — with a domino effect on other inbound and outbound traffic, she said.

13/10/94 6/12/90

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LABOUR

By DREW FORREST

EMPLOYERS joined forces with transport unions from two major federations in crisis talks with government last week over the ailing bus industry.

The response of deputy Transport Minister PJ Welgemoed was not encouraging, said Cosatu's Transport and General Workers' Union representative Kally Forrest.

"The state does not seem concerned about the death of the industry," she commented.

Deregulation, inroads by taxis and falling real subsidies have sparked a crisis in the sector, forcing the closure of depots, curtailment of services, job

Government 'powerless' to aid ailing bus sector

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sidy support for pensioners and the jobless, equal subsidisation for black and white scholars and an end to deregulation.

Some 3 000 members of the three unions, civic bodies and the ANC had marched, Forrest said, while a further 10 000 had staged a rally in Botshabelo.

Permission was refused in Johannesburg and Pretoria.

According to Forrest, Welgemoed said he was "powerless" on the subsidy issue and was under pressure from segments of the taxi trade to open further bus routes.

Signalling his rejection of central state subsidies and control of the industry, he argued for full deregulation.

On racial bias in subsidies for scholars, he referred the unions to the Department of Education.

Forrest also hit out at the banning of marches, and, in Pretoria, police confiscation of union pamphlets and arrest of 25 unionists who defied the ban. "We seem to be reverting to Emergency conditions," she said.



Apartheid alive at Spoornet, says Actstop man

By Shirley Woodgate

Apartheid signs have been removed from trains but segregation was still being practised in the booking office, claims leading Actstop member Mohammed Dangor.

Accusing Spoornet of employing "closet apartheid", he said he had telephone-booked

two tickets to Queenstown in the names of J and R Pillay over the weekend.

However, when it came to booking a compartment, the booking clerk asked him: "White or non-white?"

Mr Dangor said he was flabbergasted.

In the event the couple did not take up their tickets and

travelled through by taxi, but Mr Dangor has warned that he would press for the defiance campaign to be extended to mainline train sit-ins unless Spoornet came up with a satisfactory response.

"I call on F W de Klerk to state clearly just who is fooling who

"If apartheid is dead in law

it certainly is not dead in practice," Mr Dangor said.

Spoornet spokesman Ian Bleasdale said apartheid had been scrapped on all trains.

But when seats were booked, each passenger was given the choice of travelling in a mixed compartment or with people of similar race.

stop 12/12/90

Recession cuts into domestic air traffic

S Times 16/12/90

By CHARMAIN NAIDOO

SOUTH African Airways says domestic traffic dropped by 2,5% in the second half of this year compared with the same time in 1989.

The airline blames the recession and crippling fare increases caused by high fuel prices.

Fares have been increased three times this year, two of them being fuel levies. One levy was cancelled from December 1 after the fuel price fell.

Suggestions

In January, a one-way economy-class ticket from Johannesburg to Cape Town cost R305. By August it had risen to R342.

On September 17, after an 8% fuel levy, the one-way fare rose to R369. On November 1, another 10% was added to the fuel levy and the fare rose to R410.

It was reduced from December 1 to R383.

SAA has embarked on a major cost-cutting exercise and spokeswoman Zelda

Roux says: "We have a committee to which employees send suggestions on how to save money. The most basic suggestions, like how to save fax paper, are being implemented."

In spite of the hard times, she says there is optimism at SAA.

"It looks as though we will make a small profit or break even at worst. We will see nothing like the big profit we were hoping for, but we'll come out all right."

Miss Roux says capital expenditure has been cut to the bone.

"Our multi-million advertising budget has been chopped in half and all campaigns and promotions have been put on ice."

"Every department is operating on a trimmed budget."

Underused flights are being cancelled to save money.

By next March the airline will have cancelled 24 flights a week. In September there were 684 weekly domestic flights.

New hirings, except to fill essential posts, have been frozen.

"We have introduced stop-over flights to Europe, via Lisbon, so we can carry more

passengers and cargo and save fuel," she says.

SAA has cut fare discounts since fuel levies. Midnight and early-morning flights now offer discounts of 40% instead of 50%.

But the festive season, traditionally a busy time for airlines, is fully booked from December 15.

At least 20 extra flights have been laid on.

Miss Roux says one of the major problems for SAA over the holidays is the "no-show" trend.

Booked

"People who are unsure of exactly when they can get away tend to book seats on several flights. No-shows always increase at this time of the year."

"That is one of the reasons we ask travellers to buy tickets five days before a flight."

"We ask people to cancel bookings if they are not using them. In this time, many stand-by passengers get on flights — often more than we expect."

SAA has introduced the 30% discount on some underused flights where, for instance, people were flying one way to Cape Town or Durban with the return seats empty.

"Bookings on these flights are popular," she says.

Trek Airways licensed to compete with SAA on domestic routes

TREK Airways has become the first airline to be granted a licence to carry passengers and freight on major domestic routes in competition with SAA.

The independent airline's MD Jan Blake said yesterday that Trek was licensed to operate 12 daily return passenger and cargo flights between major SA airports. It is expected to be airborne by next August.

Blake said Trek, which had no SAA ties, hoped to operate twin-engined 150-seater Boeing 737-300s.

The airline would take about eight months to begin operations on the routes as

it still had to lease aircraft and train air crews and other staff.

However, the deregulation of SA's airways did not mean an automatic drop in airfares, with competitors slashing fares.

"We are definitely not planning on entering a fare war with SAA. The tariff structure in SA is already very low and there really isn't much margin for adjustment."

Trek's licence was granted at a National Transport Commission (NTC) hearing in George last Friday.

It entitled the airline to operate four daily return flights between Johannesburg

By Day 18/12/90
LINDEN BIRNS

and Cape Town and Johannesburg and Durban, two daily return flights between Durban and Cape Town, and one daily return flight between Johannesburg, East London and Port Elizabeth.

Trek's was the first successful application for passenger and cargo rights on SA's main routes.

In terms of the licence, flights can be operated directly or via intermediate points

Blake said aircraft maintenance contracts could be awarded either separately

or in joint agreements with SAA and Safair's aviation wing, Safair, both jet airliner operators. They could also be split between one of the two SA companies and a European company.

The airline's workforce is expected to swell from 190 employees to about 350.

Trek has also agreed with Safmarine to buy 100% of Safairlines, which operates flights between Cape Town, George, Alexander Bay and Walvis Bay.

Blake said that although Trek was taking over Safairlines, it was not buying its aircraft. New equipment would be

acquired

SAA spokesman Leon Els said the granting of Trek's licence was welcomed as it created competition which would ensure maintenance of a high service and operating standards in the domestic sector.

Els echoed Blake's opinion that a tariff war was unlikely. "The market will dictate fares in the end, but really the structures have already been established and it will be for the competitors to decide whether this should be altered. Ultimately it will be the airline offering the best service that will get the customers," he said.

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Railway upgrade — and fare hike

CAT Times 18/12/90 269

By GLYNNIS UNDERHILL

A HUGE plan to upgrade the quality of rail travel to counter dramatic government cuts in commuter subsidies is on the cards.

The subsidy cuts will send train fares soaring beyond the rate of inflation within the next five years, Dr Koos Meyer, Rail Commuter Corporation general manager, disclosed yesterday.

Under the present subsidy ratio, commuters pay 30 cents of a R1 fare while 70 cents is subsidised by the state, Dr Meyer said.

This system would be reversed because the government now wanted to recover

70 cents of every rand from the commuter.

To justify the fare hikes, the RCC — a state body responsible for metro train services throughout the country — planned to spend "millions of rands" to upgrade the rail service countrywide.

Dr Meyer said work on the project was expected to begin in the new year at up to three unnamed train stations in the Cape and at other suburban stations around the country.

The quality of service had to be improved to give more value to the commuter and to this end the RCC planned to

● Improve rail travelling speed

● Introduce automatic and electronic ticket machines at stations.

● Make the train stations "more user-friendly" by improving toilet facilities and seating at stations.

● Increase the number of private security officers to improve personal safety at stations where this was found to be necessary, although this was largely the responsibility of the police and commuters, said Dr Meyer.

The fare increases and upgrading plans would be phased in over "five years or longer", Dr Meyer said, adding that it was "for the government to say" when the next

increase would be implemented.

Pointing out that, over specific distances, rail fares currently fell below bus fares, he noted that bus fares similarly fell below taxi fares but that there was still room to create competition.

The government was phasing out "all kinds of subsidies", including commuter subsidies, said Dr Meyer.

The RCC had taken a business approach to the issue and planned to give the commuter better value for money, he said.

"It is just fair that every person pays for what he gets and spends," said Dr Meyer.

Railway upgrade — and fare hike

Cape Times 18/12/90 269

By GLYNNIS UNDERHILL

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Battle hots up for fast freight market

B/CCM 20/12/90

THE battle for supremacy in the fast freight business is hotting up with one of SAA's main rivals, Safair, looking at buying a Boeing 727 tri-jet.

Safair GM Capt Felix van der Merwe confirmed yesterday that the airline was hoping to acquire a jet freighter in order to speed up cargo services both on domestic routes and on southern African regional routes.

He said Safair was keen to recapture the express parcel airfreight service which it lost to SAA when deregulation of SA's airlines was first mooted.

"At the moment we are conducting a feasibility study and we hope to be able to acquire and launch the new service in the new year," he said.

Van der Merwe said Safair was looking at the Boeing 727 tri-jet class of aircraft for the service.

"We do operate a service using our turbo-propeller powered Hercules aircraft which have the best payload capacity, but these take three hours to fly between Johannesburg and Cape Town.

"SAA, which uses its twin-jet Airbus equipment on the rival service, has managed to capture a large section of the market because it can offer a flight almost 70 minutes shorter," he added.

Safair already owned a long-haul Boeing 707 jetliner, but this would not be used on the domestic express cargo flights as it was not cost-effective to operate on the short-haul routes, Van der Merwe said.

The acquisition of a medium-range jet such as a Boeing 727 would also enable

LINDEN BIRNS

Safair to compete in the regional market, where the airline has established a solid reputation for itself in the airfreighting industry.

"Basically we want to be the market leaders in express cargo services both internally and regionally," said Van der Merwe.

He denied rumours that Safair was about to purchase a number of Airbus aircraft in a bid to enter the deregulated passenger service market.

"There was an in-house decision taken at Safmarine that we should concentrate on cargo services and leave the passenger side to Trek Airways.

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Monopoly

"After all, we are well established in the freighting game and we don't have as much experience as we would like to enable us to operate a full-scale passenger service," he said.

Last Friday Trek Airways was granted a licence to operate 12 daily return domestic flights in direct competition with SAA which previously held a monopoly on the routes.

SAA spokesman Leon Els said yesterday although he was unaware of Safair's intentions, any competition in the spirit of deregulation was most welcome.

"I know Safair has applied for the routes, but we (SAA) will continue marketing our express courier service," he said.

Trek airline eyes 20% of SAA seats

Blom 2/12/90

(269)

TREK Airways, which last week was granted a licence to operate 12 daily domestic flights, is planning to capture approximately 20% of the local passenger market, estimated at four million seats a year.

Trek, which could operate at least 648 flights a year, will be able to offer about 972 000 seats — or 24.3% of the total domestic market — if it uses 150-seater aircraft on its routes.

The airline could also enter into a partnership with a freight service such as Safair, sharing aircraft in a two-pronged attack on SAA's dominant position in both the passenger and cargo sectors of SA's commercial aviation industry.

Trek MD Jan Blake said in an interview yesterday he would be interested in any proposals for a co-operative venture which allowed Trek to compete for passengers while a partner company vied for express cargo.

On Wednesday Safair GM Capt Felix van der Merwe said the freight airline was hoping to acquire a jet airliner to take express cargo trade from SAA which, with its all-jet fleet, was able at present to offer faster deliveries than the propeller-powered Safair fleet.

Three shareholders own Trek Rentmeesterbeleggings Ltd, Safmarine and Muelkh (Pty) Ltd. But none has a controlling interest.

Trek in turn owns Luxavia (Pty) Ltd, an operation established to market in SA Luxavia's flights between Luxembourg and Johannesburg.

Luxavia has recorded more than 40% growth in passenger volumes over the past five years. Between 1985 and 1987 the company changed aircraft from a 189-seater Boeing 707 to a 250-seater Airbus, and eventually, to keep up with passenger demand, to a 300-seater Boeing 747 SP.

Trek started as an airline in 1953, oper-

LINDEN BIRNS

ating internationally until 1971 when Luxair took over the route between Luxembourg and Johannesburg, Blake said. Trek, through its involvement in Luxavia, has kept its finger on the pulse and had a well established infrastructure which would be used to back its domestic services.

Capital for the new domestic services would come mainly from internal sources, but further investments by the three shareholders might be required, he added. Blake, a Johannesburg accountant, will take his Luxavia management team with him. They will be responsible for running the new operation as well as Luxavia.

GM Reinhart Mecklenberg said Trek had taken cognisance of black spending power which, he said, was a force to be reckoned with as a potential sector of the passenger market.

Identity

"While we recognise their spending power we certainly won't be differentiating in service or marketing according to race differences," he added.

Trek still had to unveil its corporate identity, but this would not be done until a decision on aircraft type had been taken.

"We have got some ideas, but we would like to build our identity around the aircraft type and livery design," Blake said.

Even though Luxair's Boeing 747 flight crew used SAA's simulator facilities for training, this did not mean that Trek would necessarily stick with the same types of aircraft used by SAA.

Earlier this week Blake said Trek was looking at 150-seater class aircraft, such as the Boeing 737-300 or MD 80 twin-jets which would initially be leased, significantly reducing the required start-up capital.



Trek Airways MD Jan Blake ... interested in any proposals for a co-operative venture that will allow Trek to compete for passengers while a partner vies for express cargo business.

Picture ROBERT BOTHA

Passengers pick up ticket surcharge

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B 21112/90 LINDEN BIRNS
SURCHARGES of as much as R20 are being levied on air travellers who book and prepay their domestic fares through travel agents but collect their tickets at airports.

Although standard practice for almost two years, many passengers were unaware they were paying extra for being able to pick up their tickets at airports. Passengers who have paid for domestic tickets in the R600 to R800 bracket are charged R20 extra. On fares of between R80 and R600 the surcharges vary from R2,98 to R19,25.

SAA spokesman Leon Els confirmed that his airline charged travel agents a handling fee for the facility.

A source close to SAA said this handling fee was then passed on to the passenger. Many people were unaware that they were paying extra. It was unfair, the source added, that travel agents should reap the benefits of a full commission on tickets which they had booked but not issued. "They are not offering a full service when they take the money and the passenger picks up his ticket at the airport."

Association of SA Travel Agents (Asata) president Barney Singer said the surcharge was justifiable but disagreed with the notion that the travel agent should absorb the fee. "You can pick up your tickets for the normal price at the travel agent or at any SAA office, but not at the airport, so why should the travel agent pay for SAA's passenger service?"

"The work done by us is equivalent to issuing a ticket in terms of labour, so criticism that we are benefiting from commission without doing the work is unfounded," he said, adding the onus was on the agent to inform passengers of the surcharge.

TAKING ON SAA (269)

Don't expect much price competition on SA's newly deregulated domestic air routes. Even before Trek Airways begins its services from Johannesburg to Cape Town, Durban, East London and Port Elizabeth, it has said it will follow SA Airways' basic price structure. Competition will take place on service and, to a limited extent, on promotional fares.

Trek MD Jan Blake says: "There is a low margin and a high break-even point in SAA's fare structure. We intend to be different on service and there will be some innovations on the type of tickets we'll offer."

SAA promises more of the same. Says airline spokesman Leon Els. "We have been advocating competition for more than two-and-a-half years. We would like passengers to fly with us because they have chosen to, not because they have to. We have engaged in a marketing drive, including the introduction of midnight fares, to prepare ourselves for competition."

SAA's marketing efforts will be backed up by a massive investment of R3,2bn over the next two years. Trek, on the other hand, is likely to start with just three or four aircraft. Blake says the type will be chosen at a board meeting next month. Press and TV reports that two 737s have already been chosen are incorrect, he adds.

Trek will need at least four aircraft to take up its full quota of routes, which include four flights each way from Johannesburg to Cape Town and Durban, two flights between Durban and Cape Town, and one Johannesburg to Port Elizabeth and East London flight.

So far only the Safmarine group has applied for head-on competition with SAA. Safair Freighters has applied for freight routes and 37%-owned Trek Airways for passenger routes. As part of this strategy, Safairlines, which flies along the south and west coasts of the Cape, has been sold to Trek. The company has leased Safairlines' two Convair 580s from Safmarine but intends introducing more modern, fuel-efficient aircraft on the routes later.

The friendly division of tasks does not extend to the international market, however. Trek has opposed Safair's application to operate on external routes already served by scheduled airlines.

Safair's Felix van der Merwe says Safair does not have the infrastructure nor exper-

BUSINESS & TECHNOLOGY

tise to take on SAA's passenger services. But does Trek? Trek Airways subsidiary Luxavia markets Luxair flights from Johannesburg to Luxembourg, though it has no shareholding in the airline itself. Says Blake. "We have not employed any aircrew up until now but, as Luxair's partners, we have developed an intimate knowledge of all aspects of air travel." FIM 21/12/90 (269)

A more logical competitor on domestic services might have been Comair, which already has a domestic network. Comair's Piet van Hoven, however, says the airline decided to concentrate on short-haul routes, though it may reconsider this next year.

Els sees it differently. He says: "The other airlines must have done their homework. There is room for two competing airlines on the major routes but, until the market grows, probably not for three." ■

Bus operators feeling financial strain

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have forced many bus companies to close. Saboa calculates the annual bus industry inflation rate (BIIR) at 21% a year. This is about six percentage points higher than the consumer price index (CPI);

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Rolls-Royce power to cut SAA fuel bill by 25%

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Own Correspondent

JOHANNESBURG. — SAA will save up to 25% in long-haul fuel bills and extend the airline's non-stop flight range by 5 000km when its Rolls-Royce-powered new generation Boeing 747-400s take to the air on the airline's overseas routes early next year.

The airline has broken with tradition and opted for a change from the American Pratt & Whitney (P & W) to the British Rolls-Royce aircraft engines for its fleet of new aircraft.

SAA's first B747-400 will touch down at Jan Smuts Airport on January 20.

Each of the four new state-of-the-art aircraft will be powered by four Rolls-Royce RB211-524G engines, each powerplant capable of generating 58 000 pounds of thrust.

SAA's older generation B747s, some of which were delivered in 1971, are fitted with P & W JT9D engines which generate between 43 500 and 53 000 pounds of thrust but are a lot thirstier and restrict the aircraft's range to just 8 520km.

The new aircraft will be capable of flying 13 520km on a full-fuel load. This represents a 25% fuel saving over SAA's ageing B747 Super B fleet, and a saving of between 11% and 15% over the B747-300s delivered during the early 1980s.

Three manufacturers — Rolls-Royce, P & W and General Electric — have developed new generation engines for the B747-400, but SAA spokesman Leon Els said the airline went for the UK-made powerplants because of their economic performance.

Last month some of SAA's B747 engines were reported to have been overstressed because of the high thrust levels needed to take off at Jan Smuts, one of the world's highest altitude airfields.

SAA overcame that problem by introducing a stop-over in Lisbon on most of its European flights. This enabled aircraft to take off with a reduced fuel load and refuel in Portugal.

Rising costs slow buses

By DON ROBERTSON

INFLATION in the bus business has averaged 21% in the past four years — well above the consumer and producer price indices.

With subsidies declining in real terms, bus companies face serious problems and many will find it difficult to survive.

The Southern African Bus Operators Association (Saboa) newsletter says that in the past 10 years, major changes in commuter patterns have taken place, with more people using combined taxis than buses, especially in off-peak times.

The number of people using buses to get to work and back has fallen by 50%. As a result, the percentage recovery on total costs has dropped to a level which puts most bus companies at severe financial risk, says Saboa.

Bus subsidies were increased from R180-million in 1989 to R540-million in 1989. Operators say, however, that the 1989 figure is equivalent to only R127-million in 1980 money.

Appeal

Earlier this year the subsidy was increased to R575-million, but after an appeal to the Department of Finance by Saboa and the Department of Transport, the figure was increased to R540-million.

Putco managing director Jack Visser said the additional money was insufficient to keep fares at an acceptable level and cover rising costs. The industry dared not increase fares above the inflationary rate for fear of boycotts and damage to vehicles.

Mr Visser said services were cut to save costs. Saboa says "Many bus companies have closed their operations in commuter areas which have traditionally been served by the bus mode."

To strengthen its lobbying position, Saboa asked transport economists and management consultants Transecon to establish the rate of inflation in the bus industry since 1987. Transecon found that inflation in the industry had risen by 21% a year, indicating that operating costs doubled in 3½ years. This is 6% higher than the consumer price index of 15,1% in the same time and is 7,4% above the producer price index. Labour costs rose by 21,2% and make up 40% of total expenses. Direct costs, such as fuel, tyres, oil and lubrication, rose by 22,4%. Maintenance costs increased by 21,7%.

African airlines take a back seat on purchases of planes

AFRICA accounts for less than 5% of the world's commercial aircraft sales, mainly because air travel is not regarded as a popular or accessible means of travel.

Boeing's SA spokesman Johan Pfeiffer says people in Africa do not travel much by air. They also do not travel as often as people in more developed countries.

In 1990 the Boeing Commercial Airplane Group accepted orders for 517 planes worth \$46,1bn. Of these, only 20 — worth about 3,8% or \$1,75bn — were ordered by African customers.

South African Airways (SAA) contributed about \$250m when it converted to definite orders options on two Boeing 747-400 aircraft costing \$125m each.

SAA also placed an order, estimated to be worth about R1,2bn, with the European Airbus Industrie consortium for seven A 320 planes, with spares and simulators.

Mozambique's LAM ordered five new aircraft — two Boeing 767-200 ERs and three 737-300s — while Zambia Airways leased a 757 freighter, a step which made it the first sub-Saharan airline to operate the

aircraft type

Royal Air Maroc (Morocco) ordered seven new generation Boeing 737s, and took delivery of the first of these aircraft in July.

The Moroccan airline became Africa's first to fly the new 737 series 500 when it took delivery in December.

EgyptAir ordered five 737-500s, Ethiopian Airlines took delivery of a 757 freighter, Kenya Airways launched passenger services on its new 757 and Air Algerie bought three long range 767-300s.

These African sales compare with recent contracts such as All Nippon Airways' decision in December to order 15 Boeing 777s with an option on 10 more. With spares and support products, the order is worth about \$2,6bn.

In October, United Airlines had ordered 34 of the 777s, with an option on another 34.

Of the 517 orders, 11 are for Boeing 707s, 155 for Boeing 737s, 172 for Boeing 747s, 88 for 757s, 42 for 767s and 49 for 777s.

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