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ENERGY
1978

DD 3/1/78 55

All set for world's biggest oil transfer

PORT ELIZABETH — All systems are go for the world's biggest ship-to-ship transfer of oil due to take place in Algoa Bay today or tomorrow.

Litiopa, a 311 500 tonne tanker owned by the British Shell Company, is now anchored in Algoa Bay to take transfer of the 250 000 tonne cargo of crude oil in the 331 000 tonnes American owned and Liberian registered Venoil.

All the equipment required for the transfer is

aboard the two tankers or waiting transfer from Port Elizabeth harbour. On Sunday, the badly gashed but unladen Venpet left the bay under her own power en route for Cape Town but is being assisted by the British tug Lloyd-sman.

When she arrives in Table Bay, the Venpet will undergo further repairs to her damaged stern section, crew accommodation, bridge and communications system.

The oil transfer should be the last act in the drama which has followed the world's largest maritime collision 19 days ago. Two crew members of the Venoil were lost when the two goliaths of the sea ploughed into each other 40 km off the Tsit-

sikama coast on the Day of the Covenant.

A spokesman for the local agents for the ship's owners said the Yokohama fenders — specially designed to keep the tankers apart for the oil transfer — had arrived from Durban and Cape Town. He said all the remaining equipment for the trans-shipment was either on the tankers or ready on the quayside to be air-lifted by helicopter or taken to the vessel by tug.

"If the elements are kind to us the transfer could be completed by Wednesday afternoon but the weather holds the key", he said.

He estimated it would take six to eight hours to get the tankers alongside and connected 7 km off the Port Elizabeth harbour wall. "Once pumping starts the transfer should be completed in 24 hours," he said.

When the Venoil is laden and her tanks inerted (made safe) she will also leave Algoa Bay assisted by the Safmarine salvage tug Wolraad Woltemade.

The owners have still to decide whether she will also go to Cape Town for further temporary repairs or go to a drydock in Japan or Europe for a complete overhaul.

There are no dry docks in Southern Africa big enough to handle ships of this size. — DDC

DD 4/1/78 (55)

Oil transfer starts

PORT ELIZABETH — A start will be made today to begin transferring about 250 000 tonnes of crude oil from the damaged tanker Venoil to the British tanker Litopa in Algoa Bay.

Mr Harry Millard, salvage expert and member of the American

Bureau for Shipping, said yesterday ships and aircraft would not be allowed near the two tankers while the oil was being transferred.

The operation will be the largest ever carried out in the open sea. — SAPA.

Oil transfer ^{DD 5/1/78} going to plan ^(SS)

PORT ELIZABETH — The world's biggest ship-to-ship transfer of oil was going ahead as planned late last night in Algoa Bay.

At 3 pm yesterday the pumps were engaged and through 24 hoses the 250 000 tonne cargo of crude oil in the tanks of the collision-damaged Venoil began gushing into the holds of the empty tanker Litiopa.

Docking the 331 000 tonne Venoil and the 311 500 tonne Litiopa began at first light yesterday and luckily the weather

was kind. By 7 am the two tankers were snugly coupled.

But it took further eight hours before the actual transfer could start.

The chief pollution officer of the Department of Transport, Mr Bill Bricknell, said in a radio telephone interview from the Venoil last night that the delay was normal and accordance with international practice.

"We knew when we started pumping that everything was 100 per cent safe," he said. DDC.

contacts

ARGUS 6/1/78

SA tells of W German co-operation

Energy
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The Argus Correspondent

JOHANNESBURG. — Full details about nuclear co-operation between South Africa and West Germany have been issued by the president of the Atomic Energy Board, A J A Roux.

Dr Roux reacted to the claim that important new information about this co-operation will be disclosed in the book *The Nuclear Axis*, by Julian Friedman, due to be published in Britain soon.

'People are trying to attribute an unholy conspiracy to practical co-operation about which there are absolutely no secrets,' Dr Roux said.

He outlined the extent of co-operation with West Germany as follows:

Basic training

South African nuclear scientists have received basic training in German institutions, just as they did at other Western institutions. From time to time South Africans have visited West German institutions, just as German scientists visited South African nuclear institutions.

The German utility company Steag co-operated with South Africa in the field of uranium enrichment from 1973 to September 1975 with a view to the joint construction of a commercial enrichment plant.

Co-operation

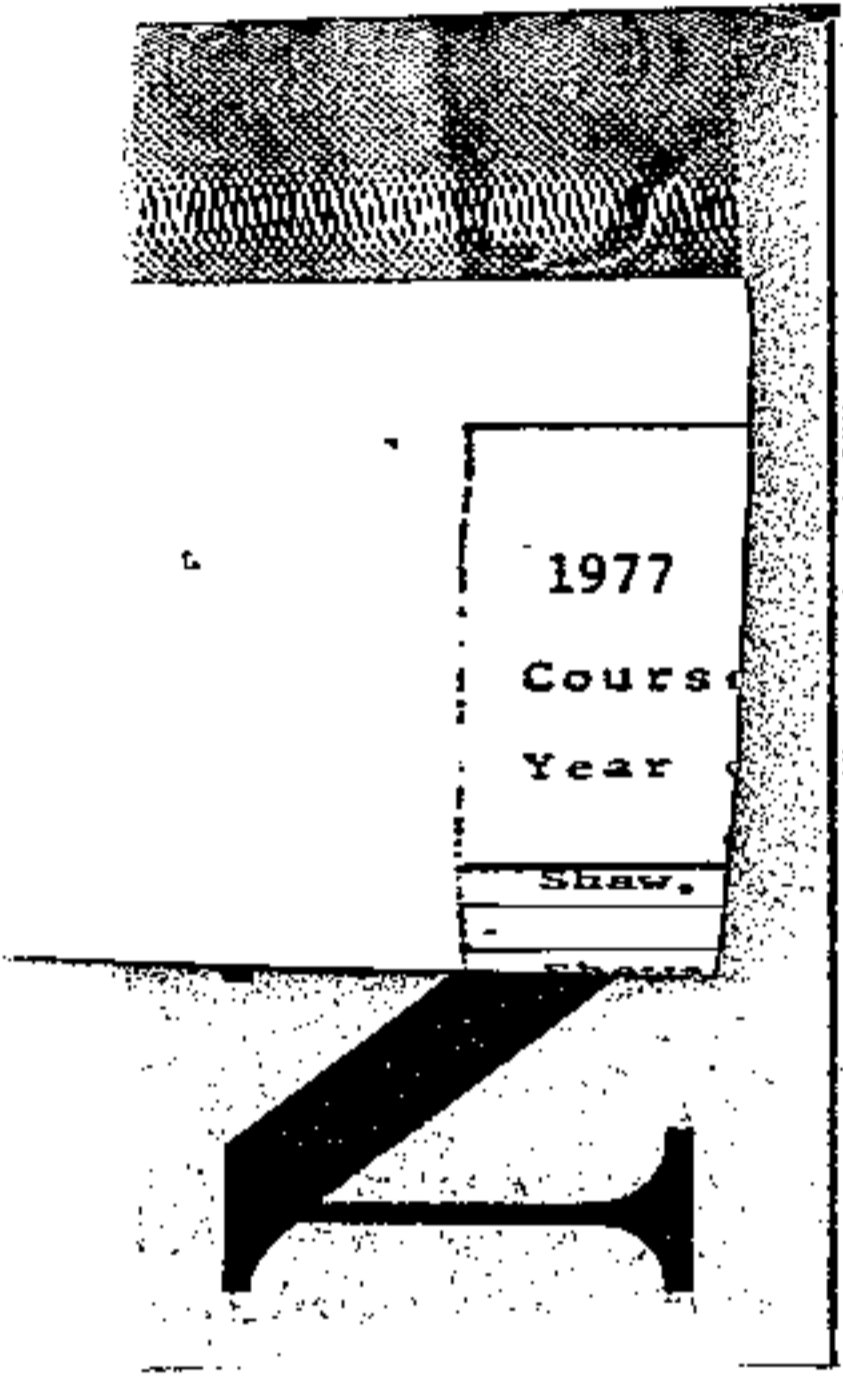
The extent of this co-

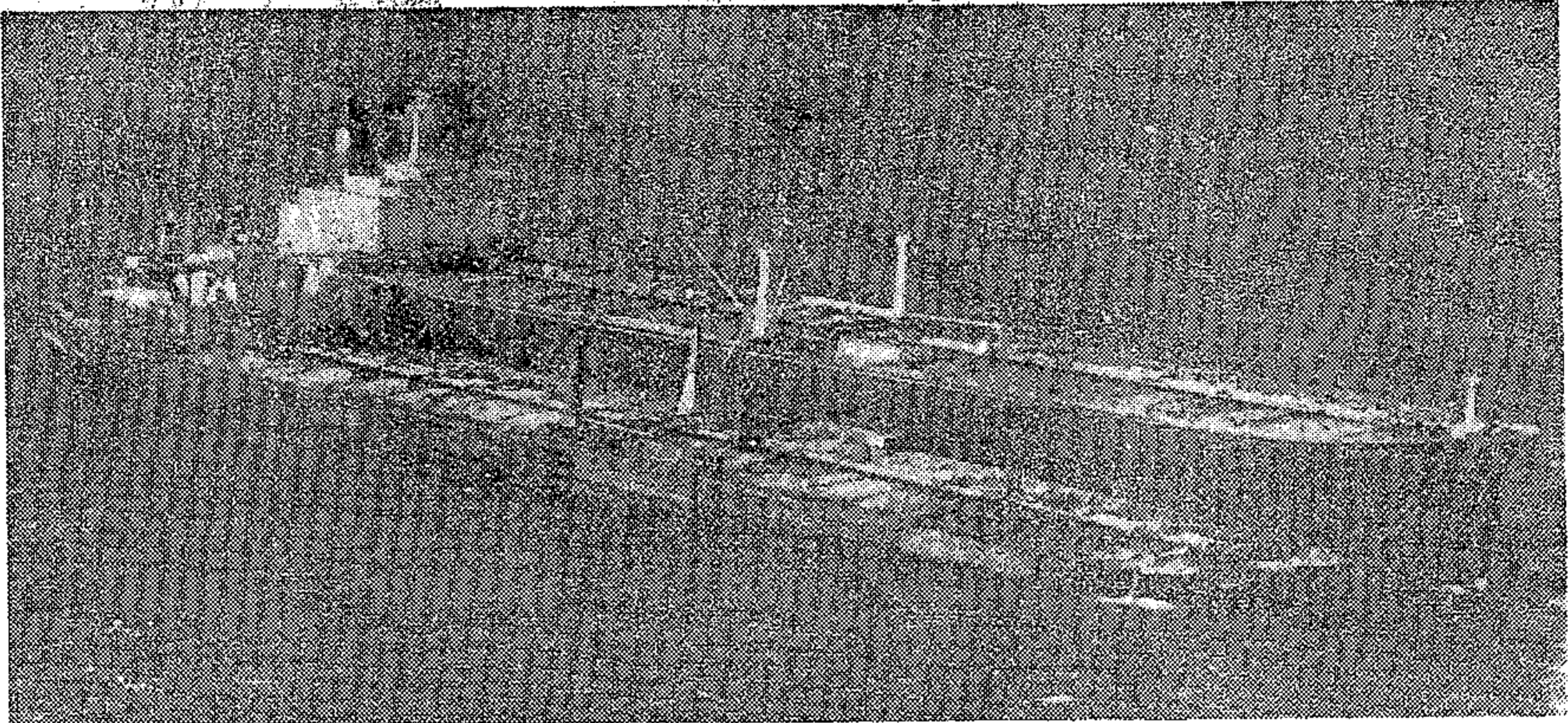
-operation was widely publicised but the co-operation ceased at the end of 1975.

South Africa has been supplying uranium to several German utility companies for years.

Dr Roux said Germany had not supplied South Africa with a significant item of equipment.

here regarded as se





The laden 331 000 tonne Venoil pictured in Algoa Bay yesterday as she again started pump-
 in her 250 000-tonne cargo of crude oil into the empty Litiopa. The transfer was interrupted
 for 12 hours in the early hours of yesterday morning when strong winds forced the oilmen
 supervising the trans-shipment to disconnect the hoses.

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 6/1/78

Oil flows again after hold-up

PORT ELIZABETH — By late last night the world's biggest ship-to-ship transfer of oil had reached the halfway stage in Algoa Bay — in spite of the transfer having to be discontinued early yesterday morning because of heavy swells and gusting wind.

Just before sunset yesterday the laden 331 000 ton Venoil, victim of the collision on December 16 off Storms River with her sister ship the Venpet, had risen perceptibly in the water and was riding deck to deck with the transfer vessel, the 311 500 ton Shell tanker Litiopa.

During the sudden gusts late on Wednesday night and early yesterday morning — which at times reached 40 knots — the 5 cm hoses were disconnected between the two vessels although the tankers stayed alongside each other.

They were held by the Venoil's bow anchor and the powerful Safmarine tug Wolraad Woltemade.

During the uncoupling one crew member of the Litiopa, Mr P. Murby, was injured and early yesterday morning airlifted by helicopter to hospital here.

Last night it was confirmed he had back injuries, but was reported to be "comfortable."

Shortly after midday yesterday the pumps again started transferring the Venoil's cargo at the rate of 7 000 tonnes an hour.

anti-pollution vessels on standby and they will cope with any spillage. But so far the operation has been completely clean."

He said that in June last year Algoa Bay had been

the scene of the 210 000 tonne oil transfer from the Norwegian Norse Queen to the Shell tanker Lanconica.

"Until this current operation, it was the

largest in the world. I think we learnt our lessons then.

"In June there was no pollution and I am pretty sure there won't be any this time." — DDC.

"If the weather does not interfere, we should have the transfer completed by Saturday morning," a spokesman for Venoil Incorporated said last night, "although we lost over 12 hours with the uncoupling."

The weather reports are favourable and so far there have been no signs of any pollution during the transfer.

A spokesman for the South African Department of Transport said: "We have two Kuswag

PHOTO BY AP/WIDEWORLD

DD 7/1/78 SS

Oil headaches and hangovers

of holding 23 million gallons of oil for loading onto the supertankers that will haul it to refineries in Britain and Europe.

A 100-megawatt power station has been built and a processing plant to extract gas from the crude oil is planned for 1979.

The construction men, engineers and other specialists, plus another 1,000 support personnel, live in two camps built near the terminal site, well out of the way of Shetlanders who fear their traditional way of life is being threatened by the oil rush.

The tough construction men, mainly Irishmen and Scotsmen from unemployment-ravaged Clydeside, can make up to R320 a week at Sullom Voe.

Accommodation, food, and entertainment at the camp is free so just about everyone drinks like a fish in the camp bars.

"One of our biggest headaches has been the hangovers everyone seems to get here," a BP official said. — *SAPA-AP*

— *Ed Blanche*

covered islands are battered in winter by storms from the Atlantic to the west and the North Sea to the east.

Icy winter rain has turned the sprawling 404.6 hectare terminal site into a sea of thick mud that can suck the boots off a man's feet.

More than 3,000 hardhats swarm over the vast site like soldier ants, dwarfed by monster 50-ton trucks and huge mobile cranes. They've already gouged three million cubic feet of peat and nine million cubic metres of rock from the shrub-covered hillsides.

Diamond showers of molten metal burst like starshells all over the immense construction site as steel-hooded men cut girders with oxy-acetylene torches.

Three of the 85,000-ton storage tanks have been built. Eventually there will be 15 of them, capable

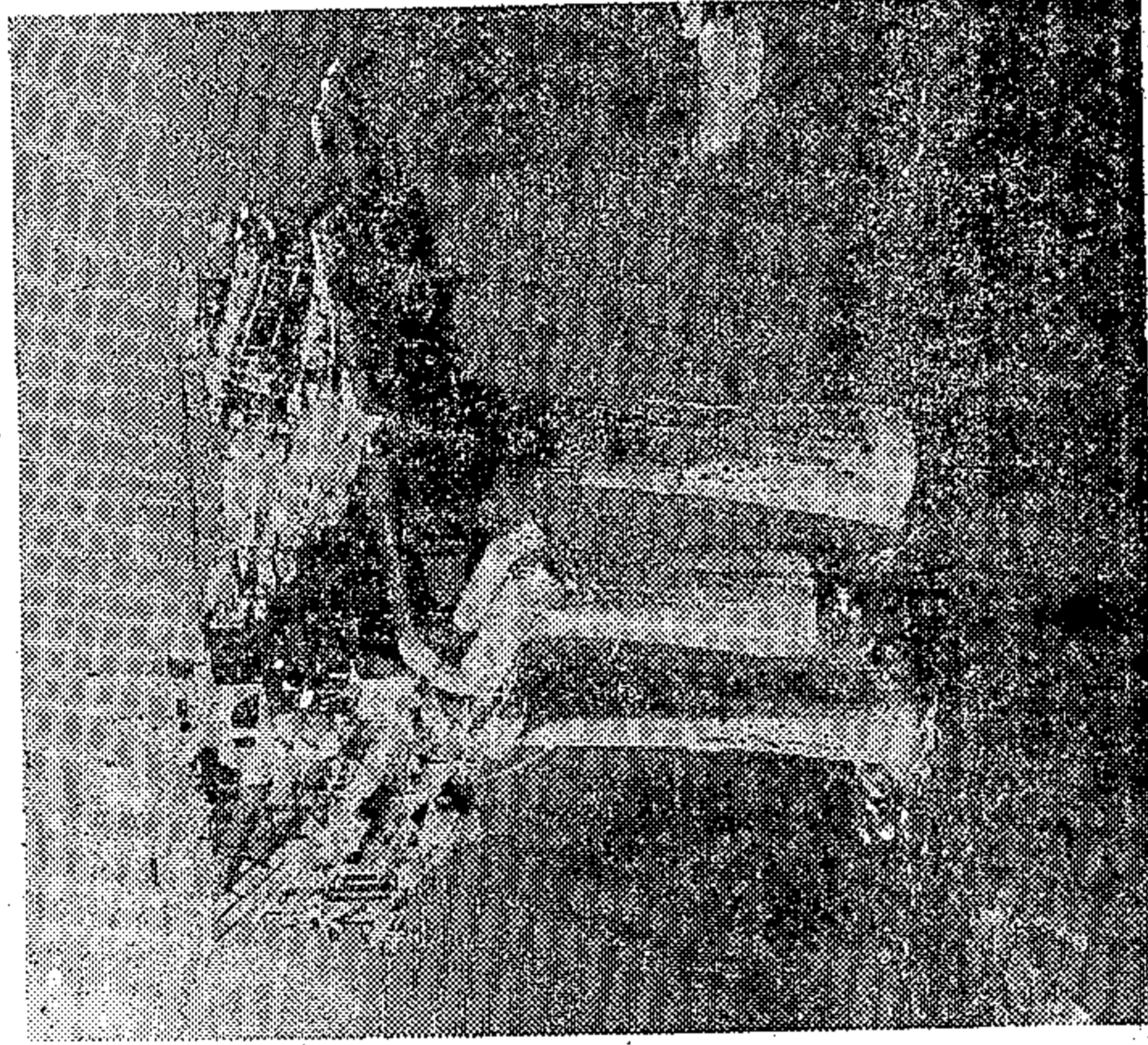
"Barring a major catastrophe, we should be in business by May."

But oil industry sources are not so sure. An official of one of the companies involved in the Ninian Field said guardedly: "We're keeping our fingers and toes crossed that the terminal will be ready in time."

The terminal lies on the shore of Sullom Voe, a desolate fjord inhabited mainly by wild birds. Across the water lies a long-abandoned air base from which bombers thundered off to raid Nazi-occupied Norway and lumbering flying boats patrolled the grey Atlantic in World War II.

Bad weather is a major headache in the Shetlands, which lie on the same latitude as Leningrad and Anchorage, Alaska, and at this time of year see little daylight.

The treeless, peat-



North Sea oil: working against time to get the black gold flowing back to the mainland.

Department spokesman said. "It's a key element in our North Sea programme."

The terminal is scheduled to handle around three-quarters of Britain's oil needs by 1981 — 1.5 million barrels of crude a day from the fields north-west of the islands, the most northerly part of Britain.

The delays at Sullom Voe and problems installing gigantic production platforms in the gale-whipped North Sea, where winds can reach hurricane force and waves 30 metres high, have already kept production flows below the scheduled level.

A leading stockbroking firm, Wood, McKenzie, warned the delays could cost Britain R960 million in lost oil production over the next 18 months, breaking the economic recovery rate.

Basil Butler, BP's terminal manager, said:

The terminal, which will rival Rotterdam's massive Europort complex, has to be in partial operation by May when 20,000 barrels of high-grade crude from the British Petroleum Company's Ninian Field start flowing through a 161-kilometre underwater pipeline.

Shell-Esso's big Brent Field, the richest in the North Sea with an estimated 274 million tons of recoverable oil, is scheduled to start pumping in October through a second pipeline.

Brent began production in late 1976, but has had to ship the oil ashore by tanker because of pipeline problems.

Eventually, six fields and possibly nine will be hooked up to the terminal which will have a maximum capacity of three million barrels a day.

"Getting the terminal operational is top priority," an Energy

An army of hardhats is racing against time through winter storms to build a giant oil terminal vital to Britain's economic recovery in the remote Shetland Islands.

North Sea oil, an estimated 1.4 billion tons of it, is troubled Britain's lifeline and the core of Prime Minister James Callaghan's whole strategy to revive the ailing economy.

The nation expects to become self-sufficient in oil production by 1980. The oil terminal at Sullom Voe, a deep-water inlet whose ancient Norse name means "a place in the sun" is the key factor in getting production into high gear.

But the project, started in February, 1975, is two years behind the original schedule because of planning and labour disputes.

A build-up in the planned oil flow through the islands the Romans called "the end of the earth" has forced State-run BP to start work on the second stage of the project before the first is near completion, bumping up costs 25 per cent.

Heunis unmoved

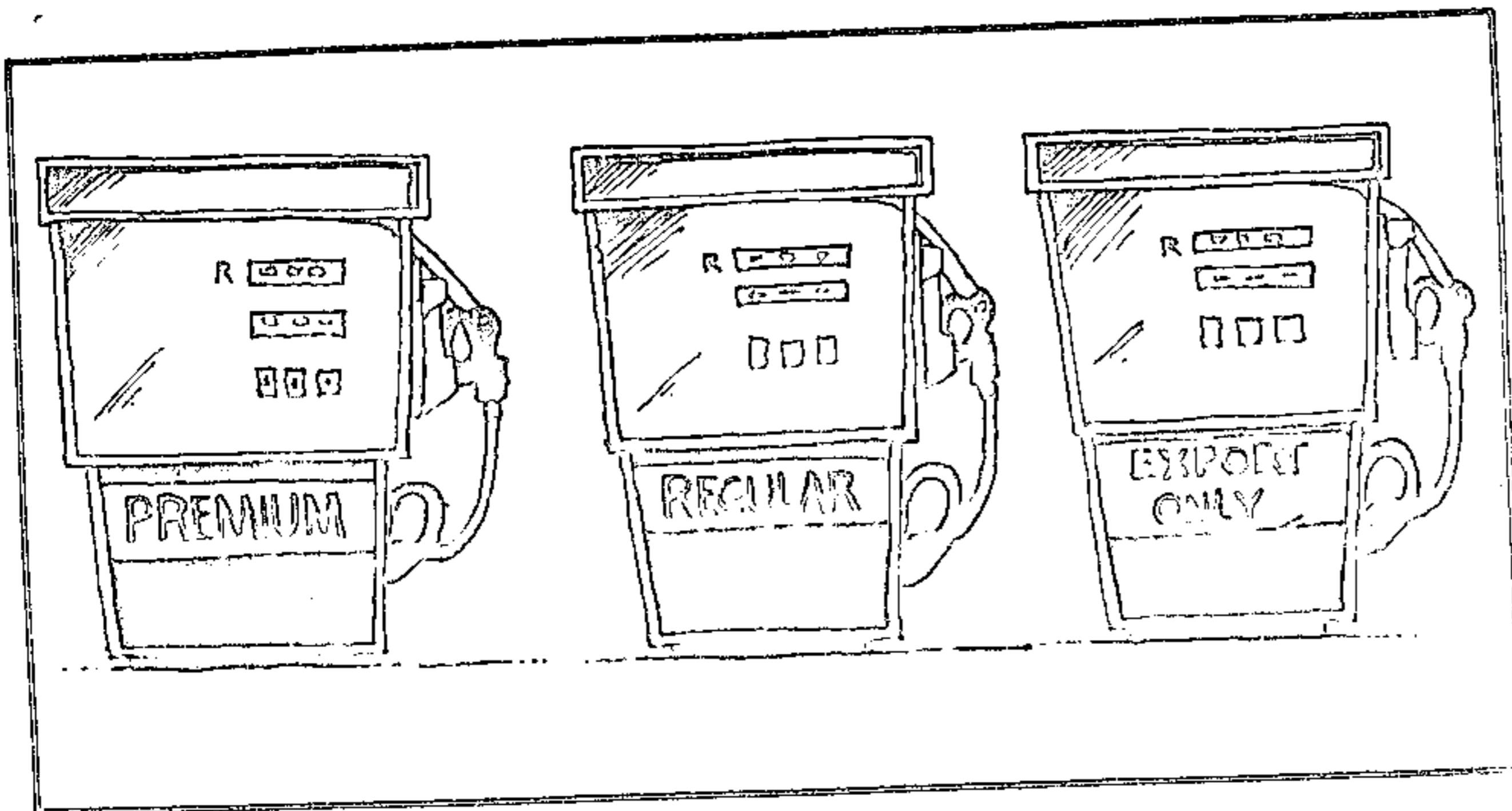
Opec's six-month freeze on oil prices and abundant local petrol supplies seem like reasons good enough for Economics Minister Chris Heunis to review the 14-month curb on filling station hours.

With crude oil imports and domestic stocks assured enough to allow the export of a little petroleum (FM December 16) motorists could expect at least a token relaxation of pump hours if not easing of the 90 kph limit which has been with us even longer.

Alas! Just another exhaust pipe dream. Minister Heunis's overriding concern with saving foreign currency rules out any early backtracking on petrol restrictions. He is, however, open to suggestions.

"I would be willing to consider the opening of filling stations on Friday afternoons and Saturdays provided that alternative conservation measures could be devised to offset any additional consumption of petrol," he says.

Ideas, that would do away with the Friday rush to the pumps, relieve magistrates of assessing special permit pleas,



frustration and tow-ins, are thin on the ground.

Heunis doesn't like the idea of cash only at the pumps (people seem to hand over notes much more reluctantly than cheques or credit cards) because of unspecified "practical problems." Nor does he go along with a suggestion to open on Saturday mornings even though oilmen generally are convinced that these three or four hours extra (which would decimate permit work and end the Friday rush) would not add significantly, if at all, to the fuel bill.

Heunis intends keeping just as tight a

grip on the throttle, despite savings his department puts at about 22% after building growth demand since October 1976 into the running calculations. (Private motorists burn about 30% or less of petrol used while commerce — except for commercial travellers heading home earlier each week — goes comparatively unscathed. The savings rate based on consumption 14 months ago is probably not more than 6%.

Whichever way the cut back total is reckoned the saving is enough to impress one senior oil company man who, asked for comment, replied tellingly: "We're

awash with the stuff."

Motorists at least seem to have learned the hard European lesson, that petrol is a costly luxury more than ubiquitous convenience, but garages are fearful of just how long this crash course in global fuel economics can last.

Motor Industries Federation director Jannie van Houssteen says: "We are virtually working a four and a-half day week. Drivers won't risk putting in cars for repair or servicing on Fridays in case they have no weekend petrol."

Spl. H. says in unloading: "I have emphasised that these measures were introduced primarily on balance of payments considerations and not to enable SA to supplement strategic stocks."

Unless he gets some bright ideas on relaxing restrictions while containing the fuel bill the Friday rush looks like becoming an entrenched part of national life.

By TONY SPENCER-SMITH

ALL South Africa's brands of petrol are so similar in performance there is little to choose among them, an energy expert said this week.

The statement by Professor R. K. Dutkiewicz, head of the Energy Research Institute at the University of Cape Town, conflicts with many oil company advertising campaigns, which imply that a particular brand is better than its competitors.

And it was followed by a claim by Shell's national technical adviser, Mr Gerald Matchett, that the advertising people had got the public where they wanted them. He made a scathing attack on some oil company advertising campaigns.

Illogical

And Mr Eugene Roelofse, the controversial consumer watchdog, called for the Government to halt all petrol advertising and for the abolition of brand names.

He said only one brand should be marketed, manufactured through a pool of resources of all the oil companies and containing the additives found to be best in nationwide Government-supervised research.

Competition among oil companies was illogical when the Government was striving to reduce consumption, he said.

Professor Dutkiewicz said all the brands were about the same.

"Each company has different secret ingredients and these additives are necessary. They make today's petrol far better than in the past. But it is like slightly different recipes to make the same cake.

"There are no magic formulae that cut petrol consumption by large amounts. One is dealing, in comparing the brands, with fractional differences that could probably never be substantiated.

Criticism

"This is a very competitive market and the oil companies are forever leapfrogging each other. If one company really did find an additive that was considerably better than those of other companies, the others would soon find something similar."

In his criticism of oil-company advertising, Mr Matchett of Shell mentioned an occasion when a company came up with a new oil and claimed it saved up to 42 percent of engine wear.

"Now if you used water in your engine you could get a 100 percent saving," he joked. "You see, they don't say against what. When we took it up with them, the crux of the matter was up to 42 percent."

"If you were only getting 1 percent saving, well, that was within the zero to 42 percent range.

"If you look at another advertising campaign a little while back, they said 'Space age fuel' and they showed a picture of a rocket.

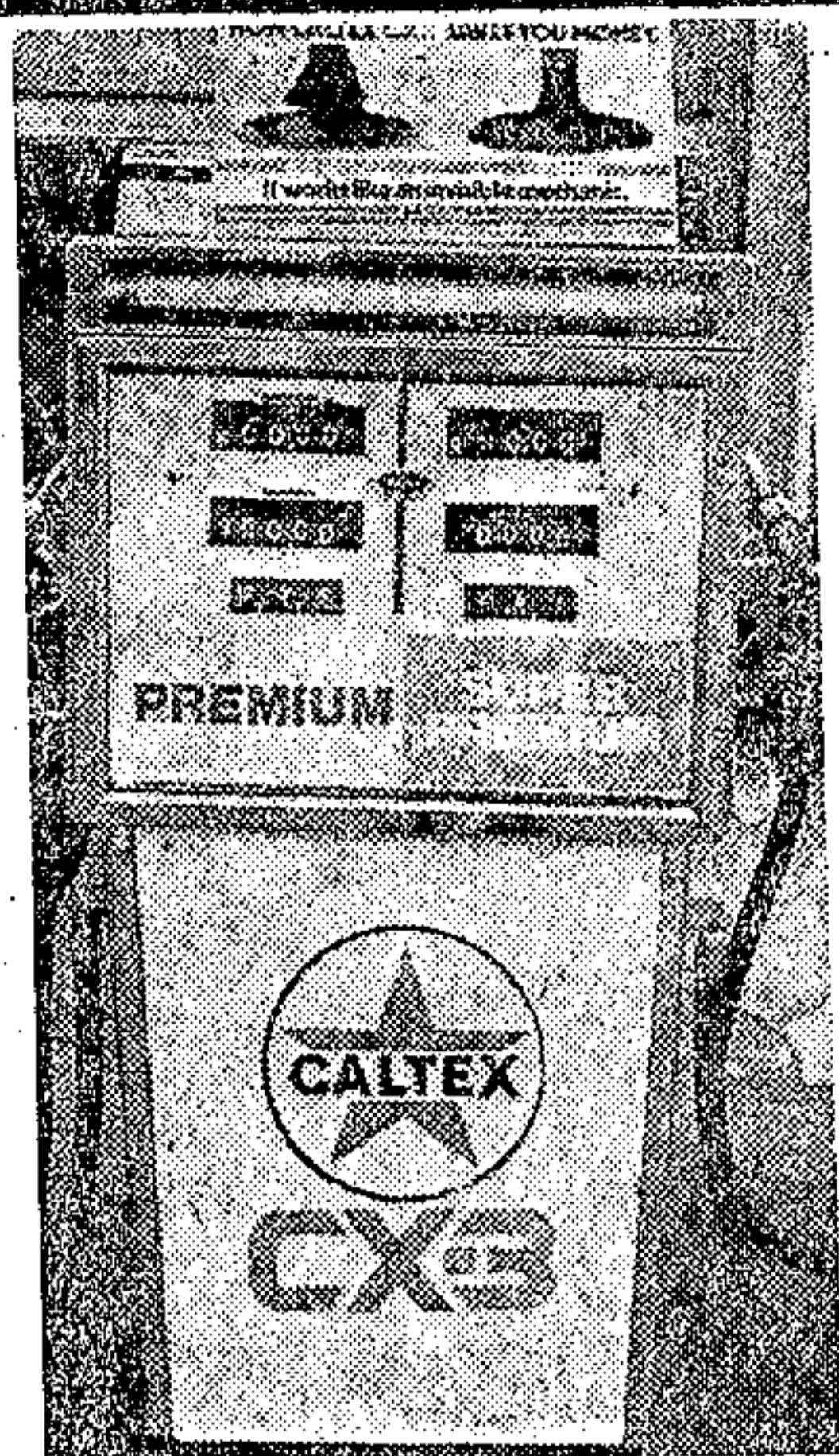
"Any fuel you're using is a space-age fuel. It's made in the space age. We're living in the space age. All things made within the last five years are space-age objects.

'The best'

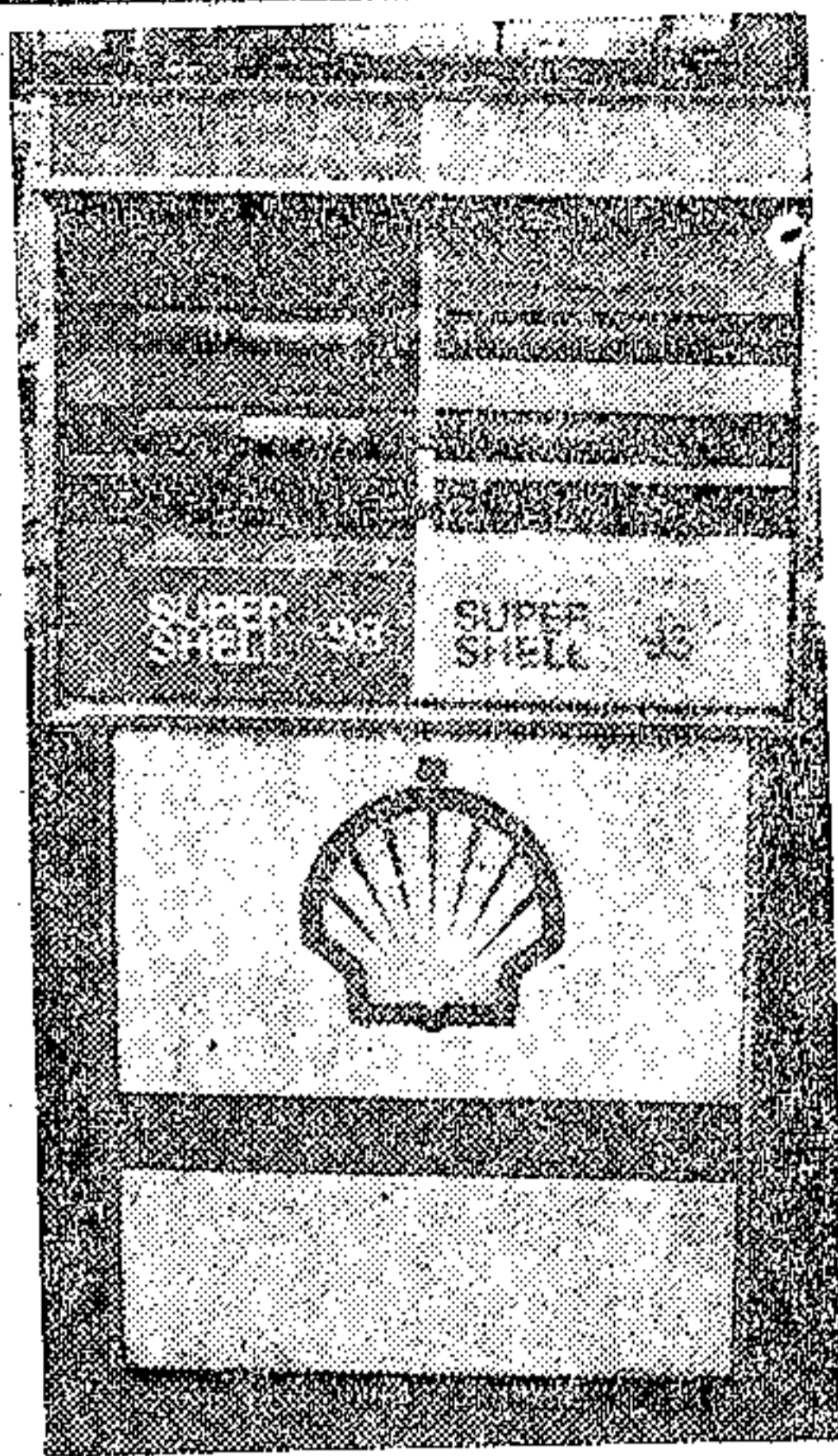
"Showing a picture of a rocket like this gave the wrong impression altogether. In fact at one stage it tended to let people believe that Boron was used as a rocket fuel and now was added to their petrol.

"Boron was tried as a rocket fuel in 1948 and has never been used since, but they didn't tell anybody that."

While the additives in



Caltex man Bewick says its No. 1



Shell man Matchett jokes about water

**BRANDED...⁵⁵
A WASTE OF MONEY**

Experts slam petrol ads when it's all about the same anyway



Eugene Roelofse: Stop it now

brands. Caltex was prepared to state it had the best petrol on the market.

He said that in 1973, at the time of launching CX-3, Caltex was a poor third in the South African petrol market.

"Being in a highly competitive market, we obviously want a certain slice of the action. By November of that year, we had moved into position No 2 and in December that year into position No. 1. We have retained that position ever since."

The company's claims were supported by an independently supervised test on a taxi fleet made in Cape Town before the 1973 launching.

He was sure that if any of the competitors of Caltex had found an additive to rival CX-3 in engine cleaning they would have had it on the market by now.

'Frankly'

Mr Basil Beeming, technical director of BP for Southern Africa, said the purpose of all additives was the same but the additives were different.

The differences would

"There's frankly not a great deal of difference in the additives."

Mr E. M. Baker, national marketing director of Mobil, said his company would certainly like to think its additives were better than other companies'.

"I wouldn't like to knock our competitors. I would say our additives are the best that the motorist requires."

Brands of petrol did not differ much but companies had different additive mixtures depending on what they considered most important.

Not proved

Mobil petrol had an additive he believed to be exclusive in South Africa. It helped to keep spark plugs free of carbon, enabling motorists to get better engine performance in the long term.

Mr Roelofse, consumer ombudsman of the Council of Churches, said the point at issue in petrol advertising was whether the average motorist could get an advantage by swapping from one brand to another. The claims of the companies were not proved.

pense. This situation should now be brought to a halt."

Mr Roelofse said advertising should increase the market so prices could come down.

"Petrol advertising is an exception. We have severe legislation directed at reducing the market for petrol.

"So the only effect of petrol advertising is to take custom away from a competitor company.

"And there is no reason why, in the emergency South Africa is facing, fuel research should not be pooled under the control of an organisation such as the CSIR."

Market Research Africa statistics for October, 1976, to September, 1977, show oil companies spent more than R2 million on petrol advertising in the Press, on radio and outdoors — things like billboards.

When image-promotion and the advertising of motor oils is included, the figure is nearly R3-million.

DD 19/1/78

Lonrho case told SA firms may ignore writ

LONDON — The High Court judge hearing the preliminary application in Lonrho's R166 million damages law suit against 29 oil giants, including South African companies, was told yesterday of the "draconian" measures the South African Government had taken to preclude the disclosure of commercial information.

The disclosure came as two oil giants tried to block a public court hearing of allegations they have been guilty of sanctions breaching by supplying oil to Rhodesia.

Shell Petroleum and BP asked that the dispute be dealt with by arbitration — which would be in private — rather than by public litigation.

Mr B. Dillon, QC, who appeared for BP, said arbitration was permitted under a three-year-old British Act of Parliament.

He said none of the South African companies

had been served with a writ issued last summer and involving a 50-page statement of claim.

"You could have a situation where the South African companies named as defendants would not take part in the proceedings even if served with the writ," Mr Dillon told the judge. "It may well be that under South African law they would not be able to participate effectively because of certain rather draconian measures of South African law which precludes the disclosure of information about economic matters."

Mr Dillon said an application was being made to add four new defendants to the 29 already being sued. Three of them are individuals — the first time that persons have been named in the lawsuit. Their names have not been revealed but one of them is a former high-ranking tycoon with Shell.

Mr Dillon told Mr Justice Brightman the case concerned the supply of oil to Rhodesia since UDI in November, 1965.

Lonrho and its pipeline subsidiary based their claim on an agreement

known as the "shippers' agreement," made in October 1962 between Lonrho and seven oil companies, including Shell, BP, Caltex and Mobil.

There was a Government inquiry, looking into the same matters, which the Government had directed should be in private.

Arbitration would be a much quicker way of dealing with the dispute than a court hearing because of the large number of other cases waiting to get before the courts. — DDC-SAPARNS.

The end of an era of cheap

S Tribune (55)
Bus. energy
29/1/78
Finance Reporter

INCREASED internal financing of Escom's capital investment could bring about early electricity price increases of up to 60 percent. As it is unlikely that sufficient capital can be raised by loans, it will be necessary to generate the required capital from revenue by raising tariffs. Experts concede that while this may be unpopular, this may be the fairest means of meeting the situation since this will leave it to the potential consumer to decide whether to proceed with his project or whether, with increased tariffs, the project has become uneconomic.

According to Bruce Norman, Escom's Chief Engineer (Systems Planning) even taking a most conservative estimate of 70 percent, the electrical demand is expected to double in the next 10 years.

In common with most other industrialised nations, therefore, South Africa faces the end of the era of cheap energy.

The increase of 1690 mw in Escom's generating capacity from 1973 to 1975 cost R 836 million. Escom's nuclear station at Koeberg will cost R518 million for the first reactor and R452 million for the second reactor. Future cost escalations are expected to be staggering.

Weekend

Stronger measures on speed

John Patten

The Assembly

The Minister of Economic Affairs, Mr Heunis, today announced a relaxation of the restriction on petrol selling hours. He said today that in future petrol would be sold between 8 am and 6 pm from Mondays to Saturdays.

When he announced steps for the more effective application of speed limits the Minister said all petrol sales will in future be for cash only.

The new fuel conservation methods will come into effect on March 3.

Mr Heunis eased the restriction on the sale of petrol for use in lawn mowers and other petrol-driven engines.

The quantity limit is being increased from five litres to 10 litres.

Mr Heunis said the changes in the regulations would be promulgated in terms of the Petroleum Products Act of 1977.

He said a close analysis had been made of all factors influencing fuel consumption and it had been found that the application of speed limits undoubtedly made the biggest contribution.

Prohibition on the sale of petrol over weekends had made a relatively small contribution towards savings.

petrol

Detrimental

Restrictions over weekends had a detrimental effect on service stations, on productivity in commerce and industry and on the tourist industry, as well as causing inconvenience to the public.

The conclusion reached was that the savings did not compensate for the disadvantages.

Tightening up on the application of speed limits, the Minister announced that the presumption clause in the Criminal Procedure Act concerning the accuracy of readings of speed measuring equipment would shortly be put into operation by the Minister of Justice Mr Kruger.

These steps would facilitate the more efficient application of the prescribed speed limits.

Ormande Pollok
Political Correspondent

PETROL will in future be sold only on a cash basis to the ordinary motorist — and he will not be able to use credit cards or monthly accounts to buy petrol — in terms of new government legislation on fuel announced yesterday.

The move has puzzled leaders in commerce and industry who otherwise welcomed the news that petrol will be more readily available at weekends after March 3.

The executive director of the Associated Chambers of Commerce (Assocom), Mr. Raymond Parsons, said yesterday: "It is not clear to organised commerce why the sale of petrol should be for cash only, since this seems to unnecessarily interfere with freedom of choice and customer convenience without any tangible saving of fuel."

The relaxation of restrictions on the sale of petrol was announced yesterday by Mr. Chris Heunis, Minister of Economic Affairs, who told Parliament that although restrictions were being relaxed the public should not think there was no need to save petrol. Petrol will be on sale from 8 a.m. to 6 p.m. Monday to Saturday.

It had been found that the weekend restrictions did not compensate for disruptions to industry, the filling stations, productivity and tourism.

Speed restrictions would be retained as they had been found to be the most effective saving measure and Mr. Jimmy Kruger, the Minister of Justice, would change the law concerning the accuracy of speed measuring devices.

Opposition spokesmen largely welcomed the relaxations but Mr. Derick de Villiers of the Progressive Federal Party said he had reservations about the cash-only clause.

Categories

Mr. Heunis said that there would be different categories of motorists in this connection. The ordinary driver would have to pay cash but special arrangements would be made for large hauliers and others.

Mr. Heunis also indicated that a change in the law would shift the onus to the motorist to show that a speed-measuring device was faulty.

He had favoured lifting the weekend restrictions on Saturday and not Sunday to suit industry's requirements and he had not wanted all the country's motorists on the roads on Sundays. He emphasised the need to continue saving.

Mr. Heunis also announced that the public would in future be able to keep 10 litres and not the previous five litres of petrol at home for domestic purposes such as running lawn mowers. He emphasised that this was not for use in motor cars.

No notable increase in petrol consumption was expected because of the new relaxations.

Berg resort managers and petrol companies welcomed the announcement yesterday.

Mrs. Patsy Gamlen of the Drakensberg Gardens Hotel said the news

ly super".

Visitors out of Natal had been hampered by the earlier restrictions. The hotel had arranged bus trips but this could only be done from Durban, she said.

Mr. Cyril Rennie of the Royal National Park at Mont-aux-Sources said the longer selling hours would definitely attract more weekend visitors.

Public affairs manager of BP South Africa, Mr. G. R. Barr, said the longer hours would rationalise operations — both on the part of the service station dealers — and deliveries.

Increase

There could be a slight increase in sales shortly after extended hours came into operation but sales would level out.

Sales in city service stations could drop while those in country stations could increase, Mr. Barr said.

Mr. Parsons said the relaxation of certain fuel restrictions was a sensible step which would help to offset productivity losses caused by the present selling hours, Sapa reports.

The director of the Consumer Council, Mr. Johann Verheem, said in Pretoria yesterday that the extended selling hours of petrol were not an "invitation to waste petrol."

Mr. Verheem called on consumers, industry and commerce to continue with all their efforts to save petrol as the situation was still of critical importance to the country.

Cash-only petrol in longer-hours rules

N.M.

4/2/78

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Cash-only petrol on Saturdays

Cape Times 4/2/78

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Political Staff

HOUSE OF ASSEMBLY. — Petrol will be more readily available at the weekend after March 3, but the ordinary motorist will have to pay cash and will not be able to use credit cards or monthly accounts. Petrol will be on sale from 8am to 6pm Monday to Saturday.

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It had been found that the benefit of the weekend restrictions did not compensate for disruptions to industry, the filling stations, productivity and tourism.

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Questions on petroleum exports

In this statement Mr Heunis said the speed restrictions and price increases had had a considerable influence on consumption. However, it had been shown that the weekend restrictions made only a small contribution.

Recent references in the press to petroleum exports had led to questions concerning why the savings programme should be continued.

Mr Heunis said that a certain quantity of clear products were produced when a tonne of raw oil was refined. This could not be altered to equal demand. To achieve a balance between the supply and demand certain products had to be exported or imported from time to time.

It was the government's aim to apply the petrol-saving measures with the least amount of disruption to the economy and least amount of inconvenience to the public.

Mr Heunis also announced that the public would in future be able to keep 10 litres and not the previous five litres of petrol at home for domestic purposes such as running lawn mowers.

He emphasized that this was not for use in cars.

No notable increase in petrol consumption was expected because of the new relaxations.

NRP appeal to public

Among Opposition spokesmen, Mr Derick de Villiers, chief PFP spokesman on energy resources, said: "With the exception of the cash clause, all the measures he announced are in line with views I have expressed over the past two years."

He said the full implications of the cash clause would have to be studied but for the rest the government had the full support of his party.

The New Republic Party's spokesman, Mr Bill Sutton, said: "We welcome the statement as a recognition of the efforts made by the travelling public to conserve fuel and thus foreign exchange."



Stunned reaction, from left: Mr Freddie Philander, Mrs G Erme, Mr J G N Theron, Mrs G Stevens, Mr John Gage, Mr Cyril Mvula, Miss Ann Schultz and Mr F Brand.

New petrol measures please the public

Staff Reporter

MEMBERS of the public reacted in stunned disbelief yesterday to the news that petrol restrictions are to be relaxed.

Most of the people interviewed were thrilled but the "cash only" basis of sale left some confused.

"Is it a joke? Is it true?" said Mrs G Erme of Tamboers Kloof, "I think it is wonderful. But they haven't saved anything by these restrictions anyway, have they?"

Mr Freddie Philander of Athlone thought it was a good thing.

"Great for going away on weekends. Also if you have to make an emergency visit anywhere."

"Genuine?" asked Mr F Brand, "I don't believe it." Now I can do a bit of driving around when I'm away on a weekend — see a bit of the scenery too."

"How wonderful," said Mr J G N Theron, "it'll make life easier for those poor stranded Beaufort West people. They can get to Cape Town but they can't get back. As for me, I've got a holiday home in Hermanus . . . but the public have been disciplined, they now realize the importance of keeping our trade balance manageable."

Mr A G Steyn, of Somerset West, said: "I'm adjusted to it now, it won't really affect me."

Mr John Gage, of Wetton, said: "I don't do much travelling on the weekends. Paying cash is a good thing, gets the bill off your back right away."

Miss Ann Schultz, of Claremont, said: "My boyfriend was just about to open an account, now he won't be able to. But that is really fantastic news. There are so many times you want to go places and can't."

Mr Cyril Mvula, from Guguletu, thinks it a good thing. "Sometimes you don't have time to fill up on Friday and then you can't do anything on the weekend."

"Oh I'm going to love it," said Miss Stevens from Rondebosch. "No more rushing home to get petrol or for getting to fill up, and I don't mind paying cash as long as there is petrol."

"I'm a student," said Mr P Kannemeyer, "so it doesn't affect me. But one day I'll own a car and if I can get petrol when I want it I'll be happy."

4/8/78

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Petrol dalk

- Rapport 5/2/77

gou nog

vryer

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Deur THINUS PRINSLOO

BRANDSTOFBEHEER kan verder verslae word. Dit kan volg op die toewyning wat min. Chris Heunis pas aangekondig het, waarvolgens petrol ook op Vrydagmiddae en Saterdag te koop sal wees.

Die moontlikheid van nog strengere maatreëls kan nie uitgesluit word nie. Vraatsug by die petrolpompe sal dan elke motorryer tref.

So het mnr. Heunis, Minister van Ekonomiese Sake, gister in 'n onderhoud met RAPPORT te kenne gegee.

Dis eintlik 'n waagstuk dat brandstof van 3 Maart af vryliker gekoop kan word. Tegelyk spreek die Minister vertroue uit dat Suid-Afrikaanse motorryers selfbeheersing gaan toepas.

Vir eers word 'n proef geneem, want die uitwerking van die vergunning kan nie presies bepaal word nie, sê die Minister.

„Dit hang van die verbruikers of die jonste maatreëls die lange duur kan geld.”

Daarom vra hy motorryers om te verseker dat hul reisgewoontes strook met die doelwit: maksimum-besparing met die mins moontlike ongery en ontwrigting.

Dankie

„As die ervaring toon dat die publiek saamwerk sodat besparing sonder strenge beheer verkry kan word, sal van tyd tot tyd gekyk word of die maatreëls verder aangepas kan word.”

Sedert die oliekrisis in 1973 was daar wel dramatiese besparing. Tussen 1972 en 1977

het die getal motors op die Suid-Afrikaanse paaie met 45 persent toegeneem, van 2,4 miljoen tot 'n geraamde 3,5 miljoen.

Ondanks die toename het die petrolverbruik sedert Augustus — September 1973 tot November verlede jaar net met 'n halfpersent gestyg.

Min. Heunis sê dankie aan die publiek vir hul ingesteldheid op besparing deur die spoedperke na te kom. In die huidige omstandighede lewer dit die belangrikste bydrae tot besparing.

Mnr. Sarel Steyn, hoofbestuurder van Trek-petroleum sê die toewyninge kan motorverkope prikkel. Dit gaan nuwe lewe in die hele bedryf blaas: van die werkplaas tot die verkoop van onderdele.

Omdat mense nou makliker verder kan ry, sal hulle sorg dat hul motors in 'n beter toestand is. Dit beteken meer geld vir motorhawens.

Mnr. Theo Swart, voorsitter van die Nasionale Voertuig-handelaarsvereniging, sê dis die welkomste nuus wat die bedryf in 'n lang tyd gehad het. Die langer verkoopure sal ongetwyfeld die verkope van passasiersmotors raak.

Miljoene werkure sal herwin word vanweë verhoogde produktiwiteit. Die lang toue mense wat Vrydagoggend van hul werk weggeglip het om te gaan petrol koop, word bv. uitgeskakel.

Die diensafdeling van die motorbedryf word ten goede geraak. In die laaste tyd is eintlik net 4½ dag per week gewerk. Dit sal nou ook verander.

* Maar mnr. Swart betreur dit dat petrol nie langer met kredietkaarte gekoop kan word nie. Dit gaan net onnodige beslommernis veroorsaak, sê hy.

Ook sê mnr. Harry Schwarz die PFP se hoofwoordvoerder oor finansies. Dis onlogies dat kredietkaart nie gebruik mag word nie, en tjeks wel. Minder mense gaan nou kredietkaarte gebruik, omdat hul sukses afhang van die getal plekke waar hulle gebruik kan word. Die publiek sal gevaar loop om beroof te word, omdat hulle meer kontant by hulle moet hê.

Bank seeks talks on petrol ruling

CAPE TOWN — One of South Africa's major banks will today seek an interview with the Minister of Economic Affairs, Mr Heunis, on the ban on using credit cards to buy petrol.

Mr R. Carter, general manager of Standard Bank Card, said he would like to find out from the Minister why cheques and credit cards were to be treated differently. In the case of bank credit cards, petrol stations were paid within four days — just as with cheques.

He said no discounts were involved in buying petrol with credit cards. "Using the cards for petrol is a service to our customers and for us it's a selling point for our cards."

The PFP spokesman on finance, Mr Harry

6/2/78 DS
55
Schwarz, said the ban on credit cards was illogical.

He said people would have to carry cards proving the bank would meet their cheques, because garages would otherwise not accept cheques.

Not only would the public have to risk robbery by carrying much more cash, but garages would also have to carry much more cash.

The cash-only decision also reduced the utility of credit cards.

Meanwhile, the South African Agricultural Union said farmers would be hard hit by the decision to ban petrol sales on credit.

"Many farmers obtain their petrol on credit from co-operatives and any move to alter this will create great difficulties," a spokesman said. — SAPA-DDC.

No-tick

uproar

6/2/78 flm 55

Harvey Thomas, Motoring Editor

A two-pronged attack on the "no-tick-for-petrol" rule, announced by the Minister of Economic Affairs, Mr Heunis, will be launched today.

At stake is the R50-million a year South Africans spent through credit card purchases of petrol.

I understand both the managers of Barclaycard and Standard Bank Card are to see Mr Heunis this week.

The respective managers, Mr Collin Gregor and Mr Randle Carter, are to explain why credit card purchases should be treated as cash.

And today in Johannesburg, the major oil companies agreed to appoint a single spokesman to make representations to Mr Heunis on behalf of all of them.

The Minister opened his doors to representations today and said he was willing to hear from organisations who wanted their systems to be regarded as cash when the rule takes effect on March 3.

The ban on credit cards, buy-aid cards and post-dated cheques or accounts with garages for buying fuel has caused a storm of protest since Mr Heunis announced the changed rules.

Spokesmen in the credit card industry said today the Government's move was probably aimed at the buy-aid cards popular in cities such as Pretoria, Bloemfontein and Port Elizabeth.

They explained that whereas a credit card purchase gave the garage owner instant cash if he wanted it, the buy-aid cards sometimes took weeks before the garage man was paid.

The scheme also took a discount, they claimed, whereas credit cards paid the garage owner the full amount.

"Last year, on a petrol sales turnover of R28-million, we actually took a loss," said Mr Collin Gregor of Barclaycard. "But we are committed to maintaining the facility as a service to our customers."

Two-prong attack on petrol rules opens this week



MR HEUNIS

Instant cash

The credit card bosses will tell Mr Heunis that a petrol purchase involving their cards allows the garage owner instant cash.

"Our regulations state that he has up to three days to do so."

The Associated Chambers of Commerce has also join the fight against the petrol credit ban.

A spokesman said this afternoon that Assocom had made representations to the Department of Commerce and may also seek an appointment with the Minister.

The SA Commercial Travellers' Association is to approach the Minister on credit cards.

At a meeting of the Association's Transvaal district yesterday, the cash-only rule was strongly criticised. Members also felt cheques would be no substitute for cards, as many stations applied a no-cheque rule.

HEUNIS HINT ON PETROL CARDS

55
7/2/78

payment should be regarded as "cash."

Durban and district petrol station owners have come out in favour of credit cards rather than cheques.

A survey yesterday showed that managers are anxious about the new procedure as credit cards have played an important part in petrol sales in the past.

A Westville garage owner said yesterday he accepted credit cards — in fact encouraged them — and would

accept cheques only from people he knew.

"We have had no official notification of what the situation is. I am completely in the dark," he said.

The manageress of an Essenwood Road service station said: "I don't know what we are going to do without credit cards."

A spokesman for the Motor Industries Federation said advance payments for petrol would be accepted as cash.

"Cheques are permissible

if managements are prepared to accept them," he said.

He added that the cash-only ruling had come about after representations from the Motor Traders' Association.

"We made representation for a cash basis for the sale of petrol last year and this has been accepted by the Government. Petrol sellers just couldn't keep up," he said.

Representation had been made to the Government to

assist petrol sellers with their cash flow problem, he added.

The Motor Industries Federation was waiting for a few queries to be cleared up and would then circularise service stations as to what the situation was.

A dealer said the cutting out of credit cards has taken everyone by surprise.

Petrol dealers paid no commission on credit card sales. If R10 worth of petrol

was bought that was the amount credited to a dealer's account, he said.

It is understood that representation will be made to the minister to accept credit cards as cash.

At stake is the R50 million a year spent through credit card purchases of petrol.

While that controversy continues there now appears to be resistance to the new petrol selling hours. Instead of opening at 6 a.m. garages will be able to sell only from 8 a.m.

Suburban filling stations fear they could lose a large slice of their business through motorists filling up in the cities during the day and not on their way to work in the morning.

3. What sort of work (if any) would you rather do on a farm or somewhere else?

ORMANDE POLLOK
Political Correspondent

4. What
Why?

CAPE TOWN — Mr. Chris Heunis, the Minister of Economic Affairs who triggered off a national controversy with his petrol-for-cash scheme says he welcomes representations on the matter.

ke your children to do?

5. If we
If we
you

Credit card companies and garage owners protested loudly when the new scheme was announced, but so far all Mr. Heunis has said is that cheques will be regarded as cash, but credit cards will not.

to school: Why didn't you go to school?

Proble
1.. What we
condi

Motorists who have deposit accounts with garages will be able to carry on as long as they make their deposits in advance of filling up.

not complete schooling: Why didn't
ing?

Mr. Heunis said yesterday that interested parties should make representations to his department if they think that their system of

to see changed in your working
payment in kind, hours, holidays)

In your living conditions? (housing, recreational facilities)

Cabora Bassa Scheme

114. Mr. T. ARONSON asked the Minister of Economic Affairs:

- (1) (a) What power has been supplied to the Republic by the Cabora Bassa Scheme since his reply to Question No. 791 on 12 May 1977 and (b) (i) at what cost and (ii) over what period was the power supplied;
- (2) whether he will make a statement on the matter.

The MINISTER OF ECONOMIC AFFAIRS:

- (1) (a) 3 481 804 900 Kwh firm and non-firm power;
- (b) (i) R12 670 279,07; and
(ii) 1 May 1977 up to 31 January 1978;
- (2) No.

(1) 55-
[Handwritten signature]

Credit where it's due

The decision by Minister of Economic Affairs Chris Heunis to relax restrictions on petrol retailing hours was not unexpected, as the *FM* (January 13) suggested.

But what has surprised, and continues to surprise, is the Minister's apparent reluctance to confer with an industry before pronouncing judgment on it. Clearly the credit card companies were

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caught on the hop as was the petroleum industry.

However, it could well be that neither Standard nor Barclays will rue the cash only rule for petrol should it apply to credit cards. Reason is that petrol sales carry no commission at all on credit card deals.

Barclays has always applied the 5% commission rule to spares and repairs while foregoing any such discount on driveway sales. Barclaycard chief manager Collin Gregor tells the *FM* that something between 10%-15% (or around R28m) of his R180m annual turnover comes from petrol alone.

Standard, too, has reverted to the no-commission line on driveway sales and the application of 5% on spares and repairs. Only during the months between March and October last year did it flirt with a 2,5% blanket charge on all garage trade with new subscribers only. However, that proved unpopular and soon fell away. Today, Standard Card GM Randle Carter tells the *FM*, around 10% of his annual R100m turnover comes from petrol sales.

Thus, the credit card trade in that sector turns over around R38m a year and must be losing both banks hundreds of thousands of rands.

That they both keep it as a loss leader can only be put down to a "service to customers" and to encouraging the credit card habit. Nevertheless, in talks with Heunis today they'll both be seeking clarification on the Minister's "cash is cash" statement — arguing that cards are cash too.

A moot point, perhaps, but there's little doubt that had today's talks taken place *before* the Minister's announcement there would have been no grey areas or hasty discussion before March 3 when the new measures are to come into effect.

That aside, though, the new measures seem to have met with wide-spread approval. Motor Industries Federation members are bound to welcome the reversion to a full working week. Word was that members were working a near four-and-a-half day week since customers were jittery about not getting a full tank before the weekend.

Commercial travellers, too, will be able to plan their working week to better effect while the best bonus of all will be for the tourist trade. Only this week Natal's Administrator, Ben Havemann, noted that "the fuel restrictions which came into effect on October 22, 1976, have resulted in a drop of 38% in the volume of traffic on the Province's main routes during the weekends."

You can almost hear the hoteliers dusting off their rooms in anticipation.

STILFONTEIN FM 10/2/78 Slimes galore

As I estimated (*Fox*, January 13) capex for Stilfontein's uranium plant is planned at R60m in mid-1977 terms. Treatment will be at a rate of 270 000 t a month of accumulated slimes from Stilfontein and Buffels. All costs and profits on the plant are to be split 85% Stilfontein-15% Buffels.

There are still details to be finalised, but when the plant comes on stream mid-1980, Stilfontein should be off State Aid and paying lease under its old formula of $Y = 23 - 138 \div X$ and tax according to its previous formula of $60 - 360 \div X$. Because of the ratio in which profits and costs are split, I reckon that lease and tax on the plant will be on much the same formula basis as for Stilfontein's mining operations.

Repayment of the R50m loan at 10% will most likely be spread over 10 years from the start of production.

Allowing for escalation, Stilfontein will have to provide about R14m through mid-1980 for the non-loan element of capex. Annual loan and interest repayments should be about R9m from the start of uranium production. By the time the plant is on stream, unit costs of uranium production should be around R3,50/t and escalated receipts from uranium perhaps up to \$50/lb.

The 5 Mt of slimes at Buffels, grading about 0,25 kg/t uranium, and the current 40 Mt at Stilfontein grading 0,15 kg/t will be blended to maximise the DCF return on the plant. So in the first couple of years, recovery could be around 0,18 kg/t before tailing off to around 0,12 kg/t.

It all adds up, in very rough terms, to

a prospective dividend of about 130c in 1982 once tax is payable and if gold is at \$225 by then.

In the meantime, dividends will be under restraint if capex is financed from retained profits. The mine is highly geared to the gold price, but annual dividends of 25c should be possible until uranium production.

On this basis, the market might well mark the shares down from their current 475c until gold gets on the move again. But for investors prepared to take a three-year view they look attractive.

Jim Jones

Uranium plant to be converted

Cape Times
14/2/78
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THE government has decided to convert the uranium enrichment pilot plant at Pelindaba into a production plant, the Minister of Mines, Mr S P Botha, announced yesterday.

In a press statement, the minister said the plant would eventually have the capacity to meet South Africa's needs.

The plant would make use of the unique characteristics of South Africa's uranium enrichment process, which would make it possible, economically, to produce modules of commercial size in a relatively small production plant.

Mr Botha said on November 14, 1975, his predecessor had announced that the government would proceed with the establishment of a commercial production plant.

However, a decision on the size of the plant would be taken only in 1978, when development work had progressed sufficiently and preparatory work completed.

"A stage had been reached when the government had to take a decision. On the one hand, there was the present economic climate to consider, bearing in mind the necessity to keep capital expenditure to the minimum. In the circumstances, the government could not agree to a full-scale enrichment plant which would necessitate the expenditure of a vast amount of capital."

On the other hand, cognizance had to be taken of the fact that South Africa had started its nuclear energy programme and that the Republic, as a uranium-producing country with extensive knowledge and related technology, was committed to make itself independent of the outside world for its nuclear fuel requirements, particularly when it concerned such a strategically important commodity as electric power. — Sapa

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Energy — nothing's going to be easy

STAR 15/2/78

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Future energy options are being narrowed by more than just fuel scarcity.

It is now probable that long before coal has been exhausted its consumption will have to be limited — because of high level atmospheric pollution by carbon dioxide. We are now pumping 18 000-million tons of it into the global atmosphere annually.

According to a leading group of experts it is the world's worst environmental problem.

Industrialists have ten-

It is not scarcity that threatens future use of coal and oil as much as other factors. JAMES CLARKE reviews a new book on energy.

ded to scoff at the threat saying man will never equal the amount of natural gases and solids being put into the atmosphere. True perhaps, but we have boosted the natural load by 50 percent.

Our planet's life evolved in such a way it could take the natural load. Plants "eat" carbon dioxide — but they can no longer keep up with 20th century quantities and it is beginning to accumulate. It could eventually affect the world's climatic balance and therefore crops.

Even on our local scale we have decided to call a halt to coal-fired power stations in the Witbank district because the air is becoming intolerable to humans — too much airborne sulphur.

Environmental tolerance might also encourage us to curb our use of oil. Around six-million tons finds its way into the seas annually. But oil production is expected to multiply sixfold before it peaks, and so one can expect sea pollution to increase.

The warning of energy curbs because of environmental limitations rather than raw materials limitation comes from Denis Hayes, American energy expert, whose book "Rays of Hope" (published by Norton of New York for the Worldwatch Institute) has recently appeared in

South Africa.

The Worldwatch Institute's broad aim is to focus public attention on emerging global problems before they overwhelm us.

Pollution controls, ineffective though they collectively seem to be, constitute more than a third of the total cost of new energy facilities. Many pollutants (carbon dioxide being one) cannot be controlled — except by using less fossil fuel.

Another restraining influence in our use of fossil fuels is capital.

When the Alaskan pipeline was proposed in 1969 the estimated cost was R780-million. It worked out on completion to R7 000-million.

The United States needs to increase its available electric power by six percent by 1990. It will cost R560 000-million — five times more than the period of equal length just gone.

To continue to live off capital is, at this level, like a farmer eating his seed grain.

Nuclear power?

Hayes says the nuclear dream is fading fast. In the United States where the power crisis is more critical than elsewhere, new reactor orders plunged from 36 in 1973 to two in 1976 (and, I believe, none last year). Official projections for nuclear power capacity by the end of the century have been reduced by two-thirds.

But with a book offering "Rays of Hope" — in its title the gloom of the first half is at least leavened by the knowledge that Hayes will offer some answers.

One of these is fuel conservation: "Dollar for dollar, investment in increasing the energy efficiency of buildings, industries and the transportation system will save more energy than expenditures on new energy facilities will produce."

Hayes convincingly argues that a combination of efficiency in our use of fuels and in our use of renewable energy resources such as hydro power, solar power, wind power and so on, could in fact provide all we will need in the future.

He goes into the technicalities (but not so that he loses the layman) and in doing so makes it clear how nothing is going to be easy, nothing is going to be dramatically fast and nothing is going to be cheap. For instance wind power, watt for watt, will be as expensive to develop as nuclear power — but at least it's safe.

It will also be necessary, if we are to make wide use of such renewable resources, to decentralise big populations and industry — especially if solar power is to be used optimally.

"Continued reliance on ever larger, more expensive and technically complicated nuclear and coal facilities would make a better world far more difficult to achieve."

He adds later: The time for the solar transition is already behind schedule.

✓ (55) FM 17/2/78

PETROL SALES

Taking the credit

Come March 3 — when the revised petrol retailing hours come into force — there's to be absolutely no change in the current credit card method of payment for petrol. All that has happened is that the current downstream paperwork (between garage and bank) is to be reinforced.

That is, the garage owner will be able to get immediate cash against his receipts

provided those receipts are funnelled through his bank account. That, too, is only a re-statement of the current position.

Minister of Economic Affairs, Chris Heunis, should take full credit for his revised stance. Few politicians have the courage to make a "cash is cash" statement one minute and bow to persuasion the next.

Possibly, Heunis listened to the argument that one mustn't confuse the Barclaycard and Standard Card type of operation with that of both Diners and

American Express. In the former case, card receipts can be presented at a bank for cash whereas Diners and Amex collate receipts and present them for customer payment — and settle with retailers — on a regular, often monthly, basis.

The Minister must also have had one eye on the buy aid societies which offer further extended credit to customers.

URANIUM ENRICHMENT

Ucor's climbdown

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FM 17/2/78

"SA has now reached the stage in its research and development programme where it can confidently enter the next phase, namely that of building a large scale plant" — Dr Ampie Roux, Atomic Energy Board president, April 1975.

To curtail a project which could have earned over R250m a year in foreign exchange and established SA as a major enriched uranium supplier, must have been a painful decision.

Minister of Mines Fanie Botha announced this week that Ucor's pilot enrichment plant, commissioned in early 1975, will be converted into a "relatively small" production facility. Government will decide later whether to extend it further into a commercial plant, "depending on economic circumstances, development plans for SA's nuclear energy programme, and the demand for enriched uranium on the world market."

For the present, however, it's clear that Valindaba will produce little more than SA's own requirements. Said Botha: "The plant will have the capacity to meet SA's needs during the course of time." No mention was made of exports, despite earlier ministerial statements that enriched uranium could be a major source of foreign exchange in the Eighties.

Botha's statement gives some clues about the reasons why Ucor has scaled down its plans. "There are strong indications, to say the least," asserted Botha, "which put a question on the free availability of nuclear fuel for SA." He added that SA is committed to making itself self-sufficient in nuclear fuel, "particularly when it concerns the strategically important commodity of electric power."

The 5 000t/year commercial enrichment plant originally mooted would only have come on-stream in 1984, reaching full production two years later. Yet the

✓
first reactor at Koeberg, SA's first nuclear power station, is due to be switched on by the end of 1982, and the second a year later.

Koeberg will need 200t-300t of enriched uranium a year. Who would supply it between 1982 and 1984?

It was revealed last year that since early 1975 the US government has been stalling on deliveries of nuclear fuel to SA under a contract which included material for Koeberg. Washington is holding back deliveries until Pretoria agrees to certain safeguards in the nuclear non-prolifera-

tion treaty.

In view of the uncertainty of US supplies to Koeberg it seems logical for SA to speed up its own enrichment plant. One way to do this would be to build a smaller unit.

But there is probably more than Koeberg to the decision to scale down the project.

The 5 000t plant would have cost R910m at 1974 prices, excluding electricity for what is an energy-hungry process. In asserting that a 5 000t plant would be economically viable, Roux noted in 1975 that "the low cost of electricity in SA and other favourable economic conditions, such as a relatively low steel price, undoubtedly play an important role."

In the past two years however, steel, power (and other) costs have zoomed. The commercial plant would now probably cost close on R2bn. Where would the money come from? With foreign capital markets closed to SA borrowers looking for big sums of long-term money, the funds would have had to be found locally. That couldn't be done without placing enormous strains on taxpayers or the capital market.

In short, political and economic necessity seems to have forced Pretoria to pare to the bone one of its most ambitious strategic projects.

TAKING STOCK

Mac Thain

Uranium: The drastic changes

19/2/78 Sunday Tribune

THE DECISION to expand the Atomic Energy Board's uranium enrichment pilot plant at Palindaba to a production basis, means that raw material supply contracts will be negotiated with the mining industry — and all helps when it comes to earnings.

The project will be nothing like the huge scale plan envisaged several years ago when inflationary pressures on capital costs were at a fairly reasonable level — unlike the 30 percent a year at present — and political relations with the rest of the world at worst were on the cool side.

The concept then, was that by 1983 something like 5 000 tons of enriched nuclear fuel would be produced a year from around 7 000 tons of natural uranium oxide as recovered by the mines. Using the unique process developed by the board's research teams, combined with low power costs, the scheme had distinct attractions.

Fitting neatly into it would be the offer to buyers of ordinary uranium to acquire enriched material instead at competitive prices vis a vis other sources of supply.

The picture has changed drastically since then. Apart from the climb in costs of building a large plant, no hope exists of money being found for this in the continuing domestic financial situation. Regarding foreign money, the situation is even worse. Not only is this country's loan rating in the doldrums, but uranium enrichment is so sensitive in the international political arena any attempt to raise funds would trigger off yet more anti-South African eruptions.

Symptomatic of this, is the fact that the news of extending the existing plant was immediately followed by stories at UN once again that nuclear weapons were being tested in the Kalahari. Furthermore, power costs are no longer what they were.

A big plant which would enrich much of mine uranium production is certainly no go at present, and even at best a long long way off.

However, a limited production plant has become essential to provide fuel for Escom's Koeberg generating station for the Western Cape. Commissioning of this in 1983 cannot be delayed, otherwise the country will find itself short of power — particularly as an element of political risk attaches to Cabora Bassa supplies.

Koeberg will have two reactors in the initial stages with a third to come. Based on existing ones operating overseas, each will need an initial charge of 250 tons of enriched fuel with 100 tons a year to keep them operating.

To provide this, the Palindaba undertaking would require for the first two reactors, some 850 tons of natural uranium for the initial charge material and 240 tons a year for the working feed.

There can be no problem of getting this from uranium producers and it will certainly not halt their ability to supply

other consumers even though all the indications are that there is no letting up in their desire to ensure long-term supplies for the industry.

Value is very much a fruitless field of conjecture. The Atomic Energy Act prevents the publication of Mines Department statistics, and sales vary from high spot prices through a range of old and new contractual ones.

The latter should smooth out in time as stockpiles run down, old contracts run out or are re-negotiated and new ones start being met.

According to Tony Gray of Australia's Pan-Continental the present going contractual rate is around 25 dollars a pound, equivalent to R57 500 a ton.

From all accounts, the great bulk of current production is being absorbed on a contractual basis so that no great surplus can be expected over the next couple of years.

The same situation applies when it comes to additional production, though in most cases working profits will be trimmed through the servicing of customer financing of capital expenditure on new plants and expansions to existing operations.

This phenomenon is indicative of the keenness of users to ensure supplies and has come at a most welcome time in a climate of domestic financial stringency.

New petrol hours not good for the trade

It is not unusual for Government departments to mess things up when they interfere with private commerce and industry, about which they know little (but refuse to admit it), and the new

up the ridiculous schedule do not start work until 8.30 or so, which would enable them all to fill their own tanks before they start at the office?

who wished to open at, say, 8am and close at 6pm from Monday to Friday inclusive, and not open at all on Saturdays.

But at least leave it to those who know the patterns of their particular businesses, and cut out arbitrary decisions by those who only think they know, but in fact are abysmally ignorant and unaccustomed to the cut and thrust of trade in, to them, the "outside world".

Others could operate from 8am to 6pm and remain open on Saturdays, while others might choose to trade during different hours than that.

MOTORING by Reg Williams

trading hours for petrol stations, which come into force from 3 March, is no exception to the rule.

Such stations will then be permitted to open from 8am to 6pm daily from Mondays to Saturdays inclusive — a total of 60 hours a week. Owners of filling stations have been told they need not remain open on Saturdays, however, if they would prefer to close, but it is left to the individual.

Thus there may be a total of 60 hours a week in which petrol sales may be made, so why fix the opening time arbitrarily at 8am? Can it be that the public servants who drew

In East London particularly, a large portion of petrol sales are made at 6am or shortly afterwards, to drivers of vehicles travelling early to Transkei. They will still need to leave here early, so what will be the result? They will fill up, instead, at Butterworth — in a "foreign country" which still draws its national supplies from South Africa (thus still "draining" the Republic's foreign currency), and that portion of the pump price which does not go to the oil company or the filling station, will go to the Transkei Government coffers instead of to the Republic's!

If the Government approves the selling hours for petrol to be 60 hours a week, then why not allow the individual filling stations to select their own opening and closing times, as long as the total per week does not exceed 60?

This would allow those

Report: R500m fuel stockpiled

JOHANNESBURG — Over R500 million worth of fuel appears to have been stockpiled in the financial year ended March 1977, according to a report from the Auditor - General, Mr F. G. Barrie.

Although the stockpiling policy has long been known, the extent of it puts a much more favourable look on South Africa's import and foreign reserves position.

It also suggests that it might not be quite as hazardous a policy to give the economy some further direct stimulation as is widely assumed.

The amount spent on stockpiling fuel — R557,2 million — was the largest

item in a total of R908 million in loans granted by the National Supplies Procurement Fund.

In the 12 months ended March 31, 1977, imports totalled R7 233 million, according to the official Reserve Bank figures. By the second half of that period, the squeeze on imports had already begun.

The result was that the level to March 1977 was only R283 million more than in the 12 months to March 1976.

Assuming that nearly all the stockpiling costs of the fuel will have involved foreign exchange, this means the rise in total imports was less than the stockpiling. — PC.

UP 23/2/78
55

Shock speed penalty on the cards

CAPE TOWN — Motorists who break the speed limit could have their cars confiscated in terms of a regulation that is about to become law.

This was confirmed last night by the Secretary for Commerce, Mr T. F. van der Walt.

The regulations will be promulgated in terms of the Petroleum Products Act, which came into force by proclamation of the State President at the end of last year.

The regulation will give power to the courts and not departmental inspectors to authorise confiscation of offenders' vehicles.

The Petroleum Products Act was debated in Parliament last session, where it met with strenuous opposition resistance.

It will now incorporate some of the most important aspects of the National Supplies Procurement Act.

Among penalties designed to prevent fuel wastage are:

- Fines of up to R2 000 or two years imprisonment;
- Suspension or cancellation of licences; and
- Withdrawal of trading licences and permits under certain serious circumstances.

Mr Van der Walt said last night the public should not only see the regulations in terms of their punitive aspect.

"The success of these regulations depends on the co-operation we get from the public; and this

away a man's vehicle for exceeding the speed limit is drastic punishment which in existing circumstances is not warranted.

"Petrol is wasted in many other ways which are not punishable at all. Whereas we accept the need to enforce speed limits with substantial punishment, the effect of confiscating a car can be extremely serious in that it can affect a man's livelihood in many cases. As many cars are on hire purchase or leased it can also affect finance houses and others.

"This punishment is usually reserved for far more serious crimes — for example the transportation of drugs.

"We would appeal to the Minister to reconsider the introduction of the drastic measure." Mr Schwarz added. — PC.

Act provides for many other positive things."

He said one key provision was that which enables the Minister to regulate and control the distribution of petroleum products, and even control refining in a way that would be most advantageous to the country.

The opposition has roundly condemned any proposed law involving the confiscation of cars for speeding offences.

Mr Harry Schwarz, Progressive Federal Party MP for Yeoville, and the PFP's finance expert, said in an interview: "To take away a man's vehicle for exceeding the speed limit is drastic punishment which in existing circumstances is not warranted.

"Petrol is wasted in many other ways which are not punishable at all. Whereas we accept the need to enforce speed limits with substantial punishment, the effect of confiscating a car can be extremely serious in that it can affect a man's livelihood in many cases. As many cars are on hire purchase or leased it can also affect finance houses and others.

"This punishment is usually reserved for far more serious crimes — for

Other energy forms must be sought

Star 23/2/78 (55)

In South Africa coal is, and for several decades will continue to be, our principle source of energy. The trend to greater use of oil in our fuel economy has been arrested and is unlikely to be resumed unless substantial low-cost sources are discovered within our own territory.

As future growth is directly dependent on the availability of energy, and as the replacement of these two major fossil fuels by other sources of energy will require much time and vast capital investment, their interim cost and availability are of vital importance.

While coal provides about 70 percent of South Africa's energy needs, oil continues to be an essential requirement of our transport and other sectors.

The amount of money spent on oil exploration is not high by international standards. Inland drilling has produced no hopeful results and will probably be abandoned. But two promising offshore indications appear to justify the continuation of Soekor's effort. However, it remains a gamble, and is not a bankable asset in our energy budget.

It is tempting to conclude that South Africa should rigorously conserve its coal for future needs, particularly because of

Dwindling energy reserves are no more than a sign that a radical change in mankind's energy systems is unavoidable, says DERICK DE VILLIERS, MP for Constantia and the Opposition's expert on energy matters.

earlier predictions that at the projected growth rates its total reserves of all qualities of coal may be exhausted within 45 years.

The matter is less simple than that. A recent commission of inquiry has found that our effective reserves may be far greater than formerly assumed. The exploration and development of additional sources depend to a great extent on the current profitability of the coal-mining industry.

For various reasons the collieries have been locked into a system of domestic price control which, however great the benefits to other sectors of the economy, has prevented them from earning sufficient profits to pay for optimum recovery and expansion.

The world energy crisis has put high prices not only on oil but on the alternative fuels as well. Provided that the needs of the home market are



first satisfied, both the coal industry and our foreign reserves can gain considerable further advantage from the increased price of coal on international markets.

The figures disclosed in Parliament show that, despite 1977 exports of 12,7-million tons, the supply of coal to local consumers has also increased by a substantial amount. Thus the local market is being adequately supplied:

The depletion of coal reserves by exports is likely to be more than compensated by exploration and higher efficiency, and preliminary figures indicate that last year's foreign earnings from coal exports were well over R200-million.

In simple terms of quantity the present ratio between reserves, production and exports looks satisfactory. The quality of our reserves is a different matter, for anthracite is not plentiful, coking coal is scarce, and much of our thermal coal is of very low grade.

While the oil crisis has rapidly increased the in-

ternational trade in thermal coal, the high cost of transport focuses demand on grades with the best heat values and the least impurities.

High level pollution of the atmosphere by carbon dioxide, and air-borne sulphur at lower levels, are creating serious environmental problems.

One promising remedy now being developed is to refine coal by means of a solvent which is itself derived from coal.

This technique offers exciting possibilities to South Africa, for it would enable our lowgrade reserves to meet the triple market demand for lower transport costs, higher heat values, and freedom from pollution.

But the use of coal as a direct fuel has, like oil, a finite life. Other sources of energy, notably nuclear and solar, must systematically replace them and make them available to the chemical industry for essential purposes other than combustion.

The dwindling reserves and rising prices of fossil fuels are often thought, in themselves, to be the "world" energy crisis."

It would be more realistic to see them as warning signals that a radical change in mankind's energy systems is unavoidable.

The aim of oil and coal conservation should be to employ the remaining reserves in ways that will best ensure a smooth transition to the new energy economy.

Failure to do this, and to develop the new systems without delay, could lead not just to a crisis but to a catastrophe.

Golden uranium

FM 24/2/78

55

Despite last week's announcement that Ucor's uranium enrichment project is to be pruned, uranium is poised to make a major impact on SA's balance of payments and general economic welfare.

Uranium oxide exports last year earned SA around R150m — roughly the same as receipts from deciduous fruit, copper and ferro-chrome, but far less than diamond, maize and sugar earnings.

Yet within the next four years, uranium could overtake all these products (with the possible exception of diamonds) to become SA's second biggest foreign exchange earner after gold.

What's more, spending on uranium mining and recovery projects will pump several hundred million rand into the pockets of SA's businessmen.

After peaking in the late Fifties, ura-

nium output declined steadily for several years as a result of low world prices. During the past 10 years annual production has fluctuated between 3 000 t and 4 000 t.

But the price leaps since 1974 (spot prices jumped from \$7,70/lb in January 1974 to \$16/lb a year later and over \$43/lb now) have prompted a wave of investment in new uranium projects and

Financial Mail February 24 1978

573

extensions of existing ones.

With several new facilities coming on-stream this year, 1978 will be a landmark for the uranium industry. Biggest contributions will come from Randfontein, whose Millsite recovery plant was commissioned last August; Ergo; and Anglo's Joint Metallurgical Scheme in the Free State.

What's more, this year will see the fruits of recent price negotiations between Nufcor (which markets SA's uranium) and foreign customers. In recent years, several mines — such as Blyvooruitzicht, West Rand Cons and Hartbeestfontein — have had to live with incredibly low contract prices, some below \$12/lb. Many of these contracts have run out or are on the point of doing so and new prices will obviously be considerably higher. Estimates put current contract prices in the region of \$32-\$38/lb, allowing for an adjustment for the interest-free loans which several mines have negotiated with customers.

Buffelsfontein is an example of the difference between old and new contracts. Uranium income has shot up from R4,9m in 1976 to R9m last year, while output rose much more slowly, from 558 t to 658 t.

Growing output and higher contract prices (not to mention the rising spot price — about 10% of SA's uranium is

sold spot) could more than double export earnings in 1978, compared to last year. Experts reckon uranium sales will bring in R200 R250m in foreign exchange this year.

And the longer term outlook? Among existing producers, the opening of Randfontein's Cooke No 3 and Harmony's Merriespruit No 3 shafts could between them account for at least an extra 800 t

of uranium oxide a year. Hartes is currently investigating expansions to its recovery plant — a feasibility study should be completed within the next few weeks.

Then there are the new producers. General Mining has already given the go-ahead for a R60m plant at Stilfontein. It's believed Afrikander Lease will get the nod as soon as a sufficiently long term

URANIUM PRODUCTION*

	1976	1977	1978 Forecast	1981 Forecast
Blyvooruitzicht.....	131,1	199,9	280,0	260,0
Buffelsfontein.....	606,8	653,2	660,0	650,0
Ergo.....	—	—	100,0	300,0
F.S. Saaipleas.....	—	45,5	385,0	350,0
Harmony.....	487,2	535,8	610,0	850,0
Hartbeestfontein.....	348,6	377,4	400,0	525,0
J.M.S.†.....	—	312,8	350,0	400,0
Lorraine.....	10,0	10,0	10,0	10,0
Palabora.....	143,3	130,0	150,0	150,0
Randfontein.....	—	3,6	600,0	1 200,0
Stilfontein.....	—	—	—	350,0
Vaal Reefs.....	1 013,0	1 017,0	1 050,0	1 850,0
Western Deep Levels.....	140,0	167,4	160,0	150,0
West Driefontein.....	227,2	295,6	275,0	240,0
West Rand Cons.....	147,5	265,6	285,0	390,0
Total.....	3 254,7	4 013,8	5 315,0	7 675,0
Other probable producers				
Afrikander Lease.....	—	—	—	750,0
Luipaardsvlei.....	—	—	—	200,0
Total.....	—	—	—	8 625,0

*Metric tons.

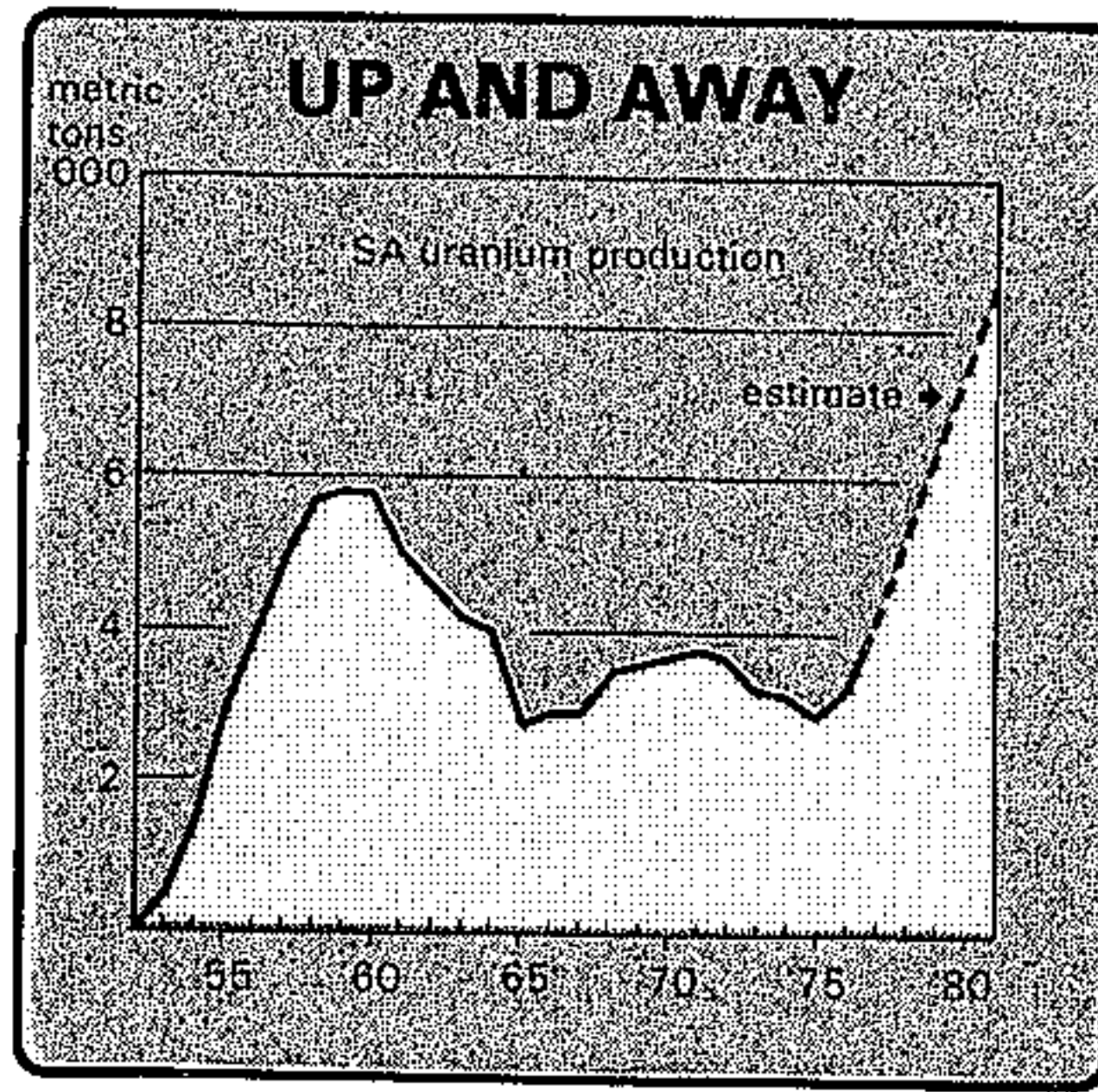
†Excluding treatment of high-grade slimes at Free State Saaipleas.

contract can be finalised. Western Areas has undoubted uranium potential, though no decision has yet been taken on whether to exploit it. And many are convinced that Gold Fields' Luipaardsvlei property still hides sizeable uranium deposits.

Less sure is a Unicorp uranium mine in the Free State. But if construction started soon the mine could be operational by 1982. Prospecting continues in the Karoo, though few expect any early announcement on new mines there.

All in all, uranium oxide output could surge within the next three years to close on 9 000 t. If Ergo, JMS and the mines succeed in boosting recovery levels, the figure could be slightly higher.

How much the mines earn from this increased output will of course be determined by world prices. The OECD this month scaled down its estimates of demand for uranium as a result of a downward revision of nuclear power growth. Nonetheless, it expects present trends to boost uranium needs from 23 000 t last year to over 300 000 t by 1984. "The new demand estimates will pose a formidable challenge to the uranium industry," says the report. It "must continue not only to provide sufficient additions to reserves to sustain required production rates, but also to overcome physical obstacles to expansion of pro-



duction itself."

These obstacles — together with the political factors already bedeviling Australian and Canadian exports — could hinder exploitation of recently discovered deposits in northern Australia, central Canada and Greenland.

The price outlook on balance remains fairly bullish. An average price of \$40/lb in 1981 will earn SA R650m-700m. Should output reach 9 000 t and the price rise to \$45/lb, annual receipts could exceed R750m.

From a balance of payments point of view, the paring of the enrichment plant is a tough blow. Enriched uranium prices

command a hefty premium on uranium oxide and then-Minister of Mines Piet Koornhof said in 1975 that enrichment uranium exports could earn SA R250m a year. This would now probably have been much more.

Besides the export benefits, uranium is set to make a sizeable contribution to SA's economic development. Mines such as Stilfontein, Vaal Reefs and Harmony are already committed to heavy capital outlays over the next few years — R150m for the three mines combined.

A go-ahead for Afrikander Lease would involve capital spending of over R100m, while Unicorp's Free State mine could cost around R250m.

In addition, there are the sizeable sums being spent by all the mining houses on research, maintenance and improvements.

A big winner will of course be government. In recent years the mines' uranium profits have rocketed — from R18,3m in 1975 to R66,5m in 1976 and R69,7m last year. To the taxman's delight, the figure should top R100m in 1978.

With many uranium facts and figures kept under lock and key, most South Africans have been slow to appreciate the metal's growing significance. During the next few years, however, they may pay almost as much notice to uranium prices as they do now to gold.

Sunday Times Business
Electricity

26/1/85
men break

link with builders

Business Times
Reporter

THE Electrical Contractors Association has withdrawn its affiliation to the Building Industries Federation, taking out 600 companies representing 8 000 workers.

This ends a 30-year link and will mean a loss to the federation of some 16 per cent of its annual revenue.

The reason for the break, says association president Mr Ralf Pinto, was a feeling that the affiliation was stifling progress.

"All the interests of our members could not be adequately served while we were shackled by ties with the federation," he said.

The association is conducting an investigation into new techniques which it is hoped will cut the costs of electrifying Soweto.

"Within the federation progress on this project was very slow," said Mr Pinto.

The break becomes official on July 1.

Scheme to cut power bills

3/19/78
55

Johannesburg can expect a new electricity tariff structure shortly that will cut most household and flat power bills by five percent, but will push up bills of extravagant consumers by five percent.

This was announced at yesterday's city council meeting by Mr Gerritt Bornman, MPC.

The present three-tier system for domestic users will be replaced by a two-tier system.

Under the new structure, the first 1 200 will be cheapest and further units more expensive. Mr Barnard said this would discourage wastage.

In effect those using up to 1 200 units a month would pay five percent less, and those using more than 1 200 units would pay five percent more. The average household uses 800 units monthly.

⊙ Commerce and industry will receive discounts for reducing peak period consumption in winter.

The growing squeeze on diesel

55
FM 3/3/78

Wary eyes are being cast on the fractions into which an imported barrel of crude oil can be broken. And for two basic reasons.

Firstly, because diesel demand is now growing at around 5% a year and gaining ground on the near-static petrol fraction. And, secondly, because fuel oil surpluses mean that lubricating oils can be produced at marginal costs leaving lubricating oil-refiners out on a limb on price.

In round figures industry estimates for this year suggest that of a crude oil barrel demand for the petrol fraction will continue to come out on top (at 40%) followed by diesel (30%) and fuel oil (23%). The remaining fractions go to paraffin, liquid petroleum gas and so on.

Clearly no one refinery can produce fractions to meet those estimates exactly and what happens is that refineries horse-trade their spot surpluses to meet individual market demand. Problems arise, though, when seasonal peaks for diesel (at, say, ploughing and harvest time) mean that we're left with surpluses of petrol which are exported at unprofitable prices.

While it's true that the imminent easing of petrol retailing hours will take up some of the slack it's a trend which is bound to worsen.

Moreover, so many motor manufacturers are introducing diesel-powered models this year that the now-apparent advantages over petrol may prove to be short-lived. Basic diesel advantages, argues the industry, are that diesel engines outlive their petrol counterparts, there's generally less maintenance required and, tank for tank, fuel efficiency is improved by around 25% at least.

Further, there are at present no restrictions on diesel retailing and it's the odd cent cheaper at the pumps — even cheaper to farmers and industry.

On the other side of the coin, diesel

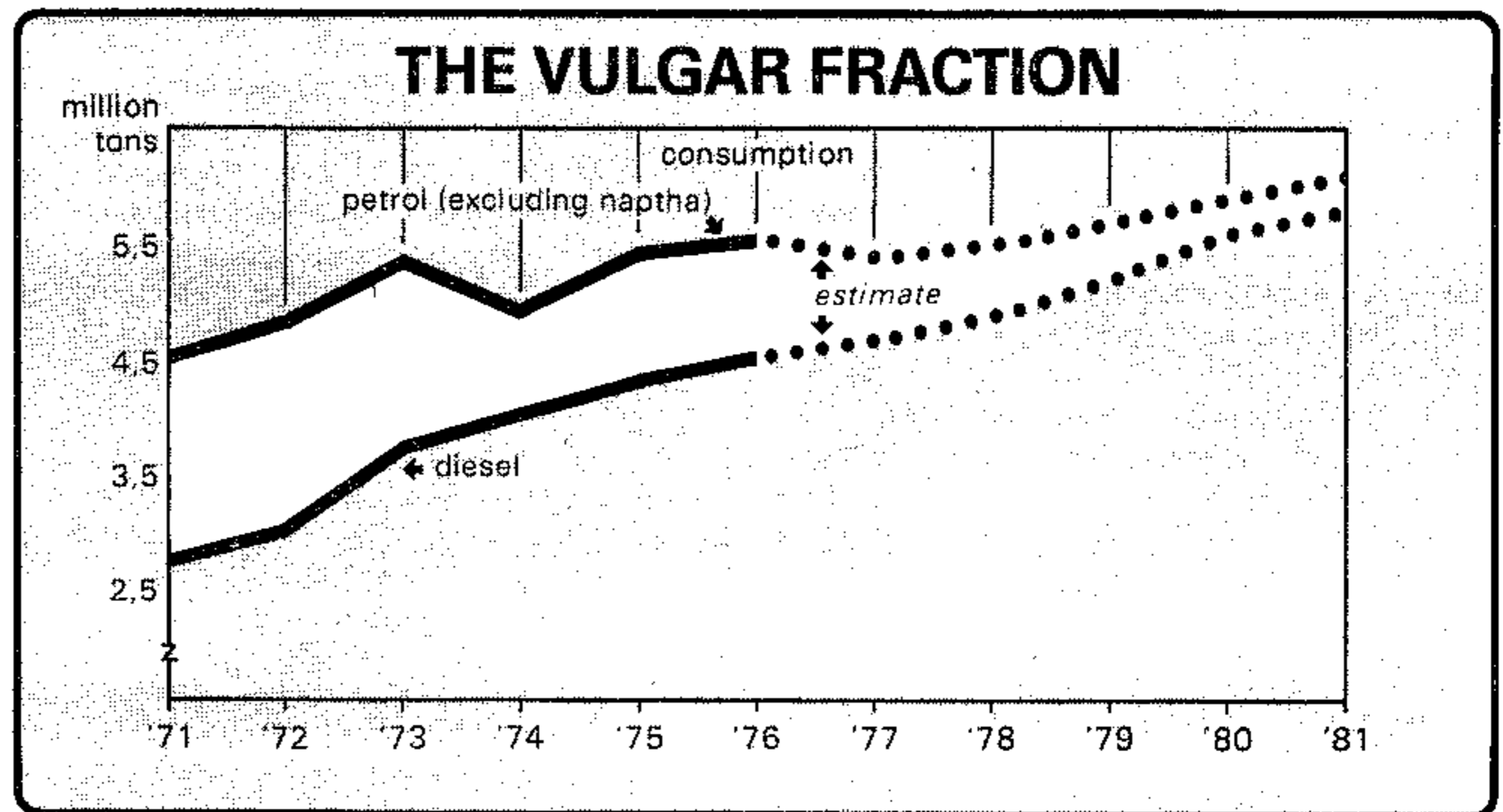
engines are more expensive to fit. For example, VW says that its Passat diesel engine is R500-R600 more expensive than its petrol equivalent. The bigger the engine the bigger the gap. But this is not stopping the motormen from swinging to diesel.

Things will worsen over the next couple of years, but the real crunch will come when Sasol 2 comes on stream in 1980/81. It's set to produce 1,4 Mt of petroleum products of which 1,14 Mt will be petrol and 0,23 Mt will be diesel.

oil-derived product at their disposal so they're effectively undercutting themselves and their re-refining plants of Chemico, Durol, Condor or whatever.

A curious situation to say the least and one which means that re-refiners, petrol company owned or not, cannot stay in business without government protection.

In short, Minister of Economic Affairs, Chris Heunis, has to decide whether we need an oil recycling industry or not. It either means legislation — along the lines of proposals first mooted



Then, the increasing trend will leave the alternative of either exporting even more petrol or importing refined diesel.

Looking at the surpluses in the fuel oil fraction (of about 4 Mt), the oil companies can extract lubricating oils from that fraction at marginal costs. And a curious situation is developing in that market which totals around 350 000 t a year.

Reason is that Trek, Shell, BP, Mobil and Castrol are all involved in lubricating oil re-refining. All have the cheaper fuel

in April 1976 — to prevent casual oil disposal or cash incentives, or both.

Before deciding that recycling economics are all wrong, and therefore to be dismissed, he'll have strong lobbying from the environmentalists. Further, he could rightly argue that re-refining *must* eventually become viable and we simply can't pass up the opportunity of getting relatively cheap plant and expertise to hand now.

There's time to mull over the alternatives — but not much.

Still no decision on petrol price

Star

3/3/78

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The Department of Economic Affairs is still investigating a petrol price increase. A Government spokesman said today, in reply to speculation that there will be a 0,4c per litre increase from April 1.

The possible increase follows the 11,1 percent increase in pipeline charges announced in the Railways Budget this week.

This increase will only apply to inland consumers, although increases in harbour charges could also affect coastal prices slightly.

INVESTIGATING

Asked whether speculation on the April 1 petrol price increase was correct, the Government spokesman said the Department of Economic Affairs was still investigating.

He referred to a statement this week by Mr Heunis, Minister of Economic Affairs, who said he would try to keep the petrol price as low as possible.

● Petrol will from today be on sale on Friday afternoons and Saturdays. Hours of sale on both days are 8 am to 6 pm.

Confusion about the new hours of petrol sales led to some Johannesburg motorists queuing for two hours before being sold petrol at 8 am today. Some garages opened their pumps at 6 am this morning because they had been told they could sell petrol from 6 am as the Government Gazette listing the new conditions had not yet appeared. The changes were gazetted today.

'GRAP' KOM APRIL

55

Deur THINUS PRINSLOO

'N PRYSVERHOOGING van petrol weens die hoër spoorvrag-tariewe is onvermydelik. Maar geen ander kostestygings wat oliemaatskappye ondervind het, sal by die nuwe prys ingereken word nie.

Die versekering gee die Sekretaris van Handel, mnr. Tjaart van der Walt. Sy departement het nog nie die nuwe prys bereken nie, maar die AA raam dat petrol van 1 April tussen 0,3 en 0,4c per liter duurder sal wees.

Intussen is die Raad van Handel en Nywerheid druk besig om 'n ander petrolkwessie te ondersoek — die wenslikheid al dan nie om landwyd dieselfde prys te vra. Die hele prysstruktuur van brandstof word ondersoek in opdrag van die Minister van Handel, mnr. Chris Heunis. Maar dis 'n groot werk en kan nog 'n ruk duur.

Mnr. Van der Walt sê die hoër spoorvragtariewe wat aangekondig is, veroorsaak dat 'n hoër petrolprys „eintlik outomaties deurgevoer word. Dis ingebou in die petrolprysformule”.

Sy departement het nog nie vertoë van die oliemaatskappye ontvang nie, maar dit sal kom. Omdat die hoër spoortariewe op 1 April in werking tree, sal die hoër petrolprys waarskynlik ook

dan van krag word.

Mnr. Hennie Kleynhans, skakeldirekteur van die AA, sê die prys van petrol gaan tussen 0,3 en 0,4c per liter styg.

Indien aanbeveel word dat 'n eenvormige petrolprys dwarsdeur die land gevra word, gaan daar groot besware van die kus kom, voorsien hy.

Die Wes-Kaaplansé Kamer van Koophandel het reeds beswaar gemaak teen so 'n moontlikheid.

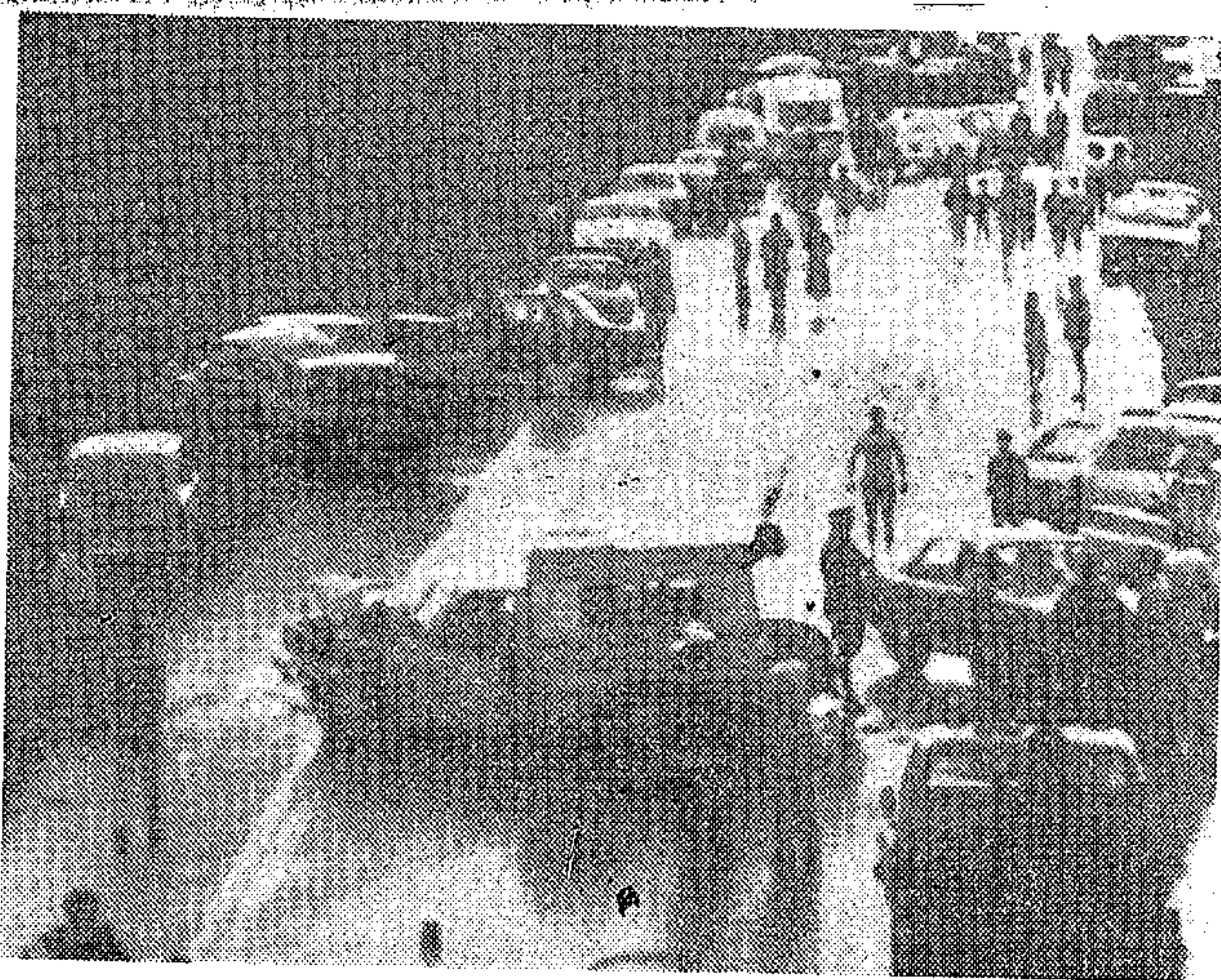
„Dis 'n turksvy. Ek beny nie die man wat 'n aanvaarbare formule hiervoor moet uitwerk nie,” sê mnr. Kleynhans.

Aan die ander kant moet in aanmerking geneem

word dat meer as die helfte van die land se voertuie in Transvaal is en by uitstek in die Rand-gebied. Hierdie verbruikers word die swaarste getref deur die spoorwegheffing. Sommige wil weet hoekom hulle alleen dié indirekte belasting moet betaal.

Hier volg 'n tabel wat wys hoe die prys van premium-petrol gestyg het sedert 1969. Die prys aan die Rand word eerste gegee en dan die prys aan die kus.

1969.....	9,28c/l	7,88
1971.....	9,5	7,88
1971.....	10,2	9,1
1973.....	10,9	9,6
1974.....	15,1	13,8
1975.....	18,0	16,5
1976.....	23,8	22,1
1977.....	28,1	26,1
April 1977.....	28,6	26,1



The scene at yesterday's 39-car crash on the Eastern Bypass near Pretoria.



Firemen use the "jaws of life" to open the doors of a car involved in yesterday's big pile-up.

5 Star
6/21/78
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39 cars crash: one dead, 40 hurt

Own Correspondent

Pretoria's biggest multiple pile-up, a 39-car crash yesterday, claimed the life of a woman, whose identity has not been announced.

More than 40 people were treated for injuries, mostly lacerations and bruises, at the H F Verwoerd hospital.

The accidents happened in a downpour at 5 pm on the southbound lane of the eastern bypass near the Kempton Park turn-off.

It was described by a police spokesman as a series of collisions over more than a kilometre.

Two cars caught alight.

Twelve ambulances and five fire engines from Pretoria and Verwoerdburg went to put out fires and take the injured to hospital.

Police and traffic officers cordoned off the area and the southbound lane of the freeway was closed for three hours.

SAFETY BELTS

Firemen had to use hydraulic jaws to separate some cars but no people were trapped in vehicles.

Teams of breakdown trucks towed cars away.

Only five of the cars involved were able to be driven away.

The spokesman thought that safety belts had played a big part in keeping down injuries.

"Not one windscreen was broken by occupants of cars being thrown forward. It is remarkable that there were so few casualties, although 25 cars were badly damaged."

A charge of culpable homicide was being investigated by police at Lyttelton and it was likely that one driver would be charged.

Star 7/3/28 (55)

Oil from coal, an apartheid the Aussies admire

Ernest Shirley

MELBORNE — Australians may not like the way South Africa separates its whites from its blacks, but they have great admiration for the way South Africa separates its oil from its coal.

The Victoria State government and South Africa are, to use the words of a member of the state government in Melbourne, "co-operating with great accord" in Victoria's research into the prospects of extracting oil from her brown coal.

Victoria and South African officials have been holding private talks for several months on the subject, and several Victoria officials have visited Sasolburg and have sought the advice of South African technical experts.

The Victoria Department of Minerals and Energy has also approved shipments of brown coal to a Japanese consortium for testing in South Africa.

The Minister for Fuel and Power, Mr Balfour, has confirmed the exchange of views with South Africa and the visit of his officials to South Africa. He said that included among them was the head of the Department of Minerals and Energy, Mr Brian Court. The Victoria officials were invited to South Africa after contacts had been developed through the Australian Gas Association and the International Gas Union.

"We are keeping our options open in several

areas," the minister said. "Victoria has brown coal reserves estimated at 114 000m tons, and we are interested in anyone who can show us something we don't already know."

Discussions on the South African process have been supervised by the Victorian Brown Coal Research and Development committee. Two Japanese consortiums are interested in brown coal, but so far no formal agreements have been signed with them.

Mr Balfour said discussions on oil-from-coal had been going on for more than 18 months, but it was too early to say whether the brown coal could be used economically in the South African process. He added that discussions had also taken place between state departments in Victoria, New South Wales and Queensland as well as Western Germany where the South African process was developed.

• **Strategic Oil Fund**

282. Mr. L. F. A. DE VILLIERS asked the Minister of Economic Affairs:

(a) What amount was paid into the Strategic Oil Fund in 1977, and (b) what is

the estimated amount that will be paid into the Fund in 1978, from petrol sales.

The MINISTER OF ECONOMIC AFFAIRS:

(a) R197 489 453.

(b) R201 439 000.

8/3/77 DDC
55

Under-16s can't buy their own petrol

JOHANNESBURG — Children under the age of 16 may no longer buy petrol according to the revised petrol regulations issued under the Petroleum Products Act of 1977.

The AA said it has confirmed with the office of the Controller of Petroleum Products that the new provision does not prevent a youth from operating a petrol-driven lawnmower on his parents' property.

In such a case, however, the petrol would have to be bought and transported by the parent and stored and kept under his control.

Where petrol is required for use in operating a go-kart, special permission would have to be obtained from the authorities concerned to buy and use the petrol for that purpose. — DDC.

Star 10/3/78

Big fuel advance by SA scientists

Marais Malan
Science Editor

Potchefstroom University scientists have discovered a new method of extracting oil, other fuels and by-products from coal which is expected eventually to make South Africa far less dependent on imported fuel.

The new process accelerates and short-circuits the existing oil-from-coal process and allows up to 70 percent higher yield in fuels and by-products from the raw material.

The method uses various "black products," including coal, tar and "brown" (low quality) coal.

VARIED

The university announced today that by manipulating the reaction conditions, the amounts of products — light hydrocarbon gases, petrol, diesel and heavy oil — can be varied. This, in times of real fuel crisis, would have great advantages.

The process was developed by the university's Institute for Petroleum and Chemical Research and is the culmination of many years of basic research. Intensive work in a pilot plant began in 1974.

The research has been sponsored by Sasol, the CSIR and the Fuel Research Institute. A spokesman for the university said today that some

To Page 3, Col 10

55

Big fuel advance

From page 1

aspects of the process might be incorporated in the Sasol 2 plant.

The end product of the process, he said, was a fuel of far higher quality and a far broader spectrum of by-products than the existing process.

"Economically the development is a great breakthrough in the efficient use of raw materials like coal, tar and other black products."

To Page 3, Col 10

10/14/3/78 (54) (2)
Student row hots up

15.

JOHANNESBURG — The rift between the Rector of Potchefstroom University, Prof Tjaart van der Walt, and members of the University Board threatens to burst into the open again over the Coloured student, Mr John Douw, who is being tutored separately from his white classmates.

yesterday he doubted whether there would be a rift over the incident. "It is only a question of lack of communication inside the university," he said.

He was not disputing that students were interested parties, but one student did not have a veto right, neither did four, Prof Van Der Walt said.

He will meet all the students involved in the dispute today and also hopes to address the Student Representative Council.

Mr Douw has said he is grateful to be able to study and insists there has been no unpleasantness towards him. — DDC.

...e on your farm? If yes,

...payments?

Prof Van Der Walt has taken a strong stand against the decision of the Department of Afrikaans Nederlands that Mr Douw be tutored alone after four of the 12 white students in the honours class objected to his presence.

Prof Van Der Walt said

16.

Why/Why not?

17. Is there currently a shortage of shearers?

13. Do you foresee a shortage in future?

If yes, why?

How will you cope with this shortage?

TREK BREEK DEUR OP PLATTELAND

55

11/3/78

Deur DAVID MEADES *Sake-Rapport*

TREK-PETROLEUM, volfiliaal van Trek-Beleggings, het pas 'n groot deurbraak op die platteland gedoen. Hierdie jong Suid-Afrikaanse oliemaatskappy het 26 vulstasies by 'n mededinger oorgeneem. Dit bring sy getal vulstasies in die land op 279 te staan.

Mnr. Sarel Steyn, hoofbestuurder en nou ook 'n direkteur van Trek-Petroleum, het aan Sake-Rapport gesê dat hy hoog in sy skik met die oornome is. Hy wou nie die voorwaardes vir die oornome bekend maak nie, behalwe deur te sê dat dit deur lang onderhandelinge voorafgegaan is. Hy wou ook nie sê van wie die stasies oorgeneem is nie.

Hierdie 26 vulstasies is hoofsaaklik oor die platteland versprei in die Vrystaat, Wes-Kaapland en Oos-Kaapland. Hulle is ook almal in gebiede waar Trek nie voorheen verteenwoordig was nie.

Die nuwe vulstasies verteenwoordig 'n gesamentlike afset van sowat 6 miljoen liter per jaar, wat vergelyk met Trek se afset van 713 miljoen liter verlede jaar. Hierdie syfer het 'n groei van 6,6 persent teenoor die vorige jaar verteenwoordig, terwyl die ooreenstemmende syfer vir die bedryf as 'n geheel feitlik nul was.

Tesame met die prysverhogings het hierdie groei Trek-Petroleum in staat gestel om sy omset met byna 21 persent tot R128 miljoen te verhoog, wat byna presies strook met die syfer wat in middel verlede jaar deur Sake-Rapport in die vooruitsig gestel is.

Mnr. Steyn wou nie voorspellings waag oor wat Trek vanjaar gaan bereik nie. Hy sê dit is nog te vroeg.

Maar met die nuwe toevoegings, tesame met 'n verdere 9 nuwe vulstasies wat beplan word, is dit duidelik dat Trek minstens sy groei sal kan handhaaf.

Dit behoort hom in staat te stel om vanjaar heelwat meer as 750 miljoen liter brandstof te verkoop en daardeur sy aandeel van die totale mark verder te vergroot.

Trek is ook besig om homself al hoe dieper in die landboumark te begeve. Sy verbintenis met die Vrystaatse herrafineerder, Exol, is reeds besig om vrugte af te werp. Trek het verlede jaar by 'n groep koöperasies 'n belang van 49 persent in Exol gekry en in ruil daarvoor aan die koöperasies 'n belang in Trek gegee.

En omdat die nuwe groep vulstasies wat oorgeneem is, hoofsaaklik op die platteland is, kan aangeneem word dat Trek hierdeur nóg sterker in die landboumark sal beweeg. Terselfdertyd gee dit Trek ook 'n sterker vastrapplek in die kleinhandelsmark.

Mnr. Steyn sê dat 1977 die kwaaieste jaar was wat hy nog in die oliebedryf ervaar het. Hy meen nie vanjaar sal dit veel beter gaan nie. Sy span is egter gemotiveer, hul moreel is hoog en hy is vol vertroue dat Trek weer goed sal doen.

Trek is ook besig om al hoe sterker in die swart mark te word. Hy het einde verlede jaar 'n groot nuwe vulstasie in die swart woonbuurt Sebokeng naby Vereeniging oopgemaak en hoop om binnekort 'n soortgelyke vulstasie by Germiston se swart woonbuurt, Kathlehong, in bedryf te hê, sowel as een in Dobsonville by Soweto.

Werkerbasond

15. Aantal afhanklikes (gesi
wie werker moe sorg)

- (a) Name (eerste name
alleenlik)
- (b) Verwantskap aan werker
- (c) Ouderdom
- (d) Geslag
- (e) Woonplek
- (f) Skooljare voltooi
- (g) Nou op skool?
- (h) Skool (naam, soort,
distrik en afstand
van plaas)
- (i) Werk wat vir boer
gedoen word (b.v.
gedurende skool
vakansies)
- (j) Jaarlikse tydperk
gewerk (dae of weke)
- (k) Jaarlikse betaling:
kontant

ander

Uranium output rises

23/3/78
57
Mercury Correspondent

JOHANNESBURG —

Uranium has given added impetus to the future viability of the gold mining industry, says Mr. Julian Thompson, chairman of Amgold, in his annual review.

The industry as a whole increased uranium production during 1977 by 24,5 percent to 3 874 metric tons and profits of R75,92 million were realised on the year's sales.

The Anglo American Corporation group gold mines produced 1 543 metric tons of uranium as a by-product during 1977, an increase of 33,8 percent over the previous year.

Outlook good

The outlook for the uranium industry remains satisfactory with customers still willing to enter into long-term supply contracts involving consumer finance.

A temporary over-supply of uranium might happen if Australia and Canada export large tonnages simultaneously but an upturn in the rate of world growth will absorb this over-supply in the longer term and local producers will continue to participate profitably in a stable and growing market.

The search for uranium was continuing in South Africa and South West Africa.

rens anders vir

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AAC intensifies uranium search

(55) 23/3/78 Pta

Mac Thain

Anglo American is hot on the trail of potential new sources of uranium, judging by the annual report of Amgold and further news of this work should emerge this year.

Most advanced is the exploration programme involving the Erfdeel-Dankbaarheid area to the north of F S Saaiplaas. Two boreholes were completed during 1977 and another two are in progress.

Broadly speaking gold values so far are low, but those for uranium proved higher than the average

for the OFS field.

Drilling is also in progress to the south of this. There has been much conjecture about prospects for this area with suggestions being made that new major mines are on the cards.

These are not upheld by Amgold's chairman, Mr J Ogilvie Thompson who says that in general results proved disappointing, mainly because of complex geological structural problems.

This is also the case with ground being investigated to the south of the Vaal river. Work is continuing but it will be some time before a clear picture of the potential of these areas emerges.

In the North West Cape, initial work on a small secondary deposit was completed and metallurgical studies are in progress.

In the Karoo a number

of occurrences are being investigated in conjunction with a Spanish nuclear fuel company. Some encouraging results have been obtained, though a lot more work remains to be done.

Prospecting continued in the Swakopmund area and results are being assessed to determine whether expenditure is justified. Results from the two grants north of Luderitz were disappointing.

Mr Ogilvie Thompson views the outlook for uranium as satisfactory with customers still willing to enter into long-term contracts involving customer finance.

However, he does warn should additional tonnages from Australia and Canada become available simultaneously, temporary oversupply might result with a consequent fall in price.

DD 31/3/28 (55)
Petrol will go up 1c

JOHANNESBURG — The price of petrol will go up 1c a litre from July 1 in South Africa, while Transkeians will be hit by a hike from Monday.

The South African price hike will be caused by the

four per cent turnover tax announced in Wednesday's Budget.

The Transkeian Secretary of Planning and Commerce, Mr M. T. Nkungu, said in Umtata yesterday increased rail tariffs caused the hike.

Star 3/3/78
AA slams

(55) 31-3/78
new petrol

increases

The Automobile Association of South Africa has condemned the 0,3c a litre price increase for Witwatersrand petrol.

In a statement released today, the AA describes the increase as a "further blow to the already over-taxed motorist."

The AA also says it sincerely doubts that there would be any justification for the new four per cent sales tax to be applied to petrol as well. This would mean the motorist would have to contend with an additional price hike of more than 1c a litre within the next three months.

Instead, suggests the AA there appears to be every justification for a reduction in the excise tax on petrol which is "already excessively high."

55 2/4/78

Farmer blew a fuse over power pylon

Chief Court Reporter
ERECTION work on a key power line came to an abrupt halt when a tough farmer nicknamed "Dif" for difficult threatened to shoot Escom workers who went into his mielie fields. In the Rand Supreme Court yesterday, Mr Acting Justice Cohen issued an order after an urgent application by Escom, restraining the farmer, Mr Andries Lubbe, from hindering, assaulting or threatening the workers engaged along a servitude across his farm Holfontein, near Randfontein.

Mr P. J. T. Oosthuizen, administrative manager of Escom, told the court the delay could be costly to Escom. Work on the line, between Marikana and Muto, had to be completed

by the end of May. It would supply power to mines and industries in the Rustenburg area.

He said Mr Lubbe had consented to a servitude across his farm in 1975.

An Escom supervisor, Mr A. H. Little, said Mr Lubbe was of large physique and erratic behaviour.

On April 19, Mr Lubbe approached the foreman of Transdeco, the Escom contractors doing the work, and told him that anyone going into his mielie fields would be shot, Mr Little said.

The next day Mr Lubbe was in a "very aggressive mood". He demanded payment of damages before construction workers started "trampling on his mielies".

Mr Little said he later called back a team of workers preparing to enter the fields, and told them to leave the farm.

Mr Lubbe apologised a few days later but said there was "something wrong with his head." Then he said work could continue, but if another pylon was erected, he would shoot them all and then himself, Mr Little said.

Mr Lubbe had introduced himself as "Dif", Mr Little said. "I understand from the neighbours that this is an abbreviation for the word 'difficult'."

In an affidavit Mr Lubbe said he would not oppose proceedings. He did not intend to interfere with or assault anyone

55
4/4/78
DOUBLE RISE?

Mercury Correspondent

PRETORIA — July may see a double rise in the petrol price, according to motor industry executives.

On July 1, because of the new turnover, tax petrol will rise by at least another cent a litre throughout the country.

And the director of the Motor Industries Federation, Mr. Jannie van Huysteen, said that at the meeting of the Organisation of Petroleum Exporting Countries, in May certain member countries including Iraq and Kuwait, were expected to press for substantial increases.

This survey was researched by Giles Hobson and edited by Robert Berold of the Environmental and Development Agency (EDA). It is the result of the tour undertaken in 1977 in which Giles Hobson interviewed people in Southern Africa who have had practical experience of fish farming. The survey is being published simultaneously by EDA and the Southern Africa Labour and Development Research Unit (Saldru).

PREFACE

This gives a brief of half of my course.

V. Costs

Total cost = T_c

In the short run so we have fixed costs, are no fixed costs,

Costs comprise

Profit =

i.e. supernormal

Rule 1: In the long run revenue is

Rule 2: In the short run revenue is

Note: Economists and accountants. Therefore, in evaluating investment opportunities they ignore historical costs. The meaning of cost is different. The economist's primary interest is in the future. The accountant has been recording and presenting the past. (of Economics, Peng)

VI. Theories of cost

Two theories of cost: one based on economic theory rather than economic theory. Economists expect consumers to behave rationally. Accountants expect consumers to behave irrationally.

1) Indifference

Assumptions

Afrik Lease holds fire on uranium

R.D.M
65

1975

J. Rees

By ADAM PAYNE

AFRIKANDER Lease has delayed a decision on whether to establish a uranium mine in the Klerksdorp area because of the potential effects of inflation on the feasibility study carried out for the mine.

The detailed feasibility study and pilot plant test work were completed last year, but the directors have become increasingly concerned about other factors which could affect the viability of the mine which unlike other South African producers would not have the backing of a proportionately larger gold output.

These factors include the spate of price increases in the first quarter of this year and the additional inflationary impact of the general sales tax.

When the feasibility study was considered late last year, it was hoped that the inflationary spiral had been contained and that costs would stabilise.

But the recent spate of price increases has forced another look at inflation as it would affect capital spending and working costs.

The rapid increase in power costs is particularly worrying as the mine would be a heavy consumer, say the directors.

While it is not yet known whether there will be some exemptions to the general sales tax it is feared that the mine's capital cost could be increased by several million rands and that operating costs would be significantly higher.

"We therefore intend to negotiate with Government on various aspects of the project," say the directors.

As the company has sufficient cash resources to delay a decision on a mine, the directors have suspended negotiations for the sale of the major part of the mine's projected uranium output until talks with the Government are concluded and a general review of the feasibility study in the light of the inflationary factors has taken place.

Shareholders will be told in the annual report in September of any progress in negotiations with the Government and of any decisions taken as a result of the review.

The report for the six months to December 31, last will be published on April 12.

COMMENT: Afrikander Lease shares have dropped because no contract has been signed and the

market has feared that the company might never enter into a contract that opens a mine.

By reading of the directors' statement that the uranium is there, the process is efficient and the mine will be opened. However, directors are cautious because of the high-cost inflationary blows that have been dealt in the past three months -- and these have not ended.

The uranium market is strong in South Africa but the cost of being a good customer, which does not apply to America and Canada, is a contract with Afrikander Lease which the finance should be expected to bring under control, plus escalation.

But there must be two areas of doubt: First, how much will it cost to produce the uranium and, secondly, what essential infrastructure must be provided for the opening of Afrikander Lease as a primary uranium producer will be a pioneer step because it will not have the backing of gold production. The mine will be tied to its contract at fixed prices plus escalation, unlike the gold mines which benefit from price rises.

Although a decision on negotiating a contract has been delayed, this should not trouble investors deeply.

second

are variable, long run there

of production, fsp that ready owns

cost (which normal profits)

of total

will only produce if total equal to total variable cost.

in opportunity costs. In investment opportunities, the difference in approach to the economist and the accountant, is that the economist is concerned with the "money flows" (A Dictionary

They are psychological based on how we would react to certain specified

theory:

1) Indifference

(ii) Consumers have well defined preferences

Worke

RJM 8/4/78 SS 70199
Now coal price rises

Pretoria Bureau

AN increase in the price of coal was authorised in the Government Gazette yesterday, following the higher rail rates from April 1.

The chairman of the Coal Merchants Association of the Transvaal, Mr W

Stoloff, said the Government had authorised an increase to the highest half cent.

This means the price of a 90 kg bag of coal on the Rand and Pretoria will be raised from R2,62 to R2,96.

The price of a 90 kg bag of anthracite will rise by 10 cents to R4,30.

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15. Aantal afhanklik
wie werker hou

(a) Name (eerste naam
alleenlik)

(b) Verwantskap aan werker

(c) Ouderdom

(d) Geslag

(e) Woonplek

(f) Skooljare voltooi

(g) Nou op skool?

(h) Skool (naam, soort,
distrik en afstand
van plaas)

(i) Werk wat vir boer
gedoen word (b.v.
gedumende skool
vakansies)

(j) Jaarlikse tydperk
gewerk (dae of weke)

(k) Jaarlikse betaling:
kontant

ander

Petrol on credit: Heunis defended

Sun. Times

9/4/78

55

I HAVE always taken seriously the articles in your business supplement until I read the commentary by Nigel Bruce on Mr Heunis, petrol, credit cards and cheques.

As far as I know, a cash cheque is exactly that and it is a criminal offence to offer a cash cheque as payment which will not be paid out on presentation at the cheque holder's bank.

It would appear that with credit cards it is a "civil" offence between the credit card company and the card holder, should he exceed his limit.

In this respect, Mr Heunis, has asked the credit card companies to re-organise their system so that a voucher for petrol will assume "cheque" status and may be redeemed through any bank account.

It is, therefore, incorrect to state that Mr Heunis "had rather ignominiously to change his mind."

To me, it is a mystery that Mr Bruce is attempting to promote a system that retains the insidious odour of usury. I would like to see his opinion of what effect the "negotiated rebates and

From C.F. Sullivan, Hofman New Yorker, Hillbrow.

discounts from suppliers" have on the basic product price in the stores; does the supplier increase his "cash" price by an equal amount?

NIGEL BRUCE replies.

● **MR HEUNIS** first banned the use of credit cards to buy petrol and then, subject to a minor administrative change by the credit card companies, agreed to allow them to be used. The basic mechanism of a credit card transaction has not been materially altered by the change, which relates to what the Minister believed to be the provision

of credit. As the redemption of credit card slips is guaranteed by the banks, the question of "safeguards" does not apply. What else can it be but the Minister's changing his mind.

Credit card transactions, like any other payments mechanism, are open to abuse by the dishonest and foolhardy. They are not intrinsically bad, but in any event this is not germane to Mr Heunis's action.

Whether the supplier rebates and discounts negotiated by credit card companies should be subject to legal usury limitations is a

matter for the Department of Finance, which has at least once decided against this, and not the Department of Commerce. An action in the Transvaal Supreme Court to test whether they are subject to the usury provisions of the Limitation and Disclosure of Finance Charges Act was not successful.

Competition and the contractual provisions agreed by suppliers who offer credit card buying facilities are formidable sanctions against the widespread addition of these discounts and rebates to retail prices.

There is no evidence that credit card companies have been profiteering.

Rapport 9/4/78

Arabiere dalk op Salomo se goud 55

Van GIELIE DE KOCK

LONDEN

SAOEDI-ARABIË, wat reeds oor die vrye Wêreld se grootste olievoorrade beskik, kan 'n verdere groot invloed op die wêreld se geldstelsel verkry as daar net 'n greintjie waarheid steek in die berigte wat nou hier in omloop is oor die groot goudfonds wat wag om onder sy woestynsand uitgehaal te word.

Ondanks al die olie tot hul beskikking, het die Arabiere nog nooit hul liefde vir goud verloor nie. Myningenieurs van Consolidated Goldfields is lank reeds daar in die woestyn bedrywig en nou blyk dit of hul pogings nie vrugteloos was nie.

In Londen, waar die maatskappy vandeesweek sy halfjaarlikse verslag uitgereik het, is bevestig dat prospekterwerk in Saoedi-Arabië gedoen word, maar hy was huiwerig om besonderhede te verstrek. Dog word hier aanvaar dat 'n ryk fonds ontdek is, hoewel dit nog nie 'n baie groot gebied dek nie.

Prospekteerders weet duisende jare lank al dat daar goud in daardie woestyngronde is en volgens gerugte het Koning Salomo al in 900 vC goud uitgehaal uit die gebied wat nou by Mahd Adh Dhahaba ontgin word.

Maar volgens Ray Heath, van die Londen se Daily Express, het tegnologie van die laat twintigste eeu en be-

langriker, die onlangse styging in die prys van die geel metaal, mense laat besluit om dit weer te oorweeg om met produksie te begin wat in 1930 gestaak is.

Toe was die prys van goud net 35 dollar, teenoor die huidige sowat 178 dollars. In die glorie dae van 1975 het dit aan 200 dollars geraak — genoeg rede vir Saoedi-Arabië om ernstig daaraan te begin dink om Salomo se myne weer oop te maak.

Gebrek aan inligting oor hoe groot die goudfonds werklik is, het allerhande gerugte laat ontstaan. Die stories lei tot verdere spekulاسie oor die invloed wat 'n groot goudfonds in Saoedi-Arabië op die wêreld se finansiële stelsel sal hê.

Finansiële waarnemers sê dat as Saoedi-Arabië oor groot voorrade goud beskik, sal hy glad nie geneë wees om pogings te ondersteun wat die belangrikheid van die geel metaal wil onderdruk nie. Selfs as Saoedi-Arabië net 'n klein deel van die goud

lewer wat in Suid-Afrika ontgin word, sal dit aan hom toenemende politieke invloed besorg, want 'n bykomende goudmievaller moet teen die agtergrond van die land se algehele rykdom gesien word.

Die land se olieuitvoer in die eerste nege maande van verlede jaar was 16 263 miljoen (R26 000 miljoen) werd, terwyl sy olie-reserwes op 'n bewysbare 150 000 miljoen vate staan. Teen die huidige prys beteken dit £1 076 000 miljoen (R1 720 000 miljoen). Suid-Afrika se goudproduksie van 700 (R3 840 miljoen) ton in 1978 is op vandag se ope-markpryse ongeveer £2 400 miljoen (R3 840 miljoen) werd. Dit wys, sê finansiële waarnemers hier, wat 'n ekstra goudinkomste tot Saoedi-Arabië se invloed en geldmag kan meebring.

Maar, voeg hulle by, as al die berigte en gerugte moet waar wees, laat die wysheid van Salomo tog dan heers wanneer die Saoedis al daardie mag begin gebruik.

10/1/78 RDM
55

SA faces shortages of oil, coal, uranium

Own Correspondent

CAPE TOWN. — South Africa faces an energy crunch in seven years because of a lack of oil; a coal shortage in 15 years; and insufficient uranium reserves to fuel a long-term nuclear programme, according to a Government planner.

The warning appears in Council for Scientific and Industrial Research journal, *Scientiae*.

The findings of an energy symposium are listed by the director of energy in the Department of Planning and Environment, Dr D J Kotze.

According to Dr Kotze, South Africa's primary energy source, Coal, will be unable to meet demands within 15 years. Assertions that there is enough coal for the next 100 years are nonsense, he says.

Uranium reserves are only a fifth as large as those of coal, and provide a poor energy alternative.

"No economically exploitable oil or gas resources have yet been discovered in South Africa. The only other energy source worth mentioning — hydro-

electric power — can only play a small role in this country because of our shortage of water."

Sun, wind and tide power, as well as other sources of energy, will not be developed soon enough to help.

The immediate crisis — when demand for oil will exceed supply — is expected in 1985.

Only a radical change of lifestyle and value patterns can save the Western world in general and South Africa in particular.

Whole populations must be persuaded to change their energy-wasting habits; industry and commerce must abandon vested interests; governments must lay down guidelines for the changeover to simpler living; and researchers must look for new energy sources.

The article says many national priorities will have to change.

"South African coal-mining methods are wasteful and the country cannot afford to export coal which should be used instead as raw material for the chemical industry.

"The Sasol plants are adapted to the manufacture of plastics and fertiliser from coal, yet they continue to produce petrol at high costs to be merely burnt in a car engine.

"Electricity policies must change as this form of energy is generated almost exclusively by burning coal. As long as Escorn supplies cheap electricity and gives discounts to those who use large amounts, there will be no motivation to conserve.

"The commercial world's blatant wastage of electricity can be seen in the operation of air-conditioning 24 hours a day, tower blocks lit up all night long, and neon signs flash in empty streets."

Industry also contributes by poor planning of plant and transport routes, and use of inefficient equipment.

"Poor thermal design of buildings is an inexplicable leftover from the pre-science age. Architects and builders did not take note of this often enough, but building societies could give a lead by keeping energy conservation in mind when approving buildings plans.

"We need to cultivate a frame of mind that sees anything that wastes energy as not only harmful but contributing towards the creation of another age of darkness," says the article.

THE ENERGY WASTERS

THE Council for Scientific and Industrial Research has stated bluntly that an energy crisis, which could lead to another Dark Age, is unavoidable if today's pattern of energy consumption is maintained.

South Africa's great primary energy source, coal, will within the next 15 years be unable to meet demands, according to Dr. D. J. Kotze, Director of Energy. Assertions that our coal will last for hundreds or even thousands of years are being questioned. Uranium, used to fuel nuclear reactors, will not last much longer. No economically exploitable oil or gas has yet been discovered in South Africa, and a world crisis in these materials is expected around 1985. Other sources of energy, such as sun, wind and tide power, will not be able to play any timely role worth mentioning.

The position appears critical. And yet, according to the CSIR, there remains one alternative that may save the situation even at this late hour.

We need to cultivate a frame of mind that sees anything that wastes energy as not only harmful but contributing towards the creation of another age of darkness. As long as we have energy resources, other disasters such as food and water shortages and pollution can be warded off — the technology to do this is already in existence.

We must be persuaded and motivated to change our energy wasting lifestyles. This will have to start at the top level with the Govern-

ment and permeate to every strata of society.

At present, for instance, Escom's main task is to supply cheap energy, with discounts to those consuming large quantities. As long as this is the case, electricity will be used unthinkingly. And it certainly is, with blatant wastage wherever one looks. In the home there is a plethora of electrical appliances which are useful but not indispensable. There are many others which are purely fads, such as electric toothbrushes, carving knives and letter openers. We must stop regarding them as harmless fads.

Stove plates and ovens are used uneconomically. Lights and heaters burn in empty rooms. A great deal of water is heated needlessly.

Buildings themselves are almost left-overs from a pre-scientific era. There are few areas in this country that require either heating or air-conditioning — if the structures were built intelligently with proper insulation and ventilation. Solar energy is not being made nearly enough use of, although it is beginning to catch on. Building societies can do much to encourage correct trends. Industry must put its house in order — vast amounts of heat are needlessly wasted.

All these things if conscientiously thought about and applied may enable us to stave off a disaster that is just around the corner unless we act now. A good start would be an intensive educational campaign by the Government to help create the right state of mind among all South Africa's peoples.

GET READY FOR WINTER'S BLANKET OF SMOKE



With winter's chill already in the air it won't be long before Johannesburg is once again covered by a blanket of smoke on most nights.

Thankfully, the blanket is not as heavy as it used to be. Mr Tommy Tucker, Johannesburg's air pollution control officer, says air pollution in the city has been measurably reduced by more than 60 percent in the past 10 years.

But the present situation still gives no cause for complacency.

Township smoke, now more than ever before, is the main source of air pollution in Johannesburg.

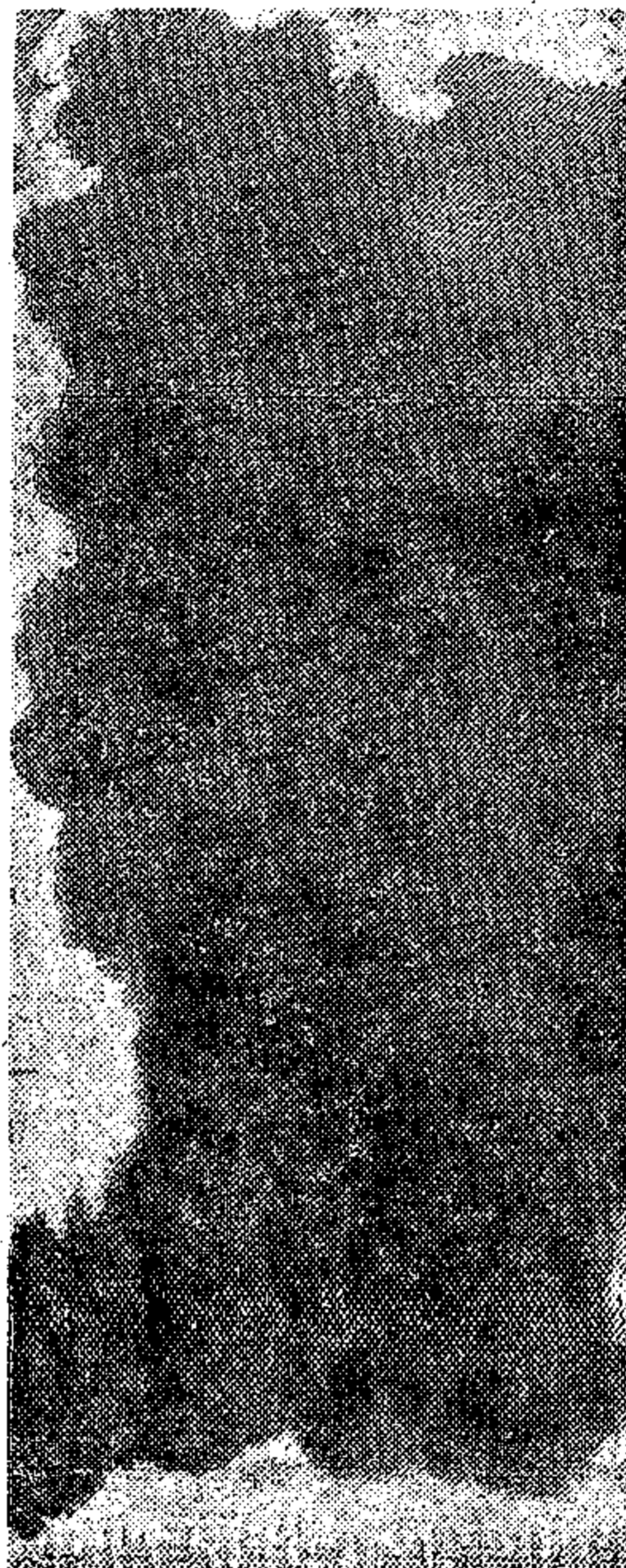
The monthly fuel bill of a black family living in Kaitleng, Germiston, was cut by more than half when electricity was installed in their home. But they were lucky. Fair Deal tells why black households pay far more to cook their family meals than their white counterparts.

The Star's two big campaigns, CARE and Fair Deal, get together to look at "smokeless stoves" — the appliances the law insists all new black homes must have.

Since 1975 the only coal stoves allowed to be made by law have been the so-called "smokeless" type, in effect, minimum smoke stoves.

Mr. Tucker says these stoves have had a negligible effect on township smoke levels. He is convinced that the money spent on the "smokeless" programme would have been better used hastening electrification of black urban areas.

Although the stoves can work well, only a relatively small number have been bought and of these, many puff merrily away because of wrong installation or use.



He said: "I've seen the innards of some of these stoves smashed out to make them the same as conventional coal stoves."

ENVIRONMENT CARE 2000

The regulations

In April, 1975, regulations governing smoke emission limits of all new coal stoves came into force. They were initiated by the State Department of Health in terms of the Atmosphere Pollution Prevention Act.

The regulations require smoke obscuration to be no more than an average of 40 percent in any two-minute period shortly after lighting, and thereafter no more than 10 percent. Smoke and flames must flow away from fresh fuel.

Last year the SA Bureau of Standards published a standard for coal stoves. It is believed to be the first of its type in the world. The standard covers maximum smoke emission levels (they are about the same as the Department of Health's) but also takes into account such things as the stove's strength, finish, performance and quality of cooking. The mark has been awarded to two manufacturers.

People living outside smokeless zones are under no obligation to get rid of old-style, smoky coal stoves.

As a partial remedy, he wants the council notified of installations in Soweto so its inspectors can go out to check them.

Mr J J Easterbrook, director of the National Association for Clean Air and a member of the Government's National Air Pollution Advisory Committee, would also like to see stove installations inspected by qualified people.

He says the position has improved only slightly since he inspected 90 "smokeless" stoves in Soweto in 1975.

He found them that more than half the stoves were incorrectly installed (for example chimneys should normally project about 50 cm above the roof apex to get the correct draught), 40 percent of owners were using the wrong coal size (nut size is required) and half the owners had not been given a practical demonstration on how to fuel their stoves (many could not follow instruction cards).

Coal stoves are costly

Many black households in Johannesburg pay far more to cook their meals than their white counterparts.

This is because the majority of blacks in Johannesburg live in homes that are not electrified. For them a coal or paraffin stove is essential for cooking. Coal stoves are popular, but the cost is high.

Fair Deal found that prices for seven popular types of smokeless coal stoves at seven Johannesburg shops ranged from R239 to R560.

Electric stoves, on the other hand, could be bought for as little as R199. Of six electric stoves surveyed at three Johannesburg department stores, the most expensive cost R469.

The fuel for coal stoves, too, is not cheap. A family of four, living in Kaitleng, Germiston, has told the Star that before electrification of their home, their monthly fuel bill was about R52 in winter, and R23 in summer. When they changed to electricity — and to an electric rather than coal stove — their monthly electricity bill averaged R4.21.

Prices for coal stoves found in the tabulation set out in the tabulation. It should be noted that these are the store's displayed cash prices. Any one of these stoves will cost much more if you buy on hire purchase. And if you pay cash and insist on a discount, your price will be lower than the displayed cash price.

Points to remember when buying a product such as a coal stove:

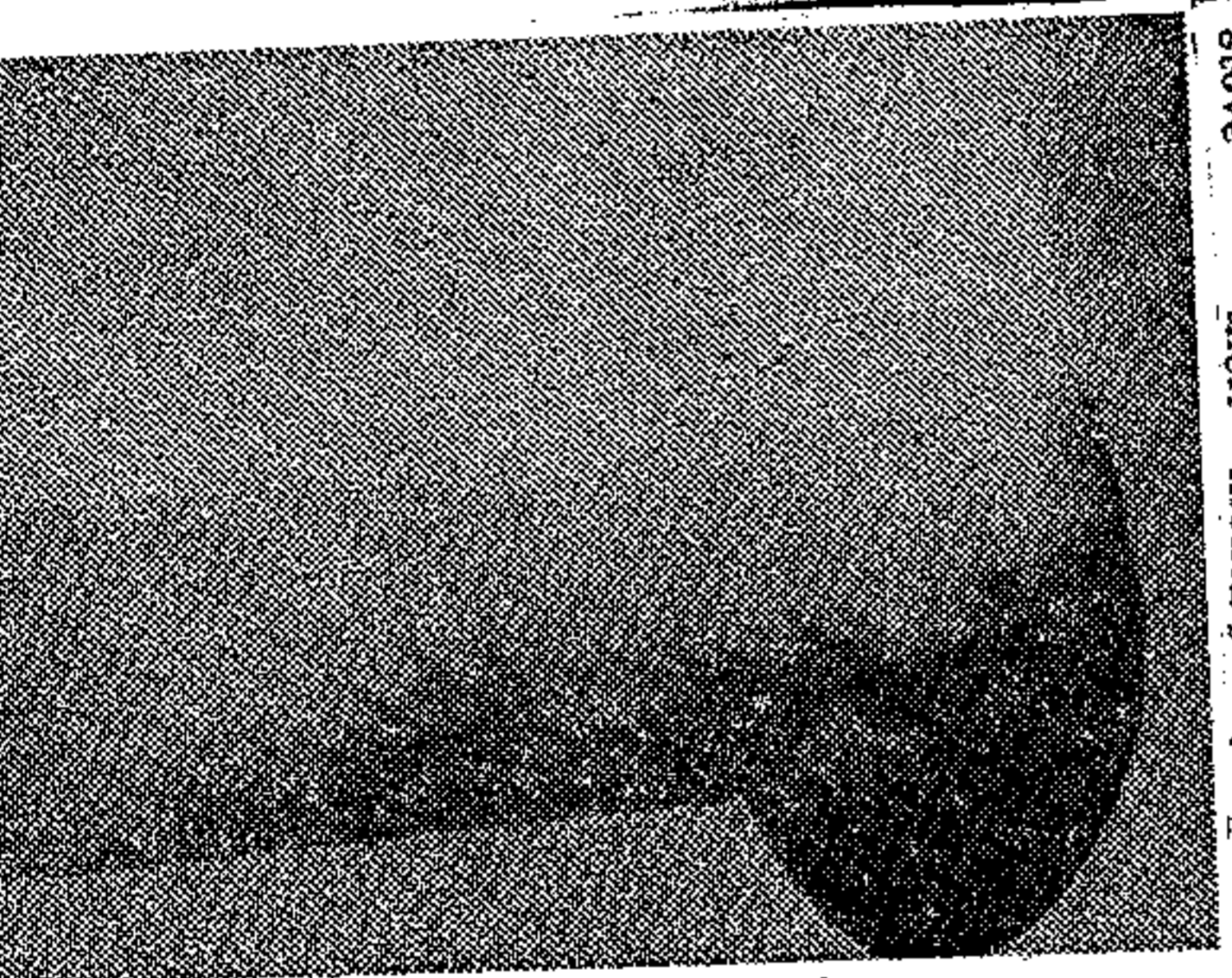
- Always ask for a discount if you are paying cash. The retailer will generally not offer it.
- All hire purchases require a minimum deposit of 10 percent of the total cash price and monthly instalments paid over a period not longer than 24 months.
- Most stores calculate HP instalments by subtracting the deposit paid from the displayed cash price, adding the cost of revenue stamps and of HP insurance (if the customer wants this) and finance charges (usually about 10 or 11 percent per annum) and dividing this by the number of months over which the article is to be paid off.

"Never in your life, impossible," he declared.

The City Council, Department of Health and Mr Ronchese's company are among those striving to educate health inspectors, salesmen and consumers on the installation and use of stoves. It is understood the authorities are having a second look at the whole issue.

Fair Deal checked out the price differences on so-called "smokeless" coal stoves. Here's how they range.

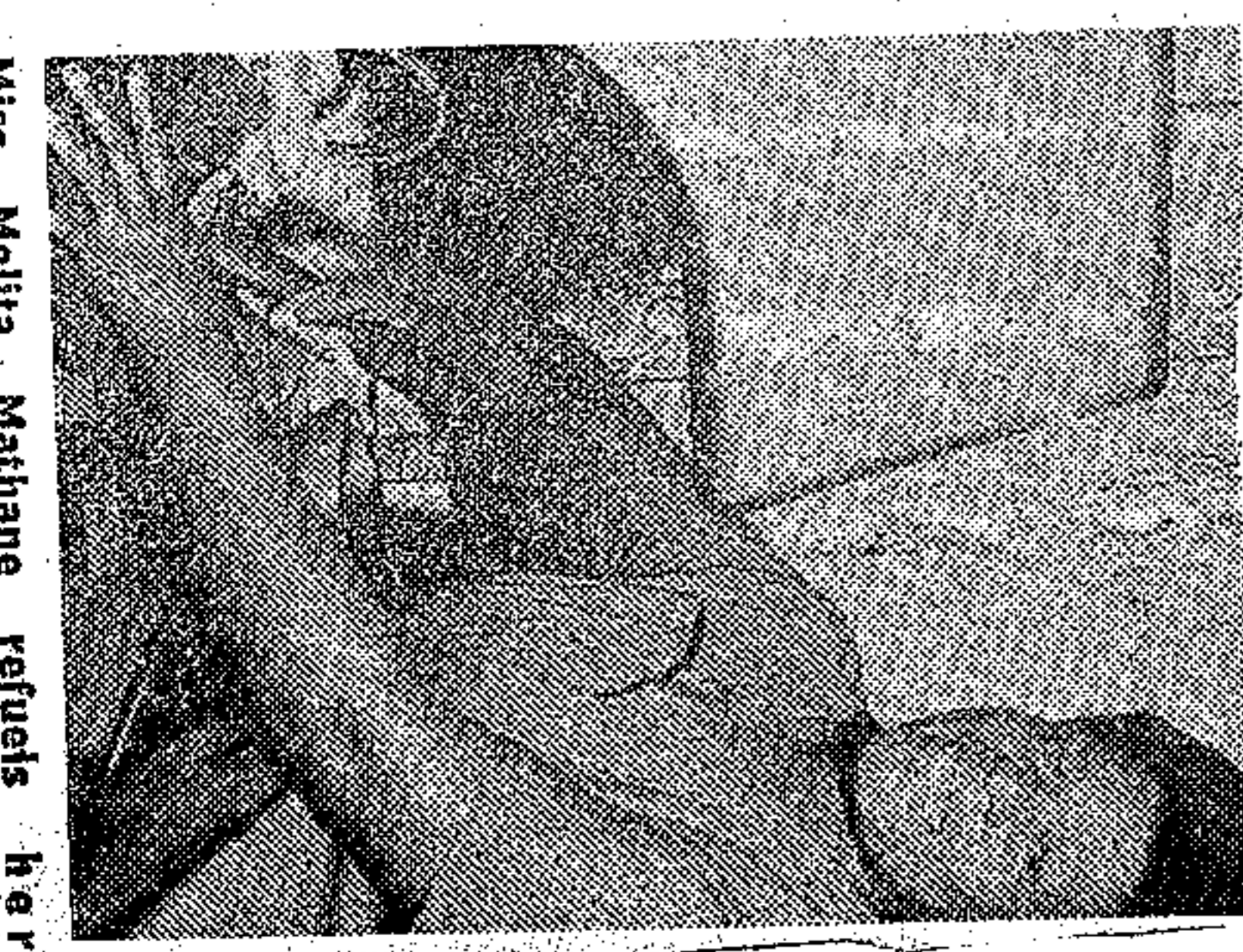
Stove Model	Price	Shop
Heatmaster Freehler	R499.80	Elizhen, 14 Wymandara Street
Dely Wendereck	R330	Winnar, 54 Sauer Street
Dely Glenwood	R349	World Furnishers 60 Sauer Street
Dely Magic	R339	Lesda, Executive Centre, Sauer Street
Dely Jewel	R399	World 2030, 21 Kirk Street
Maderna Senior	R560	Ringsield, 119 Jagger Street
Maderna Nova	R498	



The emission from this chimney above a "smokeless" stove in Soweto is legal as long as the average obscuration level



Mr Aldo Ronchese. His stoves are designed to emit less smoke than his ciger, but faulty installation often affords results. Some people



Miss Melita Mathane refuses her "smokeless" stove. After light up, black smoke belches from the very short.

(55)

RAM 14/4/28

Inside Mail

Sasol II's power

HAMISH FRASER: Deputy Financial Editor

THE WORLD'S coal reserves are estimated to be between four and six times the total reserves of oil and gas.

Coal, however, currently contributes less than a fifth to the energy requirements of the free world against a contribution from oil and gas of about 70%.

The position in South Africa is just the reverse. Coal accounts for more than 70% and petroleum products for less than 25% of South Africa's energy needs.

The oil-price explosion in 1973 hastened South Africa's decision to develop its unique process, pioneered at Sasol and run on a profitable basis, of using the country's plentiful coal resources as the basis for an alternative energy programme.

When Sasol II was first announced in 1974, it was estimated that it would cost R1 000-million. Latest estimates put the figure at R2 500-million, roughly equivalent in value to a year's gold production.

Sasol II will produce about 1 500 000 tons of petrol, diesel, fuel and light fuel oil when it reaches full production in the mid-1980's. This is about 10 times the capacity of the original plant at Sasolburg.

Sasol II will use 12-million tons of coal from its low-grade colliery, Bosjesspruit, to produce that amount of petroleum. When the plant reaches full production, it is estimated that the two Sasols will provide South Africa with about 30% of its petroleum and diesel needs.

Ironically, it is the rise in the price of oil that has made feasible the development of Sasol II.

If the oil companies were still selling petrol at pre-1973 prices, Sasol would, of course, have to sell its petrol at a competitive level. But as the oil price has risen, forcing petrol prices up, Sasol has been able to lift its price to a level which justifies the erection of Sasol II and ensures that it can run at a profit within a couple of years of its commissioning in 1980.

Sasol made a profit of R54-million last year. The chairman, Mr D P de Villiers, estimated at the annual meeting in October last year that Sasol II would save South Africa R350-million a year in foreign exchange when it reached full production.

Sasol is better managed than most of the State corporations in the sense that the profit motive stands at the forefront of management policy. The corporation's executives take a pride in the austerity of their offices, the absence of fancy office cars and the low profile of their managers.

Working for Sasol is regarded as a privilege. The commitment to the corporation's principles is sincere, bordering on the naive to one who is accustomed to dealing with executives whose motivation is often 90% the money — and the other 10% the money.

Secunda, where the new breed of oil men and women will live, is bleak and dusty. The name is Orwellian and so are the monotonous suburbs. Attracting personnel will never be easy.

But Sasol II will thrive while the commitment and energy of those who see the worth of its purpose can be maintained.

More than energy . . .

BOB HITCHCOCK:
Race Relations
Correspondent

RACIALLY, it's a twitching tormented microcosm of the situation South Africa faces today.

That's the thought that hits you as you stand in the swirling dust of Secunda, studying the occupational activities of some of the 12 000 construction workers of all races and listening to the racial hang-ups imposed on the whites who run this site.

The dust is stirred by the movements of massive cranes and bulldozers, front-end loaders and trucks.

I am on-site at Sasol II's R2 500-million oil-from-coal scheme in the heart of the south eastern Transvaal.

They tell you the scheme is due on-stream within two years. The first Synthol reactor of seven, with its distinctive loop at the top and its ability to turn gas into liquid, is already built.

A gas cooling system is virtually ready for use. Almost completed, too, is the conveyor system which will supply the plant with coal from the adjoining R240-million Bosjesspruit mine.

Other prominent features of this massive plant include the 250 metre-high chimney stack (it's taller than the Brixton Tower) and cooling towers equivalent in height to 45-storey buildings.

And in the midst of it all, girder is being stacked on girder by black hands and white to create refineries and other buildings.

With its 5 000 white construction workers and some 8 000 blacks and coloureds — and with the prospect of at least another 2 000 workers, chiefly blacks, coloureds and Indians, being recruited by December — Sasol II sometimes gives the impression of being a tinderbox of potentially explosive emotions.

Yet one wonders if this impression is not heightened by the hyper-sensitive reactions to racial issues and attitudes by executives of Sasol and Fluor.

That there is some racial tension is, perhaps, inevitable.

White artisans are witnessing what they for years have feared would happen in South Africa: the employment of skilled and semi-skilled coloureds, Indians and blacks in what traditionally were "white" jobs. And, in the main, those construction workers who are not white have shown that properly trained they can match the white worker in many trades.

At Sasol II, black workers through their liaison committees on site are pushing for complete occupational equality with the whites.

What is Sasol II's employment policy, I want to know.

Sasol spokesman Professor Anton Roodt: "Where the white labour market is unable to supply the necessary manpower, we are bringing in other race groups. We do this in consultation with the unions, of course."

So race barriers in employment at Sasol II are deliberately being dropped?

"Where necessary, yes. But it's a gradual process. Sasol aims to use all labour resources available to meet its needs. At the same time, we operate, as do the sub-contractors, within existing Government policy."

A one-time SABC broadcaster and currently the



Clouds over a great multiracial project.

Secunda, Clarence Keyter, said: "The whole subject of race and employment at Sasol II is highly sensitive."

And, true enough, outside Sasol II's security fence a white boilermaker says: "I doubt that those coloureds and blacks can do my job as efficiently as whites." While a white bricklayer now working as a barman down the road at Trichardt says: "I worked at Sasol II. You've got to be black to get the best treatment there." He uses derogatory terms.

In fact, except for relaxation of job apartheid, segregation and discrimination are still practised on site.

Construction workers of all races who work at Secunda as single men get free board and lodging. But while the blacks live a barrack-room existence, the whites live in reasonably furnished rooms, two men to a room.

Recreational facilities for whites are vastly superior to those for blacks. The coloureds live in their own artisan camp and seldom mix with either the whites or the blacks.

All races work shoulder-to-shoulder. Yet when the lunchtime siren goes they split into their own race groups to eat from their lunch boxes.

Says a black matriculant who drives a front-end loader: "In my first couple of months here I became quite friendly with a young white construction worker. One day I joined him and his mates for lunch. But his mates made bad remarks about me. I never joined my white friend for lunch again."

One senses that the big fear among Sasol and Fluor executives is that white backlash might set in as increasing numbers of blacks and coloureds take over traditionally white construction jobs.

What form might the backlash take? A withdrawal of white labour is one possibility.

"We need the white construction workers at this stage," an executive explains. "But the blacks are responding well to training."

With the need for 2 000 additional workers to cope with the plant's construction

Sasol II and its agents are casting their recruiting net among blacks, coloureds and Indians, with on-site crash-course training in mind.

By that time there could be 9 000 blacks and more than 1 000 coloureds and a few hundred Indian artisans working with the white construction workers who, are all South African residents, if not citizens.

A labour issue with racial overtones that continues to hang over the Secunda site like an angry cloud is the Sasol proposal to recruit between 150 and 200 South Korean welders, some of whom are already in this country working on an oil refinery in Milnerton.

Sasol argues that it has failed to find enough of the qualified coded welders it needs locally.

Trade union leaders, on the other hand, say there are more than enough skilled welders of South African stock from which to draw 200 men suitable for training in coded welding, a highly specialised technique.

They also point out that even if the South Koreans were employed they would need special training before being let loose at Sasol II.

This giant construction site has become a Mecca for skilled and semi-skilled blacks and coloureds seeking job advancement. Workers of all races are encouraged to take advantage of the site's training facilities.

The emphasis at present is on training whites, coloureds and a few selected blacks to higher standards in welding.

Welding and pipefitting are the construction jobs demanding the most perfection in a project such as Sasol II.

Coloured artisans at Sasol II do all the jobs done by white artisans on site, at rate for the job. This includes boilermaking, steel erection, carpentry, bricklaying and mechanical fitting.

Today, black workers on site can operate all cranes up to 50 tons, bulldozers, front-end loaders, mechanical forks, trucks and concrete mixers.

They can be employed as welders and on jobs relating to reinforcing.

On the mechanical side, 15 blacks have been trained to

do bolting-up on piping, a white preserve until recently.

A leading sub-contractor says: "I'd like to see blacks trained as pipefitters." This, I am told, is a hot potato the white trade union leaders are none too keen to handle.

On site management side of Sasol II I met a black labour relations official. Edward Mathebula, of Germiston, is 29 and has been on the Sasol site since it opened two years ago.

A BA graduate of the University of the North (1973) Mr Mathebula earns R500 a month and says he sometimes wonders if his salary would be higher if he were white.

With him is the site's black troubleshooter in the labour field — 34-year-old Sammy Munyai of Louis Trichardt.

Mr Munyai, I am told by an Australian-born Fluor executive, is skilled in three of four trades — rigging and boilermaking among them — and is persuasive in at least three African languages.

"Sammy saves us a lot of potentially wasted manhours," the executive says. "He gets out there and sorts out the complaints of black construction workers."

In the drawing office, 22-year-old Ashraf Hajee, a qualified draughtsman from the coloured township of Eldorado Park, reckons his salary of R450 a month matches that of whites of similar age and experience.

He believes he faces a good professional future and expressed excitement at being involved in the Sasol II scheme.

The face of this part of the south eastern Transvaal highveld is changing dramatically. It is no longer the Mealie Belt. It's the Energy Basin.

Apart from Sasol II's future production of motor fuel at Secunda, there is Escom power at Kriel and a rash of secondary industries planned for the sleepy hollows of Trichardt and Kinross and the gold-mining town of Evander.

Suddenly, quiet-living rurals who viewed talk on the demolition of apartheid and concessions to blacks as something not of their world, find they are living on the doorstep of a highly sophisticated construction site where job reservation is being phased out through necessity and new thinking.

And with an "international" hotel planned for rapidly developing Secunda, some of the white platelanders may soon be eating cheek by jowl with black guests.

Materially, of course, the whites in the area have never felt more buoyant and confident. Take Trichardt. This shabby little dorp a few kilometres from Sasol II is to become the hub of the new energy basin.

Previously, with a farming population of 600, its only claim to fame was that it had seen heavy fighting in the Anglo-boer War. Today there is a population of close to 1 500 and is growing by the week.

Five years ago you could have bought an erf in the main street for little more than R500. Today the same erf would set you back at least R40 000.

There's only one snag as the locals see it. All this development is bringing masses of black workers into the area. White-by-night is going to be more difficult to achieve in the future.

18/4/72
53

Interest in Tech courses growing

EAST LONDON — A growing interest in all courses offered by the East London Technical College speech and drama department had resulted in an increase in the number of students, the head of the department, Mrs Elaine Shaw, said at the department's annual prize-giving last night.

At present there were 215 students, many of whom were taking more than one course, she said.

A new language laboratory had been installed and was expected to be enlarged this year.

"It is not generally known that the Department of National Education offers free tuition in English and Afrikaans in the laboratory to immigrants who register within six months of their arrival in the country."

Three Afrikaans courses and one English course were held last year and two Afrikaans courses

were being held at present.

Mrs Shaw said the department had had a 100 per cent pass in the speech examinations. Several students had obtained honours and merit and two had been entered for the Unisa higher examination, both of whom had passed with honourable mentions.

At present the department was working towards a presentation of scenes from Shakespeare's Twelfth Night in East London and King William's Town. — DDR.

Rand Mine quarterly results

NM 18/4/78

Harmony gets a

55

loan for plant

JOHANNESBURG — The feature of the Rand Mines quarterlies to March 31 is the announcement by Harmony that it has arranged financing for the erection of the proposed uranium treatment plant at Merriespruit.

The consumer-backed financing is by way of an interest-free loan and site preparation has commenced. The erection of the new plant will begin in the near future.

Under the terms of the Atomic Energy Act few details can be given, but it is clear that the loan and purchase agreement must be of a long-term nature in view of the high cost of erecting such a plant.

The new plant will enable the company to exploit its uranium potential to the full but it is unlikely to be commissioned before the middle of 1980. Benefits to the company will probably only become apparent after that date.

Elsewhere the Harmony quarterly shows that costs are well under control at R23,66 a ton milled, compared with R23,28 the previous quarter. Uranium sales have held up well at R8,5-million (R9,5-million).

Tonnage milled was sl-

ightly lower at 1,557 million (1,585m) and gold produced totalled 7 292kg (7 578kg).

Total revenue for the quarter amounted to R43,6-million (45,7m) and profit after tax and State's share totalled R7-million (8,6m).

At Blyvoors, tonnaged milled totalled 423 000 (405 000) at a grade of 11,45 G/T (10,74 G/T) and gold produced increased to 4 844kg (4 351kg).

Costs, however, increased to R34,40 (R33,34) a ton milled.

Working profit from uranium during the quarter totalled R2,705 million (R569 000 loss the previous quarter) reflecting the benefits of new sales.

Profit increase

Profit after tax and States' share increased to R6,9 million (R4,5-m) reflecting primarily the improved results from uranium operations, together with higher revenue from gold.

At ERPM tonnaged milled totalled 445 000 (448 000) at a grade of 6,32 G/T (6,33 G/T) giving 2 809kg (2 835kg) of gold produced.

Costs rose to R36,59 (R33,60) a tonne milled.

Profit was lower at R721 000 (R1 965 000) after State assistance claim of R3,4 million (R3,4-m).

At Durban Deep the good news is that the flooding problems accounted in January appear to be well under control. The mine should be dewatered within the next quarter.

Tonnage lower

Tonnage milled was lower as a result of the flooding of the lower sections of the mine.

However, total costs rose only R390 000 and unit costs increased to R22,71 from R20,40.

Grade increased as the mine has started mining portions of the high grade no 5/5A shaft pillar. While tonnage milled declined to 477 000 from 512 000, grade was up at 3,91 G/T (3,61 G/T) and gold production rose to 1 869kg (1 849kg).

Profit totalled R609 000 (R771 000) after R2,278 million (R2 235m) State assistance claimed. — (Sapa.)

Randfontein plant start-up

Star 19/4/78
55

Mac Thain
Commissioning of
Randfontein's gold-
uranium plant with a
planned capacity of
250 000 tons a month
has started — and it
should be operating
around mid-year.

Ore from Cooke No 2
shaft is being stockpiled
as well as additional ton-
nage drawn from the old
Randfontein section.

The quarterly report
reflects an increase in
tonnage milled, but grade
was lower in line with
expectations which cut
net profit from R14,7m to
R13,54m.

The Millsite refurbished
uranium plant treated
228 000 tons of pulp
during the quarter, rep-
resenting 76 percent of
designed capacity. Re-
covery again fell below
expectations. Work goes
on to right the position.
However, much of the ex-
perience gained has made
an important contribution
to the final design of the
new Cooke plant.

Development values
were better than in the
December quarter possibly
with the switch to a
north-south direction, par-
ticularly in No 2 section.

Mill grade could be
lower in the current quar-
ter and fall again once
the new plant is operating
as part of the feed will
come from the Randfon-
tein section where values
are low by comparison.

Western Areas illus-
trates once more the vul-
nerability of low-grade

producers to adverse in-
fluences. Tonnage
dropped through unwill-
ingness of certain workers
to volunteer for the addi-
tional shift under the
11-day shift scheme and a
proportion of black labour
only becoming acclimat-
ised towards the end of
the period.

Net profit fell from
R7,24m to R3,43m. The
production drop pushed
up unit costs, and this
trend was aggravated by
the increased wage bill,
higher costs of stores and
electricity and deferred
payments on account of
Mozambique workers.

This latter will decline
with the dropping of the

gold clause in the Conven-
tion.

Development on 52 and
55 level on the Middle
Elsburg reefs by drilling
yielded good uranium val-
ues and the programme
continues. Should a deci-
sion be taken to exploit
the potential of this hori-
son, adequate shaft capaci-
ty will be available.

DEPARTMENT OF PLANNING
AND THE ENVIRONMENT

No. 781

21 April 1978

ESTABLISHMENT OF A GUIDE PLAN COMMITTEE
FOR THE KNYSNA/WILDERNIS/PLETTENBERG
BAY AREA

Under and by virtue of the powers vested in me by section 6A (1) of the Environment Planning Act, 1967 (Act 88 of 1967), I, Schalk Willem van der Merwe, Minister of Planning and the Environment, hereby establish a guide plan committee for the area defined in the Annexure hereto, to compile a draft guide plan in which the requirements for the future development and use of land in the area are determined.

Any person who has any interest in this draft guide plan may, within 60 days of the date of this notice, submit written proposals for inclusion in the plan, to the Chairman of the Guide Plan Committee for the Knysna/Wildernis/Plettenberg Bay Area, Private Bag X213, Pretoria.

Proposals by a local authority shall be submitted through the Cape Provincial Administration.

Signed at Cape Town this 5th day of April 1978.

S. W. VAN DER MERWE, Minister of Planning and the Environment.

ANNEXURE

KNYSNA/WILDERNIS/PLETTENBERG BAY GUIDE
PLAN AREA.—BOUNDARY DESCRIPTION

Beginning at the point where the middle of the Kaaimans River meets the high-water mark of the Indian Ocean; thence generally northwards along the middle of the said Kaaimans River to the point lettered f on the diagram of the farm Outeniquaberge 125, Administrative District of George; thence north-eastwards along the boundary of the said farm Outeniquaberge 125, to the north-western point of Portion 1 of the said Farm 125; thence eastwards along the boundaries of the said Portion 1 of Farm 125 and Farm 273, so as to include them in this area, to the beacon lettered C on the diagram of the last-mentioned farm; thence north-eastwards along the south-eastern boundary of Farm 170, so as to exclude it from this area, to the easternmost beacon thereof; thence north-eastwards along the boundaries of the said Farm 125, to the beacon lettered G on the diagram thereof; thence south-westwards along the boundaries of the following properties so as to include them in this area: Farm 176, Portion 4 of Farm 174, and Portion 2 of Farm 178, to the northernmost beacon thereof; thence north-eastwards along the boundaries of the said Farm 125, to the north-western beacon of Farm 265; thence south-eastwards along the boundaries of the said Farm 265, so as to exclude it from this area, to the north-eastern point thereof; thence generally northwards along the middle of the Hoogekraal River, to the northernmost point of the farm Geelhoutboom 177, Administrative District of Knysna; thence south-eastwards along the boundaries of the following properties so as to include them in this area: The said Farm 177, Farm 176, the said Farm 177, Portions 97, 81, 70 and 1 of Farm 183,

DEPARTEMENT VAN BEPLANNING
EN DIE OMGEWING

No. 781

21 April 1978

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INSTELLING VAN 'N GIDSPLANKOMITEE VIR
DIE KNYSNA / WILDERNIS / PLETTENBERGBAAI-
GEBIED

Kragtens die bevoegdheid my verleen by artikel 6A (1) van die Wet op Omgewingsbeplanning, 1967 (Wet 88 van 1967), stel ek, Schalk Willem van der Merwe, Minister van Beplanning en die Omgewing, hierby 'n gidsplankomitee in vir die gebied omskryf in die Bylae hiervan, om 'n ontwerp-gidsplan op te stel waarin die vereistes vir toekomstige ontwikkeling en grondgebruik in dié gebied bepaal word.

Enige persoon wat by hierdie ontwerp-gidsplan belang het, kan binne 60 dae vanaf die datum van hierdie kennisgewing, skriftelike voorstelle vir opname in die plan rig aan die Voorsitter van die Gidsplankomitee vir die Knysna/Wildernis/Plettenbergbaai-gebied, Privaatsak X213, Pretoria.

Voorstelle deur 'n plaaslike bestuur moet deur middel van die Kaapse Provinsiale Administrasie voorgelê word.

Geteken te Kaapstad, op hede die 5de dag van April 1978.

S. W. VAN DER MERWE, Minister van Beplanning en die Omgewing.

BYLAE

KNYSNA/WILDERNIS/PLETTENBERGBAAI-
GIDSPLANGEBIED.—GRENSBESKRYWING

Vanaf die punt waar die middel van die Kaaimansrivier die hoogwatermerk van die Indiese Oseaan ontmoet; daarvandaan algemeen noordwaarts met die middel van genoemde Kaaimansrivier langs, tot by die punt geletter f op die kaart van die plaas Outeniquaberge 125, administratiewe distrik George; daarvandaan noordooswaarts met die grens van genoemde plaas Outeniquaberge 125 langs, tot by die noordwestelike punt van Gedeelte 1 van genoemde Plaas 125; daarvandaan ooswaarts met die grense van genoemde Gedeelte 1 van Plaas 125 en Plaas 273 langs, sodat hulle by hierdie gebied ingesluit word tot by die baken geletter C op die kaart van laasgenoemde plaas; daarvandaan noordooswaarts met die suidoostelike grens van Plaas 170 langs sodat dit uit hierdie gebied uitgesluit word tot by die oostelike baken daarvan, daarvandaan noordooswaarts met die grense van genoemde Plaas 125 langs tot by die baken geletter G op die kaart daarvan; daarvandaan suidweswaarts met die grense van die volgende eiendomme langs, om hulle by hierdie gebied in te sluit: Naamlik Plaas 176, Gedeelte 4 van Plaas 174 en Gedeelte 2 van Plaas 178 tot by die noordelike baken daarvan; daarvandaan noordooswaarts met die grense van genoemde Plaas 125 langs, tot by die noordwestelike baken van Plaas 265; daarvandaan suidooswaarts met die grense van genoemde Plaas 265 langs om dit uit hierdie gebied uit te sluit, tot by die noordoostelike punt daarvan; daarvandaan algemeen noordwaarts met die middel van die Hoogekraalrivier langs tot by die noordelike punt van die plaas Geelhoutboom 177 administratiewe distrik Knysna; daarvandaan suidooswaarts met die grense van die volgende eiendomme langs om hulle by hierdie gebied in te sluit: Naamlik genoemde Plaas 177, Plaas 176, genoemde Plaas 177, Gedeelte 97, 81, 70 en 1

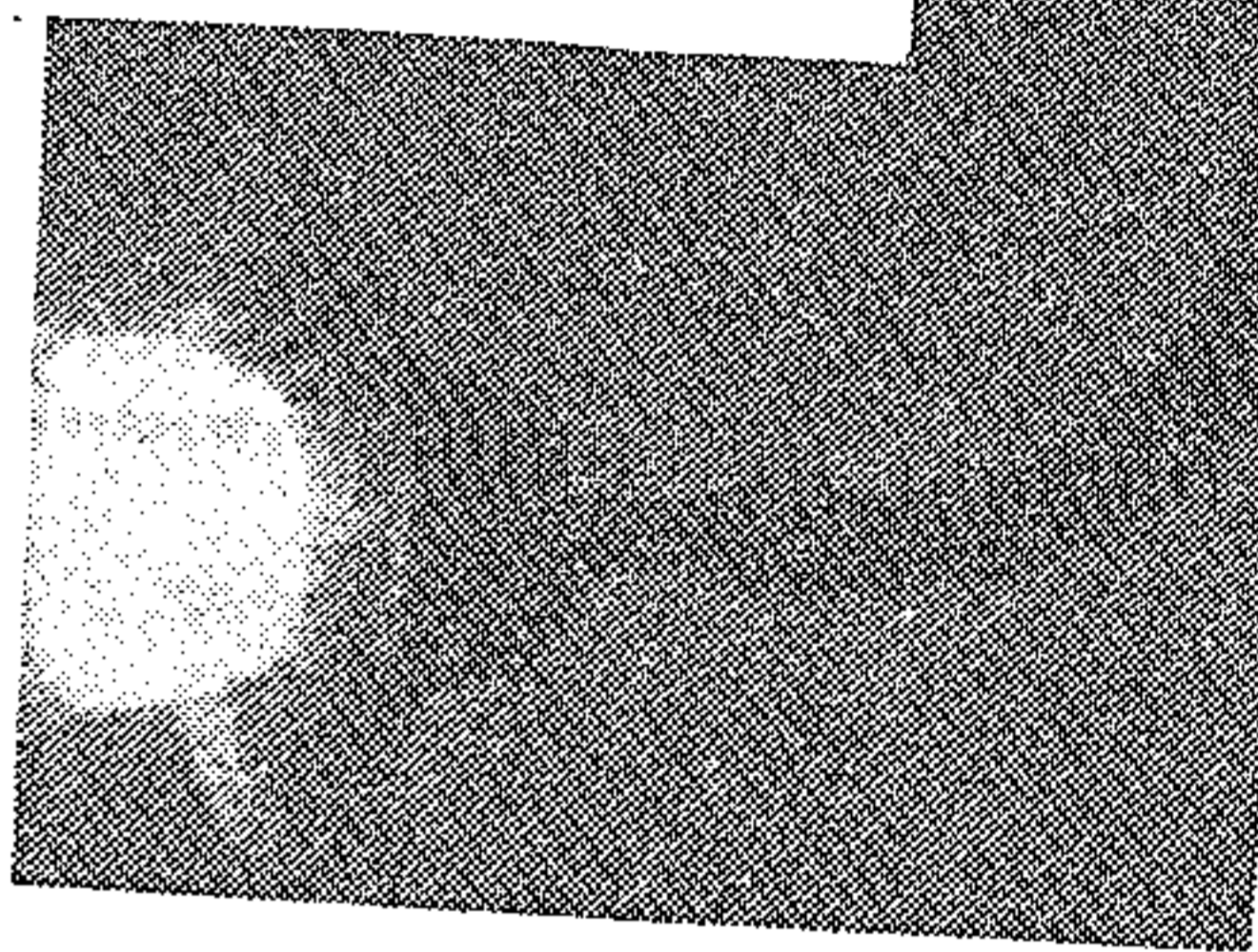
to the north-eastern point of the said Portion 1; thence northwards along the boundaries of Portions 2, 4, 3, 7 and 17 of Farm 184, so as to include them in this area, to the north-eastern beacon of the said Portion 17; thence north-westwards in a straight line to the westernmost beacon of Farm 162; thence along the boundaries of the said Farm 162 and Farm 161, so as to include them in this area, to the easternmost beacon of the latter farm; thence in a straight line to the westernmost beacon of Farm 163; thence along the boundaries of the said Farm 163 and Farm 164, so as to include them in this area, to the north-eastern beacon of the latter farm; thence in a straight line to the north-western beacon of Farm 166; thence along the boundaries of the said Farm 166 and Farm 168, so as to include them in this area, to the easternmost beacon of the latter farm; thence in a straight line to the beacon lettered e on the diagram of Farm 169; thence along the boundaries of the said Farm 169 and Farms 170, 171 and 172, so as to include them in this area, to the southernmost beacon of the last-mentioned farm; thence in a straight line to the beacon lettered b on the diagram of Farm 149; thence along the boundaries of the said Farm 149 and Farm 148, so as to include them in this area, to the southernmost beacon of the latter farm; thence south-westwards along the prolongation of the south-eastern boundary of the said Farm 148, to the point where it intersects the north-eastern boundary of the said Farm 184; thence south-eastwards along the boundaries of the following properties so as to include them in this area: The said Farm 184, Portion 7 of Farm 185, and Farm 118, to the northernmost beacon of the last-mentioned farm; thence in a straight line to the north-western beacon of Farm 119; thence along the boundaries of Farms 119, 120 and 121, so as to include them in this area, to the north-eastern beacon of the last-mentioned farm; thence in a straight line to the northernmost beacon of Farm 122; thence along the boundaries of the said Farm 122 and Farm 123, so as to include them in this area, to the north-eastern beacon of the latter farm; thence in a straight line to the north-western beacon of Farm 124; thence along the north-western boundary of the said Farm 124, so as to include it in this area, to the northernmost beacon thereof; thence in a straight line to the northernmost beacon of Farm 126; thence along the boundaries of Farms 127, 128, 129 and 130, so as to include them in this area, to the south-eastern beacon of the last-mentioned farm; thence south-westwards along the prolongation of the south-eastern boundary of the said Farm 130, to the point where it intersects the northern boundary of Portion 11 of Farm 185; thence eastwards along the northern boundary of the said Portion 11 of Farm 185, so as to include it in this area, to the north-eastern beacon thereof; thence in a straight line to the south-western beacon of Farm 131; thence along the boundaries of the said Farm 131, so as to include it in this area, to the south-eastern beacon thereof; thence in a straight line to the south-western beacon of Farm 132; thence along the boundaries of the said Farm 132, so as to include it in this area, to the south-eastern beacon thereof; thence in a straight line to the south-western beacon of Farm 147; thence along the boundaries of the said Farm 147 and Farm 133, so as to include them in this area, to the north-eastern beacon of the latter farm; thence in a straight line to the north-western

van Plaas 183 tot by die noordoostelike punt van laasgenoemde Gedeelte 1; daarvandaan noordwaarts met die grense van Gedeeltes 2, 4, 3, 7 en 17 van Plaas 184 langs, om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde Gedeelte 17; daarvandaan noordweswaarts in 'n reguit lyn tot by die westelike baken van Plaas 162; daarvandaan met die grense van genoemde Plaas 162 en Plaas 161 langs om hulle by hierdie gebied in te sluit tot by die oostelikste baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die westelikste baken van Plaas 163; daarvandaan met die grense van genoemde Plaas 163 en Plaas 164 langs, om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die noordwestelike baken van Plaas 166; daarvandaan met die grense van genoemde Plaas 166 en Plaas 168 langs, om hulle by hierdie gebied in te sluit tot by die oostelikste baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die baken geletter e op die kaart van Plaas 169, daarvandaan met die grense van genoemde Plaas 169 en Plaas 170, 171 en 172 langs om hulle by hierdie gebied in te sluit tot by die suidelikste baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die baken geletter b op die kaart van Plaas 149; daarvandaan met die grense van genoemde Plaas 149 en Plaas 148 langs, om hulle by hierdie gebied in te sluit tot by die suidelikste baken van laasgenoemde plaas, daarvandaan suidweswaarts met die verlenging van die suidoostelike grens van genoemde Plaas 148 langs tot by die punt waar dit die noordoostelike grens van genoemde Plaas 184 kruis; daarvandaan suidwaarts met die grense van die volgende eiendomme langs om hulle by hierdie gebied in te sluit: Naamlik genoemde Plaas 184, Gedeelte 7 van Plaas 185 en Plaas 118 tot by die noordelikste baken van laasgenoemde plaas, daarvandaan in 'n reguit lyn tot by die noordwestelike baken van Plaas 119; daarvandaan met die grense van Plaas 119, 120 en 121 langs om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die noordelikste baken van Plaas 122; daarvandaan met die grense van genoemde Plaas 122 en Plaas 123 langs, om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die noordwestelike baken van Plaas 124; daarvandaan met die noordwestelike grens van genoemde Plaas 124 langs, om dit by hierdie gebied in te sluit tot by die noordelikste baken daarvan; daarvandaan in 'n reguit lyn tot by die noordelikste baken van Plaas 126; daarvandaan met die grense van Plaas 127, 128, 129 en 130 langs om hulle by hierdie gebied in te sluit tot by die suidoostelike baken van laasgenoemde plaas; daarvandaan suidweswaarts met die verlenging van die suidoostelike grens van genoemde Plaas 130 langs tot by die punt waar dit die noordelike grens van Gedeelte 11 van Plaas 185 kruis; daarvandaan ooswaarts met die noordelike grens van genoemde Gedeelte 11 van Plaas 185 langs, om dit by hierdie gebied in te sluit tot by die noordoostelike baken daarvan, daarvandaan in 'n reguit lyn tot by die suidwestelike baken van Plaas 131; daarvandaan met die grense van genoemde Plaas 131 langs, om dit by hierdie gebied in te sluit tot by die suidoostelike baken daarvan; daarvandaan in 'n reguit lyn tot by die suidwestelike baken van Plaas 132; daarvandaan met die grense van genoemde Plaas 132 langs om dit by hierdie gebied in te sluit tot by die suidoostelike baken daarvan; daarvandaan in 'n reguit lyn tot by die suidwestelike baken van Plaas 147; daarvandaan met die grense van genoemde Plaas 147 en Plaas 133 langs om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot

beacon of Farm 134; thence along the boundaries of the said Farm 134 and Farm 135, so as to include them in this area, to the north-eastern beacon of the latter farm; thence in a straight line to the north-western beacon of Farm 136; thence along the boundaries of the said Farm 136 and Farm 137, so as to include them in this area, to the north-eastern beacon of the latter farm; thence in a straight line to the northernmost beacon of Farm 138; thence along the boundaries of the said Farm 138 and Farms 140 and 139, so as to include them in this area, to the south-eastern beacon of the last-mentioned farm; thence south-eastwards along the prolongation of the north-eastern boundary of the said Farm 139, to the point where it intersects the northern boundary of Portion 10 of the said Farm 185; thence south-eastwards along the boundaries of the following properties so as to include them in this area: The said Portion 10 of Farm 185, Portions 10, 6, 8, 9, all of Farm 187, Farm 187, Farms 111, 90 and 95, Portion 1 of Farm 94, Farm 91, Farms 96 and 99, to the beacon lettered I on the diagram of the last-mentioned farm; thence in a straight line to the beacon lettered L on the diagram of the said Farm 99; thence north-eastwards along the boundaries of Farms 100 and 458, so as to include them in this area, to the easternmost beacon of the latter farm; thence along the eastern boundary of the said Farm 99, to the northernmost beacon of Farm 102; thence along the boundaries of the following properties so as to include them in this area: The said Farm 102 and Farms 103, 104, 106, 107, 108, 109, 110 and 111, to the south-western point of the last-mentioned farm; thence generally southwards along the boundaries of the following properties so as to include them in this area: The said Farm 187, Farm 192, Portions 18 and 17 of the said Farm 192, Erven 3410 and 1535, Knysna, Farms 390, 389, 388, 367, 321, 317, 313, 306 and Farm 305, to the southernmost beacon of Portion 2 of Farm 225; thence north-eastwards along the boundaries of the following properties so as to exclude them from this area: Farms 226, 451, 452, 232, 293, 300 and 299, to the south-western point of the last-mentioned farm; thence generally westwards along the highwater mark of the sea and across the mouths of the following rivers: The Keurbooms, Pisang, Knysna, Zwart and Touw Rivers, to the point first named.

by die noordwestelike baken van Plaas 134; daarvandaan met die grense van genoemde Plaas 134 en Plaas 135 langs om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die noordwestelike baken van Plaas 136; daarvandaan met die grense van genoemde Plaas 136 en Plaas 137 langs om hulle by hierdie gebied in te sluit tot by die noordoostelike baken van laasgenoemde plaas; daarvandaan in 'n reguit lyn tot by die noordelike baken van Plaas 138; daarvandaan met die grense van genoemde Plaas 138 en Plaas 140 en 139 langs, om hulle by hierdie gebied in te sluit tot by die suidoostelike baken van laasgenoemde plaas; daarvandaan suidooswaarts met die verlenging van die noordoostelike grens van genoemde Plaas 139 langs, tot by die punt waar dit die noordelike grens van Gedeelte 10 van genoemde Plaas 185 kruis; daarvandaan suidooswaarts met die grense van die volgende eiendomme langs om hulle by hierdie gebied in te sluit: Naamlik genoemde Gedeelte 10 van Plaas 185, Gedeelte 10, 6, 8 en 9 almal van Plaas 187, Plaas 187, Plaas 111, 90 en 95, Gedeelte 1 van Plaas 94, Plaas 91, Plaas 96 en 99 tot by die baken geletter I op die kaart van laasgenoemde plaas, daarvandaan in 'n reguit lyn tot by die baken geletter L op die kaart van genoemde Plaas 99, daarvandaan noordooswaarts met die grense van Plaas 100 en 458 langs om hulle by hierdie gebied in te sluit tot by die oostelike baken van laasgenoemde plaas; daarvandaan met die oostelike grens van genoemde Plaas 99 langs, tot by die noordelike baken van Plaas 102, daarvandaan langs die grense van die volgende eiendomme om hulle by hierdie gebied in te sluit: Naamlik genoemde Plaas 102 en Plaas 103, 104, 106, 107, 108, 109, 110 en 111 tot by die suidwestelike punt van laasgenoemde plaas; daarvandaan algemeen suidwaarts met die grense van die volgende eiendomme langs om hulle by hierdie gebied in te sluit: Naamlik genoemde Plaas 187, Plaas 192, Gedeeltes 18 en 17 van genoemde Plaas 192, Erve 3410 en 1535 Knysna, Plaas 390, 389, 388, 367, 321, 317, 313, 306 en die Plaas 305 tot by die suidelike baken van Gedeelte 2 van die Plaas 225; daarvandaan noordooswaarts met die grense van die volgende eiendomme langs om hulle uit hierdie gebied uit te sluit, naamlik: Plaas 226, 451, 452, 232, 293, 300 en 299 tot by die suidwestelike punt van laasgenoemde plaas; daarvandaan algemeen weswaarts met die hoogwatermerk van die see langs en oor die monde van die volgende riviere: Naamlik Keurbooms, Pisang, Knysna, Zwart en Touw Riviere tot by eersgenoemde punt.

Soweto, for so long the dark city, should soon get electric light.



But KEVIN STOOKS reports posturing and infighting delayed a decision.

Let there be light

When the historians write the story of South Africa in the seventies the struggle to electrify Soweto will rate only a footnote — but a very curious and revealing footnote.

The long battle is won

The announcement that the electrification scheme is on will probably be made very soon and it will culminate years of manoeuvring, political posturing, racial distrust, obstinacy and credit-grabbing by nearly everyone concerned.

The whole episode is a microcosm of what happens in South Africa when anyone tries to achieve anything in the area where racial distrust merges into politics and politics touches on business profit.

Of course all the infighting cost money. How much is difficult to say but when the scheme was originally mooted the figures mentioned varied from R50 to R60-million. Now people are talking of R90-million and more.

If I were making a book on what is likely to happen about Soweto electrification I would lay long odds on the following:

- (1) The West Rand Bantu Affairs Administration Board will announce that the scheme will go ahead.
- (2) The costs will be in the region of R95-million.
- (3) The money will be raised by a group of banks consisting of the original consortium of commercial banks, headed by Barclays National, with the addition of Volkskas Merchant Bank.
- (4) The money will be raised on a stock issue by the West Rand Board. The stock will be for 15 years (or a mix of 10 year and 15 year notes) and will carry interest of between nine and 10 percent. It will have the status of a prescribed investment for banks and financial institutions.
- (5) Between them the banks will buy stock worth R40-million. The remainder they will try and sell to pension funds and financial institutions.

All this, of course, is somewhat different from the scheme devised by Roberts Construction, LTA and Siemens. Under that scheme the banks would have lent money directly to the board (at slightly below normal rates) and the loans would have been guaranteed by the Government.

Although the Government agreed to the guarantee the board eventually turned down the idea on the basis that the people of Soweto could not afford the cost of electricity plus the high interest payments on the loans.

To a degree the new scheme is an improvement in that the board will now be getting fairly long-term money. But delay has led to an escalation in costs which have probably risen by at least six percent for every six months that the talking has lasted. As the delays have gone on for about two years this meant an escalation of 24 percent.

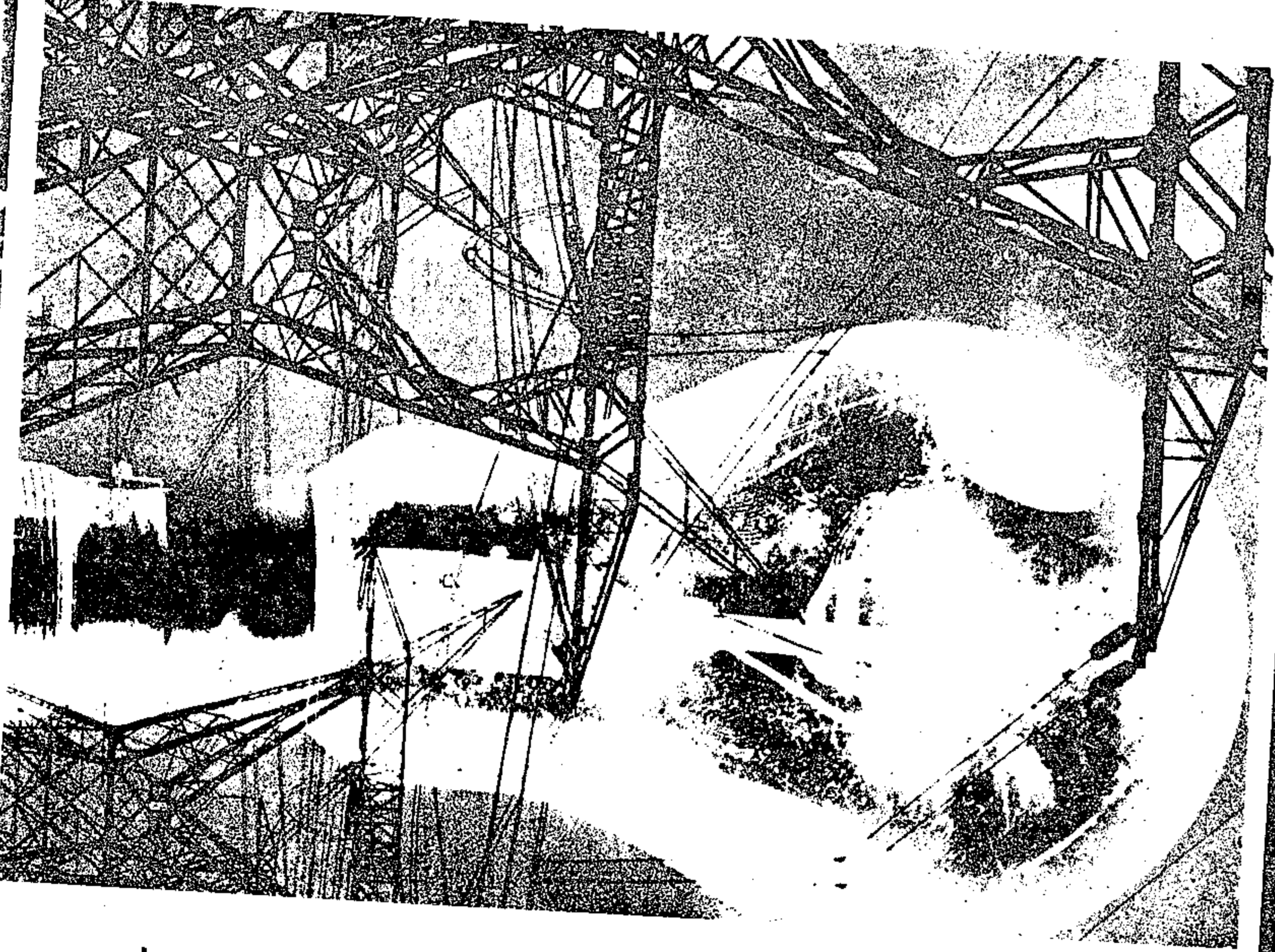
The idea of a stock issue by the board probably came from the commercial banks after the

original loan was refused. The board itself involved Volkskas Merchant Bank in the scheme.

Some people feel the board brought in Volkskas to avoid having it appear that mainly foreign-controlled, non-Afrikaner banking interests were involved in pressing for an electrification scheme for Soweto.

They point to the fact that when it came into existence the board appointed Volkskas as its bankers even though this meant moving the largest account, that of the old Johannesburg Non-European Affairs Department, away from another bank.

What intrigues many people is this: If banking and construction interests, vociferously backed by the Press, had not pressured the board for so long on the electrification issue would Soweto be on the point of gaining an electricity supply.



Now _____
the _____
scheme _____
will _____
cost _____
R90 _____
million _____
Or _____
more _____

Radiation hit nuclear workers

Political Staff

THE ASSEMBLY — The Atomic Energy Board has reported that members of its staff and certain of its facilities were contaminated last year by nuclear radiation. They were successfully decontaminated under Health Physics supervision.

This came to light in the board's annual report tabled in Parliament yesterday. The report also mentioned other instances where contamination occurred.

Reporting on the Health Physics and Safety Subdivision, the report said radiation and contamination levels were generally within those prescribed according to the classifica-

This past week, Castle's team concluded a \$12-million, three-month study of the Bulge. The data are being fed into USGS computers in Menlo Park for several months of analysis.

He said Mr. Nikonov certainly doesn't have as much information about the Bulge as his team and "such a prediction would have no support in our organization."

He said no-one on his team had ever heard of Mr. Nikonov. But when the Associated Press in-

Computers

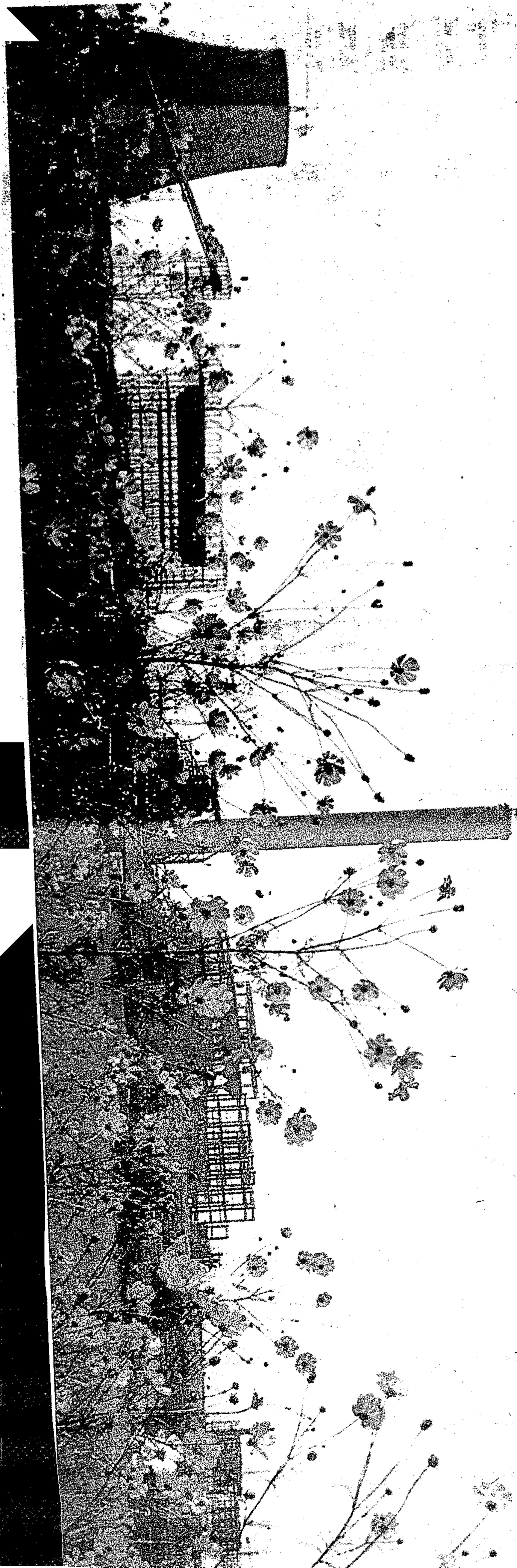
at least partially deflated. An earthquake of 7.5 on the Richter scale would inflict heavy damage and loss of life in the Los Angeles metropolitan area, a region of 7-million people, Lancaster has said Dr. Robert Castle, who heads the US Geological survey team that discovered the land uplift in 1976.

"We have no basis to support his predictions," said Dr. Robert Castle, who heads the US Geological survey team that discovered the land uplift in 1976.

Out of the ⁵⁵cosmo

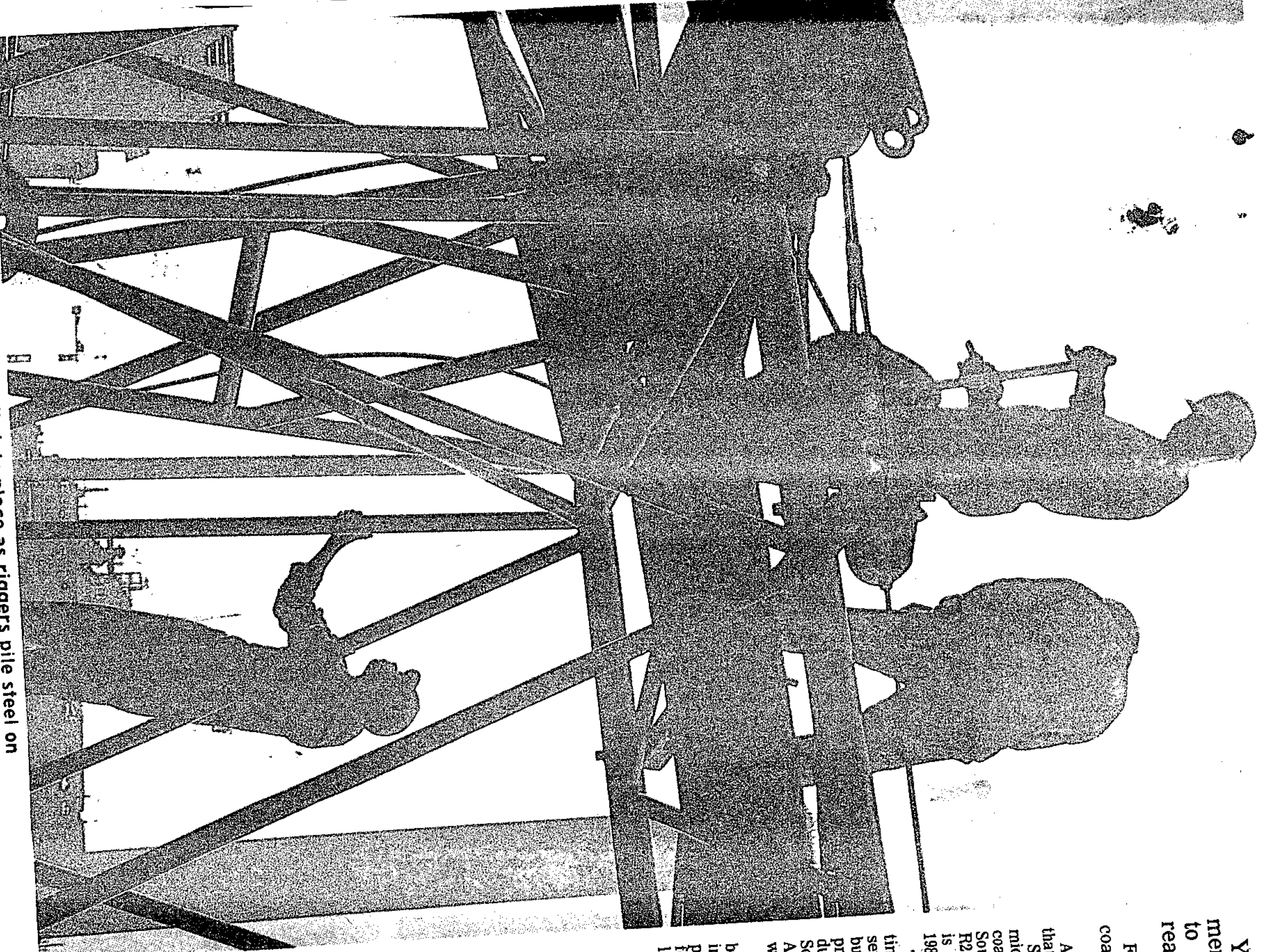
SUN TIMES (Magazine) 30/4/78

SUN TIMES MAG 30/4/78



Sasol II . . . sprawling across 14 farms in the middle of the Transvaal coalfields and crowned with the tallest tower in South Africa

Pictures: ANDRZEJ SAWA



Another piece of the Sasol II jigsaw falls into place as riggers pile steel on steel to finish a vital building.

THEY rise out of the cosmos like giant steel creatures from another planet — rank upon rank of space-age towers thrusting up from the once-peaceful fields.

Yet if you look carefully enough you can make out the specks of men on the ground below, and if you had the time you could speak to every one of the 14 000 workers who are making Sasol II a reality.

For some it's just a job; for others the fulfilment of a dream that will turn coal into petrol for a fuel-hungry nation.

And it's a big dream at that. Straddling 14 farms in the midst of Eastern Highveld coalfields, Sasol II will cost South African taxpayers R2 458-million by the time it is completed in the early 1980s.

The new plant is ten times larger than the present Sasol refinery at Sasolburg, and when it goes into production the two will produce up to 30 per cent of South Africa's fuel needs. And that alone makes it all worth while.

Everything at Sasol II is big. More than 112 000 working hours are put into the project every day by a work force that uses 23 different languages.

Security

Multi-lingual signs and colour coded sections help workers find their way round the site — a mass of steel structures both tall and small that look like the work of an abstract sculptor.

Security is tight. A team of khaki-clad security guards patrol the site in four-wheel-drive vehicles. The entrances and exits are heavily guarded, and those without documents cannot get in.

Sasol II has its own coal mine, the Bosjesspruit mine, with two shafts. One is already operational and is stockpiling coal.

When in full production, the coal yield from both shafts is expected to be in excess of 12-million tons a year, and it will all be turned into petrol.

Another claim at Sasol II is the highest man-made concrete structure in South Africa, a chimney stack housing four separate chimneys.

**RAY
JOSEPH
LOOKS AT
A MAN MADE
OIL WELL**

Built by a South African company, it reaches 250 metres into the sky and took a million bricks and 13 000 cu m of cement to build. The diameter is 22,5 m, and flying proudly on the top of this mammoth structure is the South African flag.

Model town

All the water to be used in the Sasol II process will be pumped from the Vaal River, where a dam is being built by the Department of Water Affairs at Standerton, 45 km away. The water will be brought to site by an above-ground canal system.

The Sasol II site was chosen because:

- A number of towns already exist in the area.
- Large deposits of coal — the vital mineral needed for the manufacture of fuel by the Sasol process — exist in the vicinity.
- The farms on which it is now sited were not prime agricultural ground.
- It is situated close to Johannesburg, the main South African marketing centre.

Two new towns have sprung up in Sasol II's wake — one white and one black.

The black one, named Langerwacht, has been built to house workers from the Sasol project. This model township will house 250 000 blacks at a cost of R12-million. It is about 10 km from the plant.

The white town, Secunda, already has 5 500 permanent residents in 1 000 houses and 300 flats.

Add this to 700 temporary houses for construction and it's easy to see that a lot of work has gone into the town — which intends applying for municipal status since the first house was built in late 1976.

Profit

It will eventually be home to 11 000 people. Work on the first two primary schools to be completed to which will be completed towards the end of the year has already started. Play for a high school are on the drawing-board.

The town also has a rugby team playing first league in the South-Eastern Transvaal, and a reserve team by Bowls, squash, cricket and athletics are among of sports residents can join. And if it's chess, amateur dramatics or photography there are clubs catering for them, too.

Sasol II is being built to produce fuel, and until a sister plant, Sasol I, produces few by-products. The whole project can be geared towards the profit — and with the price of petrol rising consistently it will.

Cape Times 6/5/78

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New township for Koeberg N-station

BELLANDIA HOMES have won the contract to build 200 houses in the new township which is to be erected at the Koeberg nuclear power station. The contract, which involves millions of rands, is for part of the first phase of this township development and is the largest contract for white housing which has been awarded in recent years in the Western Cape.

The contract includes the supply of all services to these

houses, such as tarred roads, storm water drainage, street-lighting and so on. Bellandia has already begun with the contract and the first houses will be completed by February 1981.

Experience

Mr Theo Stergianos, managing director of Bellandia Homes, said that the company's experience in large urban-area developing probably counted in their favour when the contract was awarded. "We have been in

the home-building business for many years and in this time we have acquired all the skills which are needed for the execution of such a project."

On completion the development will be a model township. Escom's own architects were responsible for the various house plans — there are ten designs in all — and they have also undertaken the town planning. All the houses consist of three or four bedrooms.

S.T. 7/5/78

If I gave prizes for bullishness...

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LONDON. — The recent announcement by Anglo American that development of its Afrikander Lease mine would be shelved felled one of the biggest white elephants. Hollard Street had seen for months.

Right from the start, the development of Afrikander Lease looked a sitter for a short sale on any reasonable analysis. It had no gold worth talking of and its uranium values were patchy and pretty average, requiring a great deal of money to bring to production.

However, some of the biggest broking firms in Hollard Street, not to mention the Press, thought Afrikander Lease was the greatest thing since sliced bread.

The bullish circulars and Press reports got bigger and better throughout most of last year. If I had to award a prize for the most bullish report on Alease over the past 12 months, I can think of at least two large Johannesburg broking firms and a financial magazine (which tipped the share to go to 1 500c) which would run neck and neck for the doubtful honour of first place.

Unexpected

As a result, Afrikander Lease was one of the best performing shares on the market. However, the big Alease run came to a sudden and unexpected halt towards the end of last year after an article I wrote which took a very bearish view of Alease and its prospects.

Entitled "Buyers galore, but no bonanza", the article quoted chairman Dennis Etheredge as saying that if a mine was developed at all, it would at best be "a good plodder." It also included my own calculations and assumptions about Alease's prospects which, at best, could be described as pessimistic.

Jeremy Woods, former Investment Editor of Business Times who now lives in London, revisits the great bulls and bears battle over Afrikander Lease when he stood alone among commentators in his warning that the share was overpriced

Alease's share price dropped from 720c to 490c the next morning and thereafter made several recovery attempts. For the next four weeks practically every gold analyst I met jumped down my throat for getting Alease wrong and "spoiling a good market."

And even after the "good plodder", the bulls kept bulling the stock.

One prominent broker said in a circular: "If production were to start in 1981 and consumer finance were obtained, the present value per share discounted at 10 per cent is in the R9 to R14 region with uranium at 25 dollars a pound in 1977 terms and R16 to R22 on 35 dollars."

Not to be outdone, the investment section of the Financial Mail piped up on January 6 this year that the shares could reach 1 500c, adding: "Timing of purchases is critical for investors wanting to avoid the rights. But for investors prepared to take a three-year view the shares should be bought while scrip is still available."

At this time the shares were trading between R5 and R6 and uranium was well above 35 dollars a pound. To my mind, this sort of analysis, when the chairman of the company has said publicly that at best the mine will be a good plodder, is difficult to understand.

This week Afrikander Lease was trading around 340c — after dropping to 295c from 740c — and I am told there was plenty of scrip available for those who wanted to take the plunge — or perhaps bath would be a better word.

Where does Alease go from here? I think the an-

swer is: Nowhere fast — if anywhere at all.

My guess is that Anglo American is worried that Alease could not be run as a paying proposition by the time it was brought to production. In short, it just doesn't have sufficient high-quality uranium-bearing ore.

Customer

Chairman Etheredge told me this week in a telephone interview: "There is no worry about finding a customer and selling uranium on a long-term contract. Our principal worry is the escalation of costs and the impact that this could have on capital and working costs."

He said all sorts of commodities increased in price at the beginning of January and many of these could have a detrimental effect on mining costs. Furthermore, he added, the general sales tax would add to these increased costs.

"Development of the project has been shelved to enable us to start a grass roots re-examination of the costs and likely escalation of the project. We have to be certain that our assumptions will stand the test of time and we have time on our side to do this."

This re-examination is likely to take many months and could, in fact, be frustrated by continuing rising costs.

None of this will be surprising to readers of Business Times, for I have been very bearish of Alease's chances for six months now. But to those bulls of Alease who have not yet sold, my advice would be — there's no time like the present.

2 000 hours periodic NM 6/5/78 jail for motorist

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Court Reporter

A 41-YEAR-OLD man was sentenced to 2 000 hours periodical imprisonment and a further 18 months' imprisonment, suspended for five years, when he appeared before Mr. C. Knoetze in the Durban Magistrate's Court yesterday.

He had two previous convictions for driving under the influence of liquor and without a licence and was convicted for the third time on both counts.

Stanford Arthur Manning, of Beach Road, Amanzimtoti, pleaded guilty to both counts.

The Court was told that a car driven by Manning had crashed into the back of another car at the corner of Pioneer and Umbilo Roads on the evening of March 30.

Police found that Manning smelt of liquor, was unsteady on his feet and slurred his speech.

He admitted two previous convictions for

driving under the influence of liquor and without licence and one for reckless driving.

Mr. Knoetze told him the only appropriate sentence was jail, but that he would probably lose his job if he was given straight imprisonment and his dependants would suffer.

Therefore he would give Manning one more chance . . . "but this is the last chance you will get."

He said the main object of the sentence would be to keep Manning off the road.

He sentence him to the 2 000 hours periodical imprisonment for driving without a licence and the suspended 18-month jail term for driving under the influence of alcohol.

Manning was also disqualified indefinitely from obtaining a driver's licence.

Mr. C. Owen appeared for the State and Mr. D. van Duyn for Manning.

Sun T. 7/5/78

Trek bucks the trend 55 and keeps growing

By TONY
KOENDERMAN

DESPITE a 3 per cent decline in petrol sales, and a fall of 0,8 per cent in the whole petroleum market, the South African-owned oil company, Trek Beleggings, has turned in its ninth straight growth year.

Trek boosted volume sales by 6,8 per cent during 1977, increasing its share of the main products market (excluding heavy fractions such as bunker fuel) to 6 per cent, according to managing director Donald Masson.

This, combined with some over-recovery of margins, lifted pre-tax profits by 22 per cent to R6,8-million. Dividends were increased by 12,5 per cent to 9c a share.

Because of leads and lags in price adjustments, oil companies are usually under- or over-recovering their costs. Mr Masson said

that the industry was in an under-recovery situation for the first part of last year, but is now over-recovering for the first time since 1973. By August, he expects the pendulum to have swung back.

Last year's profitability levels are not expected to be maintained in 1978.

After tax profits, at R3,9-million, represent a return on the nearly R49-million of total assets employed of 8 per cent. Turnover rose by 25 per cent to R151-million.

As a result of the slowdown in market growth, combined with big investments at the country's four oil refineries to swing the product mix in favour of the lighter fractions which account for the bulk of de-

mand, there is still plenty of spare capacity available.

Sasol II is due to come on stream in about 1981, supplying about 25 per cent of the national requirement of petrol.

Consequently, Trek chairman George Clark sees little chance of the next refin-

ery (which Trek has the right to build) being put up until the late eighties.

Meanwhile, he says, Trek has the assurance of a continuing long-term processing facility. Main shareholders in Trek are General Mining, Federale Volksbeleggings, Shell and BP.

S.T. 7/5/78

Shell pushes North Sea oil

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LONDON — The Royal Dutch Shell Group is planning to invest about R2,4-billion throughout the world — except North America — this year, almost 30 per cent more than last year. Next year, the group could spend more than R2,67-billion.

Almost R1,2-billion of this year's expenditure will go towards oil and gas production; the bulk of the money — about R707-million — will be used to develop new fields in the North Sea.

The figures were outlined by Howard Macdonald, group treasurer and a director of Shell International Petroleum Company,

Business Times Correspondent

at a meeting of the Los Angeles Society of Financial Analysts.

Shell's share of North Sea production, which averaged 40 000 barrels a day last year, was expected to be virtually doubled this year.

By the mid-eighties, Shell's North Sea production, from fields like Brent, Cormorant, Dunlin and Fulmar, should be approaching 500 000 barrels a day of oil and natural gas liquids.

(55) 11/5728 Shev

SA urged to develop

MARITZBURG — The green plant — the world's best solar energy-trapping mechanism — can significantly lessen South Africa's dependence on oil and coal, says Professor Nigel Wolstenholme, a horticulture expert and retiring president of the Agricul-

tural Scientific Association of Natal.

He has urged that the University of Natal start a research programme to obtain hydrocarbons for fuel from plants. Already Sugar Timber, CSIR and university scientists are working on various

pects of fuel from plants.

Professor Wolstenholme says that turning plants into fuel has the matchless advantage of using renewable sources and indirectly using solar energy.

"These technologies also store energy, depend on

low-cost readily available expertise, seem to be reasonably priced, are ecologically inoffensive and can be developed with present manpower and material," the professor says.

American Professor M Calvin and his colleagues

'fuel from plants' scheme

researching hydrocarbons of African milkbush, *euphorbia tirucallis* and other species which are a feature of semi-arid, unproductive areas.

In an eight-month growing season they produced nearly 4 000 litres of oil a hectare and they feel

that they can double the yield within a few years by plant selection.

There are about 21 000 ha of milkbush-dominated scrub in the Tugela basin alone. This plant is a potential dominant in the hot, dry, northern slopes south of the Tugela and

in other bush valleys in Natal and Cape. It occupies steep and eroded land, much of it in kwa-Zulu.

With slightly improved plantations yielding 4 000 litres a hectare a year, about 377 000 ha would be needed to supply 10

percent of our fuel needs in 1980.

A co-ordinated team effort by botanists, horticulturists, agronomists, a chemical company, an oil company and agricultural engineers should tackle aspects of the problem, the professor says.

The
SUNDAY
TRIBUNE
broke the
CIA spy ring
story in
July, 1975

**AMERICAN SPIES SEEK
OUR URANIUM SECRETS**

**U.S. BID TO GRAB
OUR ATOM SECRETS**

By EUGENE HUGO and HUGH ROBERTON

THE UNITED States is now using strong-arm tactics to get South Africa to reveal details of its secret uranium enrichment process. This follows an abortive attempt by the Central Intelligence Agency to obtain South African nuclear secrets in 1975 — an attempt foiled by the Bureau for State Security.

But Atomic Energy Board Chairman Dr Ampie Roux said this week the secrets of South Africa's unique nuclear scientific breakthrough remained intact after years of foreign attempts to crack the Uranium Enrichment Corporation's security.

And he added: "Even if the United States got hold of the basic principles of our process today it would take them two years to develop it."

He also disclosed for the first time that a number of important countries had tried to get details of the process and that he had been told by South African intelligence in 1975 of the CIA attempts to crack his security.

Dr Roux said that when he became aware of foreign agents activities he simply tightened up security and this was followed by Bureau for State Security action against the Americans involved.

After South African suspicions were aroused by the appointment of two Americans with degrees in physics to "innocent departments" at the US Embassy in Pretoria a third secretary, Mr E. B. Brant, was expelled from the country.

The breaking of the American spy ring by General Hendrik van den Bergh's agency was the Secretary for Security and Intelligence's second major counter-intelligence coup. The first involved the trapping of Russian spy Loginov in 1967.

Details of the coup were kept secret because of the close and friendly links between South African agents and the CIA — a

relationship which later produced great co-operation during the Angolan campaign.

The Sunday Tribune first revealed details of CIA attempts to get hold of uranium enrichment secrets in July 1975, when South African officials in Washington uncovered strong evidence that the U.S. had been sending agents to South Africa under false cover — and in numbers never before suspected.

Official confirmation of the Sunday Tribune's story came this week when former CIA agent John Stockwell told me, in America, the close liaison between the CIA and the Bureau for State Security.

Stockwell said, however, there were "bumpy patches" in this relationship because the Bureau for State Security "tolerates little clandestine nonsense inside the country."

In 1974 the CIA yielded to intense pressures in Washington and began to secretly probe South Africa's nuclear project, he said.

"In the summer of 1975 (July-August) the Bureau for State Security rolled up this effort and quietly expelled those CIA personnel directly involved. The Agency did not complain as the effort was acknowledged to have been clumsy and obvious. The agency continued its cordial relationship with BOSS."

Now the United States is putting on pressure of a different kind. The Carter administration's strategy is to refuse South Africa supplies of enriched uranium for experimental purposes and to persuade other western countries to join the embargo.

This is being done despite the fact that the U.S. has contractual obligations to provide the enriched fuel and despite the fact that South Africa has al-

ready paid for the material.

Dr Roux would not comment on the latest situation saying: "It is a very sensitive matter."

While the US officially claims that it is holding back the enriched uranium while it reviews the situation, word is believed to have gone to the South African Government that the supplies would be delivered if South Africa's enrichment process were placed under international scrutiny.

The enrichment process is the only aspect of South Africa's nuclear programme which does not fall under the "safeguards" and inspection procedures laid down by the international Atomic Energy Agency.

Last month, President Carter personally overruled his own Nuclear Regulatory Commission and ordered the supply of 7.1 tons of enriched uranium to India.

There are significant points of comparison between Mr Carter's decision in the case of India, and his administration's refusal to supply South Africa with atomic fuels.

South Africa has placed all its nuclear facilities — except the enrichment pilot plant — under international scrutiny.

But India has pointedly refused to place any of its facilities under any form of outside surveillance — yet India is to get American enriched uranium.

Refused

India has refused to sign the nuclear non-proliferation treaty — something which the Carter administration supposedly supports very strongly — yet it is to get American nuclear fuels.

India has detonated a nuclear weapon, which displeased the Americans, while South Africa has repeatedly said it has no intention of doing so — yet India is to get nuclear material which is denied to South Africa.

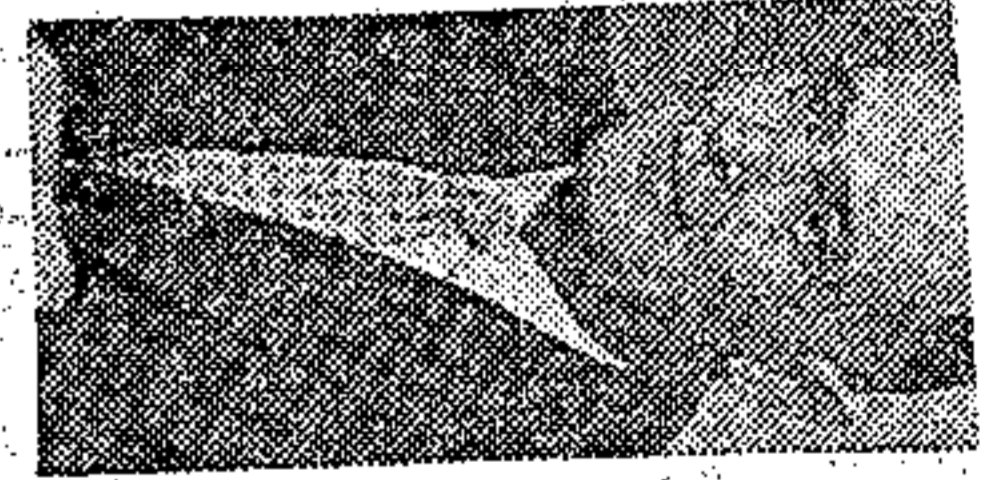
Informed observers in Washington believe, therefore, that South Africa is being singled out for special U.S. treatment simply because of the secrecy surrounding its enrichment process.

The argument has been put forward that if the relationship were ended, South Africa might be tempted to go it alone in the nuclear field.

When South Africa's uranium enrichment process was announced in 1970 nuclear experts said that the country's nuclear potential could put it in an almost unassailable position at a time when it faced its most hostile condemnation.

Although the announcement was originally greeted with scepticism, Dr Roux said that he now believed it was generally accepted that South Africa had this expertise.

And he added: "I am pretty certain that if other countries could establish what our secret process is they would immediately follow it."



Dr. Ampie Roux... security tightened up after U.S. spy bid.

Electricity has death strip on Border industry

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EAST LONDON — The South African Government's plans for decentralisation to this area are a pipedream as far as any industry using large quantities of electricity is concerned and will remain so until such time as the Escom tariff structure is drastically revised, according to the heads of industry here.

Escom tariffs for the Border undertaking are higher than anywhere else in the country and this, coupled with a tariff system which emphasises maximum load and therefore discourages both the establishment of new industries and the expansion of existing industries, is quoted as the major cause of the present industrial slump in the Border area and the failure of decentralisation to Berlin and other Border areas.

The heads of industry here as well as representatives from the East London City Council have repeatedly campaigned for a reduction in Escom charges for this area, but Escom is adamant that each of its undertakings must be self supporting and quote this as the reason industrialists here pay virtually double the electricity bill of their counterparts on the Reef.

The latest plea for a reduction of charges was made to the Minister of Energy by A. J. M. ...

"This one industrialist was prepared to forego all other concessions if the electricity rate could be placed on a par with that on the Reef," Mr Yazbek said.

The tariff was, where electricity was of importance to the industrialist, "the largest single drawback to decentralisation in this area."

Industries using iron and steel are virtually all high demand electricity users. The Escom tariff therefore negates to a large extent the effect of establishing an Iscor warehouse in Berlin, as would be users of the Iscor steel can't afford to establish here because of electricity costs.

Industries here pay virtually the same unit charge for electricity as those on the Reef and in other areas, but they pay a far higher demand charge, paying R8,50 per KVA as compared to about R4,00 per KVA paid on the Reef.

Daily Dispatch reporter IAN WYNNE makes an in-depth survey into the burden to industrialists of Border's electricity tariffs.

rection to reduce this percentage. Escom has installed this equipment on the Reef at their own expense.

"The way the costs are calculated — loaded against the person who has a large demand for a short period — is a strong disincentive to those industrialists with a high peak demand," said Mr Tony Recsei, chairman of the energy committee for the Border Chamber of Industries.

He said Escom charges were one of the areas in which an industrialist could accurately equate two areas. The Border compared very unfavourably with anywhere else in South Africa. "Ever since Escom took

ditional capital.

"The government is committed to a policy of decentralisation, but government departments such as Escom have been acting very strongly counter to this policy," he said.

The East London Chamber of Commerce spokesman on electricity matters, Mr George Orsmund, said: "The Escom rates are crippling and doing untold harm to industry here."

He advocated a uniform rate throughout the country. "A slight increase on the Reef would mean a substantial reduction here because of the large amount of electricity used on the Reef when

purpose of granting concessions was to encourage the establishment of industries in remote areas such as the homelands and near East London.

With the present Escom tariff structure industrialists, depending on their maximum demand, could pay up to almost double their counterpart on the Reef.

He quoted the example of an industry in Dimbaza with a maximum demand of 1 300 KVA. This industry would pay 98,4 per cent more in electricity bills than the same industry on the Reef.

He stressed that the Escom disadvantage threatened to be a permanent one, while concessions were often of a temporary nature.

The managing director of one of the major electricity users at Dimbaza, Dimbaza Foundries, Mr Jay Duncan Brown, maintains the Escom structure is "the biggest killer of industries in the Border."

He said it would be necessary for him to run his factory 24 hours a day to even approach the Reef's rate for electricity because of the high demand factor here.

Any new industry being established couldn't hope to operate at full capacity for about a year and during this time they would be paying the full demand charge.

large gap in tariffs which existed after the price hike of 1976 was reduced, in some cases substantially, when Escom introduced tariff increases in all undertakings except Natal and Border in January this year.

"In addition to this the chairman has stated publicly that Escom doesn't anticipate a further increase this year," he said.

Those undertakings with a good load factor — maximum usage of energy with low peak demand — weren't hit as hard as others with a bad load factor by the 1976 increases.

Mr Robson said it was imperative for local consumers to take steps to reduce the demand and improve their load factor, thus making more effective use of the electrical energy.

Mr E. F. Otter, the manager of the Border Undertakings, said Escom had no latitude in the matter, but had to administer its various undertakings in accordance with the Electricity Act of 1922 as amended. In terms of this act each undertaking, as well as each project, within that undertaking, must pay its own way.

He said the tariff was determined by two factors: What it cost to run the undertaking and what it cost to get power to the area.

The whole Escom tariff

Escom is adamant that each of its undertakings must be self-supporting and quote this as the reason industrialists here pay virtually double the electricity bill of their counterparts on the Reef.

The latest plea for a reduction of charges was made to the Minister of Economic Affairs, Mr Chris Heunis, on his recent visit to East London.

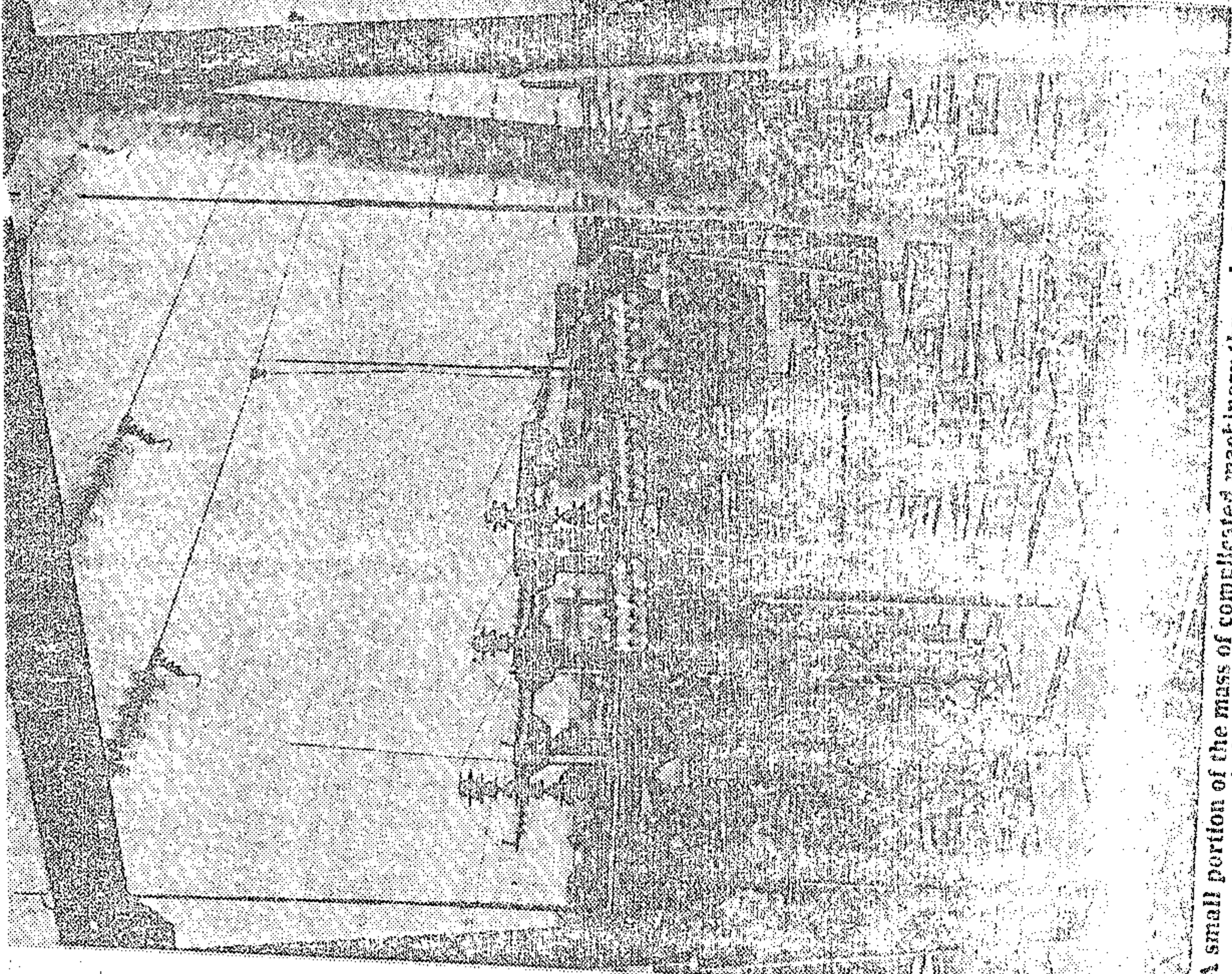
While full details of the minister's visit are confidential, it is clear a major topic of discussion was Escom tariffs, and the possibility of equalising Escom charges throughout the country, or at least in some way reducing the tariff here.

Mr Heunis has assured local industrialists the matter is to be investigated, while the Board of Trade has been asked by Parliament to investigate the electricity tariffs throughout the country. The Border Regional Development Committee is also researching the problem, through a University of Port Elizabeth study.

Meanwhile industrialists with heavy electricity demands are battling to stay in business and those interested in moving to the area are put off when they discover how high their electricity bill will be.

The East London city councillor in charge of the industrial portfolio and the man chosen to make representations to Mr Heunis on this subject, Mr Joe Yazbek, has disclosed that a massive industry which was planned for Berlin has shelved plans to move here because of the cost of electricity.

"The industrialist acquired land at a cost in six figures and, after preparing plans, found that due to the high electricity cost he would have to pay more than twice the cost of electricity."



A small portion of the mass of complicated machinery through which Escom power is fed into the East London municipal network.

This demand charge is computed over the half hour in the month during which the most electricity is consumed, and regardless of how much electricity is used during the rest of the month, this charge remains the same. Here on the Border and also in the Transvaal, the demand charge is compared with the quantity used here.

"If we could get an electricity concession here it would enable things to take off the ground and once there is industry here we will attract investment from the other electrical boards."

Border" He said it would be necessary for him to run his factory 24 hours a day to even approach the Reef's rate for electricity because of the high demand factor here.

Any new industry being established couldn't hope to operate at full capacity for about a year, and during this time they would pay the full demand charge. This was a tremendous disincentive to new industries and expansion, he said.

"The Border was already on an unfavourable demand charge tariff when, about 18 months ago, Escom gave this area a further kick in the teeth by increasing all demand charges throughout the country by over 100 per cent in an effort to find alternative income for their capital account, which could not find overseas financing," he said.

The 20 per cent discount offered on the Reef alone could mean R40 000 a year to a company. "In a small company it is difficult to find where else to save R40 000," he said.

Mr Duncan Brown has been a witness to the Board of Trade's enquiry into electricity tariffs more than once and has made a detailed study of the tariff structure in this area.

"When we came to Dimbaza in November 1975 the electricity for the year would have been R49 600. By April 1977 it had jumped to R123 900 for the year."

"We came here knowing we would pay R21 000 a year more for electricity than we would have on the Reef, but we contacted Escom about this and they said tariffs would narrow in fact from a subsidised rate of R21 000 to R12 000."

minister's various undertakings in accordance with the Electricity Act of 1922 as amended. In terms of this act each undertaking, as well as each project within that undertaking, must pay its own way.

He said the tariff was determined by two factors: What it cost to run the undertaking and what it cost to get power to the area.

The whole Escom tariff structure was being investigated by the Board of Trade. This investigation covered the entire country.

For reasonable load factors, Escom tariffs compared favourably with overseas tariffs.

"A study of Escom's published accounts will show that although the need to increase internal financing of capital expenditure has been one cause for the tariff increases, the more important reason has been the effect of inflation," Mr Otten said.

Escom took over the West Bank Power Station about 30 years ago and as coal came from the Eastern Transvaal, it was expensive. Loads in the Border area increased and the station had to be enlarged in stages. This was still cheaper than connecting the Border area to the electrical network in the Transvaal.

"A further extension would have been necessary in 1973, but just prior to this Escom's network had been extended southwards to supply extra loads in the Western Cape and to incorporate the Orange River Scheme. Studies at that stage showed that the interconnection with this grid could at last be justified economically and this was done."

The... the... and...

move here because of the cost of electricity.

"The industrialist acquired land at a cost in six figures, and after preparing plans, found that due to the high electricity cost here, the scheme was not viable. I pointed this out to the Minister," Mr Yazbek said.

"We have asked the government to consider an alternative scheme which will counter this terrible disincentive.

"The city council has done everything in its power and sent one deputation after the other to Escom, but we haven't achieved much.

"We have proved beyond doubt that for any high electricity-using industry the cost of electricity more than offsets any other government concessions to this area.

When the most electricity is consumed, and regardless of how much electricity is used during the rest of the month, this charge remains the same. Here on the Border and elsewhere in South Africa except the Reef it is computed in terms of a unit of electricity called the KVA, the actual power supplied by Escom.

On the Reef it is computed according to the quantity of electricity effectively used by the consumer, the kilowatt, meaning that if the industrialist is operating an arc furnace which is only 80 per cent efficient, he benefits by receiving a 20 per cent lower power rating on the Reef, in addition to paying his demand charge on a lower scale.

Industrialists here have to install expensive equipment for power factor cor-

rection, but we contacted Escom about this and they said tariffs would narrow.

"In fact from a disadvantage of R21 000 it has opened up to a disadvantage of R65 000," he said.

When Mr Heunis recently visited Dimbaza Foundries, Mr Duncan Brown said he got "a very negative response" along the lines of East London having to learn to use its electricity around the clock and spread demand charge.

"What we need is industries which do spread the demand around the clock, but they won't come here while costs to establish an industry are so high with the present tariff," Mr Duncan Brown said.

The City Electrical Engineer, Mr K. G. Robson, pointed out that the last be justified economically and this was done.

Both the Border and the Eastern Cape have to pay their share of the cost of bringing lines from near De Aar for this purpose," Mr Otten said.

The demand charge, he said, represented the capital cost in providing the electricity. Demand charge was related to capital expenditure. The KWH charge was related to the cost of producing electricity.

"In this area the demand charge is R8,80 per KVA and the basic KWH charge about 0,74 cents a KWH, depending on fluctuating coal prices," he said.

The reason for the Rand Undertaking being charged on KW and not KVA was historical.

despite promises to the contrary, paid considerably more than we would have done otherwise.

"We cannot hope to attract iron and steel industries, with their high peak load, under the present Escom tariffs.

"If we compare East London tariffs to those overseas, they are unfavourable, and this is a ridiculous state of affairs when coal is dug out of the ground here in South Africa, while overseas organisations have to import more expensive oil from the Middle East for their electricity production.

"It has been stated that nation-wide increases were due to the necessity of obtaining capital, but we have never been told to what extent the increases are supplying this ad-

electricity concession here it would enable things to get off the ground and once there is industry here we will have the big electricity users and this will lead to an automatic reduction on costs," Mr Orsmond said.

The president of the Border Regional Development Committee, Mr R. L. de Lange, is confident that through the combined efforts presently being exerted by industrialists here there will be an improvement in the situation.

Both the Sakekamer and the Ciskei National Development Corporation are extremely perturbed about the situation, and speaking on behalf of both of these bodies, the chairman of the CNDK, Mr Frans Melsenhol, said the

last be justified economically and this was done.

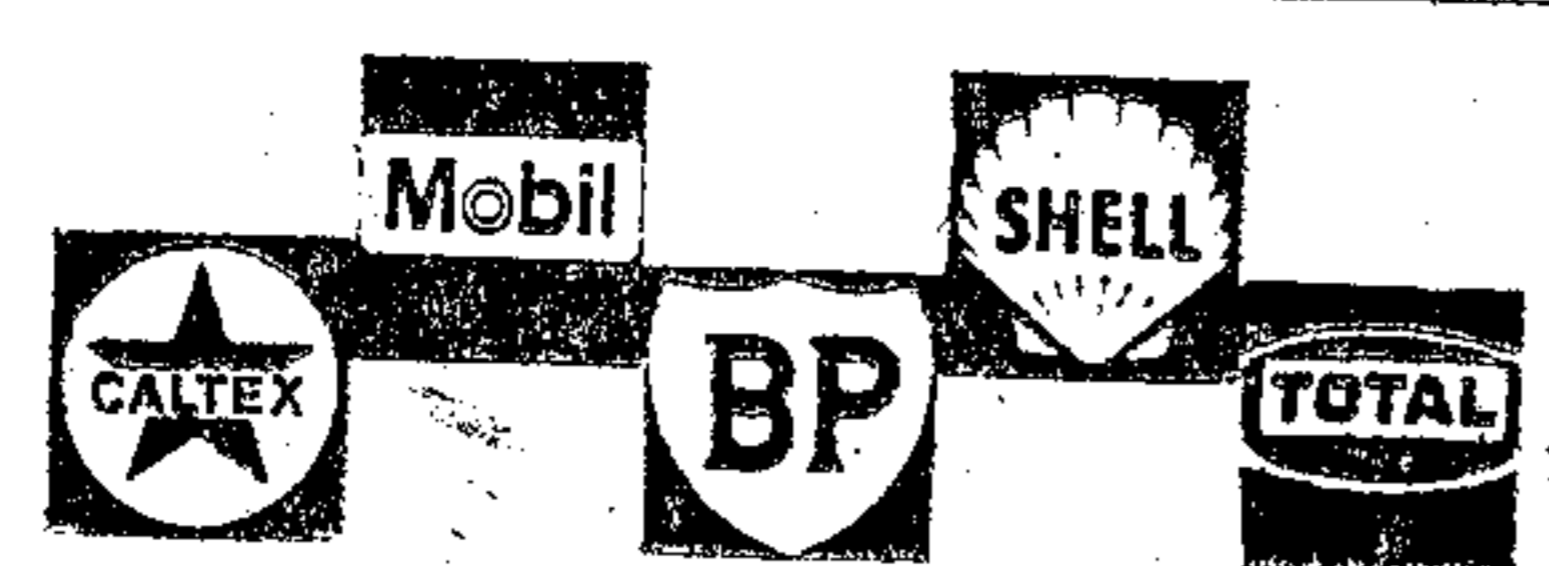
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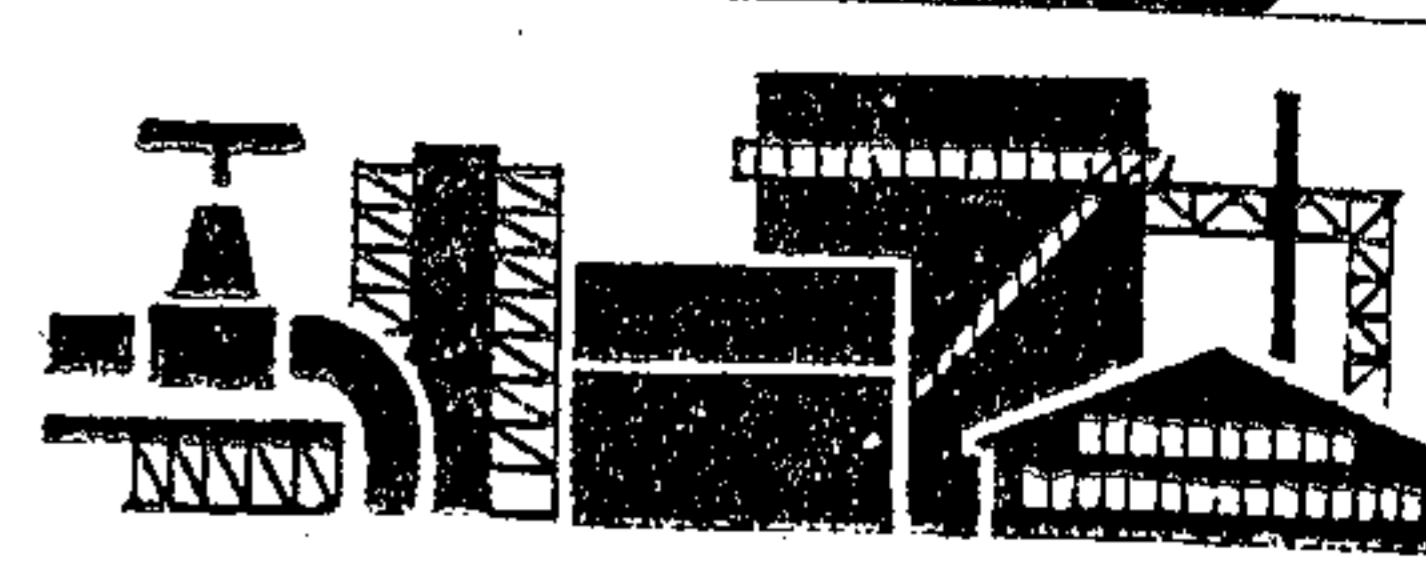
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IRAN 90%

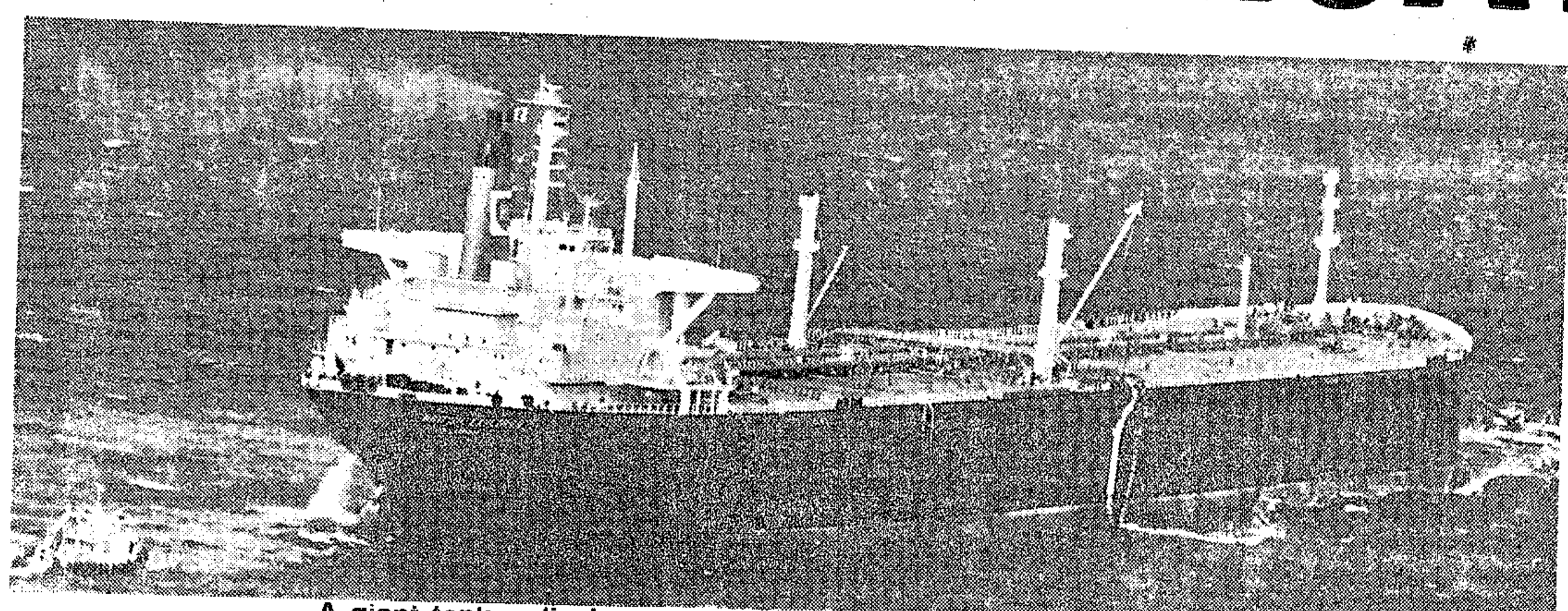


RHODESIA



UN WILL BE TOLD OF A DAGGER AT OUR THROAT

World oil embargo could sink country in 2 years'



A giant tanker discharges at the off-shore terminal at Reunion.

LONDON: A world-wide oil embargo against South Africa could bring the Republic to its knees in 2 years.

This is the opinion of London economists who have spent months preparing a detailed feasibility study which will be published at the United Nations in New York in a week or two.

Authors

But there are big ifs, experts — including authors themselves, Dr Colin Bailey and Mr Beril Rivers.

A global boycott could succeed only if the United Nations members, including the Security Council, agreed.

Oil tankers could be prevented from calling at African ports,

Iran, which supplies 90 per cent of the world's oil needs, could

be persuaded to join such a boycott.

Even the authors say in the concluding paragraph of the summary to their 133-page report: "An oil embargo against South Africa is a feasible proposition if tackled on a multilateral level under the authority of the United Nations Security Council.

"It probably represents the most effective form of economic pressure that could be put on South Africa."

Certainly the report is expected to have a wide readership. It is being sent to the United Nations Centre Against Apartheid in New York — not an executive body in itself.

But as Mr Rivers told me: "Something like 6 000 copies will be going out to all the diplomatic representatives at the United Nations in New York and thence, in time, they will be forwarded to their respective governments, to the Press corps there and the UN information offices around the world."

Mr Rivers, who said he

had visited South Africa several times in recent years, would make no prediction as to the outcome of the report. But he emphasised it was not a question of whether it would be seriously considered by member states, but when.

Feasibility

"There might well come another time when people will ask what can be done about South Africa," he said. "The feasibility report on an oil embargo would be there to act upon."

It could be submitted to the General Assembly or to the Security Council by the UN Committee Against Apartheid or even by a single member state.

Mr Rivers said the report was based on the theory that South Africa's stocks of oil would last about 18 months, if there was a cut-off of imported oil, the country could last about two years.

South Africans, he said,

By Anthony Hose

would also be interested to know that the Republic would need even more imported oil after Sasol II came on stream than it needed today.

Asked how he reached his assessment of the stockpile, Mr Rivers replied that he and his partner arrived at their conclusion by careful study over the years of deliveries and consumption of oil in South Africa. "It was simply a question of calculating the difference," he said.

The authors, who are both bachelors, admitted their plan contained "a number of loopholes."

They said Iran at present was not willing to take part in any such embargo and they concluded: "To impose a mandatory embargo, the Security Council would have to require all member states to introduce legislation prohibiting the sale or

transport of oil to South Africa."

It had been argued, they continued, that since oil sanctions against Rhodesia had failed, an embargo against South Africa would be equally ineffective.

"The two cases are, however, very different: Rhodesia was only able to survive sanctions because of support provided by a friendly neighbour (South Africa). South Africa has no similar local ally with access to oil."

Glut

Bailey and Rivers said it had been argued that such an embargo, even if universally accepted by the international community, would not prove effective because there was currently a glut of oil on the world market.

The South Africans, it was said, would be able to purchase a tanker full of oil on the high seas from a "pirate" company.

Therefore it had been suggested that an embargo

could only be effective if a naval blockade was established. But "the South African regime would be threatened and an attempt to impose a blockade could, in the limit, lead to a military confrontation."

This could be avoided by employing simpler tactics: "The UN Security Council could require measures to be introduced so that any tanker which delivered oil to South Africa would be liable to seizure after such a delivery had been made."

These deliveries could be spotted from Durban or Cape Town, by aircraft surveillance or by spy-in-the-sky satellites.

"Finally, a rather less-sophisticated naval patrol could be used simply to observe which tankers had entered South African ports. Further penalties could include withdrawal of national registration facilities and without a flag to fly, a tanker would find normal commercial operations were im-

possible. Similarly, insurance facilities could be cancelled."

Professor Jack Spence, Professor of Politics at Leicester University, said that any study was worth taking note of and it was certainly true that Dr Bailey and Mr Rivers had done their homework.

Such an embargo, however, would require policing, including a blockade. The West, said Professor Spence, clearly wanted to get things done peacefully in Southern Africa and didn't think it would take any such move seriously at present.

Independent

As far as Iran was concerned, one should remember that the Shah did not like being pushed. He was always one to take an independent line.

"Always with sanctions we have to face a long haul and let's face it, there are lots of imponderables," he said.

NUCLEAR ENERGY

Atoms of truth

The arrival in SA of Gerard Smith, US ambassador on nuclear proliferation matters, could be the climax in US-SA negotiations on nuclear energy.

At issue are SA's latest conditions for signing the nuclear non-proliferation treaty (NPT), broadly outlined by Foreign Minister Pik Botha in Parliament on June 6. Botha is demanding assurances regarding supplies of enriched

or IAEA with any detail of its proposed enrichment plant. So it's not clear whether a similar inspection scheme is applicable.

Dr Ampie Roux, chairman of the SA Atomic Energy Board, says "This is all speculation and so important and delicate a matter should not be treated lightly." Indeed.

uranium for SA's Safari research reactor. Although the US originally agreed to supply SA with fuel, and accepted payment for it, says Botha, delivery has not yet been made.

In addition, Botha wants guarantees of supplies for SA's nuclear power reactors under construction at Koeberg, and of nuclear technology assistance for the new uranium enrichment plant at Valindaba.

At the heart of the problem is SA's concern whether enrichment materials will be available in the early 1980s for its Koeberg reactors. This is particularly crucial in the light of last year's statement by the Department of Planning and Environment that SA's coal reserves will run out within 15 years.

Besides the US, SA has no other way of obtaining enrichment materials in time for Koeberg's completion. Of the three other potential offshore suppliers, the USSR is plainly out; France has already fully committed its enrichment capacity for the next decade, while the Anglo German Dutch Urenco Group would fail to win government approval either in Britain or in Holland for an SA order.

In return for the guarantees, SA has indicated its willingness either to sign the NPT or to accept "full-scope safeguards." This last may be acceptable to the US.

Without the guarantees, SA may be forced into accelerating its own uranium enrichment capacity. This is the US's biggest worry, since highly enriched uranium can be used for nuclear explosives. And if SA has not signed the treaty, its enrichment processes need not be open to inspection.

The US is particularly concerned about supplying fuel for the small Safari research reactor. This requires fuel of about 93% enrichment — a level associated with nuclear explosives.

The Americans have been investigating ways in which research reactors that require such high levels of enrichment might be adapted to use fuel of at most 20% enrichment.

In the case of Safari, however, US scientists have only been able to come up with a process that requires a 35%-40% enrichment. Even so, it is believed that this will significantly reduce the value of the Safari reactor as a research tool.

SA has frequently promised that its enrichment plant when built will be open to international inspection as a guarantee against nuclear proliferation. But it has recently indicated that for commercial reasons it wants the technology to be kept secret.

This is not unprecedented. The International Atomic Energy Agency (IAEA) and Urenco are currently trying to work out ways of inspecting Urenco's gas centrifuge plant while preserving the secrecy of the centrifuge technology.

SA has not yet provided either the US

SECRET OIL INFORMATION ADDS FUEL

Mercury Correspondent

3/7/78

LONDON — More secret information about the operations of the major British oil companies in allegedly circumventing sanctions against Rhodesia has been disclosed by Mr. Jorge Jardim, the former personal representative in Mozambique of the late Portuguese Prime Minister, Dr. Salazar, said Colin Legum in the *Observer* yesterday.

The revelations in Mr. Jardim's book *Sanctions Double Cross* have delayed the report of Mr. Thomas Bingham QC, the investigator appointed by the British Foreign Secretary, to investigate allegations of sanctions evasion by British oil companies.

Mr. Bingham's report is now not expected to go to Dr. David Owen before the end of this month at the earliest, and possibly not until mid-August.

The Government will then have to decide whether it thinks it is in the public interest to publish his report, or what legal action, if any, to take in the light of his findings. Several MPs are determined to force a debate on the Bingham report if Dr. Owen declines to publish it.

Some will argue that it is

at least in the interest of the two major British oil companies, Shell and BP, that there should be full disclosure in view of the considerable stir caused by Mr. Jardim's decision to tell all he knows.

He was responsible for handling all the oil traffic which passed through Mozambique from the time of Rhodesia's UDI in late 1965 up to the end of Portuguese rule in Mozambique in 1974. Shell and BP are refusing any comment on Mr. Jardim's disclosures pending the completion of the Bingham report.

The profitability of the oil trade, Mr. Jardim adds, gave Shell and BP a profit in 1974 of 2,23 million Rhodesian dollars which, after taxes, represented a profit of 14 percent.

Oil majors blacklist tankers

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- (a) Harco
- (b) Cn.
- (c) Urbi
- (d) Hanc

Own Correspondent
AN estimated 15% of the world's tanker tonnage is sub-standard, either in equipment or crews, and in some cases both. Major oil companies have drawn up a "blacklist" of tanker owners, and are refusing to use them for cargoes until they meet the minimum standards set by the Inter-Governmental Maritime Consultative Organisation.

The key missing ingredient is any set of uniform standards for training, licensing and periodic re-examination of ship's officers.

Anti-trust laws forbid American companies from adopting such a policy, but the less reputable carriers are well known and shunned.

"In the airline world intensive training of crews, frequent re-examinations, strict disciplinary action and effective maintenance policies have set enormously high standards.

The Oil Companies International Marine Forum was recently told that human fallibility is the most important cause of tanker accidents. It has drawn up a 16-point plan of action which it hopes will influence the thinking of the maritime consultative organisation, meeting in London, to draw up internationally agreed standards of competence for all seafarers.

"Mandatory legal requirements for all ships' operators to adopt similar procedures internationally are long overdue."

Efforts to introduce tough rules are expected to meet opposition.

Mr Blackwood was speaking at the preview of an engine room simulator for training engineers on large vessels. It was developed in Holland in collaboration with Esso. It can be linked with a bridge simulator, also in Holland, for more advanced training.

Mr Ian Blackwood manager of Esso Europe's marine division says: "If leading countries demand too high a standard, many other nations will not ratify the resulting convention and the whole thing will be fruitless."

Oil and marine experts from the marine forum are already operating simulators, and give advanced training to their officers and crews.

Already many regulations on safety and environmental protection have been drafted, but not given the force of law.

They think evidence shows that the total tanker casualty rate is low, but even so, a matter of concern.

More equipment is not considered the answer, but the skilled use of shipboard and shore navigational aids can play an effective role in reducing accidents.

The oil companies believe that the so-called maverick ships, poorly equipped and crewed, will be better weeded out at ports, or certainly brought up to standard before being allowed to proceed.

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27. In the a
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28. Note th
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like 'the Stellenbosch road' are non-accusative. Latin would in such cases use either a genitive dependent on another noun or an adj. in agreement with a noun. e.g. 'the road to Misenum': *Roscius Tullius Galliae sese potius posse sperant* 'Roscius of (from) America', *Damasus Syriae* 'Damasus in Syria'.
Words denoting mastery over: (b)

29. Remember the living, but still I may not forget Epicurus.
(I) *Vivorum memini, nec tamen Epicuri licet oblivisci*
(ii) *Veni mihi Platonis in mentem*
(The thought of Plato came to my mind)
This can be looked upon as an adverbial use of the genitive proposed to its adjectival use exemplified above.

(a) Words of remembering, reminding, forgetting:

Alcohol: fuel for future?

DURBAN — General Motors is experimenting with engines designed to run on methyl alcohol extracted from wood in an effort to conserve oil, Mr George Ryder, the company's worldwide chief engineer, said here yesterday.

He said that adequate supplies of methanol could be obtained from the vast Canadian woodlands for a partial changeover once engine designs and modifications had been finalised.

"Engines run on methanol are potentially a better answer to replacing conventional engines than are the electronic and synthetic designs which we are also testing," he told a luncheon organised by the Natal region of the SA Road Federation and a local motor company.

He predicted that if voluntary fuel saving did not take place in the United States the government would certainly impose it — but he did not predict when.

His company was doing everything possible to ensure that its car and truck designs were favourable to fuel economy.

He said fuel had become a critical part of fleet operating costs and aerodynamics was now playing an important part in fuel saving. — DDC.

Wood 'is answer' to oil shortage

Mercury Reporter

CONSERVATION of oil resources was vital and General Motors was experimenting with engines designed to run on methyl alcohol extracted from wood, Mr. George Ryder, world-wide chief engineer for General Motors, said in Durban yesterday.

Adequate supplies of methanol could be obtained from the vast Canadian woodlands for a partial change-over once engine designs and modifications had been finalised, he said.

"Engines run on methanol are potentially a better answer to replacing conventional engines than are the electric and synthetic fuel designs we are also testing," he told a luncheon jointly organised by Natal Region of the South African Road Federation and Mr. Joe Emanuel of Key Chevrolet.

He predicted that if U.S. lorry operators did not voluntarily save fuel the Government would certainly impose restrictions. He didn't say when.

His company was doing everything possible to ensure that its car and lorry designs favoured fuel economy.

Fuel had become a critical part of fleet operating costs and aerodynamics was playing an important part in reducing consumption.

"Tests have shown that streamlining heavy cabs can reduce consumption 5 per cent. We are using the Lockheed wind tunnels to check this," he said.

Lorries used more than double the fuel when driving into strong winds than when driving with the wind behind them.

Correct tyre pressures were another important factor.

"If I was a fleet operator the first thing I would do

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Lorries used more than double the fuel when driving into strong winds than when driving with the wind behind them.

Correct tyre pressures were another important factor.

"If I was a fleet operator the first thing I would do would be to give every driver a tyre gauge to ensure that pressures were always correct," he said.

Threat to energy plans

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11/7/78
Stan

A far-reaching piece of US legislation designed to curb the spread of nuclear weapons has added a further element of uncertainty to West Germany's nuclear power programme, already the subject of much controversy.

The US Nuclear Non-proliferation Act of 1978, passed in March, is seen here as casting doubt on the reliability of the US as Germany's main supplier of enriched uranium for its atomic power stations.

It also puts a big question mark against the Federal Republic's plans to develop a nuclear reprocessing industry as a means of increasing its long-term self-sufficiency in energy.

Reprocessing provides a way of separating spent uranium from nuclear reactors into plutonium — which can be used both as

Carter's steps to prevent supplies of enriched uranium being used for atom bombs has put a big question-mark over West Germany's aims to become self-sufficient in energy, reports DAVID MARSH in Bonn.



"It'll destroy our planet, but it won't harm people."

a highly efficient nuclear fuel and also as a key component of atomic bombs.

President Carter's fear that the process could raise the risk of nuclear warfare led to his decision last year to suspend the development of commercial reprocessing in the US, as well as his efforts to get Germany to cancel its contract to sell reprocessing equipment to Brazil.

Central to the new US legislation, nuclear experts here say, is President Carter's desire to stop the spread of reprocessing plants beyond the exclusive club of countries in the Western world — essentially the US, Britain and France — which already have them.

The Act also lays down a string of other conditions and safeguards designed to decrease the risk that US-supplied uranium could eventually end up in a nuclear bomb.

And it sets countries which rely on US enriched uranium for their atomic energy supplies a clear alternative — either accept the conditions, including, for instance, making all reprocessing activities subject to US control, or else face a cut-off in supplies.

If the US decided to cut off enriched uranium

supplies indefinitely to force the Europeans to take stricter control measures, the effects would be serious.

They would hit Germany probably harder than any other EEC state. This is because the Federal Republic has one of the Common Market's largest nuclear energy programmes, but has no enrichment capacity of its own, unlike Britain or France.

It relies on the US for about 60 percent of the low-enriched fuel needed for its commercial atomic power stations, and for all of the highly-enriched uranium used in its research reactors.

About 30 percent comes from contracts with the Soviet Union, a dependence which Germany is not keen to see grow because it wants to lower vulnerability to a communist shut-off.

Germany has a stake in the European consortium Urenco, which at present provides about 10 percent of the country's enriched uranium supplies and is working on an expansion programme. But even by 1985, when increased capacity will have come on stream, Urenco will still supply only about 25 percent of Germany's needs.

Germany's supply posi-

tion for naturally occurring uranium, which has to be sent to enrichment plants for upgrading into material of a higher uranium-235 isotopic content before it can be used in normal atomic reactors — is even less favourable.

The Federal Republic has hardly any uranium reserves of its own and relies for most of its supplies on South Africa and Canada.

Neither of these two countries is thought to be a particularly reliable source on a long-term basis: South Africa because of its increasing political isolation, and Canada because of its own tight non-proliferation policies, which have already led in the past to supply embargoes.

So, to cut its dependence on imported uranium, Germany is pushing ahead with a programme closely linked to the reprocessing plans — development of the fast breeder reactor.

This type of nuclear reactor, still only at the research stage, uses as fuel plutonium and natural uranium. It thereby makes around 60 times better use of naturally occurring uranium than do present commercial reactors. — Reuter.

URANIUM

Something could be stirring

FM 14/7/78

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In the secretive world of uranium, the workings of the price mechanism are often hard to read. But there are a number of pointers towards a sharp upward trend in uranium prices over the next 18 months and at least one mining house believes an upper level of \$80/lb could be reached within the period.

As the chart shows, the uranium price has been in a phase of consolidation since the movement of 1974/75 and has, if anything, fallen in terms of hard currencies, as Jim Vaughan of Nuexco pointed out to the *FM* (*Markets* May 26). Chartists believe it is significant that the price has now picked up to \$43,40/lb.

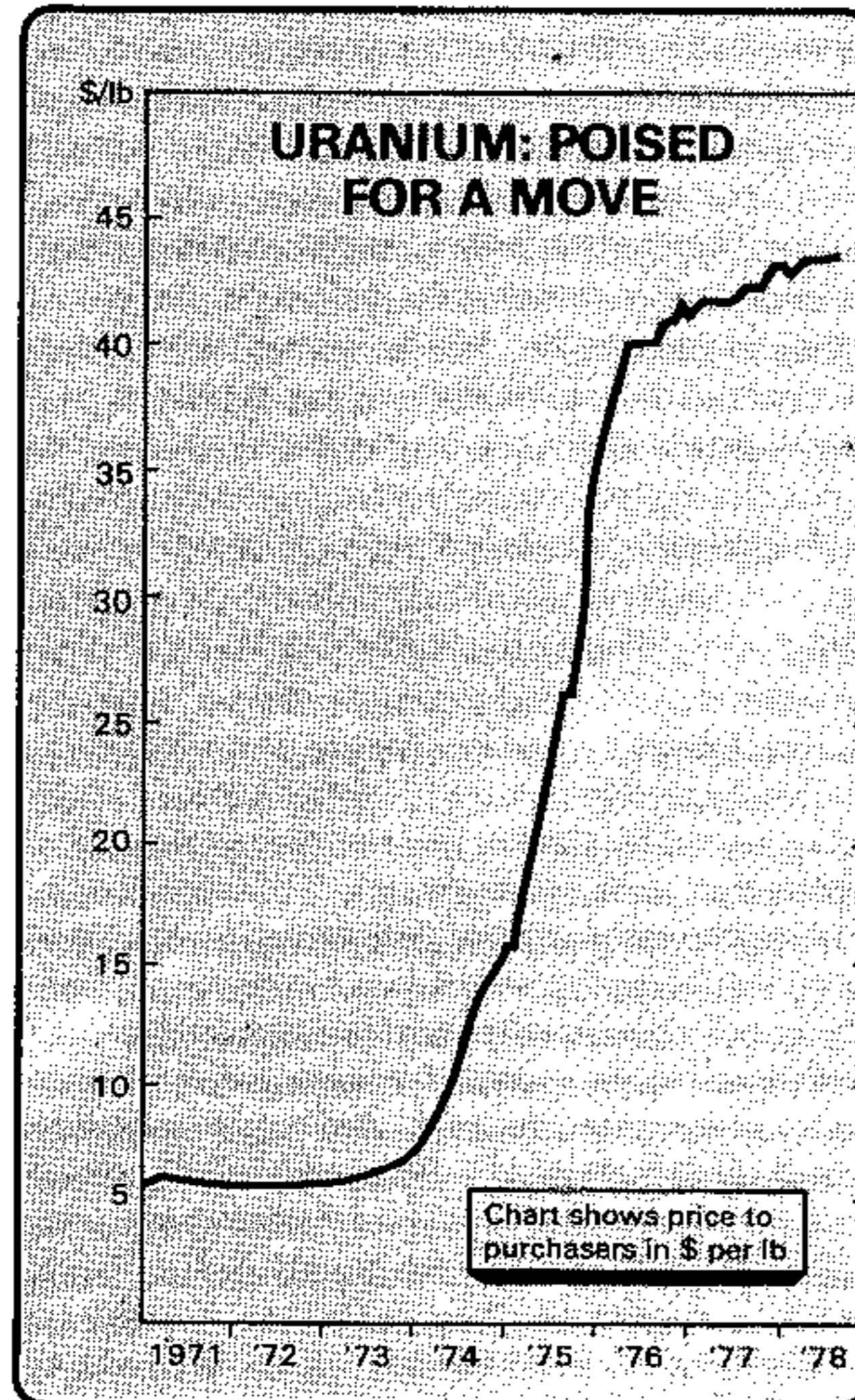
Behind the improvement the chief factors seem to be a tendency among consumers to increase uranium stockpiles, with stocks being built up to about three years' supplies from current levels of around 18 months'. There is also increasing scepticism among some consumers over whether the prospective Australian uranium miners will meet their targets.

Continuing delays suggest that no start will be made on the Australian hopefuls until early-1979 at the soonest. The rainy season is about to begin and one key deposit, Peko Wallsend's Ranger, is flooded for much of this period. A cautious approach by customers could dictate that little uranium should be expected out of Australia until 1984/85, with benefits in terms of price and availability of contracts to other producers, SA among them.

Brazil gets uranium

In terms of nuclear plant construction, the uranium industry may be beginning to see the light at the end of the tunnel, but there are still many pitfalls ahead. That seemed to be the general mood at a symposium on uranium supply and demand held in London this week under the auspices of the Uranium Institute, an international body set up a few years ago which brings together both producers and consumers.

The symposium took place in the wake of last week's decision by the Dutch Parliament to sanction export of enriched uranium to Brazil under a contract signed in 1976 between that country and Urenco, in which Holland is a partner along with Britain and West Germany. Dutch opposition centred on the safeguards to be attached to the contract and observers see the final compromise as possibly removing some of the uncertainty hanging over international uranium sales. But political opposition still



remains the industry's major stumbling block. "The main concern for this market is unquestionably the interference of outside parties, in the form of governments . . . preventing free movement of uranium between producing and consumer countries," Jean-Paul Langlois, a member of France's atomic energy commissariat told the symposium.

Compared with last year the symposium's programme appeared to take this political opposition more fully into account. One speaker urged the formation of a decision advice procedure (DAP) to act as a safety valve for public opinion — a suggestion that was firmly put down by one of the institute's consultants, Lord Cavendish-Bentinck. He doubted hard-core opponents, especially left-wing organisations, would be influenced by a DAP. The only advantage, he suggested, is that "the public will become so bored with the debate that they will lose interest." Instead he recommended the world's major power utilities set up a working party to demonstrate "the advantages of nuclear power over both coal and mineral oil and explaining that it is safe and innocuous."

Uranium prices have tended to stagnate over the last year or so, following the sharp upsurge which began in 1974 and which Westinghouse Electric, the US

power station constructor, is endeavouring to prove took place at a time major uranium producers were operating an illicit cartel. Though delivery prices are now around \$43/lb, longer-term deliveries to clients without investment in the production process are being made some \$6 — \$9 cheaper and those clients who have invested in production are receiving discount on spot prices of between \$8 — \$13. Current levels are slightly up on those in 1977, which averaged around \$40 for spot delivery.

This increase has not resulted from a strong rise in demand, as political opposition has tended to delay the erection of nuclear plant capacity. In West Germany, for instance, opposition has meant that \$4 500m worth of nuclear power stations is now on ice and in the US only a couple of stations have been ordered in the last two years. Increased mining and exploration plants, however, have been a chief source of pressure on prices. Between 1974 and 1977, for instance, US exploration costs trebled.

According to an OECD report released earlier this month, installed nuclear capacity in 1985 is now likely to account for between 277 and 368 gWE compared to between 479 and 530 gWE envisaged two years ago. The report estimated that current production of around 30 000 t could be trebled by 1985 given the necessary incentive. Nevertheless, Hogroian believes the fast breeder reactor is "virtually the only possibility for keeping uranium requirements consistent with foreseeable resource and production levels." But breeders need plutonium, a product of fuel reprocessing, the commercial development of which has been scotched by President Carter at the moment.

Australian supplies, amounting to 20% of the world's reserves, are massive, and the prospect of their phased release onto the world market could check price increases. A bullish view of their exploitation came from Barry Lloyd of Peko-Wallsend. He claims that "Australia will probably receive the bulk of all new uranium orders placed." On the price front, he echoed the opinion of a good many delegates when he added that uranium prices "will probably remain constant in real terms over the next few years and will then increase rapidly."

But few commodities ever do this in the real world and even Lloyd admitted this could be altered "by a stroke of the hand," in Washington or any other major capital, unleashing pent-up demand.

Are the oilmen crying wolf too soon?

UNDER THE heading "We're working to help solve the world's energy problem" a recent advertisement from British Petroleum read: "The world will be short of oil in the mid-1980s." This reflects the apparently widely-held view that the world has a very limited availability of oil which is running out quickly.

Yet there is no reason to believe we have reached "the end of the road" in terms of the world's oil resources. The accepted view seems to be that the world availability of oil will be limited to around 20,000 billion barrels. But such a view seems hardly to be well-founded as the results of the three most recently-published independent studies on the future availability of oil demonstrate.

First, there is the 1977 survey which was undertaken by the Institute Francaise de Petrole on behalf of the World Energy Conference. This survey of 29 Western-world experts (of which well over half were from the international oil companies) gave a range of total expected oil availability extending from about 31,000 to 64,000 billion barrels. Second, there is the conclusion of a 1976 conference on the future supply of natural oil and gas which was organised by the International Institute for Applied Systems Analysis in Austria and attended by over 80 experts from its member nations — both East and West. Its conclusion was that total oil resources to be reckoned with are between 40,000 and 60,000 billion barrels, depending on the price.

And third, there is the conclusion of Soviet scientists reported by Academician Strykovich, the secretary of the relevant division of the Praesidium of the USSR Academy of Scientists. He writes, "Total world extractable oil will amount to 1.5 trillion tons" — or roughly 119,000 billion barrels. Later in the same article he defines this estimate as "cautious."

It is not the first time that an attempt has been made to persuade us that oil is so short that a continuation of demand trends will create short-term problems of availability. Thirty years ago, just after the end of World War II, based on the then generally accepted view that world oil resources were about 5,000 billion barrels, it seemed that the production of oil would have to "peak" no later than the early 1970s.

From the perspective of 1978 it seems equally inappropriate to be similarly pessimistic — in the light of the expectations of oil resources indicated by the various experts quoted

Peter Odell, an energy expert, argues that the world's oil resources could see us well into the next century

above. A more reasonable view to take is that the ultimate resource base is a modest 45,000 billion barrels. The reduction in oil demand created by the post-1973 supply and pricing difficulties, the likelihood of a much higher real price for oil, and the expectation that OPEC will be more or less able to maintain the new position, mean that we can assume that the future demand for — and hence the production of — oil will grow only at from 3-4 per cent per annum instead of the 7½ per cent growth rate experienced between 1945 and 1973.

Given these assumptions, then, the production of oil could continue to increase for almost another 50 years — to about the year 2025 when the oil industry might be about 3½ times its present size (for purposes of comparison note that the industry is currently six times its size in 1950 — only 28 years ago).

In other words there appears to be no short-to-medium-term difficulty in

maintaining an oil industry capable of sustaining the world's increasing demand for energy. Even using relatively conservative figures there are still at least two generations available to us to undertake the necessary research and development on alternative sorts of energy. This gives time enough to weigh very carefully the pros and cons of different options so that we do not have to be rushed into premature decisions on issues such as the rapid development of nuclear power.

These conclusions are, however, so markedly at odds with the advice which is being given by oil companies about the future of oil that an explana-

tion for the difference in view certainly seems to be necessary. In essence, what we seem to be facing is the difference between an appraisal of the outlook in an objective, scientific manner and, on the other hand, the subjective views of the oil companies which are naturally concerned with their commercial futures in their evaluation of oil's availability.

Indeed, the nature of the companies' approach was made explicit by a Shell spokesman when he explained that his company's view of the volume of oil resources emerged from an internal calculation of the oil that is likely to be available to companies such as Shell in the context of the economics and politics of world resource development up to the year 2000.

Clearly such an interpretation is not only temporally and spatially constrained but is also dependent on a given structure, organisation, and financing of the international oil industry. One must remember, for ex-

ample, that international oil companies like Shell have become less and less acceptable as the instruments for the exploration of oil resources in many parts of the world. This situation naturally limits the degree to which oil can be discovered and produced by the oil companies, particularly in respect of the significant oil potential of the countries of the Third World, in large parts of which the oil companies are feared and from which, as a result, they are often excluded. Thus, these resources cannot be counted by the oil companies in their evaluation of the oil which will be available to them to find and to

produce.

Moreover, even in the countries in which the oil companies continue to work, they do not find it commercially worth their while to produce oil as extensively as the resource base allows. Thus, the existence of oil in fields which are too small, and/or very costly to exploit, and which cannot thus generate a satisfactory return on the investment needed, does not constitute "resources" when reckoned by the oil companies in their commercial evaluation of the future of the commodity.

When BP in its advertisements says it "knows that oil and gas cannot meet the expected future growth in world energy demand," what it is really saying is that BP thinks that the development of much of the world's oil and gas will not be as profitable to it as a company — for political and/or economic reasons — as producing alternative energy. It helps to persuade opinion that oil is scarce, so trying to ensure that it will have markets for the alter-

native energies, and meanwhile leaving much of the world's potential oil unutilised.

In brief, the so-called "generally accepted oil shortage" is the outcome of commercially-orientated interests rather than a statement of the essential reality of the oil resources of the world. Oil companies are, of course, privileged to try to create the environment in which their own best interests are served; but there is no reason whatever why the whole Western world community should accept the companies' evaluations as the last, or even the most appropriate, word on the subject.

We have, for better or for worse, economies and societies which depend on oil and which are firmly bound — organisationally as well as technically — to running on the commodity. Any attempt by the Western world to change significantly from its oil-based systems within the time-span of less than two generations would create such adjustment that there would be serious political and social as well as economic consequences.

It is, indeed, much easier and far less risky to change the nature and the organisation of the oil industry to ensure that it is ready and able to find and produce oil in all parts of the world. It is to this politico-economic question, rather than to the spectre of a highly unlikely premature exhaustion of oil resources, that we should be devoting our attention in respect of energy policies at both the national and the international levels.

Peter Odell, who is advising the Department of Energy on aspects of Britain's development of North Sea oil, is professor of economic geography and director of the Economic Geography Institute at the Netherlands School of Economics.

Man held after big petrol snatch

Staff Reporter

POLICE yesterday arrested a black man who allegedly stole a petrol tanker containing petrol worth R6 000 from a Sasolburg refinery.

A Sasolburg police spokesman yesterday confirmed the man was in custody. He could not say when the man would appear in court.

The man allegedly drove the tanker, containing 23 000 litres of petrol,

from the security enclosure at the National Petroleum Refineries (Natref) on Saturday after posing as a Caltex employee.

He told a security guard he had come to collect the tanker.

Police found the abandoned tanker between Leondale and Wonderbult, near Germiston, on Monday night. The police spokesman refused to say whether any petrol was missing.

A spokesman for Sasol, which owns Natref, said Sasol and other oil companies, were reviewing security arrangements following the theft.

A number of oil companies left their tankers in the Natref security enclosure overnight after refilling, he said.

The stolen tanker, which belongs to Caltex, was collected from Germiston by a Caltex employee yesterday.

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1. INTRODUCTION

Segmented or dual labour market theories (1) have strongly challenged the orthodox view of the classical and neoclassical economists (referred to forthwith as orthodox economists). The segmented labour market economists (referred to forthwith as SLM economists) are deeply concerned with social justice and feel that traditional theories fail to explain adequately many events in the labour market. Thus their work may be viewed as being strongly motivated by ideology.

They have pointed out various instances of social inequality resulting from the operation of the labour market. For instance, SLM economists issue with the view that poverty is an individual failure that can be corrected by individual adaptation. The SLM approach is very much concerned with the **CHAPTER REGULATIONS** of poverty and unemployment. 50C

Orthodox labour economics consists of the marginal productivity theory of demand, based on the profit maximising behaviour of employers, and a supply theory of utility maximisation by workers. Employers are predicted to make hiring decisions on the basis of whether new employees are likely to be worth as much as they cost, whilst workers supply labour in preference to more leisure in proportion to the real wage. 11 2,80

When a South African analysis presented below, it is felt that the 0,70 population of Black workers and White employers and "privileged" workers leads itself particularly well as a reference point. The application of the South African model is self-evident in most of the theories discussed, and hence specific reference to the Black-White situation in South Africa is not considered necessary.

2. KEY ISSUES RAISED BY SLM ECONOMISTS

The most important social problem motivating the SLM economists is the persistence of poverty, which they feel is best understood in terms of a dual labour market. The poor are confined to a secondary labour market, and this is a poverty trap in which they gain access to primary employment (2). 29 0,60

SLM economists have criticised human capital theory on two grounds. 0,60 First by legislation and training programmes are accused of having failed to improve wages. Both educational resources and educational achievement are asserted to have been ineffective in realising income and occupational attainment. Secondly, the orthodox theory that education and earnings are related to productivity has been rejected by SLM economists. They argue that education reflects only a screening device for employers. R.A. Collarettes

Discrimination in labour markets is viewed as evidence of the failure of the orthodox theory of competition. SLM economists assert that standard economic theory predicts that any discriminatory wage differentials tend to disappear, but this has not been supported by observed labour market behaviour. Similarly SLM economists feel that the level and structure of unemployment cannot be explained by orthodox theory.

NOTE: All other Grand Chapter Regalia on Hire to Grand Accounting Purposes.

- (1) The theories, though not entirely uniform, of a group of labour economists in the U.S.A., which deal with segmented labour markets. Amongst the noted SLM economists are P.B. Doeringer, M.J. Piore, L.C. Thurow, R.E.B. Lucase and B. Bluestone.
- (2) See M.J. Piore - "Jobs and Training" in the State and the Poor edited by S.H. Beer and R.E. Barringer (Winthrop Press, Cam., Mass., 1970).

SLM economists were certainly not the first to question the orthodox view of the labour market, and had to trace to trace J.S. Mill for the development of competitive theory as the worst of the worst remunerations. Hardships theory would "Artificial society in argument in social regulation

The institution of the SLM economists is a result of whatever has happened to employment. The proponents of the theory of unemployment in the free market (Maree (1978)) underemployment these (the extensive unemployment of the historic colour bar.

(3) J.S. Mill Press,

(4) Prominent institutionalists included T. Veblen, J.R. Commons, H.R. Seager and W.C. Mitchell.

(5) Neo-institutionalist economists included R.C. Kerr, N.W. Chamberlain, R. Marshall and C.A. Myers.

(6) G.G. Cain - page 1227.

(7) Structuralists included C.C. Killingsworth and G. Myrdal.

(8) J. Maree - Page 1.

[Handwritten signature]

R200m uranium mine planned

NM 20/2/78

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JOHANNESBURG — A R200 million project to establish a uranium mine producing gold as a by-product about 25km south of Welkom, was announced by Union Corporation here yesterday.

A statement said Beisa Mines, a wholly-owned subsidiary of Union Corporation, had for some years been prospecting and drilling in the area.

A recommendation by the consulting engineers to exploit initially a selected portion of the area for uranium with gold as a by-product, had been accepted by the board of Union Corporation.

The announcement said present planning was for sinking a twin-shaft and constructing a treatment plant and reduction works capable of handling initially 100 000 tons of ore per month.

Production

Production was scheduled to start in the latter half of 1982. Capital expenditure in current terms was likely to be in the order of R200 million, but, in practice, would be greater, owing to the effects of inflation.

The uranium oxide output would be marketed through the agency of Nuclear Fuels Corporation of S. A. (Pty.) Ltd., Union Corporation said.

Adequate funds were available for the first phase of the project. The balance of the funding would be provided from group resources, loans and an offer of shares to the public. The timing of the latter had not yet been decided. — (Sapa.)

1. What would you most like to see change conditions? (wage, payment in kind)

Problems

5. If worker has not been to school: If worker began but did not complete you finish your schooling?

4. What jobs would you like your child? Why?

3. What sort of work (if any) would you on a farm or somewhere else?

2. Have you ever thought of going to work in a city? If yes, why don't you?

1. How did you come to this farm?

Name (first name only)
Farm number

Questionnaire to workers

(settles)

in t
schools?

Dollar

Southern Africa since 1910

Tutorial 1

Would you regard the crisis precipitated by the war issue in 1939 as something new or as a resumption of the old debate on the Imperial connection?

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Petrol price rise looms

By GERALD REILLY
 Pretoria Bureau

ANOTHER petrol price rise before the end of the year is feared by motor industry executives.

The Organisation of Petroleum Exporting Countries (Opec) decided to postpone an increase at a meeting in Geneva earlier this month, but pressure is building up for an October price rise.

Only the stand of Saudi Arabia and Iran — two of the world's biggest producers — prevented a price rise this month.

The 11 other members of Opec all supported an increase.

An important reason for Iran and Saudi Arabia's tough stand against an increase could be linked to their need for sophisticated American war equipment, including supersonic military aircraft.

Pressure for an early price rise is motivated by the continuing loss of the dollar's buying power, estimated at 15% since January last year.

Government sources in Pretoria declined to comment yesterday on the possibility of another petrol price rise.

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Tutorial 2

Why were both South Africans and Southern Rhodesians divided in 1922 in their attitudes towards the possibility of the absorption of Southern Rhodesia in the Union?

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Sasol: the brainchild of private enterprise

DID you know that it was private enterprise that took the initiative in building a South African coal gasification/liquification industry — more than a quarter of a century before the Government entered the field?

This fact has escaped attention so well in recent years that many people today believe that it was the Government which initiated Sasol.

The moving light behind the establishment of Sasol was the mining house Anglovaal and two of its directors — "Bob" Hersov and Slip Menell. Together with a Briton, Andrew Faikney, they formed a subsidiary of Anglovaal in the early 1930s to mine oil shale near Ermelo and then distil and refine oil from it at Boksburg. The company was called South African Torbanite Mining and Refining company, Satmar.

□ □ □

In "The Individualist", the Free Market Foundation publication, Leon Louw writes about the formation of Sasol under the title "It

... where it could be taken over ... by the Government.

"In the newspapers, where the birth of Sasol was given much space, the valuable contribution of Anglovaal, Minister Louw felt, had not been sufficiently stressed."

Louw notes that the Government remembered and the media forgot that private enterprise had started Sasol. "Now, only 28 years later, neither seems to remember — or if they do they are conspicuously silent about it."

As he notes, there has been almost universal acclaim for the Government's role in the matter, despite the fact that there were many eminent commentators who were vocal oppo-

nents of the socialisation of Sasol.

"Since then the critics of such actions have dwindled. When Sasol II (10 times as big and costing more than R2 500-m) was announced in December 1974 there was scarcely a whisper of criticism."

□ □ □

Looking back into history, Louw reminds us that two well-known South Africans joined Anglovaal and Satmar in the mid-Thirties — Dr H J van Eck, a consulting engineer, and Dr P E Rousseau.

Research into oil-from-coal was then most advanced in Hitler's Germany and, but for the Second World War, a private enter-

prise plant would probably have been established there. Meanwhile, a German-American consortium had been formed to develop the process further and the man working on the project, Dr Frans Fischer, visited South Africa.

Although in the Forties Van Eck left to join the IDC, which later controlled Sasol for the Government, and Rousseau left to join the Federated group of companies which he later left to manage Sasol, Anglovaal continued its research.

In 1945 Anglovaal brought the Hydrocol process to South Africa and "in November, 1945 Anglovaal officially announced its intention to proceed, but a Government licence was necessary", writes Louw.

After considerable to-ing and fro-ing, and the establishment of the Liquid Fuel and Oil Industry Board, the Anglovaal application was put before the board. Louw notes: "After its fourth meeting on March 22, 1948 the board decided that Anglovaal's information was still inadequate in view of the large amount of capital Anglovaal intended to invest."

"In particular it held that before permitting Anglovaal to proceed, it would have to carry out full-scale gasification tests. But what is sauce for the goose is not also sauce for the gander, for the Government subsequently proceeded with the nationalised industry before those tests were performed (in Germany in 1951)."

Louw: "Some advocates of the nationalisation of Sasol argue that Anglovaal could not raise sufficient capital." But as he points out the "private enterprise couldn't afford it" argument is very old.

For governments get the money which private enterprise "can't afford" from private enterprise.

NO FIRE IN SOWETO POWER

HOLLAR STREET



THE R94-million project to be needed to give Soweto electricity, will be money well spent. But it has not electrified investors' imaginations as much as, for example, Anglo's R140-R145-million Ergo project to recover gold and uranium from old slimes dams. But then Ergo promised investors comparatively quick returns.

Those companies likely to be involved in the electrification project, on the other hand, look like having a long wait for their profits.

Thus the approval of the Soweto Council and Plural Relations Minister Connie Mulder are only the starting signal for a lengthy bureaucratic process, involving the establishment of specifica-

tioning, tendering by interested suppliers and manufacturers, acceptance of tenders, and contract-signing.

All in all, a time-consuming series of events which at Stander, chief director at the West Rand Administration Board, has suggested could take anything between a year and 18 months to complete before work starts. For contract winners, then, black figures in the P & L account are even further away.

So I don't find it surprising that share markets have made little or no response to the Soweto plan. Broadly, the companies most likely to benefit can be found in the JSE's "Electronics, etc." sector, which is dominated by the local cable manufacturers — Aberdare, with its Dutch Phillips par-

connection, and Scottish companies controlled by British's BICC and including Swedish-aligned Asea which also manufactures transformers and related equipment.

Additionally, potential competitors for business include companies like Blue Circle's thriving Hubert Davies subsidiary and the Roberts Construction division of Murray & Roberts who have wide experience of electrical construction and installation work.

Again, lighting and other electrical fitting companies like Calari's Conlite organisation, claimed to be South Africa's largest in the field, are known to be interested.

On the basis of the rather sparse information available, it becomes obvious that the aim of the specifications will be to maximise local content throughout the whole operation.

With the possible exception of a small quantity of super-tension cable which may be required — not made here in any case — local manufacturers are confident that they can do the job.

Indeed one local cable manufacturer who asked to be nameless, was adamant that the company "could supply all the cable necessary on its own, given the 'right' specifications.

Competition for the business will be keen which, says Siemens chief executive Wilfried Wentges, "is all to the good as far as the customer is concerned".

I foresee it as being particularly keen on the cable and cable-installation side, but for all that, William Fandell, chairman and managing director of African Cables, the country's largest cablemakers, welcomes the project.

"It could not have come at a better time," he says, and other manufacturers talked to agree.

The industry, as a whole, has well publicised its problems. It's been in the downturn phase of its business cycle for 18 months and more as long-term contracts have run down, and as municipalities, township developers and builders generally have had to cut back on activities.

Most of the companies involved, listed or not, have reflected the slump with poor profits, dividend cuts and labour retrenchments and short-time working.

The latter has occurred at plants which had been lavishly modernised in earlier boom-year profits, to cope with the potential growth in demand for electricity indicated by Eskom's projections.

This new and efficient equipment, and the more sophisticated product must make for quicker deliveries and keen competition, both of which should benefit the Soweto scheme from the timescale and financial standpoints.

What quantities of cable — power and light — are involved remains to be seen, but there seems to be fairly general agreement that the sums involved won't be more than about 20 per cent of the overall R94-million.

In their last financial years, Aberdare, Scottish and Scottish alone turned over just that total, though not all of it, of course was electric cable.

But even that figure excludes Asea, Siemens, and others so that the Soweto plan, while a much-needed shot in the arm for the industry, and for the aluminium and copper wire producers like Uscg, does not seem to offer the prospect of a great profit burst, except in the unlikely event of one manufacturer scooping the whole cable pool — particularly when the returns are spread over years.

Reports in the last couple of months from Selfsa have indicated marginal improvement in cable demand, though conditions remain highly competitive.

The buying seems to be coming from municipalities which had run down stocks acquired some years back when delivery rates were very high and there was something of a scramble for cable.

But the industry, as a whole, seems to agree that much-improved conditions depend on a more rapid growth-rate in the economy generally, with Soweto a welcomed potential source of demand.

But all in all, at their current prices, cable-makers' shares are scarcely worth pursuing and look rather as though they are already discounting Soweto.

Thus African and Scottish yield 7.7 and 6.8 per cent respectively on their very thinly covered (and reduced) dividends.

Aberdare was able to hold its payment, but only at the expense of cover. The chairman of all three have unanimously looked gloomily at the current trading year's prospects.

The market's eye, in fact, has been on Asea. Its historic yield is under seven per cent at the current level, but the payment was covered more than four times by last year's earnings.

Asea has more than one product field through which it can participate in the Soweto scheme, involved as it is in cables, and transformers, and allied equipment. Those prepared to overlook the comparatively low return — as against other market sectors as well as Asea's own — could find the wait rewarding.

AA chief warns on imported oil risks

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By Esmond Frank

rug huistoe

15. SOUTH AFRICA, beset by severe economic and political pressures, must do more to lessen its dependence on imported crude oil to avoid a crisis, warns Jack Franklin, president of the Automobile Association of South Africa.

energy crisis will be achieved only if the current capital crisis can be overcome, Franklin said.

He stresses, however, that there are other steps that can, in the meantime, be taken to reduce the country's dependence on imported crude oil.

16. He said in Johannesburg that the Republic was currently forking out about R1 150-million a year in foreign exchange for crude oil, which has soared in price from 1,30 US dollars a barrel in 1971 to 12,70 US dollars a barrel now.

The rationalisation of delivery and collection services by commerce and industry as well as the regular servicing of vehicles will lead to more economical performance in terms of fuel consumption.

is?

17. The rapid increase in crude oil prices, he adds, led to the imposition of fuel and petrol restrictions as well as the construction of a second Sasol oil-from-coal plant at an estimated cost of R2 458-million.

And he adds that farmers can contribute by avoiding wastage through the more methodical and judicious use of agricultural machinery and transport without hampering the production of essential foodstuffs.

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18. He said that while the two Sasol plants are expected to provide about 30 percent of the country's total motor fuel requirements, leading to a foreign exchange saving of about R350-million a year, there is unabated pressure for a total oil embargo to be imposed against South Africa.

He also urges:

● The production of lighter and more economical cars with the emphasis on maximum distance per litre of petrol without undue loss of power:

19. "The need to find alternative sources of energy, especially liquid fuel, to meet the country's requirements is obvious," he said.

● The more extensive use of electrically powered light delivery vehicles in urban areas:

20. Because the development of alternative sources, such as nuclear and solar energy, require large capital expenditure, progress in facing the

● Improved road planning to promote smoother traffic flows and the elimination of congestion as well as bottlenecks:

21. ~~Because the development of alternative sources, such as nuclear and solar energy, require large capital expenditure, progress in facing the~~

● The use of micro-computers and other electronic aids to programme traffic lights at intersections on arterial roads in metropolitan areas:

● The erection of yield signs to replace stop streets:

is?

betaling - kontant (per uur betaling x ure x dae/
per skaap betaling x skape, ens.)

ander betaling

22. Wanneer was die laaste verandering in u kontantbetaling?

Wat was die verandering?

Hoe het dit gekom dat u betaling verander het?

23. Watter probleme ondervind u met die werk?

Wat doen u gewoonlik om die probleme op te los?

ROM 25/1/78
Petrol price
rise feared

BEIRUT. — The Organisation of Petroleum Exporting Countries is in favour of an oil price rise. Only Saudi Arabia is opposed to a proposed 5% increase in October.
South African experts have predicted an increase in South Africa's petrol price to coincide with the oil move. — UPI.

- 27. The Middle Ages, 284-1500, c. XIII, 39, 40, 41
- 28. The Medieval Papacy
- 29. The Church and the Renaissance

- 17. Decline and Reform in the Church.
- 18. The Medieval Papacy
- 19. The Middle Ages, 284-1500, c. XIII, 39, 40, 41
- 20. The Church and the Renaissance
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- 26. The Church and the Renaissance
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A History of the Middle Ages, 284-1500, c. XIII, 39, 40, 41

Alpers goes on to show that the girls, which were controlled by the chiefs, also provided a perfect entry-point for Islam into the society, as they consisted of a mass liminal phase.

(b) Consolidation of White Labour Power: The Conditions of Agricultural Growth

- 30. Davies, R. But, he goes on to argue, chiefs would surrender control of their land to the white labour power.
- 31. Cliffes, 1972. Due to the key variable of the presence of the Harbison and Helleiner, 1972. Hiltebeitel, 1972. Hutton, 1972. James, 1972. Lofchie, M.F. Doxey, G.V. Fisher, F. and Nxasana, 1972.
- 32. The Labour Situation in South Africa, vol. 2, July, 1975.
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- 198. The Middle Ages, 284-1500, c. XIII, 39, 40, 41
- 199. The Medieval Papacy
- 200. The Church and the Renaissance

BP chief warns on ⁵⁵ dwindling oil ^{RDM 25/7/78}

LONDON. — Oil companies will have to find the equivalent of 250 fields like the big Forties discovery in the North Sea if they are to replace the crude oil likely to be consumed in the world between now and the end of the century, says Sir David Steel, chairman of British Petroleum.

"Another Middle East would be necessary to achieve this situation and our geologists tell us that there are few, if any, unexplored basins remaining to give cause for optimism on that score," he told the American Chamber of Commerce.

Consequently, BP, in line with the International Energy Agency, continued to believe that oil production would reach a peak some time in the next 20 years.

Sir David said there was real fear on this side of the Atlantic that in the event of shortages developing, the United States with its superior financial resources would outbid Europe for oil.

From a position of virtual self-sufficiency in 1960 the United States had moved to a position where its use of oil accounted for about 30% of total

world consumption, and where about half this crude had to be imported, principally from members of the Organisation of Petroleum Exporting Countries.

New discoveries, urgently needed to offset falling United States production from established fields, were not being made. Last year more oil was found onshore in new fields in Britain, quite apart from the North Sea, than in the whole of Texas.

Sir David stressed the need for greater emphasis on energy conservation. Last year BP was able to save well over 50-million by using energy in its operations more effectively than before.

Emphasising BP's links with North America, Sir David mentioned that with the company's recent majority holding in Standard Oil of Ohio, 40% of the group's assets were in the United States.

"Like all new additions to families, we are both going through a period of adjustment and understanding as we meet with a new style of operation and a new variety of experience." — Financial Times.

- 17. Decline and Reform in the Church.
- 18. The Medieval Papacy.
- 19. The Renaissance and Reformation, cc. II, V, 2, VI.
- 20. The Church and the Papacy in the 14th and 15th Centuries.
- 21. The Medieval Papacy.

- 28. The History of the Middle Ages, 284-1500, c. XIII, 39, 40, 41.
- 29. The Medieval Papacy.

Alpers goes on to show that the few demands on traditional rural societies were controlled by the chiefs as they consisted of a mass liminal phase. The Gezira Scheme: An illusion of development.

(b) Consolidation of White Labour Power. The Conditions of Agricultural Growth for introducing specific Islamic symbols and practices. Mining Capital, the revolutionary Unkhoted Whites, Workers in South Africa 1910-1939, J.S.A.S. But, he goes on to argue, one should not be so naive as to imagine chiefs would surrender control of these rural development, which were 1971-2. The Gezira Scheme: An illusion of development. In the 19th century, and key variable for the 19th century. The Gezira Scheme: An illusion of development. Why? The Gezira Scheme: An illusion of development. The Gezira Scheme: An illusion of development.

(c) The Abolition of the Master and Servants Act. The Labour Situation in South Africa. The Gezira Scheme: An illusion of development. The Gezira Scheme: An illusion of development.

Search for fuels stepped up

By ADAM PAYNE

RDM 26/7/78

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ANGLO AMERICAN Corporation, renowned for its gold and diamond interests, has turned much of its prospecting programmes to a search for energy sources — for uranium, coal and oil.

Some of its uranium exploration in Southern Africa is being pursued further because of significant results.

By 1981 the group's total reserves of coal in South Africa are expected to exceed 9 000-million tons.

Apart from coal discoveries in the Eastern Transvaal in the past 10 years, rights to about 2 500-million additional run-of-mine tons in large, viable coal-fields have been bought. The forward exploration programme aims to acquire rights to a further 3 000-million tons, much of which is already partly proved and held under option by group companies.

The group is consolidating the holdings of its companies in the previously discovered East-

ern Transvaal coalfields, as well as expanding into newer areas in the South-Eastern Transvaal.

The programme calls for acquiring coal rights, a drilling programme and reserve evaluations, say the directors in the annual report.

Uranium exploration has been carried out over a wide area in Southern Africa.

Results from an investigation of a secondary uranium deposit in the North-Western Cape have been encouraging, and further drilling and metallurgical work is going ahead.

In the Karoo a joint investigation for uranium with Empresa Nacional del Uranio, the Spanish nuclear fuel company, continues.

In the Namib Desert, near Swakopmund, South West Africa, large but low-grade secondary uranium deposits are being examined in conjunction with Minatome, Omitaramines and Union Corporation.

The group also has uranium

prospect areas in Saskatchewan, Canada, in partnership with Hudson Bay Exploration and Development Company.

In oil exploration, Anglo American is involved through Charter Consolidated of London and Trend Exploration of Indonesia and the United States.

Charter Consolidated is in North Sea exploration with two groups of companies and Trend is exploring Indonesia and the United States.

In other exploration by Anglo American Corporation companies in the past 15 months, several base-metal prospects were examined and drilled in the Transvaal, Cape and South West Africa.

Initial indications in some cases have been sufficiently promising to justify further examination, and a copper-lead-zinc discovery in southern South West Africa is of particular interest.

The gold-drilling programme in the Erfdeel-Dankbaarheid block adjoining Free State Saaiplaas is virtually complete

and has yielded "interesting" results which will be assessed in 1978.

Significant uranium and gold values are still being obtained in various reefs south of the Free State Goldfields, but further drilling will have to be undertaken to judge more clearly the potential of the area.

Exploration for uranium will continue north of Klerksdorp and drilling will resume in a block south of the Western Areas mine, where encouraging values were obtained in 1976.

Exploration has continued in Australasia, Brazil, Europe and northern America.

In Brazil substantial tonnages of gold ore have been identified in the state of Bahia, but it is not yet possible to determine whether these low-grade to medium-grade reserves can be economically mined at prospective gold prices, and the extent of indicated higher grade tonnages is being investigated.

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|-------------------------|--------------------------------|--|
| 5. <u>W. WORDSWORTH</u> | Preface to the lyrical Ballads | (Macmillan Collected Works p. 734 ff)
(ditto p 420) |
| | Goody Blake & Harry Gill | |
| 6. <u>S. COLERIDGE</u> | Biographia literaria | (Extracts on short loan Chs.14,15 & 18) |
| 7. <u>W. STEVENS</u> | The Idea of Order at Key West | (roneoed sheets) |
| 8. <u>W. STEVENS</u> | The Idea of Order at Key West | (roneoed sheets) |
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- VAC
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|--------------------------|--------------------------|----------------------------|
| 9. <u>W.B. YEATS</u> | Long-legged Fly | (Macmillan Collected p381) |
| 10. <u>D.H. LAWRENCE</u> | Ship of Death | |
| 11. <u>D.H. LAWRENCE</u> | Best of School | |
| 12. <u>T. HUGHES</u> | Crow Goes Hunting | (roneoed sheet) |
| | Thought Fox | (roneoed sheet) |
| 13. <u>W.B. YEATS</u> | Circus Animals Desertion | (Macmillan Collected p391) |
| 14. <u>L. MACNEICE</u> | To Posterity | (roneoed sheet) |
| <u>D.J. ENRIGHT</u> | Blue Umbrellas | (roneoed sheet) |
| 15. <u>R. GRAVES</u> | The Cool Web | (roneoed sheet) |
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- VAC

STAR 2817/78
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Squandering energy

SOUTH AFRICA'S coal resources are abundant but not limitless. Yet as much as 70 percent is dumped or left in the ground, according to Dr Frans Quass, a coal scientist. Dumps tend to ignite spontaneously and old workings collapse. There are no second chances. The argument is that it is not economical to mine all the coal, that the least expensive way to prop the excavations is to leave pillars of coal.

But efficiency does not have to mean cheapness. Techniques used abroad are far less wasteful. Even if those methods were to make coal more expensive, there are cogent reasons for adopting them. This country, even in the face of threats of oil sanctions, is squandering a vital source of energy, racing to the day when supplies will be exhausted. There should have been a sharp lesson in what is happening to the world's oil. Too

much reliance seems to be placed on tomorrow's technology producing its own miracle.

Once the coal has been wrested from the ground the extravagance continues. With two notable exceptions (Sasol and AE & CI) its versatility is ignored. Coal is a storehouse of chemicals that can fulfil a wide range of our needs. Instead it goes into stoves and grates in millions of homes to supply heat that could be generated less wastefully and with only a fraction of the pollution by power stations.

Only now is research beginning to be made into the proper use of coal. Dr Quass's warning should accelerate the process—unless his protests are drowned by the "don't panic" chorus. An urgent rethink is needed if our valuable reserves are not to be turned into ashes.

6D - HOUT RAY

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 30-34
 35-39
 40-44
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 50-54
 55-59
 60+
 Total:

While it ponders the political future of SWA/Namibia, the Cabinet will also have to find time to decide on the future of the territory's power supplies.

Swawek, the territory's power authority, has proposed to Pretoria that it approve the construction of a R50m high-voltage transmission line linking the country to SA's electricity grid. If SWA/Namibia is not to face a serious power shortage, the 100 MW-120 MW line will have to be built — or alternative arrangements made — within the next 12-18 months.

The present crisis stems from Swawek's inability to start up the Ruacana hydro-electric scheme on the SWA/Namibia-Angola border.

Ruacana's first 80 MW turbine was due to be switched on in 1977. All three turbines have now been installed, and the construction of the entire R250m project is virtually complete. But the Angolan government under President Neto won't allow Swawek to close the weir gates (situated 1 km inside Angola), which would divert water from the Kunene River through the power plant. The

Angolans have threatened to blow up the weir if the diversion is attempted. In addition, the Calueque Dam (about 40 km inside Angola) has been left three-quarters complete. Work there stopped in September 1976. Pumping capacity at the dam would have been sufficient to provide water for the immediate needs of Owamboland as well as parts of Damaraland and the coastal desert.

As a stop-gap measure, construction has already started on a R22m fourth generator at the coal-fired Van Eck power station outside Windhoek.

Assuming Ruacana will remain in mothballs for the foreseeable future, Swawek has two alternatives: build a new power station or link the territory to the Escom grid. The former was rejected as being too expensive. The power station would have to have around 75% imported content, compared with only about 5% in the case of the transmission line. More important is the fact that the station would have to be coal-fired, and SWA/Namibia has to import all its coal (at present costing nearly R11m a year). Adds Swawek GM J P Brand: "I don't know of any coal deposits in the territory which can be used commercially."

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45-49	122.	4.
50-54	99.	4.
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60+	55.	3.
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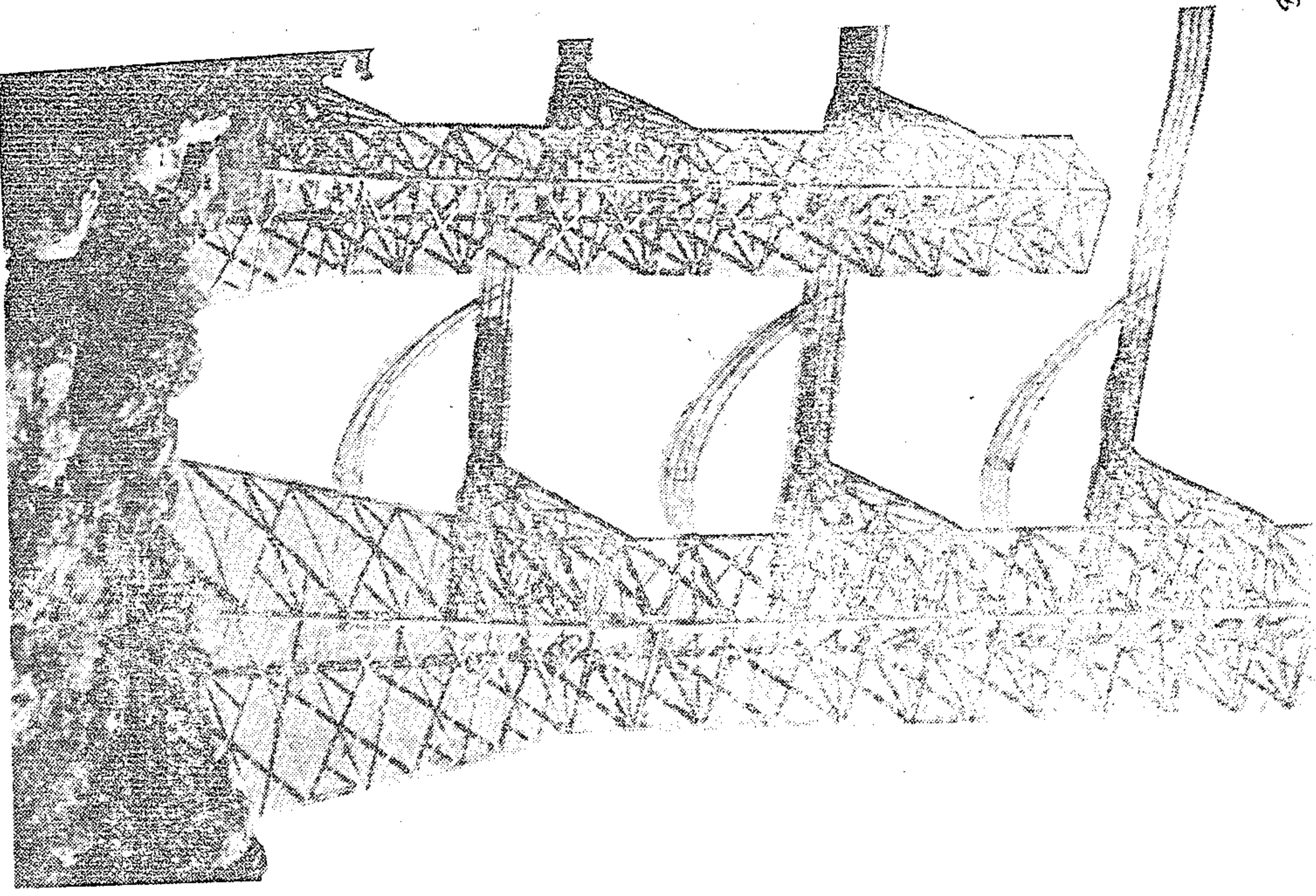
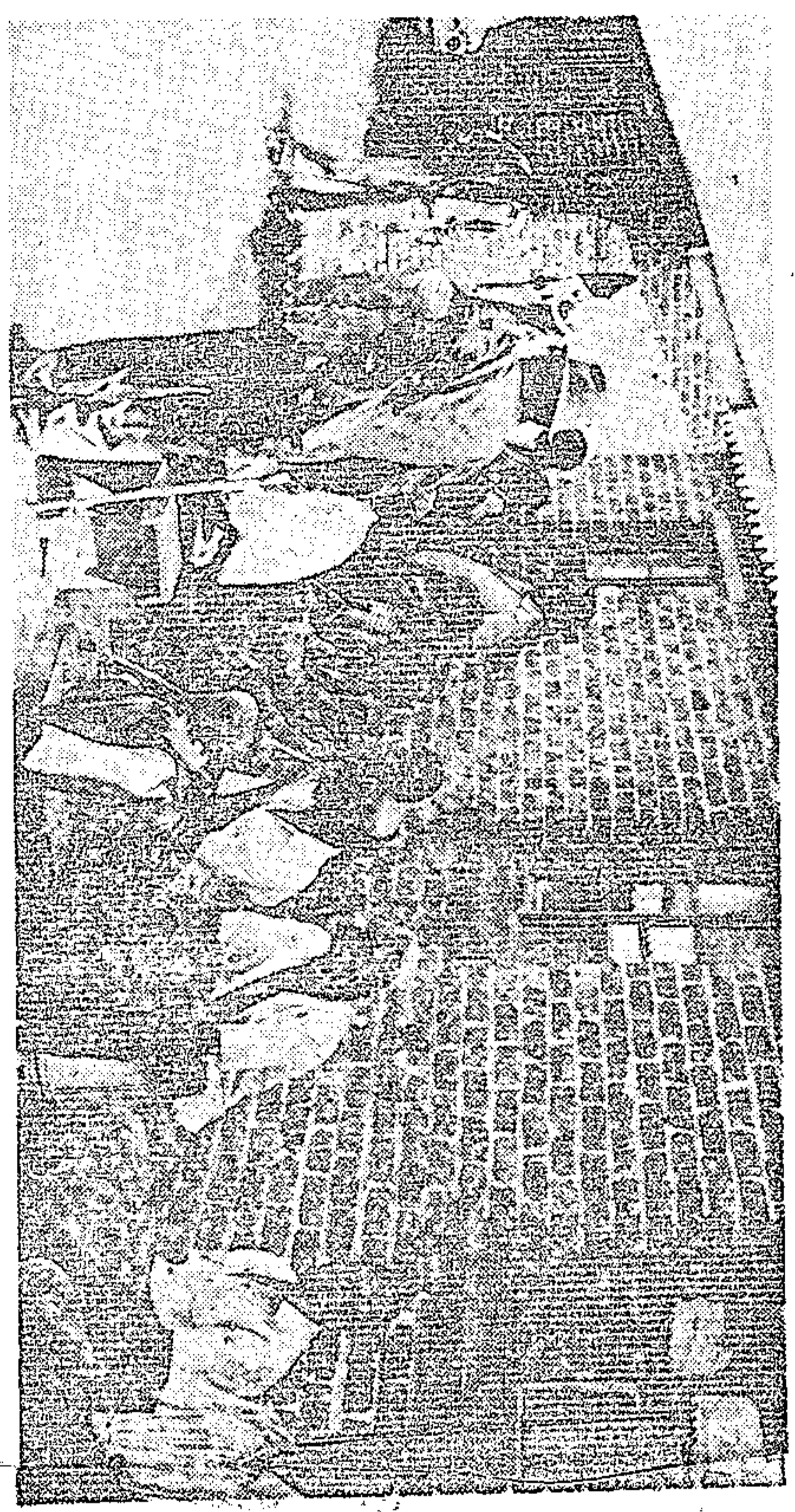
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5/8/78
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5/8/78
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Sklar
2/15

Soweto is still waiting



They've been waiting for their electric lights a long time now.

Electricity will now cost them R95 m

By Kevin Stocks
About 18 months ago a senior banker dropped a whisper in a journalist's ear that set the presses rolling with one of South Africa's few "good news" stories.

"We are," he said, "going to electricity Soweto."

That was in the early days when white businessmen who had decided to help improve the quality of township life were still dewy-eyed and innocent about the possibilities of quick action at the "racial interface."

The bankers and the big construction companies were

forward into an onslaught of politics, ideology, bigotry, mindlessness and special interests. They fell flat on their faces.

The idea of providing South Africa's highest black city with electricity originated with several people in the private sector.

Of course there had been vague governmental ramblings about such a scheme in the past. What was different about the private sector was that people actually set about doing feasibility studies, starting design work and preparing

plans of all, raising the necessary money.

The basic ideas came from three large private sector companies: Roberts Construction, I.T.A. and Simpson.

Their expertise and initiative were supplemented, and the realisation of their ideas made possible by the willingness of a consortium of banks to raise the necessary finance.

This consortium consisted of Barclays National Bank, the Standard Bank of South Africa, Nedbank and Volkskas. They were prepared

to provide loans of R52-million for the project at their prime overdraft rate — the rate granted to the most credit-worthy borrower.

Everything seemed to be lovely and in February 1977, The Star reported the exultation of Soweto fathers at the news. By the end of 1979 at the latest, it seemed, Soweto would be fully electrified.

Even the Minister of Finance, Scudor Horwood, weighed in with heartfelt approval. He chose the most important occasion of his

year, his Budget speech in Parliament, to announce that the Government would guarantee the bank loans for the project.

The last obstacle, it seemed, had been swept aside and the construction companies involved set up a management company to handle the scheme. Adopting a "go-go" attitude they announced they could complete the entire project in two to three years — probably two years.

Trade unionists began calling for large training schemes so that black artists

would be available to work on the project and to maintain electrical equipment once it was completed.

That was in February last year. Since then little progress has been made.

The private sector businessmen ran into objections, foot-dragging and procrastination — mainly originating from the West Rand Bantu Affairs Administration Board.

According to the Star's sources every possible objection was brought up. The board objected to the work being done by

companies who had conceived the scheme — it should go out to tender, it said.

The board objected to the interest rate on the loans. They said Soweto residents could not afford to pay for electricity.

The board eventually rejected the whole scheme, but said it would examine further schemes on its own.

The banks eventually met the objections on interest rates by proposing that the board issue interest-bearing stock of its own and undertook to buy some of it themselves and to place the rest elsewhere.

They had to concede, however, that the construction companies, despite having originated the whole business, would have to drop-out — unless they could win the business on open tender.

Still Soweto will get its electricity. The only difference is that the cost has escalated from about R45 million and the time scale expanded from two to three years to from four to five years.

55

Crackdown looming over fuel splurge

By GERALD REILLY
Pretoria Bureau

SOUTH Africa's R1 100-million-plus fuel bill is rising and the Government will take "corrective" action if consumption continues at its present high level, according to Government sources in Pretoria.

Corrective action, it is understood, will include a ruthless application of the sweeping powers given the Minister of Economic Affairs, Mr Chris Heunis, in the petroleum products legislation, which passed through Parliament last year.

In terms of the legislation, contravention of the regulations, including speeding, can be punished

by fines up to R2 000 or two years, or both, and confiscation of the vehicle involved.

Last weekend Mr Heunis warned in a speech at Caledon that South African motorists were still squandering petrol.

The Minister's major concern, it has been learnt, is the general disregard of speed limits.

He is known to have expressed this concern privately at the Federation of Motor Industries conference in Pretoria earlier this week — and it could be a prelude to a nationwide blitz on speeding, with a ruthless application of the provisions of the Act and the imposition of stiff penalties.

It is likely that provincial traffic departments will be asked to cooperate in a joint effort to slow down main road traffic.

With a steady increase in the number of vehicles using South African roads, and the likelihood of an increase in crude oil prices from the beginning of next year, the Government is known to be determined to discipline motorists, even if this should mean a reduction in garage trading hours.

And Mr Heunis has made it clear on a number of occasions that he would not hesitate to impose even more stringent restrictions should appeals for conservation fail.

7/8/78 RDA

Uranium price pause, then the steep rise

55

By ADAM PAYNE

UNION Corporation's decision to go ahead with its uranium-gold mine south of the Free State goldfield will add one more producer to South Africa's nine uranium miners. The Stilfontein plant now being built will bring the total to 11.

Questions are being asked by market watchers as to the likely trend of uranium demand and prices because South Africa is more involved in uranium production than ever before.

Viewing the market situation, a South African mining executive says he considers that price and demand are on a plateau and will stay there in the immediate and short-term future.

He says: "There could possibly be a drift when the big Australian mines, Ranger and Pan Continental's Jabiluka, come on stream in 1981 and 1982, and then increase their output.

"This does not mean there will be a serious move away from South Africa, which is highly competitive on costs and has established a reputation as a good supplier.

"Our view of the market is that when the Australians come into the field, consumers and prospective consumers will want to spread their buying, for business strategic reasons, between South Africa, Australia and Canada.

"Whatever buying patterns develop, the fundamental fact is that the world will still face a shortage in uranium for projected nuclear power generation.

"Environmentalists and others, who have opposed nuclear power generating stations, will find in the mid-1980s that there will be no alternative to nuclear power.

"My forecast is that demand and price from that time will be on a steep upward curve."

He confirmed statements at the Uranium Institute's symposium in London that the going price for uranium is \$40 a lb to \$42 a lb, but that contracts are negotiated at lower levels.

Because South African

production costs a lb are far lower than those in the United States, which are estimated at \$20 a lb, this country is in an unassailable position to negotiate contracts and continue supplies.

It was stressed by speakers at the Uranium Institute meeting that estimates which showed nuclear power would comprise the major part of electric power by the year 2000 were being revised downwards.

Mr Paul Hogroian, of the Organisation for Economic Cooperation and Development Nuclear Energy Agency, said that by the year 2000 nuclear power generation would make up between 14.5% and 16% of energy production. Nuclear fuel would be third to oil and coal.

Mr George White, of the United States Nuclear Exchange Corporation, said that buying was much reduced in the second quarter this year, although South African uranium producers prospered well in that quarter with contract and spot sales.

Mr White enumerated some of the factors likely to inhibit further price rises in the immediate short term.

These include more definite prospects for Australian production, greater Canadian potential, changes in the American Government's attitude to enrichment, spot market activity and a possible sale from the United States General Services Administration.

Bullish factors, he said, were possible increases in United States imports, possible lower supply than forecast and the continuation of tough security provisions.

Another bullish factor was one that Mr White delicately referred to as "the deep involvement of producing countries in the commercial aspects of the uranium business.

"Although the US Government and buyers would like to see competition develop between the supplying nations, I know few, if any, US utilities who anticipate a price war," he said.

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Journée de travail présidée par le Pr. Marie-Louise Tricaud

MARDI 18 JUILLET

romanesque d'Albert Co
Mlle Valerie Lewis (U
10h.30

Petrol ⁽⁵⁵⁾ rise seems 'inevitable'

Pretoria Bureau

AN increase of approxima-
tely one cent a litre in the
price of petrol from the be-
ginning of next year is now
virtually inevitable, accord-
ing to motor industry sour-
ces.

The director of the Mo-
tor Industries Federation.
Mr Jannie van Huyssteen,
said yesterday, "With the
continued weakening of
the dollar a price rise
seems imminent."

An emergency meeting
of the Organisation of Pe-
troleum Exporting Coun-
tries (OPEC) is scheduled
to be held in Taif, Saudi
Arabia, in mid-September,
and demands for a 5%
increase in the price of
crude from January 1979
are sure to be made. Some
authorities believe the de-
mands could be greater.

Demands would be bas-
ed mainly on the still
shrinking international
purchasing power of petro-
dollars.

Mme Anny Wynchank (Un
Confession? Prophétie
Thé.
10h 00

Journée de travail prés

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psychodrame."
"Rimbaud - Délirés I
Mme Marie-Joséphine
14h.00

Mme Isabelle Sirof (
son double."
11h.00

Journée de travail pré

Thé.
10h.30

Assemblée Générale de
Trésorière, du Rédac
9h.00

JEUDI 20 JUILLET

Réception municipale
18h00

Après-midi: visite d

Déjeuner offert par l'Université du Natal.
13h.00

M. Yves Giraud (Université de Fribourg, Suisse): "Samuel de
Constant et Madame de Charrière, romanciers d'eux-mêmes."
11h.00

Séance de travail présidée par le Pr. B.H. Rasmussen

Thé (Pietermaritzburg).
10h.30

Départ via la Vallée des Mille Collines.
8h.30

Journée à Pietermaritzburg

MERCREDI 19 JUILLET

Cocktail offert par l'Université du Natal.
17h.30

Mme Josée van de Ghinste (Université du Cap): "Le jet de pierre
ou la trajectoire de l'homme-poète."
15h.30

Thé.
15h.00

M. Léopold Peeters (Université de Pretoria): "Biographie
et poème lyrique."
14h.00

M. Gilbert Pestureau (Université du Natal à Durban):
"Voltaire et la poésie."
11h.00

Thé.
10h.30

M. Jean Mesnard (Université de Paris-Sorbonne): "Voltaire et Pascal."
9h.00

Journée de travail présidée par le Pr. Marie-Louise Tricaud

MARDI 18 JUILLET

CT. 9/8/78 (SS)

SA petrol price increase seen as 'inevitable'

Own Correspondent

PRETORIA. — An increase in South Africa's petrol price from the beginning of next year at the latest is now inevitable, according to motor industry sources.

An emergency meeting of the Organization of Petroleum Exporting Countries (Opec) is

scheduled to be held in Taif, Saudi Arabia, in mid-September and demands for a five percent increase in the price of crude from January are to be made.

Some authorities believe, however, that the demand could be greater, especially if the aim is to restore fully lost purchasing power of oil

revenue.

Until now Iran and Saudi Arabia have resisted price increases but according to the sources it is unlikely they can hold out against the build-up of pressure from other Opec members for a new rise. The demands are based mainly on the still shrinking international purchasing power of petro-

dollars.

The director of the Motor Industries Federation, Mr Jannie van Huyssteen, said yesterday: "With the continued weakening of the dollar a price rise seems imminent."

He said the last crude price rise was in January 1977 and since then continued inflation had eaten deeply into the real

value of the dollar.

South African petrol companies would resist strongly absorbing any increase in the price of crude oil.

He estimated that a five percent rise in the price of Arab oil would mean a rise of about a cent a litre when other factors like the sales tax were taken into account.

January ^{AM} fuel ^{9/8/28} rise likely ⁽⁵³⁾

The income data considered reliable has been omitted, as the survey covers families placed on the City Council family units and the City Council

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Some authorities believe, however, the demand could be greater, especially if the aim is to restore lost purchasing power of oil revenue.

The director of the Motor Industries Federation, Mr Jannie van Huyssteen, said yesterday: "With the continued weakening of the dollar, a price rise seems imminent."

He estimated the rise would be about 1c a litre. — DDC.

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(1) for each family:

(i) identification:

shack number and letter

(ii) geography:

area of previous residence

number of years in present home

living area

husband's birthplace

wife's birthplace

(iii) general:

whether attends clinic

number of people in shack

number of families in shack

sanitation facilities

Petrol from mealies?

It's not as silly as it sounds

55 FM 19th Aug 78

If the thought of getting your car going on a mealie cob, a couple of sugar lumps, or even a pile of wood shavings seems laughable, don't smile too broadly. It could happen, and in a relatively short time.

For SA's scientists, engineers, and planners are working hard on developing alternative fuels to petrol and diesel refined from crude oil. These are ethanol, from sugar cane and maize, and methanol, from natural gas, coal, or wood.

We already produce both ethanol and methanol as by-products in the chemical industry — but not in the huge quantities which would be needed to cut the country's dependency on imported oil.

One thing that rings loud and clear from studies on the possible effect of international sanctions against SA is that the knockout punch would be an oil boycott (*FM* June 30). That is in spite of Sasol 2's oil-from-coal production, due on stream by 1981, and our vaunted oil stockpile.

The stockpile, it is true, could be much greater than generally accepted — between three and five years' supply at current consumption. According to the recent report of the Auditor-General, government spent no less than R557m on stockpiling oil in the 1977 financial year. Even so, in the face of extended sanctions, reserves would eventually dry up.

So one part-answer to our oil needs is to produce alternative fuels. Up till now most of the Republic's hopes have been

pinned on coal. SA is more fortunate than most industrialised nations in that oil accounts for less than 25% of its energy needs. Coal provides more than 70%, mainly in the form of electric power.

Coal is also increasingly being used as a substitute feedstock to oil by the chemical industry. Examples are the ammonia plant at Modderfontein and the new PVC manufacturing plant, Coalplex, at Sasolburg, a joint venture by AECI and Sentrachem. Then, of course, there's the new

Sasol at Trichardt in the Eastern Transvaal.

Sasol 1, at Sasolburg, produces about 5% of domestic petrol demand of about 4,3m tons a year. When Sasol 2 is ready, combined output could be around 30% of demand in 1981. In addition to petrol and diesel, Sasol will produce a wide range of products normally derived from crude oil.

Nevertheless, there will still be a large and crucial shortfall. Oil imports are today running at some 320 000 barrels a



Passat on methanol . . . partnering farmers, chemists and engineers

day (15,4m tons a year).

It's against this scenario that the hof-fins are researching other fuels. Particularly active are the big chemical companies, the sugar industry, and the universities (the latter under the helpful umbrella of the CSIR).

The University of Cape Town's Energy Research Unit, headed by Professor Bob Dutkiewicz, is conducting tests with methanol. With the support of Shell, VW, and an unnamed mining house (obviously one with coal interests), an interesting project is under way in which a VW Passat is being put through its paces with various permutations of fuel mix and carburettor adjustments and modifications. The final phase will be to run the car on 100% methanol.

Potchefstroom University's Institute for Petroleum and Chemical Research has been working on a new method of producing oil from coal. It has claimed considerable success.

Sugar power

Research into ethanol is being conducted by the University of Natal's Department of Chemical Engineering, under Professor Ted Woodburn, particularly with sugar cane and bagasse (cane waste).

The potential in ethanol has been underscored by Brazil's success. The Brazilians undertook a \$400m programme in late 1975 to produce ethanol in commercial quantities. They now feel confident that they will be able to replace 25% of imported petroleum by 1985 and to be totally independent of external energy supplies by the end of the century.

Brazilian engineers have shown that vehicles can be run on a petrol blend containing up to 20% alcohol without engine modifications. Trucks and buses can be run on a 50-50 alcohol-diesel fuel mixture, and alcohol has proved to be a suitable fuel for turbines.

Brazilian distillers can sell ethanol at 25c a litre, so it is not — as has often been said — uneconomical to produce. Natal's Woodburn reckons production is possible in SA to bring the fuel onto the market at 25c-30c a litre, roughly equivalent to present pump prices for low and high octane petrol.

Ethanol technology, obviously, is well known. And it is produced as a by-product in SA. Sasol makes it, as does National Chemical Products and Natal Cane By-Products. The latter still produces ethanol for Union Spirit, a blend of ethanol and petrol sold in Natal since war days (it was originally developed to upgrade octane content).

The major problem is to produce ethanol in very large quantities. Roughly speaking, five tons of molasses (or two-and-a-half tons of sugar) produces one ton of alcohol. If we used SA's total sugar exports at current levels (1m tons) wholly for ethanol production, this would still provide less than 10% of domestic petroleum demand. The figures for maize are: 1 ha yields 1 600 litres of ethanol.

Thus the country's interest in producing ethanol from maize. Although the process is slightly more complicated, since the maize has first to be converted into starch, costs are lower. That is because, for every ton of maize used, a third of a ton of high-protein dried grain

is recovered. This is sold for animal feed, thus reducing costs.

Furthermore, it is argued, through ethanol production in this manner, resultant savings in spending on crude oil imports can be channelled into expanding production of maize. Farmers, in turn, could be given long-term fixed price contracts.

Harvesting ethanol

Some scientists and industrialists view ethanol production on a large scale as an ideal contribution to the economy — a marriage of high technology industry and the agricultural sector, creating investment and job opportunities in both.

Another attractive consideration is that ethanol does not deplete resources. Reserves of oil and coal are limited; agricultural production is not. Each year there's a new harvest.

Earlier this year Finance Minister Owen Horwood announced that an ethanol plant was planned, using maize as a feedstock. Market rumour has it that it will be built by Sentrachem, which is currently the Republic's largest producer of ethanol through National Chemical Products.

Sentrachem declines to confirm this, but GM Dave Marlow tells the *FM*: "Sentrachem is committed to chemistry (the science of converting agricultural raw materials into useful products). Ethanol is a major portion of our research and we see it being used not only for petrol but for diesel." Marlow also sees methanol as having a part to play.

So in the foreseeable future the chemist, the engineer and the farmer will join hands to keep SA's wheels turning.

22/8/78
start

Big oil firms stay out of 'safe ride' (55)

Only two of the seven major oil companies in South Africa have so far become directly involved in the Operation Safe Ride scheme for travelling servicemen. Today the others gave conflicting reasons for their non-involvement.

From next week when the scheme to help hitch-hiking servicemen starts, only two of the country's smaller oil companies will be directly involved — Total and Trek.

Five major companies, Shell, BP, Caltex, Mobil and Esso, were informed of the proposed lift scheme in April, but it is understood they indicated that adoption of the scheme providing servicemen with petrol stations as lift points should be left to individual petrol-station operators.

The provision of signs and shelters would be up to the service-station operator unless, of course, he is selling Total and Trek products.

Mr J van Huyssteen, executive director of the Motor Industry Federation, which is co-ordinating the scheme with the SA Defence Force, confirmed today that only the stations of the two smaller companies would be involved initially.

"But there are a few strategic points which are not served by Trek and Total which could be served by stations selling other brands," said Mr van Huyssteen.

AVAILABLE

This means that of an estimated 4 600 service stations around the country, there are 327 pick-up points which will be available when the scheme starts on September 1.

A spokesman for BP said the company, which acts as secretary for the oil industry, had been approached.

"After discussions it was agreed the MIF should handle the scheme, pinpointing the right sites, and negotiate with their members, the dealers.

"That's where the matter was left and we have heard nothing from the MIF since April. We never indicated non-cooperation," said the spokesman.

A spokesman for Mobil Oil SA said the company had never been approached in this regard.

"We cannot say no if we have not been asked," said the spokesman.

Shell said it had been approached by the MIF in April, but the first indication it had of further developments was from the news media.

"Shell has always supported this project and will participate in the further developments of the scheme," said a spokesman.

Cullinan has that air of better times ahead

HOLLARD STREET



HAVE YOU noticed how the number of companies telling shareholders and potential investors that "better times are ahead" has increased rapidly in recent weeks?

Like as not, the financial year or period they're reporting on has not been brilliant in any way in terms of profits or dividends, but there's an air of greater unanimity about a brighter future in their statements — and it's not confined to any particular sector of the economy, or any industry.

A case in point is Cullinan Holdings which, however, has gone a couple of steps better by showing increased 1977-78 earnings and dividend and also predicting further improvement.

While it had forecast a much better second half-year to follow its depressing first, management there was thinking in terms of repeating its 1976-77 earnings and dividend and, basically, so was the market.

Losses

At the beginning of July, I suggested in this column that there was a possibility of a rise of 0.5c in the total dividend to 13.5c.

There were two reasons. The heavy losses on the Vitro investment had been ended by the sale to Amgeal — which controls Vereeniging Refractories, Cullinan's main competitor — of the 50 per cent stake which took effect at the beginning of 1978, even though the sale was made at a loss.

The second reason, and I think more importantly, was because the large in-

vestment programme which Cullinan had in a new andalusite facility and electrical porcelain manufacture would mean a much-reduced tax bill as a result of substantial allowances.

In the event, the dividend has been raised a full 1c to 14c. Operating profits are marginally lower from turnover which is some 17 per cent higher at just over R40-million — indicating the squeeze on profit margins.

As expected, the interest bill has risen by some 30 per cent to over R1.6-million, thus mopping up not far short of that percentage of the operating profit of R5.46-million.

But the tax man has saved the group's profit day by virtually halving his bill, so that taxed profits are actually 9 per cent up at R3.1-million.

With associates and minorities taking less, earnings come out at 38.6c, the group's best-ever, against 29c, and cover the higher dividend a useful 2.5 times compared with the previous 2.2.

When extraordinary items (the loss on selling Vitro) are included, earnings fall to 28.6c.

The second half improvement stems largely from the group's refractories division, where demand has been increasing steadily, despite the fact that few new capital projects were under way in this country during the group's financial year.

But the R4-million of export orders on hand for South America and elsewhere is, I suspect, only the initial result of a long-planned and determined thrust into the highly-competitive overseas market.

By DON WILKINSON

for the company's high-quality products.

The attraction which exports have, incidentally, lies in the premium which overseas sales have over local prices for refractories.

Additionally, of course, the division's highly capital-intensive plant attains its most profitable levels when running flat out.

I suspect that this is not the case at present, but nevertheless the preliminary statement points out that the current higher sales levels are expected to continue from both home and overseas customers, which seems to me to promise well for still fuller capacity working in the current year.

Normal

Meanwhile, the near-R6-million electrical porcelain factory only became fully operational in February, and could thus have made little or no contribution to profits, having only broken even by the end of the company's financial year.

In any case, Escom, the Post Office, Railways and local authorities all cut back on their infrastructural development during the year, and it is these bodies which are the factory's normal and main source of demand.

More recently, however, and this I have

firming from other electrical industry sources, there are signs that the postponement of electricity supply and electrification projects is coming to an end.

Like refractory plants, the new factory needs maximum loading for profitability, and I'd be surprised if the group did not engage in an export drive in this sphere of its operations too, while developing the potential of the plant to provide import replacements.

And, as the economy picks up and electricity demand resumes its growth along the lines envisaged by Escom, Cullinan's insulator factory must prosper.

Apart from the Vitro investment, the group's preliminary statement makes no reference to its other interests in the building materials industry. It's doubtful, in fact, whether these made much contribution, if any, to profits, in view of the rather sad state of the industry over the year.

As with insulators and the economy, however, there are signs of a demand pick-up which should lead to an easing of the cut-throat competition in, for example, brickmaking, where Cullinan has specialist products which inevitably suffered from the decline.

No mention is made, either, of the group's mining or property interests, which

between them contributed less than nine per cent of the 1976-77 operating profits.

The former last year brought on stream its R2-million plus andalusite mine/beneficiation operation near Lydenburg, but I understand that it was beset with technical problems at the beneficiation end, coupled with adverse weather which hindered mining and other operations.

The result was a sizeable loss. And, as is already known, demand for andalusite was adversely affected by the slump in the European and British steel industries, so that the group's export potential was adversely affected.

Benefit

As for Cullinan's small property division, prospects seem to be brightening. It is intended, I believe, to open up the Clayville Extension at Ollifantstroom as an industrial/commercial township once proclamation is through early next year.

It's a move which should benefit from the undoubted revival in demand for industrial/commercial sites which property companies have been indicating for some time now.

All in all, it's hardly surprising that the group expects profits for 1978-79 to beat those just announced.

But before shareholders — existing or prospective — begin looking for a dividend bonanza next August, they should look at the size of the group's interest bill and its implications for liquidity.

Last year capital outlays were some R4.7-million which, I believe, has left the gearing at an unchanged 74 per cent, though earlier the figure was higher, falling thanks to this year's strong cash flow.

A year ago, in its financial review, Cullinan suggested that capital expenditure for 1979 and 1980 would be "mainly of a replacement nature and should amount to less than the replacement depreciation charges".

I understand, however, that capital outlays this year are estimated at R5.5-million, which will nevertheless leave gearing within the planned objective of 75 per cent laid down in last year's accounts, thanks to the envisaged pick-up in demand for all Cullinan's manufactured products and the consequent improved cash flow.

The accounts, incidentally, will show that the group fell behind in its aim of getting a 15 per cent return on capital employed, though this is hardly surprising in view of the short life of the insulator factory and the setback at the andalusite mine and plant.

Problem

The capital spending, it seems, is likely to be concentrated on topping up the mining investment at Lydenburg and the refractories division, as well as replacing various equipment "neglected" in the past year in order to conserve funds for the main insulator plant and mining objectives.

But though finance is not a basic problem for the group — it has powerful friends like the Old Mutual and the Industrial Development Corporation — I'd expect such an outlay level to curb the group's dividend-paying power to some extent.

Nevertheless, the shares, yielding 7.4 per cent at 190c and including the 8.5c final, remain a first-class long-term investment for capital and income growth.

Platinum strategy

TO CORRECT any wrong impression that may have been given, I'd like to point out that nowhere in the recent McKie Brothers, Van Velden circular did the writer, Julius van Velden, suggest that South Africa's platinum producers should form a cartel to produce and market the metal.

Mr Van Velden's principal concern was to show that recent events in the world's platinum markets had made it clear that the country's producers "need not continue to dance to the tune called by consumers", and that "the necessary financial strength can be marshalled (for them) to produce at whatever they regard as their optimum rate, and to regulate the supply to the market."

At the same time, Mr Van Velden strongly indicated his belief that the price of platinum should be \$300 or more.

STAR 28/1/78 (55)

Oil sanctions busting recoils on Callaghan

The Star Bureau

LONDON — A political storm is brewing in Britain over alleged sanctions busting for Rhodesia by British Petroleum and Shell.

The British Labour Government itself is involved because it is a major shareholder in BP and is represented on the board.

The Government's role is all the more serious because of the millions of pounds spent on maintaining the Royal Navy's blockade of Beira to prevent oil reaching Rhodesia.

EVIDENCE

And the issue is complicated for the government not only by the vehemence which Rhodesia arouses within the Labour Party, but by the likely election timetable.

Evidence of oil sanctions busting is said to be contained in a 600-page report by Mr Thomas Bingham QC. This is now being studied by the

Foreign Secretary Dr David Owen.

The Times today and the London Sunday Times yesterday both claim that BP has admitted that its subsidiary company in South Africa defied oil sanctions.

Mr John Ryman, a Labour MP, has urged Dr Owen to refer the report to the Attorney-General Mr Sam Silkin.

The MP asked Dr Owen to instruct the Director of Public Prosecutions to consider and advise whether the available evidence disclosed by the report was sufficiently strong to bring prosecutions under the sanctions legislation.

PUBLIC MONEY

Mr Roland "Tiny" Rowland, chief executive of Lonrho, commented last night on the "conspicuous waste of public money" involved in using the Royal Navy to prevent oil from reaching Rhodesia via Beira.

According to the Lon-

don Sunday Times 76 ships, 28 auxiliaries and 24 000 men were deployed to stop tankers and sustain oil sanctions.

On allegations that there had been a swop arrangement under which a subsidiary of the French oil company Total supplied Rhodesia on behalf of Shell and BP, Lord Greenhill of Harrow, a former head of the Foreign Office (1969 to 1973) and government representative on the BP board, said: "I think the Foreign Office knew of swop arrangements, but that conversations were between Shell and BP and George Thomson."

Lord Thomson, as Mr George Thomson has since become, was at that time Labour's Commonwealth Secretary.

Britain's Prime Minister Mr James Callaghan is reported to have problems because he personally assured the Zambian President, Dr Kenneth Kaunda, that sanctions breakers would be brought to book.

British citizens or companies trading with Rhodesia are liable to up to two years' imprisonment or an unlimited fine.

Oil chiefs may face charges

Star 29/8/78

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The Star Bureau

LONDON — Prosecution of British oil company executives for allegedly breaking sanctions by supplying Rhodesia since UDI is being considered by the British government.

An announcement is expected to be made by the Foreign Secretary, Dr David Owen, who set up a sanctions-busting inquiry under Mr Thomas Bingham QC, 18 months ago.

Dr Owen will probably consult Britain's Attorney-General, Mr Sam Silkin, today on the legal procedures to be followed.

The announcement could be made at the end of the week, but early next week seems more probable.

The government intends to publish the report submitted to Dr Owen by Mr Bingham, but this could be delayed by legal considerations.

Members of both the first Wilson government and the Heath government allegedly had knowledge of the sanctions evasion, although Mr James Callaghan, as Foreign Secre-

tary, gave assurances starting in 1974 that British companies were not involved.

British Petroleum said "The question of whether the report is published is one for the government. It would be quite wrong for the company to comment on its work or on the matters within its terms of reference, notwithstanding the allegations made in the press and on television."

A special correspondent,

writing in The Times today, said: "When BP's London leadership became aware of the situation in 1976 and sought to do something about it, they encountered stiff resistance at the South African end . . ."

Lord Home of the Hirsel, the former Conservative Prime Minister and later Foreign Secretary in Mr Heath's government, says reports of sanctions-busting were a complete surprise to him.

Stricter fuel curb warning

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17/8/78

PRETORIA — The country's R1 100 million-plus fuel bill is rising and the Government will take corrective action if consumption continues at its present high level, according to Government sources in Pretoria.

This action will include a ruthless application of the sweeping powers given the Minister of Economic Affairs, Mr Chris Heunis.

Contravention of the fuel regulations, including

speeding, can be punished by fines up to R2 000 or two years imprisonment, or both, and confiscation of the vehicle involved.

With a steady increase in the number of vehicles using South African roads and the likelihood of an increase in crude oil prices from the beginning of next year, the Government is known to be determined to discipline motorists, even if this should mean a reduction in garage trading hours.
— DDC.

CAPE TOWN. — Solar energy should be meeting 6% of South Africa's total energy needs by the year 2000 if current trends continued, Mr W N Cawood of the Council for Scientific and Industrial Research said in Cape Town yesterday.

He told a three-day conference on solar energy that the energy source provided a partial solution to South Africa's spiralling energy demands, dwindling non-renewable energy resources and huge capital requirements.

Mr Cawood estimated that by using present-day technology it should be possible to cut domestic

Expert forecasts bright future for solar energy

electricity supply requirements by 40% by using solar energy.

The total "collector area" of solar energy equipment manufactured in South Africa increased from 3 118 sq m in 1975 to 9 765 sq m in 1977, and the manufac-

ture of 16 060 sq m was projected for 1978, he said.

Mr Cawood said if increased emphasis was placed on the use of solar energy it could be contributing 15% of South Africa's total energy needs by the year 2000. — Sapa.

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19/9/78
R.D.M.

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Examples are heavy duty driving, time-keeping, supervising and clerical work.

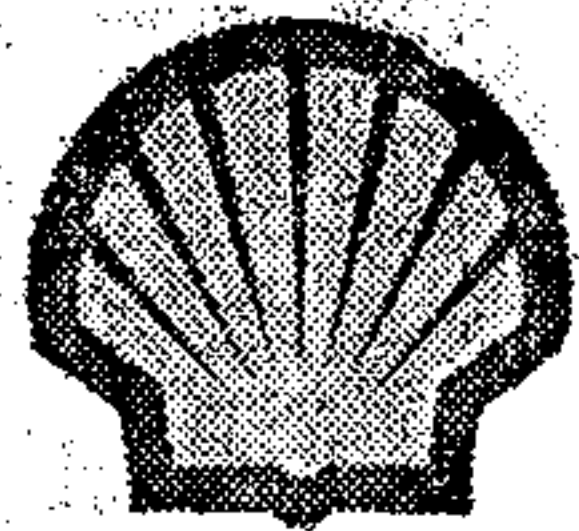
Unfortunately some job descriptions did not fall easily into our system of categories, mainly due to lack of information. For example, a man who reported that he was an artisan's assistant could have been doing either unskilled or operative work; and a man who reported only that he was a labourer without describing the type of work, could have been classified in either of the two categories at the unskilled level.

The four job categories described above are thus:

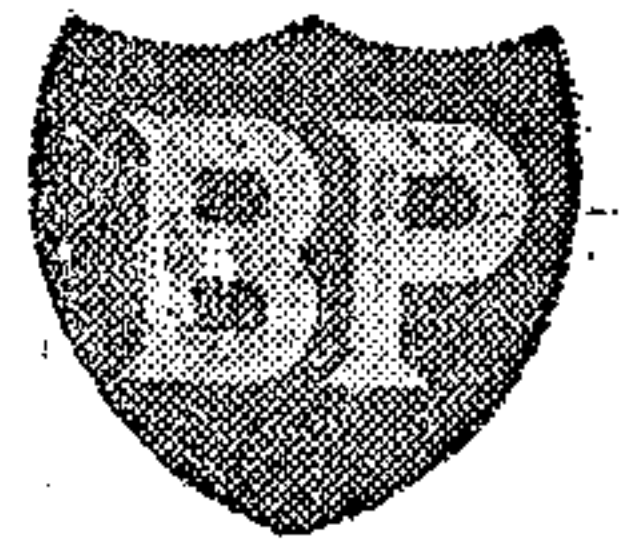
- Unskilled, menial
- Unskilled, heavy
- Lower operative
- Higher operative.

Table 5 shows job category cross tabulated with legal status.¹² This table indicates a strong association between legal status and job category.

12. See Appendix 1 for an explanation of the statistical test employed in cross tabulations (contingency tables).



British oil company boss told
not to probe sanctions busting . . .



SNITCHER'S SECRETS

WARNING TO SHELL

QUOTE

Should you decide not to act in accordance with my advice, I should point out that I have advised Shell Southern Africa that it would not be legally entitled or obliged to respond to any inquiries as it and its officers would be exposed to the severe penal provisions of the Official Secrets Act.

Harry Snitcher, QC

LONDON: The Bingham report on oil-sanctions busting by British oil companies has highlighted the delicate relationship between the companies and their South African subsidiaries.

One of the report's main findings is that the British companies, Shell and BP, knew that their subsidiaries were helping to maintain Rhodesia's oil supplies in the years since UDI.

Leak

The sanctions busting was either done through a system of "swap" arrangements negotiated with the French group, Total, in South Africa, or through direct operations.

The direct leaks were plugged last year after Shell and BP got assurances from the South African authorities that no products supplied would be exported to Rhodesia.

But this assurance was only given after the publication of the United Church of Christ report in June, 1976, revealing oil-sanctions busting, and international pressure led Shell and BP to review their relations with their South African subsidiaries.

Mr Bingham says that in the case of Shell this pressure is said to have been strongly urged from London, even by the chairman.

Mr Bingham notes that in April, 1977, Mr C. C. Pocock as chairman of Shell transport and trading, visited South Africa. Waiting for him was a letter, signed by Mr Harry Snitcher, QC, counsel to Shell Southern Africa (Pty) Ltd.

Mr Bingham says it reflects the unusual relations existing between the company and the Shell head office.

The letter, submitted by the oil company, advised Mr Pocock of the pro-

By RORY LYNISKY

visions of the South African Official Secrets Act No 16 of 1956 and warned him against seeking to elicit information relating to oil supplies to Rhodesia.

Letter

Mr Snitcher concluded: "Should you nevertheless decide not to act in accordance with my advice as herein set out, I should point out that I have advised Shell Southern Africa (Pty) Ltd that it would not be legally entitled or obliged to respond to any inquiries as it and its officers would likewise be exposed to the severe penal provisions of the Official Secrets Act."

Mr Snitcher's warning and advice were fortified by a letter dated May 4, 1977, from the Secretary for Commerce, Mr Joep Steyn, to Mr K. L. G.

Geeling, chairman of Shell Oil South Africa.

In August last year the group requested more assurances from Shell Oil South Africa.

"It was made clear by the London visitors that unless satisfactory assurances were given, the question of continued supplies to South Africa would have to be reviewed in London," Mr Bingham says.

After consultations between Mr Geeling and the South African Government an assurance was given in September.

On BP Mr Bingham says the company received an assurance from its South African subsidiary after a visit by a BP team.

Secrecy

Mr Bingham says that if, however, the South African Government showed some willingness to relax its earlier attitude to conditional selling, it showed itself unwilling to

relax its attitude to secrecy.

The report fails to pinpoint the source of crude oil from which supplies of refined products are now being sold to Rhodesia — despite a conclusion that Shell-BP has probably ceased to sell oil.

Trucks

The report lists other possibilities:

- Natref, a refinery south west of Johannesburg, could be drawing on the large South African reserve stocks

- Small supplies could be coming from the Sasol coal-to-oil plant

It repeats a suggestion that much of the oil is being sent across the border from the Messina oil depot by the oil companies — Shell, BP, Mobil, Caltex, and Total — in unmarked trucks.

"We have been unable to verify the detail of this account," says the report. "It does, however, seem to us unlikely."



HARRY SNITCHER —
A warning not to investigate

Outback problems

FM 29/9/78

55

"We had things lined up ready to roll", ruefully commented a man from the Peko-Wallsend-EZ Industries consortium as he contemplated the wreckage of plans for an early start to construction at the Ranger uranium mine in Northern Territory, Australia.

Ranger remains the spearhead of the Australian assault on the international uranium markets in the Eighties, but the thrust has been blunted by disputes among aboriginals from the region east of Darwin which makes up the world's richest uranium province. For the companies, the whole business was infuriating, for government it was frustrating, but for the disparate elements of the Australian uranium lobby, the delay was a small triumph at the end of a campaign which had seemed to be running out of steam.

Climate is the key to the technical delay. The wet season starts in a few weeks time and once the rains come, the contractors cannot move in. Work then cannot start until the middle of next year, putting back the time the uranium comes on stream from 1981 to 1982. But the shifting politics of the newly powerful aboriginals are the key to Ranger's immediate problems.

The Australian government had made it clear that there would be no Northern Territory uranium mining without aboriginal approval, to be enshrined in written agreements between the companies and the Northern Land Council (NLC), a body set up to represent the aboriginals. The matter was covered in the web of legislation passed by parliament in Canberra earlier this year — legislation to govern the conditions of working for the whole Australian uranium industry.

By last month, everything seemed to be fitting into place. It had taken since the beginning of the year, but government (its Atomic Energy Commission is putting up most of the funds for Ranger) had worked out a draft agreement with the NLC. It is worth about A\$10m to the aboriginals through a 4.25% royalty on sales. It covers the environmental provisions governing mine construction and operation.

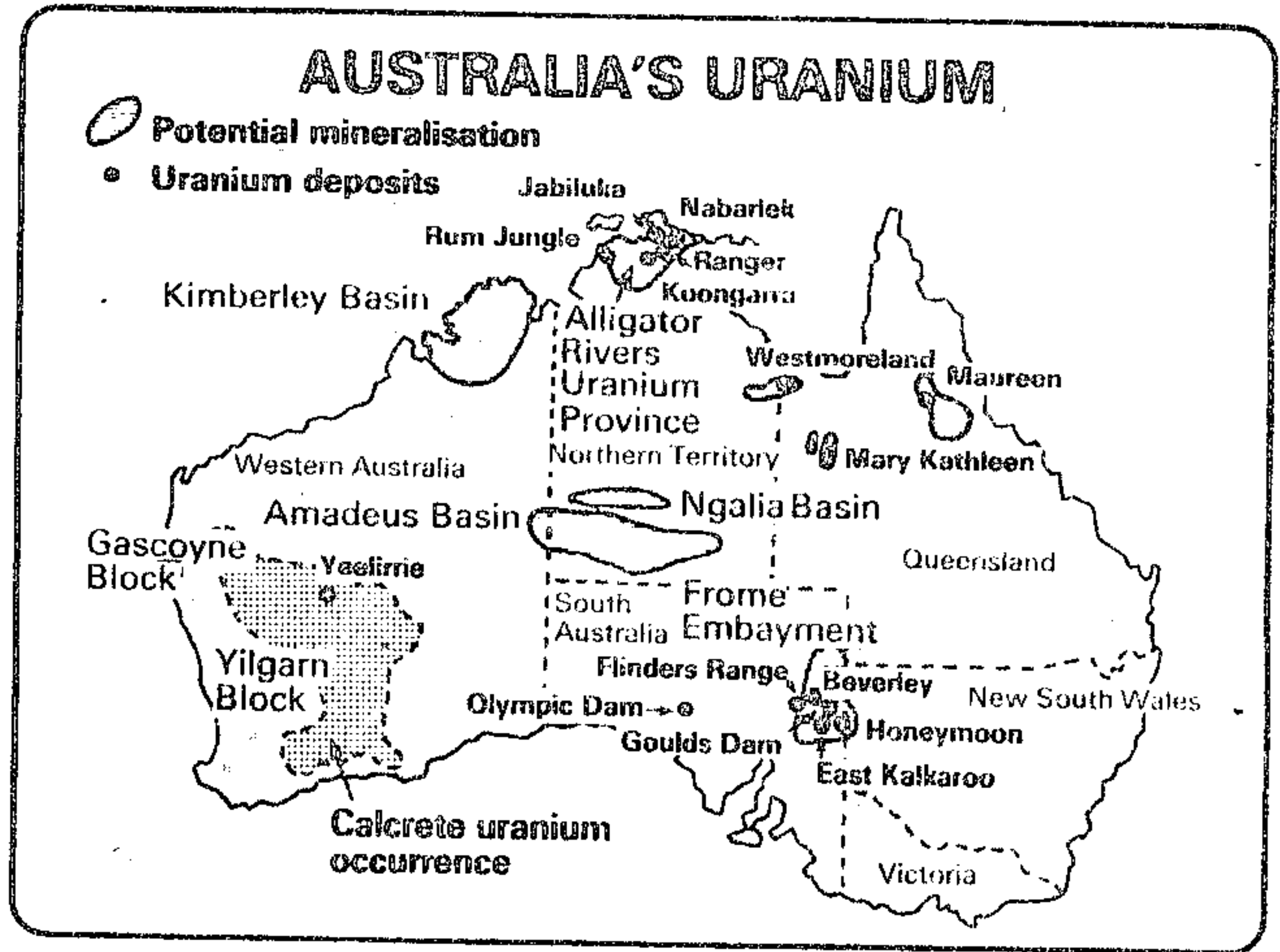
It seemed like the end of a very long road, stretching back to 1972 when the then Labour government had initiated a searching enquiry into the whole uranium question, centred on Ranger. The only thing left to do was for the aboriginals to ratify the agreement.

That was where the whole carefully constructed edifice began to crack

around the top floor. NLC chairman Galarrwuy Yunupingu became the hapless victim of conflicting pressures. Some aboriginals did not like the agreement and claimed they had not been properly consulted.

with government about who should pay the royalty anyway.

From a distance the squabbling looks like just another episode in the rancorous debate which has been taking place in Australia for the whole decade. But there



He temporised, threatening not to recommend ratification. Government brought its forces to bear. Yunupingu changed his mind. Then dissident aboriginals took to the courts and Yunupingu promised more consultations. They will take weeks, and until they are finished, there will be no NLC signature on the agreement. So Peko EZ must just sit and wait, with ample time to pursue a row

are more serious implications. The Ranger agreement is widely seen as setting a pattern for other operations in the region, most notably Pancontinental Getty's Jabiluka deposit, the biggest in the world and already a source of concern to aboriginals because of its proximity to sacred ground.

The aboriginals, an oppressed minority for over a century, have shown that they

	Current	Week ago	Month ago	Year ago
RDM 100	266.0	271.0	262.4	199.4
% change on.....		-1.8	1.4	33.4
P/E ratio.....	5.0	5.0	5.0	3.9
Div yield.....	7.8	7.8	8.2	10.5
UK FT Ind	514.2	525.2	505.8	522.0
% change on.....		-2.1	1.7	-1.5
P/E ratio.....	9.0	9.1	8.4	9.5
Div yield.....	5.2	5.1	5.3	5.1
US Dow Jones	868.2	861.6	880.2	835.9
% change on.....		0.8	-1.4	3.9
P/E ratio*.....	9.5	9.5	9.9	9.4
Div yield*.....	4.8	4.8	4.8	4.7
Gold price (in US \$ on London)	217.3	212.9	204.3	152.6
% change on.....		2.1	6.4	42.4
Krugerrand (Rand)				
Public selling price.....	218.7	211.3	199.6	152.7
% change on.....		3.5	9.6	43.2

* Standard & Poor index.
Public buying price is 10% below, subject to negotiation.

now how to pull the levers of power given the opportunity. Pancontinental's plan for a construction start next year could be too optimistic. Every delay puts back the date when government can expect to reap the benefits of increased export revenues to help pay off the debts incurred in borrowing Australia out of the international recession.

The most immediate obvious impact has been on the stock market, where uranium shares have been cut out of the room in Australian mining issues. In the longer perspective, delays of a few months will probably not matter much. In present calculations there is enough uranium to satisfy the international nuclear industry until the mid-Eighties, by which time the present events in Australia will seem like a bad dream. The Australian product even now should be available in quantity by 1985, topping A output, and reaching some 20 000 t by 1987 instead of 1986.

Of that total, Ranger should be producing 6 000 t a year, Jabiluka 9 000 t and Yeelirrie 2 500 t.

Yeelirrie in Western Australia is at this moment the most advanced uranium project outside the Northern Territory, and hence free of Ranger's political problems. The owner, Western Mining Corporation, has recently reached an elegant agreement with Exxon and Urangschicht leaving it with a 75% stake while the two new partners provide the development costs of A\$320m and a secure market.

Western Mining is busy gaining environmental approvals for Yeelirrie while going ahead with the construction of a pilot plant to test methods of handling the complicated calcrete ore. Its progress will be watched with interest because if it can handle the technical problems, its experience could be useful in developing calcrete deposits in Somalia and SWA.

PETROL PRICE RISE HELPS

TOTAL

NM 5/10/78
55
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Deputy Financial
Editor

PETROL price increases during 1977 enabled Total South Africa to cash in a "large inventory surplus" and provide a substantial share of group profits for the year.

The company had sales of R247 million in 1977 — up from R233 million in 1976 — and declared profits of R9,364 million (R9,45 million in 1976).

The company says that sales volume fell by 1,1 per cent in 1977 but because the total market fell by 1,5 per cent the company's market share improved to 12,8 per cent by the end of the year.

It reported that a further 19 retail outlets were opened during the year.

What a gas FM 6/10/78

Seven months after government partially lifted the weekend ban on petrol sales, refinery operators say there has been a general improvement in the petrol market, to the extent that it is no longer necessary to export surplus production.

Consumption of petrol may not be showing a negative growth rate as it did earlier this year, but it continues to lag behind diesel. The installation of secondary processing plants by the three coastal refinery operators has eased the situation to the extent that it is now pos-

44

sible to cut deeper into the heavier end of the crude barrel to extract additional volumes of middle distillates such as diesel.

But there are physical limits to how much demand pattern changes can be accommodated in this manner. If demand for a given end of the barrel outstrips another in excess of refinery tolerances then the shortfall has to be made up either by an increased crude oil diet or by importing the product that runs into short supply.

In a true free market situation, such as

(2) exists in most European countries and in the US, such imbalances are reflected in the spot prices quoted by the major refinery operators and could even lead to short-run price wars at the pump.

In a controlled market, as in SA, surpluses have to be exported at rock bottom prices because of severe production overcapacity in most parts of the world, especially Europe, where plant utilisation is said to be no more than 70% on average.

It is probable that, after increasing capacity and installing secondary pro-

(3)

cessing plant at a cost in excess of R160m, coastal refinery operators may also have a measure of surplus capacity and parcels of petrol will continue to be exported, although at less frequent intervals than during the early part of 1978.

Government's concern about the continuing imbalance between petrol and diesel consumption is reflected in recent warnings by Economic Affairs Minister Heunis against the switch to diesel cars.

There is not much Heunis can do except caution because it would be difficult to subject diesel sales to the same sort of restrictions as petrol in view of the former's wide application in industrial production, agriculture and transport.

Exports of S.A. coal to double

Financial Editor

THE Richards Bay Coal Terminal Co. (Pty) Ltd. plans to double its annual export capacity during the next 10 years at a cost of about R100 million.

This expansion will make it necessary to extend rail and harbour facilities at Richards Bay at a cost of almost R400 million.

This development programme at Natal's new port follows a Government decision to allow 40 million tons of coal a year to be exported through Richards Bay by 1986.

The original plan was to export 12 million tons a year. However a construction programme has just been completed which will allow 20 million tons a year to be shipped.

Mr. M. B. Dunn, managing director of Richards Bay Coal Terminal, says that exports for 1978/79 will be 14 million tons and for 1979/80 20 million tons.

"Expansion to a 40 million-tons-a-year capacity will be done in two phases.

"Known as phase three of the original programme, the first part of this expansion will enable the terminal to handle 30 million tons a year by 1983. The fourth phase will be completed by 1986 to give the terminal an annual export capacity of 40 million tons."

The export of 20 million tons of coal in 1979/80 was expected to earn South Africa about R400 million in foreign exchange.

Meanwhile it has been estimated that 30 trains a day will have to travel to Richards Bay from the Transvaal coal fields by 1986.

South African Railways is replacing diesel locomotives with more powerful electrical units and it is hoped to double the length of trains from 80 trucks to 160.

NM 6/10/78

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SA petrol prices reasonable 55 AA

JOHANNESBURG — The automobile Association said yesterday the retail price of premium-petrol in South Africa compared favourably with the price in the majority of other countries.

A comparative table of retail prices as at July 31, 1977, produced by International Petroleum Annual — a publication issued by the United States Department of Energy — shows that in the 56 countries covered by the survey, the South African price is exceeded in 32 countries, in some instances by as much as 66 per cent and in one case (Italy) by as much as 72 per cent.

On the other hand, in countries such as Australia, Canada, the US and Turkey, the retail price was on average 42 per cent lower than the

South African price.

In a few Middle East countries the price level was about one third or less of the South African price.

It was evident, said the AA, that the price of petrol had increased considerably in most countries since the fuel crisis five years ago. There was also evidence the price might increase still further in the years ahead as the demand for crude oil increased.

The need to find alternative sources of energy, especially liquid fuel, to keep the costs of motor transport at a reasonably economic level and to curb the inflationary effect flowing from high fuel costs, had therefore become a matter of considerable urgency in most parts of the world, including South Africa, the AA said. — DDC.

CONFERENCE ON THE ECONOMICS OF HEALTH CARE IN SOUTHERN AFRICA
EDUCATION BLOCK U.C.T. SEPTEMBER 25 TO 29

8.30 - 10.30

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	PLENARY SESSION (3 papers)	PLENARY SESSION (small groups report back)	PLENARY SESSION (3 papers)	PLENARY SESSION (small groups report back)

6.30 - 8.00

8.00 - 10.00

DRINKS AND BUFFET SUPPER	DRINKS AND DINNER	(RHODES FRUIT FARMS) for WINE PRESENTATION and BRAAI		FREE EVENING
OPENING PLENARY SESSION INTRODUCTION AND FILM	OPEN PLENARY SESSION Beattie Theatre (outside visitors)	DAY HOSPITALS then to Boschendal		SMALL GROUPS List key issues
		VISIT to LUNCH		PLENARY SESSION (Large groups report back)
		LARGE GROUPS		TEA
		TEA		TEA
		LUNCH		PLENARY SESSION overview discussion CLOSURE
		LUNCH		LUNCH

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UPS
(rs)

Search for oil continues off west coast

Star 13/10/28

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South Africa's search for oil will in future be limited to the sea bed and, from the beginning of next year, will be concentrated on the west coast. This was announced today by the liaison officer of Soekor, Mr. M Leibbrandt.

Mr Leibbrandt was approached following an address last night by Soekor's financial manager and secretary, Mr W van Zyl, to the Afrikaanse Sakekamer in Port Elizabeth.

Mr van Zyl said R115-million had already been spent on the oil search and that Soekor had come to the conclusion that there were no economically exploitable oil sources on land in South Africa.

He announced the arrival of another offshore oil rig, the Sedco 708 at the beginning of next year to drill off the west coast.

Mr Leibbrandt was giving the background to this decision.

He said that the offshore oil rig Sedco K, drilling near Mossel Bay, was contracted to drill off the South African coast until about four months after the arrival of the Sedco 708.

DEEPER WATER

The arrival of the Sedco 708 — also under contract from the South Eastern Drilling Company, USA — would not only mark a shift in concentration from the Agulhas Bank in the area between Port Elizabeth and Mossel Bay, but also a shift to deeper waters.

Whereas the Sedco K could operate in water up to about 250 m deep, her successor was under con-

tract to operate in depths of up to 500 m.

He said the Sedco 708 would drill off the South African coast for the whole of next year and possibly even longer.

Soekor had been drilling for oil on land in South Africa since 1965, and in 1969 the search was expanded to the seabed.

The company had last year announced for the first time that collected geological and geophysical data disclosed that there was no exploitable oil on land.

The last land hole would soon be sunk at Paterson.

Uranium

Sun. Times 12/10/78

lawsuits

55

resolved

for \$112-m

BY IRENE SAUNDERS

PITTSBURGH. — Westinghouse Electric Corporation this week announced a major victory in its drive to settle out of court the 17 uranium-supply lawsuits filed against it by utilities.

Westinghouse's latest agreement is with South Texas Project a group of Texas utilities, and concerns approximately 11.3-million pounds of uranium.

Westinghouse put a pre-tax price-tag of \$112-million on the accord, which includes "the current and future obligations involved in the settlement."

The Houston-based utility group placed the estimate considerably higher. George Oprea Jr., the project manager and vice-president of Houston Lighting and Power Co., said the "benefits in uranium and other goods and services resulting from the settlement are valued in excess of \$350-million."

Three other suits have been settled out of court by Westinghouse, representing an aggregate of just five percent of the total claims against the company.

Under the agreement, the utilities involved will receive from Westinghouse \$1-million in cash within 30 days. There is a provision that might award STP the amount of uranium specified in the cancelled contract, but at a higher price.

Westinghouse will give six-million pounds of uranium from the production of a Wyoming subsidiary, and STP will pay "the total cost of production." Westinghouse will sell one-million pounds of uranium to STP at a discount.

Westinghouse said that STP also has the opportunity, under certain circumstances, to obtain on a favourable basis, as much as 4.5-million additional pounds of uranium which may be produced, by the subsidiary.

Westinghouse will perform fuel fabrication functions for STP at no cost for a specified period, and for an additional period at a discount. Westinghouse also will provide "certain equipment and services" at discounted prices.

18/10/78
**Fuel price
rise looms** (55)

By GERALD REILLY ~~244~~
Pretoria Bureau

A FUEL price rise at the beginning of next year is virtually certain, according to Government sources.

The 13-member Organisation of Petroleum Exporting Countries (Opec) meets in December to determine the crude oil price increase — expected to be between 5 and 10% — which would become effective from January 1.

The last price hike of 5% was imposed in 1977.

Pretoria sources said the Opec countries were under pressure from the West to exercise restraint, but Iraq had wanted the price to be doubled.

South African Coal, Oil and Gas Corporation Limited

Chairman's review to be submitted by Mr D P de Villiers at the twenty-eighth Annual General Meeting of the Corporation on 23 October 1978.

"The past year was a good one: productive, profitable and exciting."

to be submitted by Mr D P de Villiers at the twenty-eighth Annual General Meeting of the Corporation on 23 October 1978

For Sasol the past year was a good one: productive, profitable and exciting. Before dealing with achievements in productivity which have largely contributed to increased profitability and the exciting and challenging developments at Secunda, I intend making some general remarks on the energy situation.

In the international arena, energy is still very much a central issue but the scene is one of growing disillusionment.

On the oil producing side, many of the less developed countries have found that the absence of an adequate infrastructure and reserve trained manpower, resulted in wasteful development expenditure. They have been forced to accept that the development process cannot be significantly accelerated simply by pumping ever more funds into the economy.

On the consuming side there is a good deal of disappointment at the lack of progress towards greater independence from imported oil. This applies to the majority of the industrialised countries and in particular to major consuming countries such as the United States.

Against this background, we can be encouraged with what has been accomplished in South Africa since the oil crisis of 1973. I say this despite persistent criticism from a small but vociferous source that South Africa has no energy policy, as if it were possible for any country in these times of rapid change in the energy field to adopt a definitive energy policy. We are of course in the fortunate position of having to rely on oil for only about 25% of the country's energy requirements. Positive steps have nevertheless been taken both to reduce the demand for petroleum products and to increase the indigenous supply of liquid fuels by means of Sasol II. Furthermore, energy planning in South Africa under the direction of a standing Cabinet Committee and the Energy Policy Committee with its secretariat, has not been neglected.

Other measures taken to safeguard our energy position include: The preparation of legislation in consultation with the mining industry, to improve the utilisation of our coal reserves.

A realistic programme for the export of coal. The programme balances the need to conserve coal reserves and to earn foreign exchange. Furthermore, it takes into account the desirability of conducting two-way international trade in energy and most importantly has improved the investment climate for the coal industry in South Africa. Larger capital investment leads inter alia to discovery of new coal reserves and increased extraction percentages.

The substitution of fuel oils by coal gas as a source of energy for industries in the country's main industrial area. This is being done through the systematic expansion of the Gascor supply area.

Monitoring by the authorities of South Africa's consumption pattern of petroleum products and the extent to which the refineries cannot be accommodated by the refineries. This applies particularly to the growth in diesel consumption at the

and the prices of petroleum products. The fact that international prices of petroleum have not risen quite as fast as the cost of plant and equipment has reduced Sasol II's calculated initial return on investment, but not to a serious extent.

Returning to the excellent financial performance during the past year, I repeat that it reflects to a large extent the dedication of the entire Sasol organisation to constantly improve productivity and profitability of all activities. I cite a few examples of what has been achieved recently:

- During the last six years, final products produced and sold by the group, expressed in tons per employee increased by 32%.
- During the last three years the value of production increased by 89%, our total manpower by only 8%, while physical production in tons per employee increased by 14%.
- Total manpower in the production department at Sasolburg was reduced by 8,6% during the past year, the target being a total reduction of 13,9% by 1979. In the plant laboratory a reduction of 7,3% has already been effected, the target being 23,2%.
- The marketing of liquid fuels and pipeline gas was recently combined in one organisation. As a result group sales in tons per marketing employee increased by 13,7% during the year.
- The throughput capability of plant and equipment at Sasolburg has been continuously improved. The gasifiers installed at Sasolburg in 1954 are currently producing at a rate of more than 160% of their original design capacity.

Much of the improved performance of individual plants at Sasolburg has been achieved through investments in modifications and minor additions to the units, based on plant experience and laboratory studies. These investments, without exception, were financed from retained cash flow after dividends had been paid. In the last five years, R41 million was invested in such plant modifications. In addition, a total of R113 million was applied from internal cash flow to new projects such as the gas expansion scheme.

This could be achieved because Sasol was originally established as an ordinary company under the Companies Act, giving us the same opportunity for the internal formation of capital and for raising external loans open to any company in the private sector. This enabled Sasol to provide for its periodic capital needs without any State assistance, except for large projects undertaken at Government request, such as Sasol II.

Financial

The group profit before tax of R114,7 million, compares with R78,9 million in the previous financial year, while after tax profit improved from R53,7 million to R73,3 million. You will notice from the accounts that tax has again been reduced by investment allowances on new plant units commissioned during the year in Sasolburg. A provision of R100 million has been set aside for the ordinary dividend of R100 million. The total dividend of R100 million has been declared. The sales turnover of group products was R999 million.

testing under our agreement with the Kominic Consortium, to which I referred last year, has been successfully concluded. The purpose of these tests was to develop further the Sasol Solvent Refined Coal (SRC) process for upgrading Australian brown coal to a solid product.

Interest in this SRC product stems from the fact that it can be substituted for high grade coking coals used in the Japanese steel industry. The construction of a demonstration plant in Australia is now under consideration by Kominic.

Sasol's expertise in coal beneficiation continues to be in demand in many countries of the world, and consulting services are being provided to numerous companies with an interest in coal gasification and liquefaction. During the year the gasification test on Texas lignite was successfully conducted at our Sasolburg Works.

Sasol II project

The projected cost of the Sasol II factory and mine remains at R2 458 million. As stated from the beginning, this amount excludes the cost of the township and housing, working capital and interest during construction. General Sales Tax is also excluded.

The approved financing programme provides for three consecutive annual Parliamentary appropriations of R100 million each, earmarked as additional equity share capital. In March 1978 the first R100 million was voted by Parliament. Of this amount R50 million was received by Sasol before the end of the financial year and the balance of R50 million subsequently. The Industrial Development Corporation has issued additional shares to the State for the full R100 million and concomitantly increased its shareholding in Sasol by the same amount.

Overall progress at Secunda is essentially according to plan. As mentioned earlier, construction activity has now reached its peak. Equipment deliveries to the site have progressed very satisfactorily except for the performance of a number of manufacturers of pressure vessels and pumps. Steps are being taken to ensure that such delays as have occurred in the deliveries of equipment and materials, will not affect the project completion date.

Sasol has followed a deliberate policy of giving preference to South African manufacturers wherever it was technically and economically justified and we now expect that 60% of the total expenditure on the factory and mine will be incurred in South Africa compared with the earlier target of 57%. Three percentage points might appear to be small, but expressed in money it amounts to R74 million.

The Sasol II project has been a boon to a large sector of the local engineering industry, whose workshops would otherwise have been running at very low capacity due to the economic recession. In fact certain manufacturers may have over-extended themselves by accepting orders beyond their output capabilities, resulting in some delays in deliveries.

Construction at Secunda has reached an advanced stage. It is expected that such a mammoth project taking shape. One of the directed effort of many years is being turned into reality.

... of which serious warnings have sounded by the Minister of Economic Affairs.

- An extensive programme for the strategic stockpiling of petroleum.
- Continued research and development work by Sasol on coal gasification and liquefaction, which has enabled us to maintain for South Africa a leading position in this field.
- The formation of a National Committee for Energy Research by the CSIR.
- The development and commercialisation by Ucor of a new process for the enrichment of uranium.
- The erection by Escom of South Africa's first nuclear power plant at Koeberg.

Continued and determined efforts by Soekor to prospect for oil and natural gas in the Republic.

The decision to build a second oil-from-coal plant will in the short term have by far the greatest impact towards reducing the country's dependence on imported oil.

During the year under review, excellent progress was made with the Sasol II project, and construction activity on the site has now reached its peak. To bring forward somewhat the originally planned completion of the latter phases of the project, the total manpower on construction has been increased to just over 20 000. Because not enough trained personnel is available in the country, extensive training programmes have had to be instituted. Currently 650 workers, white, black and coloured, are being trained in various categories of welding, pipe fitting and pipe installation. More than 3 000 have already completed their training. The training and experience acquired by these workers will be invaluable to the country since they will be available nationwide on completion of their jobs at Secunda.

In preparing for the start-up of the factory complex at Secunda, recruiting and training of production and maintenance personnel have proceeded in earnest. The very large numbers involved and the specialised nature of many of the tasks, make it a programme of real magnitude. We are fortunate that on-the-job training will be possible in an environment of an operating plant at Sasolburg. This is particularly important for operators and laboratory personnel.

During the year, approximately 200 employees and their families moved house from Sasolburg to Secunda. These are valued and experienced people selected for key management and supervisory positions. The obvious problems of uprooting and leaving a well established community for a construction site, quickly made way for excitement and enthusiasm at the opportunity of participating in this pioneering venture.

At Sasolburg these large scale transfers to Secunda created many opportunities for promotion. At the same time the organisational structure was improved. The new structure eliminated some levels of supervision and it was possible to set reduced manpower levels in production, maintenance and services. This challenge of increasing the productivity of our Sasolburg operations is being fully grasped by all concerned.

There is no better evidence of the success of Sasol's traditional drive towards higher productivity than the latest financial results of the company.

Group turnover of R832,9 million in 1977/78 was the highest in the company's history, up R140,1 million from last year's R692,8 million. Before tax for the year was R114,7 million and after tax R73,3 million.

Before dealing further with improved productivity I have to mention rising prices. Increases in the prices of many of Sasol's products have undoubtedly contributed towards the improvement in the company's financial results in the last few years. These increases were unexpected. You will remember that from the outset it was stated that the economic viability of the Sasol II project would depend on maintaining a reasonable relationship during the construction period between the increases in the capital cost of plant

deducting the cost of purchased raw materials and feedstocks a value added amount of R430 million remains. Out of this amount, R217 million was due to the State as excise and income taxes. A further R92 million was paid to the South African Railways for the transport of feedstocks, supplies and products.

The delay in completion and commissioning of the gas expansion scheme to which I referred last year, led to a further loss of production, but the required additional gas supplies became available towards the end of the financial year.

Notwithstanding the initial limited gas availability, group turnover for the year at constant prices showed an increase of 10,4%.

A large portion of the retained profit and cash flow from existing operations is of course being reserved for the Sasol II project. Sasol has undertaken to finance out of its own resources, not only the Secunda township development and housing, but also the working capital and initial cash shortfall during commissioning of the Sasol II factory and mine. During the year R12,6 million was committed to township development, housing and working capital.

Sasolburg operations

Sigma Colliery continued to suffer unfavourable geological conditions in the southern part of the mine. Nevertheless, coal production increased by 8% to 5,1 million tons during the year. The longwall operation contributed 21% of the total output. To improve the performance of the longwall unit, a more powerful shearer is now being introduced. Sasol's skill and know-how in longwall technology increased steadily and will of course be utilised to optimise extraction rates at our Bosjesspruit mine at Secunda. At full production, the Bosjesspruit mine will be applying a combination of longwall mining, mechanical continuous mining and conventional mining methods and a 65% extraction rate is the target.

Additional gas became available as the gasifiers of the gas expansion scheme were progressively commissioned. These gasifiers are of a new and larger design of the same type being installed at Secunda. A bulk sample of Bosjesspruit coal was successfully gasified at Sasolburg, which reconfirmed the suitability of the coal and the mining methods to be employed in the western part of the Bosjesspruit coal field. These tests will be repeated shortly for the eastern section of the mine.

In the Sasolburg Works, steady and efficient operations were maintained throughout the review period. The main features were the introduction of major organisational changes and the start of recruiting and extensive classroom and on-the-job training programmes to meet the operating needs of the Secunda Works. These recruiting and training programmes have been structured to deal with the combined manpower needs of the Sasolburg and Secunda Works. These programmes have taken into account staff reductions due to the organisational changes at Sasolburg, and where appropriate, replacements for Sasolburg staff assigned to the Secunda Works.

Refining

Results of Sasol's crude oil processing in the Natref refinery once again improved significantly. Increases occurred in feedstock processed and in percentage yield of white products. The latter, consisting mainly of motor and aviation fuels, expressed as a percentage of the volume of feedstock, rose from 84,3% to a record 85,9% over the year. The very satisfactory operation of the hydrocracking units mainly contributed to these improvements.

Research and development

For the third year running, work connected with the Sasol II project received a very high priority at our research laboratories. Wherever possible, improvements to be introduced at Sasol II were tested and evaluated in our commercial plant at Sasolburg.

Longer term research into alternative processes for the conversion of coal to liquid and solid hydrocarbon fuels, continues both on laboratory and pilot plant scale. The main programme of pilot plant

planning and dedicated effort of many years is turning into reality. Mr. Stander and his team have every reason to feel satisfied with what has been achieved so far.

Secunda operations

At the Bosjesspruit Colliery the underground development programme to establish adequate pitroom for full production, is proceeding satisfactorily.

The main priority of the Secunda Operations organisation at this stage is the detailed planning of the commissioning of the Sasol II plant and the recruiting, assignment and training of competent personnel.

In preparing for the commissioning of the Works, operational procedures are being defined in great detail and logically sequenced. These procedures will be incorporated in operating manuals and training programmes.

Preliminary preparations for plant commissioning have already started on the factory site, and the commissioning of the first utilities such as cooling water and steam supply will begin in January 1979.

During the year, supporting personnel for the accounting, administrative, commercial, data processing and recreation club services at Secunda were increased to cater for the growing needs of the construction project and operations departments. Sasol employees at Secunda, including the mine, will eventually total about 7 500, which is slightly lower than the number of employees at Sasolburg.

The present planning work and long term management of the Secunda Operations is very much a team effort. The advantage of having available at Sasolburg the cumulative experience and know-how of more than 25 years in the commercial application of oil-from-coal technology developed by Sasol, is being utilised to the full at Secunda, both as head office support and the provision of a competent core of operating personnel.

The shortage of trained technicians, artisans and process controllers in the local labour market is creating considerable problems in meeting the manpower needs of our Secunda Operations. Attempts are accordingly being made to compensate for the shortfall through special training programmes.

Secunda housing and township development

At the end of the year under review, 1 030 permanent housing units had been completed in the township of Secunda and the population stood at approximately 6 700. A further 800 houses will be built in the coming year, which will complete the housing facilities to be provided at this stage. A total of 800 temporary units provides housing for construction families and some of these units will eventually be utilised by operations personnel.

Apart from housing provided by Sasol, development of private housing is encouraged and many Sasol employees have already decided to acquire their own homes. Members of the public are also developing residential and business properties.

At the end of 1977 the Secunda Health Committee took over from Sasol the responsibility for essential services in the township and it is now functioning as a fully fledged local authority.

Conclusion

The continued success of Sasol reflects the commitment of all its people to the objectives of the company and to the task in hand. I should like to record my appreciation for their dedication and hard work.

On final reflection, after having emphasized the excitement and drama of Sasol II, I consider it important to stress the great contribution made to the company's best ever financial results by our operations people at Sasolburg. They did this despite a large reduction in numbers and a heavy additional training burden. They deserve a special word of thanks.

I thank my colleagues on the Board for their continued loyal support and active co-operation.

BP discloses new oil leak

NM 23/10/78

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LONDON — The State-controlled British Petroleum Company yesterday acknowledged operating a sanctions-busting deal with four other major Western firms that kept Rhodesia supplied with oil through South Africa until mid-September.

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This meant violations of
United Nations' declared
sanctions and British law
had apparently continued
even after the disclosure of a
scandal over previous viola-
tions earlier last month.

But BP's chairman, Sir
David Steel, insisted the deal
had now been ended, reports
Sapa-AP.

A Foreign Office
spokesman reported BP's
account of the situation was
now being examined at a
high level.

Sir David claimed a 1971
agreement with the South
African State-owned oil cor-
poration, Sasol, bound
South African subsidiaries
of Western oil firms to make
good any gaps in Sasol's
needs.

The swap arrangement
meant that BP, Shell Oil, the
American Mobil and Caltex
companies and the French
Total Corporation had had
to send matching quantities
to make up for Sasol's
deliveries to the Rhodesians.

When reports of these
arrangements reached the
Foreign Secretary, Dr.
David Owen, in early
September, he immediately
conveyed his concern with
some anger to BP executives
here.

They denied knowledge of
the deal.

Aides said Dr. Owen none-
theless called for a probe
and demanded the secret
and complex swap deal be
cancelled at once if it was
found to exist.

A special BP team then
hustled to South Africa to
check the facts.

According to Sir David
they were told first by their
South African subsidiary the
swap deal with Sasol had
ended last year.

Then they were told this
was wrong and the deal was

still working.

Swift action was taken on
September 15 to cancel it.

Shell, Mobil, Caltex and
Total did the same.

The September 15
cancellation came four days
before publication of an of-
ficial report here revealing
that successive British
Governments had condoned
sanctions-busting by BP and
Shell over a 10-year period.

In that report, a State in-
vestigator, Mr. Thomas
Bingham, said he had been
assured by both British com-
panies they had ended all
swap arrangements in 1977.

When reports appeared in
early September that swapp-
ing was still continuing both
BP and Shell denied the
reports.

But BP yesterday con-
ceded its denial last month
"could have given a mis-
leading impression of the
situation that existed earlier
this year."

All these developments,
on top of Mr. Bingham's;
original disclosures of
sanctions-busting by British
oil firms, have enveloped
Britain's Rhodesia policy
with the smell of a scandal.

The House of Commons
is due to have a full-scale
debate on the subject.

The Prime Minister, Mr.
James Callaghan, has
promised all culprits "will be
brought to book."

The British have laws
making it a punishable of-
fence to do business with the
Rhodesian Government.

Meanwhile our London
Correspondent reports that
a police investigation into
allegations of sanctions-
busting by Lonrho, the inter-
national trading con-
glomerate, is complete and is
being studied by the Direc-
tor of Public Prosecutions,
Mr. Tony Hetherington.

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15. Hansard 5 columns 355-

16. Muriel Horrell and Dudley Horner. A Survey of Race Relations in South Africa, 1973. Johannesburg, S.A.I.R.R., 1974 pp.273-275.

* Official terminology used to describe the indigenous population changed from 'Native' to 'Bantu' in the 'fifties.

WEDNESDAY
October 25, 1978

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Putting steam into energy conservation

SOUTH Africa is in a cleft stick about the state of the American economy. While the US is in trouble and the dollar falls in value, the price of gold goes up and up, yielding us a glittering bonanza. But at the same time we lose because our money is tied to the dollar. And, most basic of all, American economic disruption has grave consequences for the world as a whole; disaster there would affect us profoundly.

It is for these reasons that South Africa has a close interest in President Jimmy Carter's efforts to control America's use of energy resources. For, dominating all else in the dollar's problems is US profligate wastage of oil and its consequent need to rely increasingly — and expensively — on imports.

Mr Carter has just completed an arduous 18-month battle to get an Energy Bill into law. In many ways it falls woefully short of

what is needed: the warring and contradictory interests of the oil, coal and gas industries, consumers, environmentalists and Congress have seen to that.

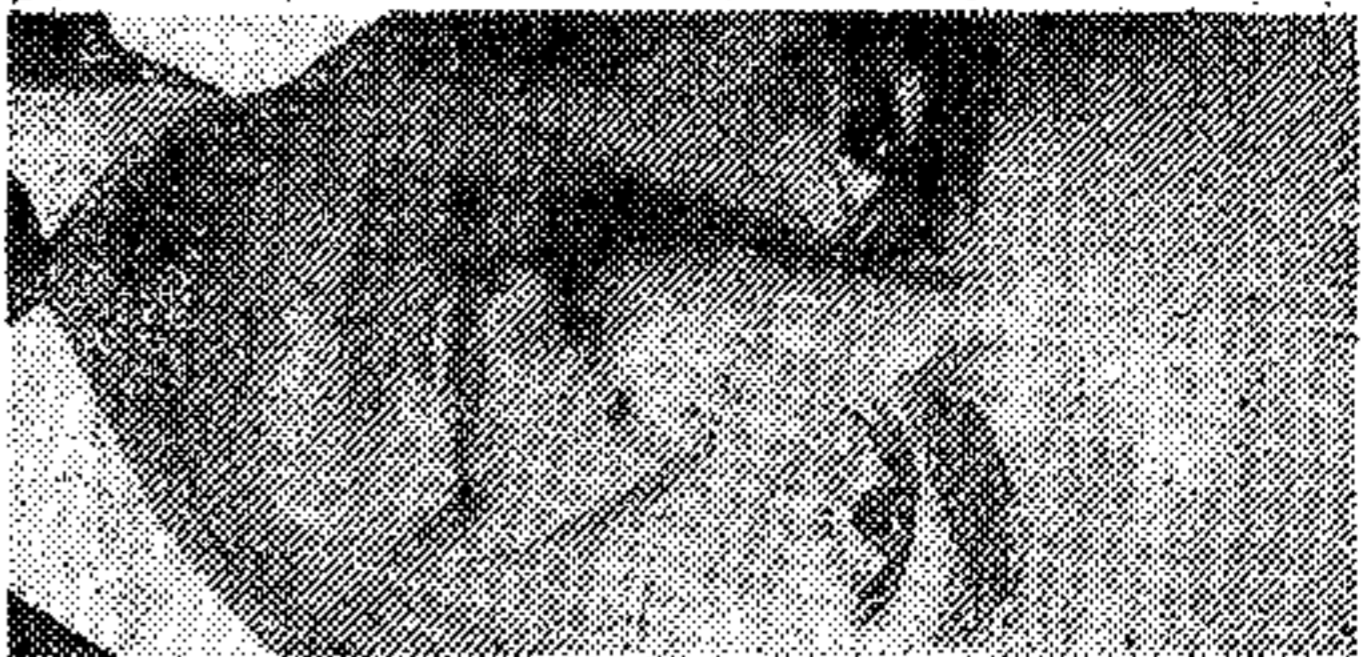
It does, however, hold out the hope of being a watershed event demonstrating, as Mr Carter says, that Americans "have declared to ourselves and to the world our intent to control our use of energy and thereby to control our own destiny as a nation."

Thus far the world has reacted coolly — cynically, really — to the limitations of the Energy Bill. The dollar has continued to slide and gold to be strong. It will now be up to Mr Carter to make Americans more alive to their energy crisis and to bring about a major reduction in consumption.

On his ability to do so rests not only the conservation of the world's dwindling oil resources, but also international economic stability.

REYNOLDS

Saldru Working Paper No. 13



The Shah of Iran . . . backing from Carter.

per th

World Oil

Star 11/11/78

(55)

Crisis Looms

By Hugh Legatt, Political Correspondent

The Government was today assessing the damage Iran's crippling oil strike may do to South Africa. Oil shipments from Iran, the world's second largest exporter after Saudi Arabia, have all but halted.

Reports from Teheran say troops of the Shah are now guarding key installations to prevent any sabotage by strikers.

Unofficial estimates put South Africa's oil imports from Iran at 90 percent of her total oil imports. The strike can therefore hold serious implications for South Africa if it lasts long.

A recent British study said that South African oil stocks were estimated at 185-million barrels and would last about 18 months if the stocks were not supplemented.

The Minister of Economic Affairs, Mr Chris Hennis, said today: "At

this stage I have no other information about the position in Iran besides what I have heard on the news.

"I am consulting at present with the departments concerned and with the industry concerned to assess what possible effects there might be for South Africa in the short term and medium term."

A spokesman for the Iranian Oil Participants, the consortium to which British Petroleum and Shell belong and which deals with oil supplies from Iran, told our London Bureau: "The picture is pretty confused at the moment but it is a very volatile situation and the consequences could be extremely serious for everyone, but more so for countries such as South Africa which rely heavily on supplies from Iran."

Flared

Strikes flared at the weekend in the oilfields, the big Abadan refinery and other installations after a previous agreement on benefits demands and an accord to defer pay talks, a spokesman for the National Iranian Oil Company said.

The strikers made political demands including an end to martial law in force in 12 cities and towns.

A Reuter report from Tokyo said oil companies, including Caltex Petroleum and Shell Oil, have told the Japanese Government that they might suspend shipments because of the Iranian oil industry strikes.

Government sources here said the Japanese Government fears a possible reduction of oil shipments would have a big impact if the reduction were prolonged. The Government was watching developments closely, the sources said.

In Washington, President Carter has thrown his personal prestige behind the Shah of Iran, reports Sapa-Reuter.

● Iran's future may be decided in France —

Page 21.

● Back from the brink —
Briefing.

Petrol price rise likely in January 55

Financial Editor

NM 3/11/78

THE OIL supply crisis in Iran, a chorus of demands for a higher price for crude from the oil states and increasing production costs in South Africa give strong indications that South Africans will have to pay more for their petrol in January.

Some observers, who are close to the marketing of fuel in this country, have estimated that the cost of a litre of petrol could go up as much as 25 percent in the New Year.

The next meeting of the Organisation of Petroleum Exporting Countries takes place in December.

The Arabs are seeking some way of recovering from the damage that has been caused to their oil takings by the depreciation in the value of the dollar. They are not prepared to tolerate any further erosion of their revenue. The Arabs are paid in dollars.

There is a difference of opinion on how the increase should be imposed on importers of oil.

Further rises

Some of the Arab countries are looking for an immediate rise of five percent with further increases, at short intervals, of three percent, a time.

On the other hand, Iraq has proposed that the first hike should be 25 percent to compensate the exporting countries for the fall of the dollar, the higher prices of imports from the industrial countries of the West and the "long" oil price freeze.

Although South Africa can pay for its oil in gold and the price of the metal has reached new peaks this year, it is comforting to hear that the Sasol 11 project is progressing according to plan.

The chairman of Sasol, Mr. D. P. de Villiers, said recently that the international prices of petrol had not risen quite as fast as the cost of plant and equipment had reduced Sasol 11's calculated initial return on investment, but not to a serious extent.

The projected cost of Sasol 11 and its mine remained at R2,5 billion.

However, if the Arabs succeed in achieving a much higher price for their crude, the Sasol 11 project will take on a new look as far as viability is concerned.

Dear Forest Glader,

Half a year has passed since our last A.G.M., and you may like to know what has been, and is, happening in the Association.

1. COMPOSITION OF THE BOARD

We have sadly had to accept the resignations of R.A. Provan, H.S. Rumbelow and G.C. Burn from the Board.
Mrs. Mary Greenhalgh, who was co-opted to the Board immediately after the A.G.M., was elected as Chairman, J.O. Read as Vice-Chairman, and Mr. E.E. Monk was co-opted as a Director. The Board of Directors now comprises the following:-

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They will be glad to help you if they can, so please feel free to contact them if you have problems about your house or the estate or matters you would like discussed at a Board Meeting.

2. FINANCES

Since the increases in the monthly levy, we have managed to meet our commitments and to use the funds coming from the extra levy of R5.00 per month per house raised for that purpose, for the gradual painting of the exterior walls of the houses. Thus so far this year the finances of the Association have been satisfactory, though constant control of expenditure has still to be exercised to maintain this. If anyone wishes to have further details about this, the books, budgets etc., are available at the Secretary's house - No. 44.

3. PROBLEMS WITH ENCLOSURES

The Directors have had their attention drawn to the fact that some members have been enclosing their own property and in a few cases, enclosing parts of the common area with private erfs, so appearing to stake a claim of ownership to it. If allowed to continue this enclosing will gradually undermine the whole open-plan concept of Forest Glade, and it also can cause illfeeling between neighbours.

These enclosures have been made in various ways - by walls, fences or hedges, or by less obvious, but just as effective barriers made from careful landscaping or grouping of plants. The Directors have seen put into a very difficult and worrying position over this, and have felt obliged to conclude that it is in the interests of all members to retain the open-plan scheme for Forest Glade. It is not possible to consider the individual merits of the various cases without appearing invidious, and therefore, it seems in the best interests of the members generally, to insist that the regulations should be complied with.

Members are reminded that no walls, fences or other external erections are allowed on their property without the prior consent of the Board of Directors and the Divisional Council. The common area must be kept open for the use and enjoyment of all members. No full enclosures of any sort can be permitted, and all which have been made must be completely opened up. Barriers or obstructions

put on the common area and interfering with the enjoyment and use of the common area by all must be removed.

We quite realise that some people have gone to a lot of trouble and expense to plant on their own or the common area. Thus where enclosures have been made by planting, we hope that they can be opened up by the least possible disturbance and the judicious moving of certain, rather than all, plants. Mr. Roberts, the Architect for the estate, and member of the Board, will be glad to discuss and advise on the possible methods of doing this, and we would suggest that people who have enclosures made by plants should contact him before moving or removing plants themselves.

The Directors have most reluctantly decided that if these enclosures, barriers or obstructions have not been removed by the end of 1978, they must take the necessary steps, possibly through legal action, to have them opened up or removed. While some people have already received requests to open up enclosures and remove barriers, we wish to make it clear that the regulations and policies

Big fuel price hike feared

PRETORIA — A substantial rise in South African fuel prices is feared early next year, according to Pretoria sources.

There are two factors, it was stated:

The meeting of the Organisation of Petroleum Exporting Countries in Abu Dhabi next month which is certain to authorise an increase of about ten per cent from the beginning of next year.

The Iranian strikes which could lead to South Africa having to buy at higher than normal prices.

However, the government is confident that alternative sources of crude oil are available if the Iranian strikes continue to disrupt the oil flow to South Africa.

Asked whether, because of political considerations, there could be complications in finding alter-

native supply sources, a senior government official said this was extremely unlikely.

The Minister of Economic Affairs, Mr Heunis, said this week the oil companies would meanwhile rely in the short term on their commercial stocks.

These, according to oil company sources, could last for between three and six months. Then unless alternative sources of supply were found South Africa would be thrown into its large strategic reserves.

This could mean more stringent conservation measures.

Motor industry sources also believed South Africa should have little difficulty in finding alternative supply sources.

There was some reason to fear, however, that the sources might "squeeze South Africa for premium prices." — DDC.

Return it to Mrs. Fook, House No. 44 (Hamlet 4), as soon as possible.

6. The Directors have received complaints that quite a few people have washing lines up on their balconies in the full view of passersby. All the houses have yards especially to avoid this unattractive feature. Moreover, it is quite possible to put up lines at a very low level on 1st floor balconies so that washing hanging on them cannot be seen from the ground or from other houses. Please would people refrain from putting washing in a place or at a level where it can be seen by others.

7. EXTERIOR LIGHTS

For a glorious few weeks after the repair work on the lights had been completed

political action threatening to paralyse the gigantic Abadan refinery (600 000 barrels a day throughput), would spread to the Iranian well-heads and totally disrupt crude oil liftings, including those destined for SA.

Even before the present crisis, Iranian crude production was beginning to peak due to heavy stockpiling ahead of the

marine transport and supply plans of the international majors operating in SA will be plunged into a highly complex exercise of rescheduling stocks and supplies on land and sea. It is a serious, but not insurmountable problem because many Western refineries are geared to certain crude oil "diets" and many are equipped with secondary processing plant (which would enable them to switch, without much inconvenience from, say, an Iranian light crude to a similar crude from Kuwait or Libya).

So a list of destination priorities would have to be drawn up if one does not already exist. If the Iranian government somehow succeeds in maintaining limited production flows with the assistance of Western technicians protected by troops, it may be possible to keep SA supplies going, even at a sharply reduced rate. If supplies are interrupted altogether there is nothing the international majors can do to maintain SA crude oil flows and the Republic may be forced, if it decided to leave its stockpile intact for national emergency, to buy refined products on the open market.

Stockpile remains

Its decision will obviously be influenced by the existing level of SA refinery operators' stocks and by conditions in Iran itself. Because SA is a relatively short-haul oil destination from the Persian Gulf, it is probably safe to assume that the refinery operators carry 60-80 days' stocks on an ongoing basis, with government insisting that such stocks be topped up whenever possible to maintain a strict ratio between throughput and stocks. In discussions with the oil majors Economic Affairs Minister Chris Heunis has made it clear that government's strategic stockpile must remain intact at all costs and that it cannot be used to bridge short-term supply difficulties.

It is therefore pretty certain that conservation measures will be tightened up sooner than anybody thinks, particularly if this will have the effect of stretching existing refinery stocks and if it becomes clear that the Shah can stabilise the situation in the next few months.

Reports that SA could be preparing the ground to negotiate alternative supply contracts with Brunei (Indonesia) are not taken too seriously in oil circles. SA refiners have taken small parcels of high grade crude from that country in the past but they say it is not a viable alternative, quite apart from the fact that production, at 220 000 b/d, is inadequate.



The Shah . . . well, well, well

expected Opec price increases in 1979 when light crude will cost 5%-10% more, and because of the seasonal lift in demand during the Northern Hemisphere winter months. Average production in 1977 was 5,7m b/d against capacity of more than 7m b/d.

SA's current offtake is running at about 350 000 b/d, excluding small volumes being taken to augment the strategic stockpile.

Ironically, SA, with its huge stockpile (40 Mt - 60 Mt by various estimates), is probably better placed than most Western consuming nations to meet the present crisis. On the other hand, it is still top of the list of destination embargoes of the major oil producing nations and there is nothing the international oil majors can do about it.

If Iranian crude oil liftings are disrupted for any length of time the

lives. Table 16 specifies a number of cattle, sheep, livestock? If they replied. Family. We turn to other and are all in turn. dependence of many of the. d. ence of adults from the fields. HWA in equation (7). er of wage-earning females. to younger children and. possible explanation for.

OIL (55) FM 3/11/78
Iran connection shaky

Consultations between government and the oil industry on the rapidly deteriorating internal situation in Iran were in the offing as the FM went to press. The problem for SA, almost 100% dependent on Iranian crude, is a logistical one at this stage. Industrial and

The inclusion of LANDCULT instead of MORGENS greatly increased the explanatory power in the variation of yield from 11% to 29,1%. What is also interesting is that the coefficient of LANDCULT is positive indicating a

Olie: „S.A.

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teiken word'

Burger 4/11/78 55

Van Ons Spesiale Verteenwoordiger

UPINGTON.

DIT sal uiters onverantwoordelik wees om nie kennis te neem van die moontlikheid van olieboikotte teen Suid-Afrika en die daarmee gepaardgaande katastrofiese implikasies wat so 'n stap kan meebring nie, het dr. Schalk van der Merwe, Minister van Beplanning en van die Omgewing, eergister hier gesê.

„Die gedagterigting om die voorsiening of weerhouding van olie te gebruik as 'n middel om politieke oogmerke te bereik, is geensins nuut nie en Suid-Afrika kan op hierdie terrein 'n teiken vir internasionale optrede word,” het min. Van der Merwe gesê.

Min. Van der Merwe het gepraat op die jaarlikse dinee van die Upingtonse Kamer van Koophandel en gesê energiebesparing is so 'n belangrike komponent van nasionale welvaart dat dit die aandag van die openbare sowel as die private sektor verdien.

„Suid-Afrika word gedwing tot volgehoue ekonomiese groei en dit impliseer die benutting van toenemende hoeveelhede energie. Die vraag na energie is in die verlede uit verskeie bronne bevredig.

Steenkool

„Die sogenaamde energie-krisis van 1973 was egter 'n waarskuwing dat hierdie toestand nie onbeperk kan voortduur nie. Dit het 'n gevoel van besorgdheid oor die uitputting van oliereserwes by die Olie-uitvoerlande en die verbruikerslande teweeggebring.”

Een van die gevolgtrekkings waartoe 'n gesaghebende studiegroep van die wereldenergiesituasie geraak het, is dat potensiele en beskikbare energiebronne met dringendheid ontwikkel moet word.

Steenkool het in Suid-Afrika tot die belangrikste energiebron ontwikkel, maar dit is belangrik om daarop te let dat besonder belangrike komponente van die nasionale ekonomie byna uitsluitend op petroleum as energiebron aangewys is.

Energiebesparing hou voordele vir die land en die individuele verbruiker in. Dit kan ook 'n belangrike invloed op kapitaalbehoefte van die energienywerheid hê.

„Alle energiebesparingsmaatreëls rus op drie beginsels — die uitskakeling van energievermorsing, die verhoging in die doeltreffendheid van energiebenutting en die herwinning van energie.”

Die uitskakeling van energievermorsing is gebaseer op

'n beginsel wat „goeie energiehuishouding” genoem word, en dit is só belangrik dat energiebesparing die aandag van die openbare sowel as die private sektor verdien.

Waardevolle

Die owerheid sal daarna streef om 'n gunstige klimaat vir energiebesparing te skep, maar dit bly die verantwoordelikheid van die verbruiker om homself op hoogte te stel van die tegnieke van energiebesparing.

Hy sal nie net homself bevoordeel nie, maar ook 'n waardevolle bydrae tot Suid-Afrika se welsyn lewer.

t as well as proposals for its improvement were received from most or employers' organisations, from trade unions, individual employers bodies".²⁴

As a result the authorities altered the original Bill

Relations Regulation Amendment Bill.²⁵

Suid-Afrika is ook 'n belangrike uitvoerder van energie in die vorm van steenkool en uraan, het min. Van der Merwe gesê. Kernenergie sal op lang termyn ook 'n belangrike bydrae tot die land se energiebehoefte lewer.

d 17 column 8390, 6 June 1973.

f the comment elicited by these Bills is recorded in: Muriel Horrell dley Horner. A Survey of Race Relations in South Africa, 1973. esburg, S.A.I.R.R., 1974 pp.276-281 and 286-291.

, a rather narrow definition. vered either by an rd, or a conciliation board rich the Industrial Concilia- spute provided the Central ie Minister who was empowered ase of a wage determination l groups would be used if n two years.

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1973)

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... evoked wide interest,

R.D. 4/11/78 (55) #11

Big SA fuel price hike on the cards

By GERALD REILLY
Pretoria Bureau

TWO factors on the international scene have given rise to fears of a substantial rise in South African fuel prices early next year, according to Pretoria sources.

● The meeting of the Organisation of Petroleum Exporting Countries (Opec) in Abu Dhabi next month, which is certain to authorise a price increase of about 10% from the beginning of

next year.

● The strikes in troubled Iran, which could lead to South Africa having to purchase at prices higher than normal.

The Government is confident, however, that alternative sources of crude oil are available if the Iranian strikes continue to disrupt the oil flow to South Africa.

A senior Government official, asked whether political considerations could cause complications in find-

ing alternative supply sources, said this was extremely unlikely.

In a statement earlier this week, the Minister of Economic Affairs, Mr Chris Heunis, said alternative sources would have to be found if the Iranian problem continued.

In the meantime the oil companies would rely on their commercial stocks.

These, according to oil company sources, could last between three and six

months. Unless alternative sources of supply were found by then, South Africa would be thrown back on to its large strategic reserves.

This could mean more stringent fuel conservation measures.

Motor industry sources confirmed that South Africa should have little difficulty in finding alternative supply sources.

But they might "squeeze South Africa for premium prices."

Chartists say last chance to sell

Bull run on coal shares slowing down

THE long and profitable bull run in coal shares may be coming to an end. With superb results coming from the coal mining houses and increased dividends promised this year, this conclusion might no doubt dismay those who consider that any energy stock must be by nature a sound investment, but it is the firm belief of Johannesburg chartists Datastock.

Though the coal share indices have been performing well lately, the chartists consider that the coal data has every indication of a false and contrived break-out and emphasise that "we stick to our original view that the current rally affords the last chance to sell before the onset of a true bear market phase. Furthermore we much prefer to sell whilst there are still buyers around, rather than helping to depress prices. We believe that the coal rally is virtually complete."

This is strong stuff indeed and if the chartists are right, their reputa-

Finance Correspondent

tion will be considerably enhanced even though the accusation will be made that they have actually precipitated a decline in share values that might not otherwise have materialised.

For those fascinated by share price charts and indices, Datastock shows the Rand Daily Mail coal and gold indices plotted against their relative strengths compared with the industrial market. The charts are plotted on the same logarithmic scale and are thus directly comparable. Both index charts have been in long term accumulations and recently made major upside breakouts, but that is where the similarity stops.

In the case of coal, the relative strength has flatly refused to confirm any of the index's new highs since mid-1977 and has, in fact, made consecutively lower highs even though the index apparently charged out of the congestion areas to make the latest all

time high. Conversely, the relative strength of gold shares has confirmed the major movement of the index and looks poised for a major upturn to break above the resistance level indicated.

Volume patterns, too, have flatly refused to approach the old highs and have only managed to grind a slow and tortuous upmove against the shares' far steeper climb.

This refusal by the volume pattern to confirm the strong upturn of the last 12 weeks is evident in all the coal sector leaders and, say the chartists, none more dramatically than Trans-Natal where the volume pattern has already given a major breakdown from its current uptrend, after refusing to reflect the shares' new high.

Believers in the objective evidence of the charts might not like to consider the possibility that the run in coal shares is over, but all investors must be prepared to believe the old adage that no share goes up for ever — and it is the timing that is all important.

TYPE OF TECHNICIAN		TOTAL EMPLOYED IN YEAR			
Telecommunications	Engineering	1969	1971	1973	1975
		4 210	5 174	7 037	15 455
		5 128	5 122		

Table 15. Total number of technicians - Manpower Surveys.

Power costs keep SAR steaming

Transport Reporter

Escom's soaring electricity prices are forcing South African Railways to reconsider long-term plans to electrify more lines.

With a further increase, due in January, the price of power supplied to SAR will have doubled since 1976.

As a result, SAR says it may have to cancel plans to electrify some lines.

A further problem for SAR, which spends hundreds of millions of rands on energy each year, is greater than expected increases in the price of

diesel oil because of strife in Iran — South Africa's biggest crude oil supplier.

An SAR spokesman said today that the issue of electrification priorities was "highly complicated" by the steep increases in power and oil costs.

In the early 1970s, electric traction became much more economical because of the oil crisis. By 1975, only 15 trains a day were needed on any one line to make electrification worthwhile economically.

Because of rising electricity costs, the break-even point is now 19 trains a day.

The future of plans to electrify the important Beaufort West-De Aar stretch of line between Johannesburg and Cape Town is now "delicately balanced." Electrification north of Pretoria is also being reconsidered.

But the SAR has completed electrification of the vital rail link between Broodsnyerplaas, south of Witbank, and Richards Bay, which carries 50 000 tons of export coal a day.

The line is to be officially opened by the Minister of Transport, Mr Muller, later this month.

Long strike could put 10 pc on oil prices

The Star Bureau

NEW YORK — A prolonged Iranian oil strike could cause the Organisation of Petroleum Exporting Countries (Opec) to raise prices by 10 percent or more at the end of the year, American officials fear.

Until now the hope was that the oil producers' cartel would boost oil prices no more than five to 7½ percent at their December meeting in Abu Dhabi.

But the Iranian strike, reducing the output of Opec's second-largest producer to a trickle, is viewed in government, industry and diplomatic circles as a boost to Opec hardliners arguing for heftier increases.

The fear now is that the expected price hike could go up by 10 percent or more and that view is shared by Saudi Arabia, Opec's biggest producer.

A US Government official said the Iranian oil strike had projected an entirely new element into the question of world oil prices.

"There is no doubt about it. If the strike lasts much longer, even a fortnight or so, a case could be made out for an increase even higher than the 10 percent increase we consider likely now."

Sapa-Reuter reports from Teheran that fresh warnings were issued by authorities that martial law would be strictly enforced in an effort to keep anti-Shah mobs off the streets today after the most serious unrest against the monarch's rule for 25 years and the resignation of his Prime Minister.

NEW PREMIER

The Shah today appointed General Gholam Reza Azhari, Chief of Staff of Iran's armed forces since 1971, as new Prime Minister to replace Mr Jaafar Shariff-Emani.

The Shah said in a nation-wide broadcast the military Government would be temporary, with a mission to deal with violence and unrest "which endangered the integrity and independence of the country" and had become intolerable.

A national government would be formed later.

General Azhari's Cabinet was not immediately announced, but was expected to comprise a small group of senior military officers.

All schools and colleges have been closed in an effort to stop potential demonstrations building up again after a wild day of violence yesterday when rioters rampaged through the streets of Teheran, gutting the Information Ministry, setting fire to the British Embassy and burning scores of vehicles.

IN FLAMES

Banks, police stations, cinemas, shops, offices and at least one major hotel went up in flames as thousands of young demonstrators went on an orgy of destruction.

Hundreds — some estimates said up to 4000 — have died in riots and clashes between demonstrators and troops. The demonstrators have been led by militants of all political hues, including Muslim clergy and communist agitators.

Ayatollah Khomeini, the exiled Iranian religious leader now living outside Paris, says he will expel anyone from his movement who negotiates with the Shah, reports the Washington Post News Service.

Oliebron by Mosselbaai raak geboor

Burger 8/11/78

SS

Van Ons Korrespondent

JOHANNESBURG.

DIE drywende olieboor Sedco K het Suid-Afrika se belowendste olievonds in die dertienjarige intensiewe soektog na olie vlak onder die aardkors op die vastelandplaat in die omgewing van Mosselbaai raak geboor.

Die olie kom voor in 'n strook wat sowat 2 m diep is en toetse sal nou in die gat uitgevoer word om vas te stel hoeveel olie die kom bevat en in watter geologiese formasies dit voorkom. Dit is die eerste keer dat werklike tekens van olie by Suid-Afrika gevind word. Al die ander gate ter see wat tekens van olie opgelewer het, bevat net gas.

Dr. Piet van Zyl, besturende direkteur van Soekor, het gisteraand by navraag gesê die vonds is baie belowend, maar daar is geen sprake van 'n ekonomies ontginbare olieveld nie. 'n Belowende olieveld bevat olie met 'n diepte van sowat 30 m, terwyl die gat by Mosselbaai olie in 'n dun lyn van 2 m aandui.

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The Directors have most regretfully received reports of obstructions have not been removed. While some people have removed barriers, we would like to see them removed equally to all.

As a general rule, the Directors would like to see fences, hedges etc. removed.

Officials of the State-backed Southern Oil Exploration Corporation said today that tests would be carried out to assess the value of the find and decide if it would be an economic proposition to develop. "It's definitely the most significant and encouraging show we've had and all we've got to do now is wait and see what the evaluation tests come up with," a spokesman said.

NEXT WEEK

He said the results of the tests were expected to be known "sometime next week."

The Soekor official declined to say at what depth the strike was made but said the layer of oil was just over 2 m thick.

The site is south-west of the spot where an American drilling concern found a fairly extensive gas field in 1968.

Oil strike just off Knysna

CAPE TOWN — The drilling rig Sedco K has struck oil on the edge of the Continental Shelf about 90 nautical miles south of Knysna.

8/1/78 (55)

arraying area close to houses. Sometimes this is so bad that it is a health hazard. It is extremely difficult to see a solution to this problem, and in the past the Board has felt unable to do anything about it, save ask for consideration from dog-owners in cleaning up and generally keeping control of their dogs. The trouble is now becoming so acute that we must remind all members of regulation 4.1.3 which requires permission from the Board for the keeping of animals. Thus in future no one may keep a pet without first obtaining the permission of the Board, which can of course be refused. To try to decide on a future policy to contain this problem and be fair to pet-lovers, we wish to have a complete picture of the situation. For this we need details of the pets kept in each household, and we should be grateful if you will complete the attached form and return it to Mrs. Fook, House No. 44 (Hamlet 4), as soon as possible.

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Olie-vonds

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Burger 9/11/78

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Van Ons Ekonomiese Redaksie

Liaison and Work
Instead of simply
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A liaison committee
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SOEKOR sal nie ná eergister se olievonds by Mosselbaai 'n voorspelling kan doen nie, het prof. I. W. Hälbich, hoogleraar in die departement van geologie aan die Universiteit van Stellenbosch, gister gesê.

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or section of the establishment at the time of the election
representation in the sense that it allowed for more than or
in an establishment and in larger firms, therefore, sections
labour force can now elect their own works committees.

positief beïnvloed.
Die politieke probleme in olieproduserende lande in die Midde-Ooste sal nie meer so 'n belangrike faktor wees nie. Mnr. De Vries het bygevoeg dat die nuwe vonds eers deeglik ondersoek moet word. Ten eerste moet bepaal word of die olie ekonomies ontgin kan word en ten tweede moet die omvang van die vonds ondersoek word.

the law does not limit the
er hand, is a wholly elected
an twenty African workers, w
may elect a works committee
wenty persons. However, re
al number of African workers

Die drywende olieboor Sedco K het Suid-Afrika se belowendste olievonds ná dertien jaar van intensiewe ondersoek raak geboor. Die olie is vlak onder die aardkors op die vastelandsplat naby Mosselbaai.

Prof. Hälbich het gesê 'n nuwe fase is in die soektog na olie bereik. Dit is nou net 'n kwessie van of die olieveld ekonomies ontgin kan word. „Ons het bewys dat daar olie is”, het prof. Hälbich gesê.

„Dit sal miljoene rande kos om 'n olieveld te ontgin. Dit sal ook jare van deeglike navorsing kos voordat olie geproduseer kan word. Die nuwe vonds het tot gevolg dat Soekor nou sy navorsing in herooring moet neem”, het hy gesê.

Die verdikking van die olie-aar wat raak geboor is, moet tienvoudig toeneem. Daarby moet dit oor 'n groot gebied versprei wees voordat olie ekonomies ontgin kan word.

Mnr. A. J. M. de Vries, adjunk-direkteur van die Buro vir Ekonomiese Onderzoek aan die Universiteit van Stellenbosch, het gesê dat as Suid-Afrika olie ekonomies kan produseer, dit 'n ontsaglike invloed op die land sal hê.

„Ons sal miljoene rande bespaar, omdat ons so baie aan olieinvoer bestee. Suid-Afrika sal ook minder kwesbaar wees weens boikotte en meer vertrou sal gewek word.”

Mnr. De Vries het gesê dat die vertrou tot by die verbruiker sal deurwerk. Dit sal die algemene ekonomie

A meeting convened to elect a works committee is held under of the employer concerned or his authorised representative. the employees and their employer enjoy a reasonably harmonic dissension on this score is unlikely. However, where relat even hostile, where distrust exists on one or both sides, tl arrangement is inadequate for resolving what may be a fundam interests. While the present definition of a labour disput than that contained in the 1953 legislation, and a Bantu Lal Inspector, with or without the assistance of the Regional B Committee concerned, should intervene in an attempt to effe does seem to be a remarkable shortcoming in this connection.

Iran adds to oil cost push ^{RAM 9/11/78} (55) as energy demand increases

LONDON. — The serious reduction in Iranian oil production, caused by the strike of oilfield workers, has hit world supplies at a difficult time. There has been a glut of oil because of the sluggish world economy and rising production from major new oil provinces, such as the North Sea and Alaska.

But in recent weeks the picture has altered. Supplies, particularly of lighter crudes, have begun to tighten and prices have started to rise. Demand has picked up especially in North America, Europe and Japan, partly because of countries stockpiling for the winter and in anticipation of higher Opec prices when the oil exporters meet in Abu Dhabi next month.

With the steady fall in the dollar — the oil trading currency — Opec countries have seen a dramatic drop in the real value of their oil revenues since the last price rise two years ago. A price increase of 5% to 10% is likely to be agreed when the Opec oil ministers meet on December 16.

Whether the crisis in Iran has any serious impact on

world supplies will depend on how soon workers return. It is accepted by the oil industry that the armed forces which have taken over the oilfields lack the expertise to keep up production.

If production levels stay down, the impact could be enormous, for Iran plays a major role in the supply of oil to the most important consuming countries. It is the world's fourth largest producer of oil after the USSR, the US and Saudi Arabia, but it is second only to Saudi Arabia among exporters.

Iran accounts for just under 10% of the world's oil production and this year has been producing at an average rate of 5 700 000 barrels a day. But Iran's production was increasing before the strike at around 2.3% higher in the first eight months of the year than in the same period of 1977.

It has been rising when other major Opec producers, notably Saudi Arabia, have been cutting production to cope with the temporary oil glut. Opec output for the eight months from January to August was 7% (nearly 2 200 000 barrels a day) lower than in the same period last year.

Information from Iran indicates that production is continuing at about 1 500 000 barrels a day. A number of tankers are loading at the Kharg Island terminal in the Gulf and exports have been leaving at a rate slightly under 1-million barrels a day. But this is a sudden loss of nearly three-quarters of Iranian production.

Iran exports oil all around the world, but its biggest customers are the US, Japan and Western Europe. US imports of crude totalled nearly 40-million tons last year and have stayed at that level for most of 1978. Japan buys about the same quantity, but unlike the US it is unable to meet any domestic demand from its own resources and is therefore more vulnerable.

West Germany is the biggest European buyer of Iranian crude with 15 700 000 tons last year. Most other countries in Europe depend to a significant extent on Iranian supplies. For instance, just over 18% of Britain's crude oil imports, worth 751 400 000 pounds, came from Iran last year making it the biggest supplier after Saudi Arabia, which accounted for 26% of imports.

Supplies from the North Sea are rapidly replacing imports, but the UK is unlikely to be self-sufficient before 1980.

Certain other countries

would feel a prolonged cut in Iranian oil supplies far more sharply. Iran has arranged several state-to-state supply deals to circumvent the marketing power of the multinational oil companies, with the result that countries such as South Africa and Israel are far more dependent on Iranian supplies than most other consuming nations.

Iran is South Africa's major crude oil supplier and Iran in turn has an important stake in one of South Africa's refineries.

South Africa has been building a strategic reserve of oil in case of sanctions. These stocks could keep the country supplied for some time if the need arose. But it is unlikely South Africa would be willing to draw on the reserve supplies except in real emergency.

The cut in Iranian production will first be felt in the supply chains operated by the major international oil companies. Most oil comes from fields operated by the consortium of Iranian Oil participant compan-

ies, which are led by British Petroleum with 40% and Shell with 14%. The consortium includes Exxon, Chevron, Mobil, Texaco and Gulf, as well as Compagnie Francaise des Petroles (Total) and a number of smaller independent US oil companies, such as Arco and Getty.

Prices can be expected to rise much faster, however, as traders anticipate a shortage of supplies developing ahead of the event. As one purchaser of Iranian crude remarked recently: 'If it is prolonged we have a situation equivalent to the 1973-74 Arab oil embargo.'

Most of the Opec countries have been producing well below capacity. Saudi Arabia still has some capacity for lighter crudes, which are similar to Iranian light oils. But the Saudi Government has not been keen to turn the taps on fully and earlier this year it restricted production of Arab light to 65% of the total. This helped to tighten supplies of light crudes before the Iranian troubles. — Financial Times.

US refuses to fill SA order for enriched uranium

Star 2/11/78

(35)

The Star Bureau
 WASHINGTON — The United States has decided that it cannot fill a South African order for enriched uranium and has quietly returned the R500 000 paid in advance for the fuel.

But it was reliably learned today that Washington still regarded its nuclear relationship with South Africa as being negotiable and that the decision not to supply enriched uranium applied only to a specific order.

The tortuous negotiations which led to the decision began when South Africa, in terms of contractual agreements with Washington, returned spent fuel from the Safari One nuclear reactor to the US.

By arrangement, the value of the returned fuel was accepted as advance payment for a new delivery of enriched uranium.

But the previous US administration then undertook a "review" of its nuclear relationship with South Africa, especially in the light of South Africa's refusal to sign the Nuclear Non-Proliferation Treaty, and decided to freeze all enriched uranium deliveries until the review was completed.

Negotiations to persuade South Africa to sign the treaty resumed earlier this year when the Administration's top nuclear negotiator, Mr Gerard Smith, went to Pretoria.

OVERSHADOWED

It is understood, however, that the unfilled order for enriched uranium overshadowed the negotiations and that the Carter Administration saw it as an impediment to

and it is not granted to them to live or reign long.
 The seemingly case with which the Bess (Kobal's party) had returned Dingane's cattle from Johannesburg must have contributed to convincing Dingane about the military superiority of whites and was probably the last straw to drive him.

the talks.
 The Star's Pretoria Bureau reports that Dr Ampie Roux, president of the Atomic Energy Board, confirmed the cancellation of the order but queried the amount.

"I do not have the precise figures with me, but it was something in the order of 450 000 dollars (about R380 000).

Asked to comment on the statement that Washington regarded its nuclear relationship with South Africa as being negotiable and the decision not to supply enriched uranium applied only to a specific order, Dr Roux said: "I note it."

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Dingane was the Panga and in the Atlantic nation produced low enriched fuel, which he the aid

There'll always be a drop

Sources in Iranian Oil Participants, the consortium of international major oil companies which operates Iran's oil fields, told the *FM* this week no consuming nations would be singled out for special treatment as a result of the 75% cut-back of production.

The principle of "equality of misery" which was applied by the oil companies during the 1973-74 Arab oil embargo will be adhered to during the present crisis. In practice this means adding up all available supplies and sharing production among consumers on the basis of "normal" offtake — while adhering strictly to any destination embargoes imposed by any of the oil exporting countries.

The arrangement means that blacklisted countries are reasonably assured of some supplies in times of cut-backs or even a total halt in production by countries which do not impose destination embargoes. For example, a total cessation of production by Nigeria would not affect SA, but it would be a heavy blow to the US and other consumers on the Atlantic seaboard. However, SA would probably be expected to make sacrifices to accommodate the worldwide adjustments oil companies would then have to make to their supply chains.

Sasol stake

An unknown (classified) factor in the Iran/SA oil connection is the precise relationship between the SA government and the state-owned National Iranian Oil Company. NIOC has a stake of 17.5% in Sasol's Natref refinery which is fed in part by direct NIOC crude supplies and partly by purchases from Iranian Oil Participants in which Total (CPP), a 30% shareholder in Natref, has a 6% stake.

Oil industry sources say it would be wrong to assume that any shortfall in normal Iranian supplies to SA via the consortium could be made good by stepping up supplies direct through NIOC.

Since 1974 NIOC has negotiated a number of massive government-to-government supply deals, linked in many cases to arms supplies and turnkey industrial projects, including nuclear power stations. Whatever the status of the agreement between Pretoria and Teheran, it is highly unlikely that NIOC can do anything but share its reduced exports among its government customers, in the same way that Iranian Oil Participants is doing.

The present crisis has once again out-

lined the vulnerability of government-to-government oil deals, compared with the benefits of a wide supply spread through the oil multi-nationals.

There's oil aplenty — but many problems

RBM 14/11/78

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COLORADO. — One area to which the United States turned after the Arab oil embargo in the quest for alternative energy sources was oil shale — for the country has lots of it.

The problem was that no-one knew the best extraction method, or the cost of the operation.

Several years and a number of pilot projects later the answers to these questions are becoming clearer.

Oil shale consists of solidified hydrocarbons sandwiched between layers of clay. It can look like fine-grained wood, giving rich deposits the nickname "mahogany".

US oil shale lies in huge deposits stretching beneath the Rocky Mountains of Colorado, Utah and Wyoming, an area known as the Green River formation.

According to a US Government study, about 1 800-million barrels of oil are locked up in these deposits. If only one-third was recovered, this would still be some 20 times the country's currently proven crude oil reserves. (Middle East proven reserves total 6 400-million barrels.)

But extraction is complex and therefore costly. First, the shale has to be mined. Next, it must be passed through a high temperature retort to melt and

extract the oil, and then the oil itself has to be processed to give it the characteristics of natural crude.

Several oil companies have been tinkering with oil shale since World War II, mainly in Colorado where the richest deposits lie. But only after the sharp rise in oil prices in 1973 changed the economics of energy, did a serious effort get under way. At the moment, work is going ahead on two fronts, under a federal programme and on a private basis.

Leaders in the private field include Union Oil and Occidental Petroleum, both based in Los Angeles. Union Oil has been building up its oil shale land since the 1920s and now has nearly 20 000 acres from which it mines shale to feed a couple of small test plants.

Recently, the company decided to take a bigger step, and announced plans for a large-scale experimental plant at its Parachute Creek property above the Colorado River, an area familiar as a backdrop to Western films with its pale, dusty hills and scrubby growth. This plant, if approved, would process 10 000 tons of shale a day into 9 000 barrels of oil.

The question is whether Union Oil's plan will be popular. Apart from being an un-

touched area which conservationists want to protect, the Colorado Hills have the peculiar property of exceeding federal hydrocarbon pollution limits on their own, without the help of man, because of emissions from plant life. For this reason, normal industrial development is reckoned to be impossible there unless the rules are changed, which is unlikely.

So other shale companies working in the area have adopted a different tack. They plan to put their entire operations underground, using a technique known as modified in situ retorting.

First, the area is pierced by a number of horizontal and vertical mine shafts. A shale deposit up to 300 ft high and 50 ft square is dynamited and reduced to rubble. Finally, a carefully controlled fire is lit at the top of the rubble. The idea is that it melts the shale oil ahead of it as it works its way down and sends the oil dripping through to the bottom of the mine, where it is collected and piped to the surface.

Occidental Petroleum is the leader with this technique in a research and development effort backed by federal funding. After firing three experimental retorts at its Colorado tract

starting in 1972, it moved on to building commercial-sized retorts, of which it has just fired the third. Although Occidental is chary of publishing the information gleaned from these experiments, it has released a few statistics.

The most striking is the recovery rate of 40% of the total oil contained within an oil shale section. With a content of 25-30 gallons of oil per ton of shale, Occidental says it can recover about 1 200-million barrels of oil from a 300 ft thick oil shale section. This is about the same recovery rate as a good oil-field.

But commercial-sized retorts are expensive. Occidental puts the price at \$650-million-\$800-million, with the more expensive designs producing a better yield.

A sizeable research effort is also going ahead under a programme organised by the federal Government, which owns 85% of the country's oil shale reserves.

In 1974 the Government auctioned two tracts in each of Colorado, Wyoming and Utah, though only the Colorado tracts drew serious interest.

The richest Colorado tract was won by a joint \$21-million bid from Gulf and Standard Oil Indiana (AMOCO). The project is still at the shaft sinking stage, but the companies already speak of their expectations.

ALTHOUGH South Africa is currently spending about R600-m on boosting its uranium production, much of this money comes from existing or potential consumers.

And it now appears that with the R1 000-m Valindaba plant coming on stream in a couple of years' time, uranium enrichment could be one of the country's most rewarding investment areas.

This is because South Africa's process (still a tight-held secret) is a cheaper method of enriching uranium than is used in the US and Europe.

Not only that — recent developments have further emphasised the correctness of the decision to expand uranium production.

The White House has recently made known that it had cancelled its contract to deliver enriched uranium to South Africa's research reactor at Pelindaba, Safari 1.

The reason given was our refusal to sign the nuclear

Uranium sales are heading for a boom

15/11/78
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Sund Express

non-proliferation treaty and a deposit of 400 000 dollars on delivery has been quickly returned.

In actual fact, supplies of the enriched product for this reactor have been withheld since 1976.

But suggestions that this has caused a delay in our nuclear research programme have been shrugged off by the head of the Atomic Energy Board, Dr Ampie Roux.

Interestingly enough, this diplomatic impasse will not affect supplies of uranium for the Koeberg station, which will use slightly less-highly enriched product.

For it seems fairly certain that the Valindaba plant will be able to supply Koeberg and other planned stations in years to come.

The other development has been the US Department of Energy decision to raise uranium enrichment charges to customers by nearly 20%. At present the US has a virtual monopoly in this field, controlling as it does, 90% of the enrichment capacity.

This will change in the early 1980s when new plants come on stream in Europe and Valindaba starts production.

The speculation is that, in

view of the consumer support that South Africa already enjoys in its various uranium projects, and with a cheaper process, we could start drawing custom away from the US.

Japan, Europe and Iran, where nuclear-fuelled generating plants are being operated or planned, could be among the first to move to South Africa as a source of supply.

Last year revenue from uranium sales moved to R400-m and with the new enrichment facilities, the expenditure on expansion will be more than justified.

2.

Heunis: No fuel curbs

PRETORIA — According to the Minister of Economic Affairs, Mr. Chris Heunis, the Government is not contemplating immediate and additional petrol restrictions because of the crude oil situation in Iran.

But in a statement here yesterday Mr. Heunis appealed to the public to do everything in their power to save as much fuel as possible.

"As I pointed out in my recent announcement, the provision of crude oil to South Africa from Iran was being affected because of occurrences in that country.

"I also pointed out that the oil companies would, in the short term, have to rely on their commercial stocks of crude oil to provide the South African market with petroleum products."

Following recent discussions he had had with the oil companies and acting on information they had on the flow of crude oil to South Africa in addition to their own stocks, Mr. Heunis said: "It will not in the immediate future be necessary to introduce general additional steps in connection with the consumption of fuel.

"I wish to point out to the public, however, that the country cannot afford to

consume more petroleum products than can be produced from the crude oil which it can acquire."

A report from Iran says the American manager of the Iranian Oil Services Company was attacked in his car by a crowd of Iranians in the oil town of Ahwaz but escaped unhurt.

His Iranian driver was slightly injured, according to Teheran Radio.

This was one of several reported attacks on foreigners in Iran during the recent unrest, but none of them resulted in serious injury.

Troops opened fire with rifles and machine-guns to disperse crowds in the bazaar area of Teheran yesterday in the first violence in the capital for more than a week.

One eye-witness saw troops firing over the heads of a group of demonstrators; another reported he had seen two people lying on the ground, either dead or wounded after one burst of fire. — (Sapa-Reuter.)

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nce.

The report is biased towards Manufacturing and Construction, and related services. The main reason for this is that it was easier to cover large concentrations of employment in the economy by interviewing firms in these sectors than by spending time on the other sectors where there are relatively fewer large firms. Also, in the case of Manufacturing it proved possible to obtain a list from the Bureau of Market Research at the University of South Africa of all the manufacturing firms in each of the geographical areas we were to cover.

1/ See Standard Industrial Classification (SIC), Department of Statistics, Pretoria 1974, for breakdown of economy into Major Divisions etc.

Petrol going

1½c litre rise likely in new year

By Harvey Thomas, Motor Editor

The price of petrol on the Rand is likely to go up by about 1½c a litre of super from January.

In the old measurements of gallons the price is expected to rise from R1,30 to about R1,36c. The increase could add as much as R5 a month to the petrol bill of the average two-car family.

Oil supply in danger

—Horwood

Developments in the Middle East, bode ill for South Africa's future oil supplies, the Minister of Finance, Senator Horwood, said today.

The Minister, opening a refinery at Krugersdorp, mentioned Iran in particular and said the developments "do not inspire confidence about uninterrupted future flows of crude oil."

He said South Africa had taken significant steps to develop existing resources of energy for future needs.

SASOL II

When Sasol II was completed in the early '80s it would satisfy a meaningful proportion of the country's motor fuel requirements, he said.

The refining industry provided about six percent of South Africa's lubricating oil requirements. This was expected to rise to 10 percent soon and there was potential for further development.

And, motor sources warned today, there will probably be a second fuel price increase later in the first half of the new year.

The motor industry is expecting the rise as the Organisation of Petroleum Exporting Countries is due to meet in Abu Dhabi next month to fix a higher price for crude oil.

Some of the 13 members of Opec are pressing for a big rise of about 25 percent and, it is pointed out, the earlier restraining influence of Iran may not be quite so effective now that the Shah has lost thousands of millions of oil revenue due to the recent strikes in his country.

Pressure

But it is likely that, under strong pressure from the West, the price increase for crude will be kept to an average of about 10 percent and local experts anticipate that this will translate to a five percent higher price at petrol pumps on the Reef.

Fears of petrol price increase soon

►► From page 1

there is already anxiety of the possibility of recession next year — with an inevitable backlash to world trade.

Sapa - Reuter reported from Teheran that Iran

had some respite from its long political crisis yesterday with reports of violence in the country at their lowest level for six weeks.

Oil was flowing again with the situation apparently stabilising.

"At the moment this is purely informed guesswork," said a highly-placed motor source. "We will not be able to calculate accurately until Opec sets the exact figure."

Dollar snag

The last rise in the price of crude oil was five percent in January 1977. But since then, as the oil producing countries have pointed out, the value of the dollar has fallen by about 15 percent. Opec is paid for its crude in dollars and there has been speculation that the member countries may demand payment in a more stable currency.

The new-year petrol price increase will be just the first round in a series of higher prices to hit the motorist. New car prices will also go up.

The car manufacturers increase their prices every three months to cover the effect of inflation and the costs of implementing the Government's local content programme

In 1979 it is expected that the price of a car will go up by about 15 percent.

Particular concern is centred on the impact of a big oil price increase on the United States, where

To Page 3, Col 3

INDIA

Spa 16/11/78

(55)

Speeding summons cost R1 500

Mercury Correspondent

EAST LONDON — A speeding summons for using excessive fuel by travelling over the 90km/h speedlimit has cost Mr. Keith Radue of Durban about 500 litres of petrol and a total of almost R1 500 to attend court cases.

The admission of guilt fine payable was R50, for allegedly travelling at 103km/h, but Mr. Radue was certain he had not been exceeding the limit and was determined to contest the case.

He was acquitted yesterday and now intends taking legal advice on how best to go about recovering his costs from the State.

"Whatever happens I am taking civil action," he said.

He had received the summons more than a year ago.

Immediately he filed a written complaint with the senior public prosecutor here, Mr. P. Campbell.

Mr. Campbell had offered to assist him but had refused to provide a witness from the court to inspect the speed trap.

On his arrival back in Durban he received a letter from Mr. Campbell, dated the same day, saying he could not assist him.

Numerous telephone calls to King William's Town's head of the provincial traffic department, Mr. J. R. Zeeman, and Mr. Campbell, followed.

• TURN TO PAGE 2

Speed costs 55

• FROM PAGE 1

Mr. Radue said Mr. Zeeman had eventually agreed to ask that the case be dropped.

He said Mr. Zeeman later told him Mr. Campbell had refused to do this.

Both Mr. Campbell and Mr. Zeeman denied yesterday that this had taken place.

Mr. Zeeman said once a summons was issued the matter was in the hands of the public prosecutor and he could not take further action.

On December 15 Mr. Radue appeared in court before Mr. N. R. Oosthuysen, who postponed the case until February 6 after Mr. Radue pleaded not guilty.

Mr. Radue objected on the grounds he had taken three days leave.

The reasons for postponing the case were that expert evidence, which Mr. Radue said appeared to be available from only one man in South Africa, a Prof. de Beer, was not available.

Before February 3 Mr. Radue notified Mr. Campbell and Mr. Zeeman by telephone that he would be unable to attend court because of illness.

A doctor's certificate was forwarded to Mr. Campbell, but on February 6 Mr. Radue was notified that a warrant for his

arrest had been issued.

He was not arrested, and appeared before Mr. A. Nell on March 2. Neither Prof. de Beer nor Mr. Labuschagne were in court and the case was postponed to November 17.

On the same day Mr. Radue saw the Chief Magistrate, Mr. O. Bergh, who, he said, felt it would be reasonable to drop the charges if Mr. Zeeman agreed to do so.

Mr. Radue returned to Durban.

A telegram from Mr. Campbell said it was not necessary to go to court.

He ignored this as he was determined by this time to be acquitted in open court.

Yesterday he appeared before Mr. C. Louw, the third magistrate to handle the case.

The prosecutor led no evidence and Mr. Louw found Mr. Radue not guilty.

It is believed the case was not contested because Prof. de Beer was once again not available.

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useful things to do in the countryside if they are to partake in any major way in activity in the countryside. Larger works and maintenance that require strict timetables should be funded through departmental budgets or the regular budget of local government, whichever is the practice.

Alkohol uit mielies

Rapport 19/11/78

'n moeilike byt 55

Deur DAVID MEADES

IN die aanvulling van die land se brandstofvoorrade lyk dit of daar maar bra moeilik gebyt sal word aan die moontlikhede van mielies en suiker. En intussen sal daar ook nog boonop deur die owerheid 'n beleidsbesluit geneem moet word oor etiel- of metielalkohol.

Etielalkohol het sulke plantmateriaal soos mielies, suiker en druiwe as basis, terwyl metielalkohol se basis sulke stowwe soos steenkool, aardgas, hout en stadsafval is.

Sake-Rapport het na aanleiding van Sentrachem se planne om etielalkohol uit ons oorskot-mielies te vervaardig, met 'n paar kenners gepraat en dit is duidelik dat daar nog heelwat navorsing gedoen sal moet word alvorens hierdie ander brandstofbronne op groot skaal benut sal kan word.

Prof. Richard Dutkiewicz, direkteur van die Energie-Navorsingsinstituut van die Universiteit van Kaapstad, sê dat etiel- sowel as metielalkohol bepaalde voordele het. Hy meen egter dat metielalkohol die grootste moontlikhede het.

Die proses om etielalkohol uit sulke produkte soos mielies of suiker te vervaardig, is volgens prof. Dutkiewicz geweldig duur. Dit het egter die voordeel dat dit 'n bron is wat in teenstelling met steenkool onuitputlik is.

Maar dan meen hy dat die land meer as genoeg steenkool het om metielalkohol te kan vervaardig. En 'n baie rowwe raming wat hy gedoen het, dui daarop dat metielalkohol met steenkool as basis teen 60 tot 70 persent van die koste van die petrol uit die Sasol-proses vervaardig kan word.

Ly honger

Met mielies en suiker as basis het etielalkohol die voordeel dat dit die land kan help om van sy oorskot landbou-produkte ontslae te raak wat op die oomblik teen 'n baie groot verlies uitgevoer moet word.

Ander kenners wys egter daarop dat dit nie noodwendig beteken dat daar altyd 'n oorskot in die wêreld sal wees nie. En dan is daar ook nog altyd die menslike probleem om van kos petrol te maak en dit in motors te verbrand terwyl die grootste deel van die wêreldbevolking honger ly. Dit is glo ook die rede waarom daar in Amerika teen die etielalkohol-proses besluit is.

Diesel word as newe-produk by aardolie en metielalkohol verkry en is op die oomblik nog nie moontlik om uit atielalkohol te haal nie.

Dit is bekend dat daar van owerheidskant kommer is oor die toenemende gebruik van dieselenjins in private motors en die Minister van Ekonomiese Sake, mnr. Chris Heunis, het ook reeds hieroor 'n waarskuwing aan motorver-

vaardigers gerig.

Van owerheidskant kon Sake-Rapport geen kommentaar oor die moontlikhede of denkrigting oor etiel- en metielalkohol verkry nie. 'n Woordvoerder het egter gesê dat al die kennis wat op die oomblik beskikbaar is, saamgetrek is en daar word na alles in diepte gekyk. Die owerheid is ook nie onbewus van alternatiewe vir aardolie nie.

En wat strategiese oorwegings betref, is die land se grootste probleem in elk geval nie petrol nie. Hier gaan dit om diesel wat vir produktiewe doeleindes aangewend word.

Country's price of power to increase

Stew 28/01/78
SS

Municipalities throughout the country are preparing to pass Escom's electricity tariff increases on to consumers from January 1 next year.

Municipalities are permitted to make a profit on the sale of electricity to bolster their rate funds.

Despite a call some time ago by the Administrator of the Transvaal, Mr van Niekerk, not to pass on Escom increases automatically, municipalities are reluctant to lose this source of revenue.

Escom recently announced a 5.3 percent increase from January 1 in most of the Transvaal and Free State, and similar increases in the rest of the country.

As Escom has a virtual monopoly of power generation, this means most municipalities will bear the full brunt of this increase.

SANDTON

Johannesburg, which still generates nearly two thirds of its power will only pass about a third of the increase — or 1.86 percent — on to the consumer.

Sandton is to increase the tariff by 3.73 percent. A spokesman said this was two thirds of the Escom increase.

This was decided on as purchases from Escom accounted for two thirds of Sandton's electricity costs. The rest of the costs are

accounted for by reticulation.

A city to pass the full brunt of the Escom increase on to consumers is Germiston which has decided on a 5.7 percent increase.

Employment	Output (tons) per worker
3 026	79
4 016	72
3 734	74
6 366	103
8 042	98
7 509	101
9 357	93
9 605	86
7 956	88
5 596	105
6 709	104
7 659	93
8 577	99
8 431	115
9 318	128
8 816	161
9 280	158
8 120	167
8 229	178
8 703	204
9 280	214
7 769	273
8 091	300
7 310	362
8 244	370
8 149	419
7 643	441
9 211	461
8 765	552
9 905	594
9 176	600
9 595	551

1975	5 881
1976	5 503
1977	5 290

Diesels tarpe

DINK TWEE KEER, MAAN AA

ONS Sê...

DIT lyk nou na die tyd dat die motorvervaardigers in Suid-Afrika hand in eie boesem moet streek ten opsigte van dieselmotors. Die saak staan bondig so:

Min. Chris Heunis het reeds by herhaling gewaarsku teen die neiging om dieselpassasiersvoertuie te bevorder. Dit kan lol in 'n brandstof-krisis.

Desnieteenstaande is dieselmotors deur al hoe meer vervaardigers in die afgelope jaar "gestoof". Die nuutjie het as't ware 'n verkoopfoefie geword. Die syfers wat ons elders op die blad aangee, vertel die verhaal ten volle. Nou is daar sterk sprake dat van owerheidskant stappe beoog word om die verbruik van diesel as brandstof vir private vervoer effe aan bande te lê.

Dit sal 'n goeie gedagte wees as die motorbedryf hom in hierdie vroeë stadium deeglik van die Regering se houding oor die saak vergewis en self besluit of diesel as verkoop-punt vir groter afset, nog in die beste belang van die land — en in die laaste instansie van die verbruiker is.

Daar is kenners wat klaar meen die duurder dieselmotor en die bitter klein verskil in prys tussen hom en petrol, maak dit nie die moeite werd nie.

Op tarpe

55 Rapport 10/12/78

Deur DAVID MEADES

DIE owerheid is besig om maatreëls voor te berei om die gebruik van diesel vir gewone passasiersmotors aan bande te lê. Geen ampelike bevestiging kon hiervoor verkry word nie, maar Sake-Rapport het rede om te vermoed dat dit wel die geval is.

Sover vasgestel kon word, gaan die beperkings aan die verspreidingskant ingestel word. Dit sal dus beteken dat diesel aan dieselfde beperkinge as petrol onderhevig gaan wees.

Hierdie beperkinge op diesel sal volg op herhaalde waarskuwings deur die Minister van Ekonomiese Sake, mnr. Chris Heunis.

Hierdie waarskuwings het klaarblyklik op dowe ore geval as 'n mens kyk na die geweldige toename in die afset van dieselmotors vanaar (berig hieronder). Die plan is glo dat diesel nou ook net soos met petrol net op vasgestelde ure gekoop sal kan word. Uit die

aard van die saak sal daar vir handelsvoertuie en produksie wees. Terselfdertyd is dit ook duidelik dat as daar ooit 'n krisisstoestand in die voorstelling van ru-olie aan Suid-Afrika sou ontstaan, diesel vir gewone passasiersvoertuie heeltemal opgeskort kan word. En so 'n noodtoestand kan nie net deur politieke druk teen die land ontstaan nie. Gebeurde in Iran op die oomblik bewys dit duidelik dat die hele voorstelling van olie uiters vloeibaar is en dat 'n krisis oorag kan ontstaan. Daar kan ook aangeneem word dat stappe deur die owerheid om die verbruik van diesel te ontmoedig, verhaas kon word deur ander motorvervaardigers wat dalk planne het om aanstaande jaar ook tot die dieselmotors toe te tree. 'n Woordvoerder van een vervaardiger het aan Sake-Rapport gesê dat hulle geen ander keuse het nie as om ter beskerming van sy marktaandeel ook in te klim.

Dr. Eberhard von Koerber, bestuursdirekteur van BMW in Suid-Afrika, het aan Sake-Rapport gesê

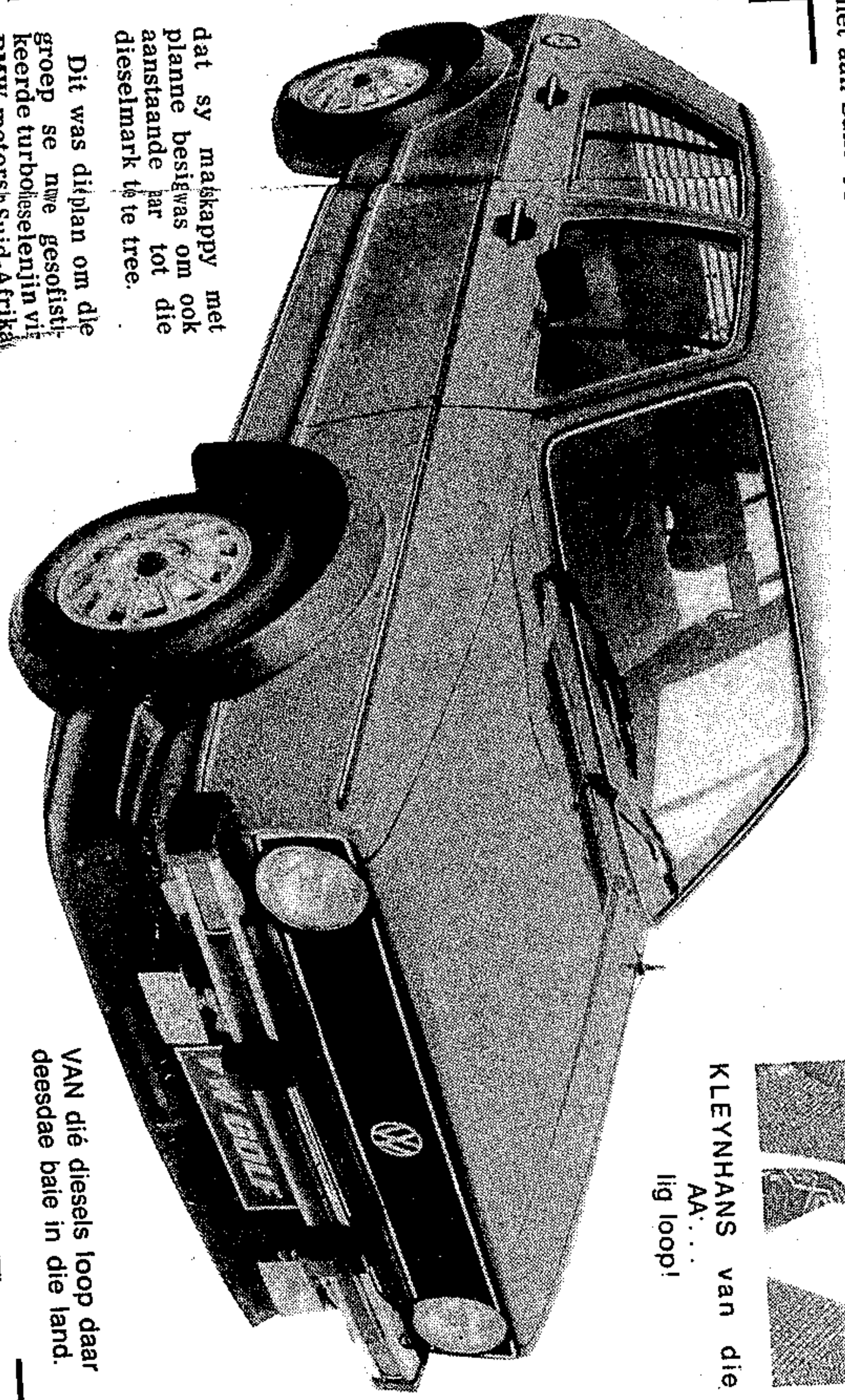
Minister het gewaarsku

Die herhaaldelike waarskuwings wat die Minister van Ekonomiese Sake, mnr. Chris Heunis, aan vervaardigers van dieselpassasiersvoertuie sowel as die kopers van sulke voertuie gerig het, moet nie te ligtelik opgeneem word nie, sê hy.

Die AA-Vereniging het hom heeltemal met die standpunt van die Regering oor die gebruik van diesel. Behalwe dat 'n mens nie die verhouding van diesel tot petrol sover dit 'n ru-olie betref, kan versteur nie, sal diesel in 'n krisisstoestand net vir produktiewe doeleindes gebruik moet word.



KLEYNHANS van die AA... lig loop!



VAN die diesels loop daar deesdae baie in die land.

HY wil voornemens maak om te keer te maak op die owerheid se dink voordat hulle tot so 'n stap oorgaan, het mnr. Hennie Kleynhans, skakeldirekteur van die AA, aan Sake-Rapport gesê.

Die herhaaldelike waarskuwings wat die Minister van Ekonomiese Sake, mnr. Chris Heunis, aan vervaardigers van dieselpassasiersvoertuie sowel as die kopers van sulke voertuie gerig het, moet nie te ligtelik opgeneem word nie, sê hy.

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Die dieselloerusting is gewoonlik baie duurder as dieselfde model met petrol-aandrywing. Die gewone motorryer wat een of twee keer per jaar met vakansie gaan, sal daardie motor baie jare lank moet gebruik voordat hy eers sal kan begin voordeel trek.

Omdat alle dieselenjins vir passasiersvoertuie ingevoer word, moet 'n sterk toename in die afset van dieselmotors toenemende druk op die land se betalingsbalans plaas en 'n verlies aan buitelandse valuta beteken, sê mnr. Kleynhans.

'n Sterk toename in die vraag na diesel sal die balans tussen die bestanddele van 'n vat ru-olie verander en kan daartoe lei dat ons olie-invoerrekening groter word. Daar kan dus aangeneem word dat die owerheid so 'n toestand ook fyn sal dop hou.

Dit is veral so as 'n mens daaraan dink dat hierdie invoerrekening van R190 miljoen in 1972 tot meer as R1 300 miljoen op die oomblik gestyg het, sê mnr. Kleynhans.

DIT is belangrik en in landsbelang dat daar 'n gebalanseerde groeikoers tussen diesel en petrol is, sê mnr. Joe Stegmann, besturende direkteur van Sasol.

Sake-Rapport het mnr. Stegmann om kommentaar genader na aanleiding van die sterk toename in die afset van dieselpassasiersvoertuie vanjaar ondanks herhaaldelike waarskuwings van die owerheid dat stappe gedoen kan word as daar te kwaai na diesel oorgeskaakel word.

Mnr. Stegmann sê dat daar by die raffinering van olie 'n vaste verhouding is wat net tussen bepaalde grense kan wissel. As 'n mens dus 'n ongebalanseerde groeikoers sou onder-

waarskuwings in hierdie verband gerig en die redes daarvoor is klaarblyklik, sê mnr. Stegmann.

In enige noodtoestand sal die produktiewe sektor van die vervoerwese absolute voorkeur moet geniet omdat hierdie sektor grootliks van diesel afhanklik is.

Diskrimineer

Hy meen dus dat daar goeie rede is om te verwag dat as die verbruik van diesel vinniger as dié van petrol toeneem, die owerheid dit kan oorweeg om beperkinge in te stel. Daarom glo hy, sê mnr. Stegmann, dat dit wenslik is om die publiek te ontmoedig om dieselmotors aan te skaf.

Hy dink ook dat dit wenslik is dat daaraan gedink word om stappe te doen om die voordeel wat diesel teenoor petrol geniet, uit te skakel. 'n Mens moet onthou dat diesel ook deur spoorvrag en aksynsbelas-

ting bevoordeel word en daar kan eintlik gesê word dat daar teen petrol gediskrimineer word, het mnr. Stegmann tenslotte gesê.

● Die spoorvrag op 'n liter petrol gelewer in Johannesburg beloop 3,4c, terwyl dit in die geval van diesel 2,2c is.



SASOL se Stegmann... hou balans reg.

vind waar die vraag na diesel oor jare sterker sal toeneem as na petrol, sal of onnodige aanvullende hoeveelhede ru-olie ingevoer moet word of die produk diesel as sodanig sal moet ingevoer word.

Noodtoestand

Weens ons afhanklikheid op ru-olie is dit ongewens om op die duur addisionele hoeveelhede ru-olie in te voer, terwyl die invoer van die produk diesel weer nadelig vir die besetting van die land se raffinaderye se vermoë sal wees, sê mnr. Stegmann.

En as daar ooit 'n noodtoestand sou ontstaan, moet aanvaar word dat baie min diesel of selfs niks vir gewone passasiersvoertuie beskikbaar sal wees nie.

Die Minister van Ekonomiese Sake, mnr. Chris Hennis, het tewens reeds

**Groei-balans moet
reg wees, sê
Sasol**

BMW besluit daarteen

al word daar besef dat stappe deur die Regering die verbruiker op die ou end die ergste gaan tref.

belang is nie en BMW het heeltemal daarvan afgesien.

Intussen word daar in energiekringe gevoel dat dit hoog tyd geword het om ook te kyk of diesel in die produktiewe sektore nie te veel vermors word nie.

Daar word gesê dat daar veral by die swaar vragmotors met dieselenjins 'n enorme vermorsing is. Hierdie vermorsing is hoofsaaklik weens enjins wat nie reg ingestel is nie en die gevoel is dat veral vervaardigers hier baie meer leiding kan gee. Dit is ook geen ongewone gesig om op ons hoofpaaie groot vragmotors te sien met lekkende dieseltenks waaruit die kosbare brandstof vloei nie.

AFSET VAN DIESELMOTORS

	1977 1e 10 maande	1978 1e 10 maande
PACSA		
404D		280
504D		945
Totaal	387	1 225
UCDD		
240D		1 385
300D		1 166
Totaal	1 730	2 551
Volkswagen		
GolfD		1 149
Passat D Sedan		945
Passat D Variant		1 399
Totaal	nul	3 493
Groototaal	2 117	7 269

Afset styg meer as 3 keer

DAAR was vanjaar 'n buitengewone toename in die vraag na dieselmotors, soos uit die tabel hierbo gesien kan word. Vir die eerste tien maande van die jaar beloop die totale syfer reeds 7 269, wat meer as drie keer soveel as dieselfde tien maande verlede jaar is.

Die grootste rede hiervoor is ongetwyfeld die bekendstelling van nuwe modelle wat dieselenjins het.

Peugeot het sy 504 met 'n gesofistikeerde nuwe dieselenjin toegerus en het in die eerste tien maande vanjaar reeds byna 1 000 van hierdie motors verkoop. Terselfdertyd het hy

die 404, wat nou as 'n passasiersmotor van die mark verdwyn, met sy 404-dieselbakkie se enjin toegerus en het vanjaar 290 hiervan verkoop.

Die dieselmotore het eers teen die einde van 1977 beskikbaar geword en in daardie jaar het Peugeot 387 eenhede verkoop, teenoor die 1 225 in die eerste tien maande vanjaar.

Voor Peugeot met sy dieselmotors gekom het, was United Car & Diesel Distributors (UCDD) die enigste motorvervaardiger wat met sy bekende Mercedes-Benz-dieselmotors op die mark was.

UCDD het egter teen die einde van verlede jaar sy reeks dieselmotors uitgebrei met die bekendstelling

van die 300D, 'n motor wat met 'n dieselenjin met vyf silinders aangedryf word. Hierdie motor is ondanks sy hoë prys (R14 500 vir die outomatiese model) baie gewild en daar is in die eerste tien maande altesame 1 166 daarvan verkoop.

Van die 240D-modelle is altesame 1 385 eenhede verkoop, wat die totaal vir die eerste tien maande op 2 551 te staan gebring het, teenoor 1 730 in die ooreenstemmende tien maande verlede jaar.

Volkswagen was egter die motormaatskappy wat vir die grootste omwenteling in die dieselmotormark verantwoordelik was. Hy het eers laat verlede jaar met die bemerking van die Passat Sedan en Variant met dieselenjins begin, maar

het in die eerste tien maande vanjaar reeds byna 50 persent van die totale mark gehad.

Sy totale afset van dieselmotors staan nou op 3 493, terwyl hy in die eerste tien maande verlede jaar nog geen dieselmotore op die mark gehad het nie.

Benadeel

Hy het maar net 'n paar maande gelede om sy gewilde Golf ook met 'n dieselenjin toe te rus, maar hierdie dieselmotore is reeds verreweg die grootste verkoper. Vir die eerste tien maande staan die Golf Diesel se afset op 1 149, nadat nie minder nie as 236 eenhede in Oktober verkoop is.

Dit het Volkswagen se totale afset van dieselmotors in Oktober op 440 te staan gebring, wat baie duidelik toon dat Volkswagen se dieselaafset nog glad nie deur enige dieselaafsetwaarskuwings benadeel is nie.

NM

35

Oil bill to rise by R120m

Mercury Correspondent

JOHANNESBURG — Opec's decision to raise the price of crude oil by 14,5 percent next year could affect South Africa's expenditure on oil imports by some R120 million — and motorists could be paying about 1,7 cents more for a litre of petrol by the end of 1979.

These are the estimates of the Automobile Association, which yesterday released a statement on the staggered increases announced by Opec on Sunday.

The increases are in four

stages — 5 percent on January 1; 3,809 percent on April 1; 2,294 percent on July 1 and 2,691 percent on October 1.

An AA spokesman said it was not possible, in its estimates, to take into consideration the portion the Minister of Economic Affairs, Mr. Chris Heunis, might decide must be borne by the oil companies.

176 percent

"The price rise does not mean that petrol will rise by an equivalent amount. On the contrary, the retail price of petrol, viewed over the entire year could only go up in stages by about 1,7 cents a litre in the aggregate," the spokesman said.

Since the energy crisis began in 1973, the retail price of petrol has increased by about 176 percent.

The Federated Chamber of Industries' economist, Mr. Arthur Hammond Tooke said he considered the estimate of about R150 million on the oil bill as "fairly conservative."

The price of crude oil only accounted for one-third of the retail petrol price.

Impossible

"One must also remember that it is impossible to estimate what increases the Government might decide to impose to constrain the demand for petrol. But that is not saying definitely the Government will decide to impose any extra increases," he said.

The oil price rise would raise the cost of living by 0,5 percent. The rise would not be crippling when spread over the whole of 1979, as it might have been if it had been delivered in one huge 14,5 percent "slug."

Concern

Mr. J. Aikman, assistant general manager of Durban Chamber of Commerce, said: "It will undoubtedly be the implications for the country's balance of payments which will be the major source of concern."

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Mr. Alan Gardiner, director and general manager of Pick 'n Pay's Natal operation, said the price of most foodstuffs would increase.

Research

A research programme to test the possibilities of using a mixture of methanol and diesel fuel as an alternative to conventional vehicle fuels, has been launched.

It is an extension of a project to test methanol and methanol-petrol mixtures started last July.

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MPDI GOVERNMENT TAMIADY-MA

Jo'burg power to cost more

RBM 21/12/78 (55)

By GRAHAM BROWN
Municipal Reporter

THE DAYS are numbered for Johannesburg's grand grey lady of electricity — the 300 megawatt Orlando power station, which has saved power users many millions of rands.

After 36 years of service her tubes are now bursting too often and her joints are starting to crack under the strain of intense heat.

So the city council is almost certain to pension the station off soon. But the shadow of her passing will remain on future electricity accounts, which will probably be 15% higher when she goes.

Johannesburg generates two thirds of its R100-million power supply. The rest comes from Escom, which is much more expensive.

It will cost an extra R15-million to replace the Orlando power with electricity from Escom.

The two power stations at Kelvin, generating a total of 600 megawatts, will still be able to supply half of Johannesburg's electricity needs.

But with the Orlando station out of action, tariffs will move closer to those of towns which rely entirely on Escom. At present Johannesburg consumers pay up to 40% less.

The council has appointed consultants to study various power supply alternatives, including ambitious schemes to build a hydro-electric dam at Klipriviersberg and to use compressed gas to generate power from water stored in an old mine shaft.

The consultants' first report, dealing with the fate of the Orlando plant, is expected early next year.

committees and were employing 16 62
the following sectors of the economy

TABLE 3

Sector	Industry of	Number of
Manufacturing		
Services		
Commerce		

In fifteen organisations (44%) management had taken the initiative in establishing the committee, while African employees had done so (15%), and management and employees together had taken the initiative (41%).

There was a tendency for older workers and those with long service to be elected to these committees: in 80% of the organisations there were no restrictions whatsoever on the nomination of candidates, while in 20% there were certain requirements, mainly to achieve equal departmental representation.

82% of the respondents reported that their works committee met at intervals of one year. In most instances, 68%, regular monthly meetings were held, while a further 9% met weekly and 6% met at other intervals.

The most frequently mentioned reasons for choosing a works committee were that they were more effective than liaison committees, that they were more representative and acceptable to African workers, and that the workers preferred them.

In 1973 only three co-ordinating works committees³⁹ had been established.

Recognition of African Trade Unions

The Verster investigation indicated that while the majority of participating organisations with liaison committees (56%) were opposed to the recognition of African trade unions, the majority of those with works committees (68%) were in favour of recognising them.⁴⁰

37. Op.cit. pp.91-4.

38. Ibid, pp.97-101.

39. Hansard 3 columns 160-1, 22 August 1973.

40. Op.cit. pp.66-8, 108.

Petrol: you'll pay 3,2c more

RAM 21/12/78

(55)

CAPE TOWN.

Petrol and diesel prices will be increased by 10% from January 1, the Minister of Economic Affairs, Mr Chris Heunis, said yesterday.

He said there would be one single increase despite the Organisation of Petroleum Exporting Countries' (Opec) insistence on four staggered increases in 1979.

The new price will pay for the expected R120-million increase in next year's fuel bill following Opec's 14,5% crude oil price hike.

Mr Heunis said the Opec price rise, the increase in oil shipping costs and the unrest in Iran — a major supplier of South Africa's oil — were behind the decision.

The new price will include GST and will be based on a 10% increase in the litre price of 93 octane petrol at the coast — an extra 3,2 cents.

Mr Heunis said South Africa was now forced to seek alternative oil supplies — but these were more expensive.

"The Government has to ensure supplies are not interrupted and has constantly been investigating alternative sources. A fund is however absolutely necessary to subsidise the premium we have to pay on the world price when buying from these alternative sources. This is also necessary to ensure that we can maintain the local consumer price even when additional fuel imports have to be paid for at above the Opec price," Mr Heunis said.

And he appealed to the public to conserve fuel as the situation had now reverted back to that of 1974.

"I want to make it clear that if we do not attain the required levels of saving it is a foregone conclusion that the Government will have to take further and more drastic steps," he said.

"The continued instability of the political situation in Iran has made it impossible to gauge when, if ever, the supply position will return to former volumes."

Mr Heunis said he knew the price increase was an unpopular measure but stressed it was not of the Government's making.

The Opec countries were responsible, he said.

"Our choice was whether to make a single increase or follow Opec in repeated increases. Petrol is a sensitive product and repeated increases will be detrimental to our recovering economic situation."

He said there were numerous alternatives available — the most convenient and obvious one being hours of sale.

The announcement followed discussions between Mr Heunis and petrol company representatives yesterday.

Commerce

Meanwhile a spokesman for the Automobile Association, Mr W A Oberholzer, said last night the increase was difficult to understand.

"According to our own estimates, and taking into account the full Opec increases for 1979, the retail price increase should not have exceeded, at the most, 1,7c a litre over the year.

"Without having seen the Minister's full statement, an increase of 10% on the retail price seems exorbitant and unfortunate.

"It will increase inflation, the cost of motoring and consumer goods to an appreciable extent at a time when the economy is showing signs of recovery."

● Mr Heunis said his department would release all the new petrol prices for the 32 price zones by next week.

intervals.

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Recognition of African Trade Unions

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37. *Op.cit.* pp.91-4.

38. *Ibid.*, pp.97-101.

39. Hansard 3 columns 160-1, 22 August 197

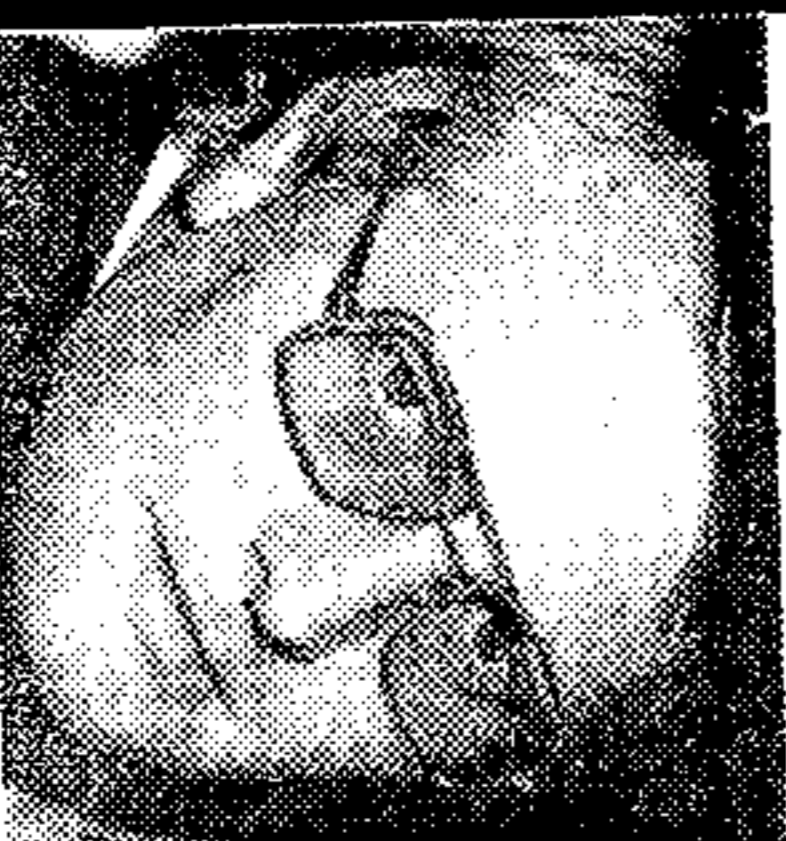
40. *Op.cit.* pp.66-8, 108.

**What's
your
opinion?**

SOME were amazed, a few indifferent but nobody expressed outrage or shock in a Mercury survey.



MRS. Jenny van der Walt; housewife: "I may have to sell my car if this goes on any longer."



MR. Duncan Boy, insurance representative: "I accept the increase as inevitable and maybe we should be looking hard towards another form of fuel."

Heunis slaps 10pc on petrol, diesel

55
NW 21/12/78

CAPE TOWN — Petrol and diesel fuel prices are to be increased by 10 percent from January 1, the Minister of Economic Affairs announced here yesterday. At the coast this means a litre of 93 octane petrol will cost 3,2 cents more.

Two factors made the increase necessary — the general increase in the world crude oil price and the increase in oil shipping costs, he said.

In addition the Government had to consider supply difficulties due to unrest in Iran, a major South African oil supplier.

South Africa was not alone in this respect; many other countries were now forced to look for alternative or auxiliary sources.

"Unfortunately these alternative sources are more expensive and we have to pay them a premium on the world price which is not always constant or predictable."

Mr. Chris Heunis made the announcement after discussion with petrol company representatives and said there would be one increase instead of the repetitive phased increases on crude oil announced by the Opec countries.

The new price would provide for the R120 million increase in the 1979 fuel bill which the Government anticipated from the Opec countries' crude oil price hike of 14.5 percent.

Mr. Heunis appealed to motorists to conserve fuel as the situation had now reverted to that of 1974.

"The continued instability of the political situation in Iran has made it impossible to gauge when, if ever, the supply

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182



MR. Mike Sanzin, technical assistant: "Naturally it's annoying, but we have to accept these things."



MR. Graham Ward, a computer bureau supervisor: "It's not a shock after this week's developments in Iran."

Mr. Roland Freakes, executive director of the Natal Chamber of Industries, said that the increased cost of diesel fuel was expected, but "not welcome."

Costs

"We have seen such rapid increases over the past two or three years that transportation has now become a highly significant component in production costs.

"This might well be the time to establish a fully-fledged Department of Energy, as we have proposed, to monitor consumption and to assist in devising ways and means of ensuring maximum use of each litre of fuel," said Mr. Fréakes.

position will ^{5% - 10%} return to former volumes.

"We have not needed to adjust the petrol price for two years. Two adjustments made since January, 1977, have been prompted by an increase in local railage delivery costs and general sales tax.

Average

"The crude oil price increase has to be passed on to users of all petroleum products and will average out at a general 10 percent increase in petroleum products across the board.

"I want to make it clear that if we do not attain the required levels of saving it is a foregone conclusion that the Government will have to take further and more drastic steps."

Adding fuel to our inflation

(55)

AS THE monitor of inflation in this country, the Government seems at best to have been remiss in its decision to impose a 10% hike in the price of petrol and diesel oil, effective from January 1.

At worst, the action could be seen as an opportunistic rip-off of the motorist, since the first Opec increase — scheduled for New Year's Day — will only be 5% on the world price of oil. The remainder of the 14.5% will be staggered over seven months from April 1.

So, for three months at least, the Government will be pulling in a further 5% on the price of oil products, or more specifically 1,6c a litre on petrol, which will be a complete bonus in the coffers of the Treasury. And, however many millions of rands that might add to the country's revenue, it will be entirely inflationary.

Announcing the 10% hike, the Minister of Economic Affairs, Mr Heunis, said his department had chosen to make a single increase rather than follow Opec in repeated increases because "petrol is a sensitive product and repeated increases will be detrimental to our recovering situation".

What nonsense. Surely in a situation of inflation, any competent government seizes the slightest opportunity to cut back on spending. And would there really have been public agitation had the price of petrol and oil gone up four times in nine months, instead of in

one fell swoop?

Certainly not. In fact, the effect would have been masked.

Two other points carry the Government's action even further into question. One is the price of gold, which soared when the oil price hike was first announced and has almost maintained that increase. At one stage it was confidently estimated that gold, at its new price, would bring South Africa R3 600-million a year as against R1 770-million in 1972 — or, in other words, more than enough to offset the oil increase.

Whatever happened to that proposition?

The other point concerns the crisis in Iran. Mr Heunis implied on Wednesday that the unrest in Iran — our biggest supplier of oil — was a major factor behind the decision to put up the price of fuel by 10%.

On the other hand, US Treasury Secretary Mr Michael Blumenthal said yesterday: "If (production in) Iran comes back and there is not a sudden surge in demand, there is considerable doubt that the Opec price levels will be maintainable."

Should they not be, or should the price of gold continue to improve to a point where the increased oil bill is negligible by comparison, will the Government reduce the price of petrol?

Of course it won't. And that's the only thing we may be sure of in this confusing situation.

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	1970	1980:Projection	1980:Projection	1970	1976	Max. 1971-76 if not 1976
Copper	11 541	41 900	42 800	12 205	13 229	15 744 (1973)
Iron Ore	6 002		11 200	6 153	9 334	9 515 (1975)
Chrome	4 895					1 (1973)
Manganese	8 045					
Coal	72 555					
Asbestos	19 817					
SUB-TOTAL	122 855					
Others	22 534					35-4 (1973)
Gold	413 272					53 (1973)
Diamonds	21 000					34 (1974)
Platinum	61 169					92-5 (1974)
TOTAL	640 833					68-6 (1973)

TABLE 34: ACTUAL (1970-76) AND PROJECTED (1970-80) MINING EMPLOYMENT

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Winners and losers

The 14.5% oil price hike for next year, announced by Opec members last weekend, will not in itself plunge the West into recession.

Certainly, it is bad news for the US, and other countries whose currencies are linked to the dollar. The immediate fall of the dollar shows just how keenly the rest of world is charting America's balance of payments.

Before the oil ministers' meeting, it was hoped that the US's record \$30 billion trade deficit this year might be halved in 1979. Economic planners now reckon, however, that even if the US consumes the same volume of imported oil next year, more than \$4 billion will be added to the trade deficit. What's more, despite the Carter administration's frantic efforts to curb oil demand, imports are still climbing. By late November they were edging towards 9m barrels a day, after being as low as 7m b/d earlier this year.

On the other hand, several of the West's most powerful economies, notably West Germany and Japan, have seen their currencies rise so sharply against the dollar since the last oil price hike two years ago, that the impact of the new increases is not much to worry about.

The Opec countries have even less cause for concern. The new price-raising formula agreed at Abu Dhabi was created for reasons of internal politics, and it holds a number of advantages for Opec members.

It allows both the poorer countries desperate for as big a rise as possible and the richer countries, like Saudi Arabia, more concerned with the dollar and the interests of their American allies, to claim a degree of success. The Saudis can point to the small size of the rise next January — a mere 5% — and the fact that staggering the subsequent quarterly rises

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(3.8% in April, 2.9% in July and 2.7% in October) means that the average rise for the year will work out at about 10%.

This is roughly the rise that became inevitable once the year-end rush to stockpile oil and the strikes in Iran ended the year-long oil glut and removed the veto power from Saudi Arabia's hands. The price hawks, like Algeria and Iraq, though they did not get the immediate big rise they had been pressing for to compensate for the erosion of perhaps 25% of the real price of oil by inflation and dollar depreciation over the past five years; can nonetheless point to the fact that oil will cost 14.5% more from the first of October than it does today.

The new price system also discourages the regular stockpiling of oil before every likely price rise, which has accentuated the year-end tightness of supply and greatly increased the usual summer glut.

Other agreements reached at Abu Dhabi put an end, for the time being at least, to the nagging problem of the disparity between light and heavy crude oil prices. The bulk of the West's refining capacity is ill-adapted to the heavy sulphurous oil which makes up, for example, half Iran's output, much of Saudi Arabia's reserves, and all of Kuwait's and Venezuela's production.

To use a higher proportion of heavy crudes than is presently consumed, Western refineries would have to build costly crackers to break up the large quantity of residual fuel oil that is produced by refining heavy crudes. These outlays are not justifiable given the present disparity of light and heavy oil prices. As a result, when demand for Opec oil is running high, light oil is almost unobtainable. But heavy oil is still sold at discount prices. The readjustment of prices now taking place goes some way towards making heavy crudes more attractive to refiners.

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SELFCARE

Since time began clinicians have asked themselves two questions about their patients

'What is the diagnosis'? and

'What is the treatment'?

Petrol hike was too rash, say consumers

RDM 22/12/78

55

By JAYNE LA MONT

THE new 10% fuel price hike, effective from January 1, was labelled as a hasty move without foresight by people interviewed in Johannesburg yesterday.

A random survey showed that most people — even those who did not drive — feared the whole economy would be affected by the increase as a wide range of product prices follow suit.

The increase has pushed the retail price of a litre of premium petrol on the Reef

from 30,1 cents to 33,3 cents.

A Durban businessman recently transferred to Johannesburg, Mr Gavin Terner, said the rise was inevitable.

"Doesn't the price rise every year, no matter what promises are made about keeping it down? I can't see the justification of pushing it up 10% in one blow, but there is nothing we can do. Without a doubt everything related to transport will jump in the New Year, too, as well as a lot of things

that are not petrol based," he said.

Mr Phillip Wong, who is visiting South Africa from Mauritius, said he felt the rise would have been less of a blow had the Government decided to stagger it along with the Opec rise.

"If they had put up the price gradually, people would have had the chance to adjust to the new prices in steps. They have now landed a shock on the public which is bound to skyrocket all other prices too," he said.

Mr Bob Kunene, an attorney's messenger, said the rise could not be justified by any rational person.

"We have read what economists estimated the rise would be, but this is far above their estimates and I can't see any justification for putting petrol up that much. The Government seems to have made another wrong move in this respect and I know most people are becoming very dissatisfied," Mr Kunene said.

One Johannesburg businessman, Mr R Fitzhenry, said that although he considered the rise a justified and clever move by Mr Heunis, attention should have been paid to the eventual effect on the economy as a whole.

"This is going to affect everything. I estimate that other petrol products won't just go up 10%, but much more — possibly about 20%. This is unfair to all consumers, not just the motorist," he said.

A Windhoek visitor, Mrs Joan Gericke, said petrol was more expensive in South West Africa. But she foresaw grave problems for the South African economy.

"When petrol rises, we have learnt in the past, everything else takes the opportunity to jump. It seems as though people believe that one won't notice how everything else goes up when they are worrying about their transport. This is wrong as it only brings the general rises into prominence," she said.

Miss Patti Baron-Lowe, a Johannesburg secretary, who commutes to the city from Krugersdorp daily, said the rise was going to present a problem — especially for those who are already finding petrol bills a drain.

"We are certainly going to have a problem here. I don't think the rise was a wise move. It was hasty and without foresight and there are going to be some very sharp feelings about it."

by two African nurses and supervised by the sister who runs the clinic for 'coloured' patients in town. The latter clinic stands next to the larger Divisional Council clinic which serves people from the rural areas. There

clinic as well as making daily stops at other villages:

although their cash wages may amount to as little as R5,00 per week. He sees about 1 000 to 1 200 patients as district surgeon per month, which includes visits to the prison at Kirkwood (about 500 prisoners and 100 warders and

in the town for 'coloured' patients and the location of Borbrug - are run by the municipality for residents of the municipal area. Borbrug clinic is run



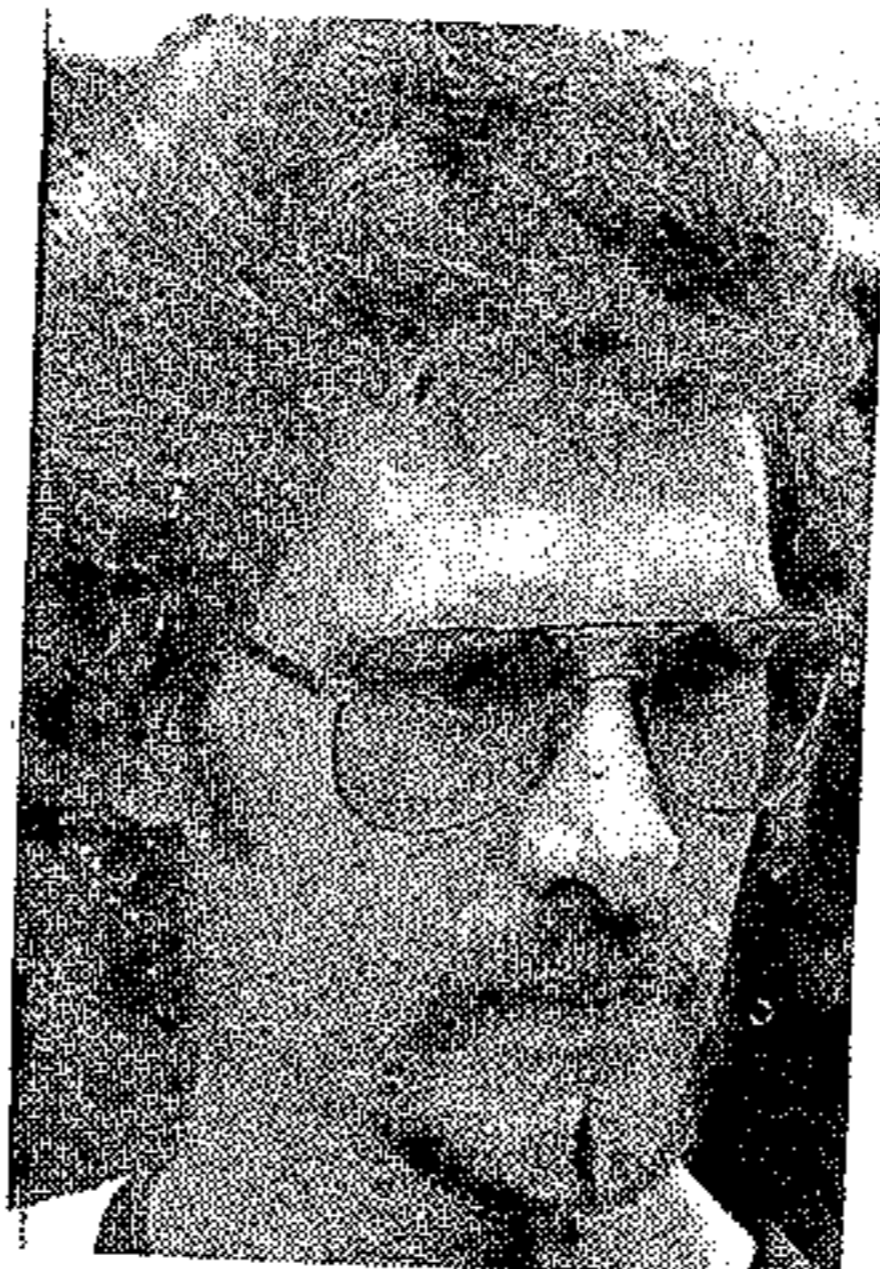
MISS PATTI BARON-LOWE
... sharp feelings.



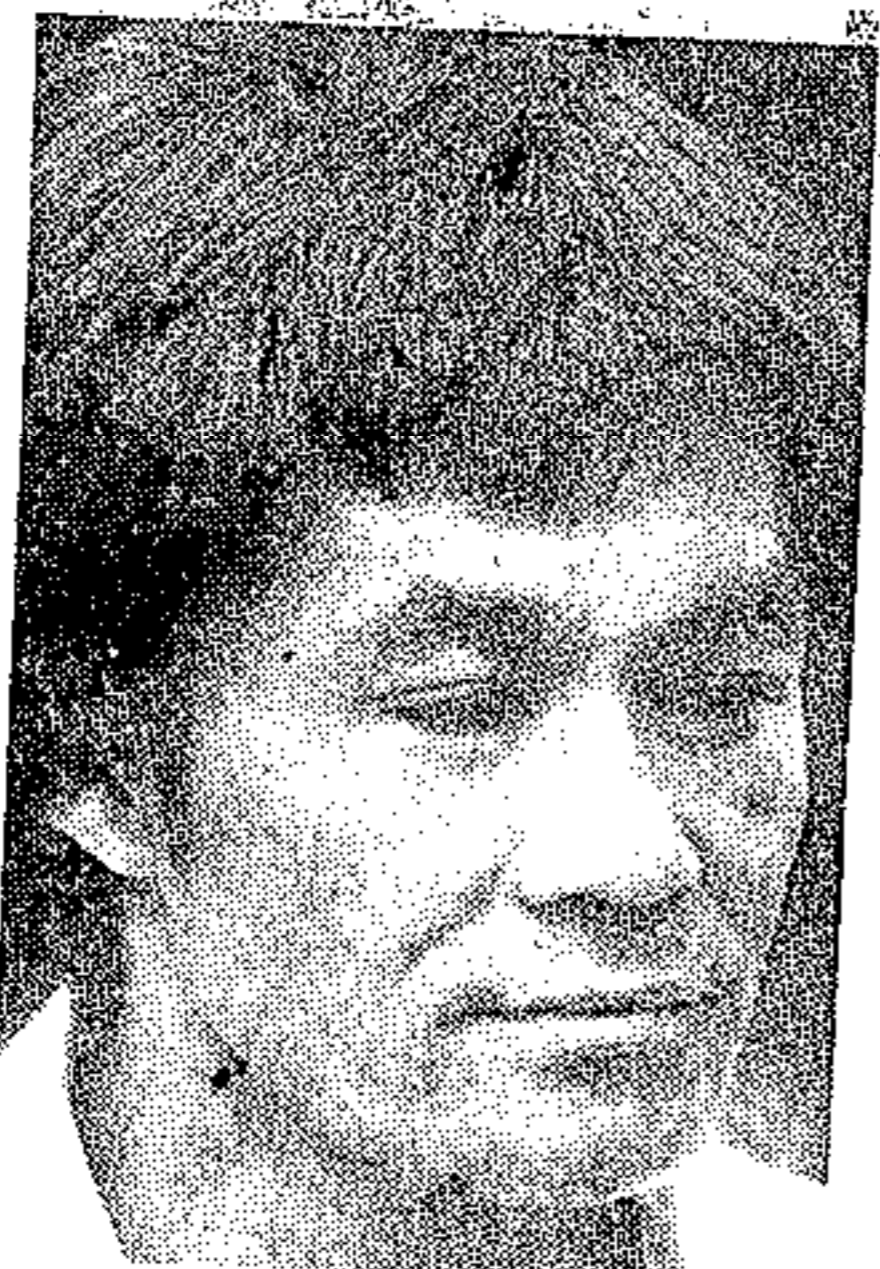
MR R FITZHENRY
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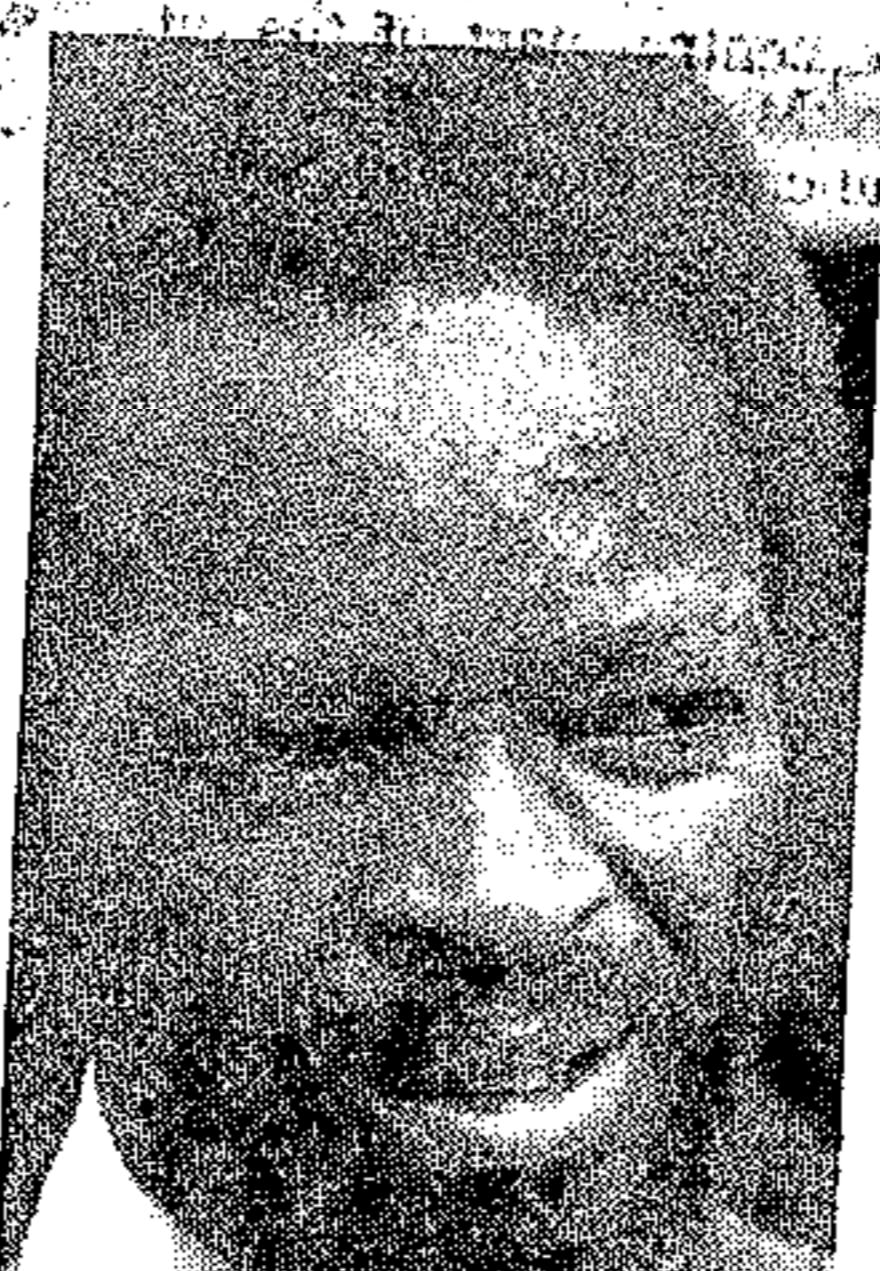
MRS JOAN GERICKE
... big economic problems.



MR GAVIN TERNER
... inevitable rise.



MR PHILLIP WONG
... should be staggered



MR BOB KUNENE
... a Government mistake

Petrol punches the ripple starts

RSM 22/12/78

55

STARTS

By MARILYN ELLIOTT

SHOCK waves are rippling through South Africa's already shaky economy after the announcement of a 10% increase in petrol and diesel fuel prices.

Economists predict that the effects of the increase could boost the current rate of inflation by 4%.

And farmers — facing a R20-million addition to their R137-million fuel bill — say the prices of all agricultural produce will skyrocket.

The Minister of Agriculture, Mr Hendrik Schoeman, said farmers would be forced to increase their prices by April next year.

He said additional consumer subsidies were unlikely. "Where will we get the money?" he asked.

According to the South African Agricultural Union, price rises for oil-based farming requisites, including sprays and veterinary remedies, will greatly affect production costs.

Sasol fuel will not escape the 10% hike, according to the Minister of Economic Affairs, Mr Chris Heunis. He said price maintenance for Sasol fuel was neither practical nor feasible.

A Sasol spokesman said: "Although the Opec price increase does not affect Sasol's production of petrol from local coal sources, we cannot sell one brand of petrol more cheaply than the rest of crude oil fuels — and it would be unfair to sell petrol cheaper here than in other parts of South Africa."

A spokesman for the railways said yesterday it was not easy to forecast whether the price rise will trigger off increased tariffs.

"We are one of the biggest consumers of petrol and diesel in the country," he said. "Our financial department is busy working out what effects the hike will have on prices, but it is too early to speculate that there will be price increases. Our policy is to absorb extra costs where possible."

And South African Airways is waiting for a decision from the Minister of Transport on possible airfare increases. Yesterday an SAA spokesman said any increases would be announced in Parliament next year.

"It is too soon to say how the hike will affect us," he said.

In most commercial sectors gloom met the price hike announcement.

A spokesman from the Department of Commerce, Consumer Affairs, Mr T van der Walt, said in Cape Town that it was difficult to say when the situation would change.

If, however, the Government discovers that the hike is stifling economic growth, the effects will have to be taken into account when formulating general economic policy," he said.

Opec threat

KUWAIT. — The Organisation of Petroleum Exporting Countries (Opec) yesterday threatened a further oil-price increase if the US dollar fell further and international inflation increased.

Secretary-General Rene Ortiz said the next Opec meeting would "consider any further decline in the value of the US dollar and take proper measures to meet this." — Sapa-AP.

Meanwhile, increased taxi tariffs in Johannesburg are on the cards. Mr C T Froneman, manager of Johannesburg's largest taxi fleet, said a board meeting would be held to discuss possible new tariffs.

"It is too early to say whether price rises are on the way, but even if we do decide to put up tariffs the move will have to be approved by the Road Transportation Board," he said.

But busfares will remain the same — for the time being. Mr Les Petty, General Manager of Johannesburg's municipal transport service, said: "The cost of diesel for our bus service is less than 5% of the total operating costs. If diesel costs us 15% more, it will only effect a 0.75% increase. I do not think busfares will go up at this stage."

Mr Mike Hawkins, Public Relations Officer for the South African Co-ordinating Consumer Council, said consumers should "stop bleating about the 10% petrol price increase and do something about it."

● See Page 3
● Editorial comment
— Page 10

employment level (3 026 in 1946 to 9 176 total mining employment. However the pattern time is very different from that in the iron are similarities with chrome there are

the changes in employment over time as

post-war years (1946-1953) employment grew 605 workers — presumably as the result of supply (mine capacity) and upswing in post-war boom; manganese is sold to the world. His 1953 employment figure was only surpassed

to subdivide the years after 1953. In a sense it is possible to consider them as exhibiting a pattern of mild cyclical variation (apart from the 1955 and upswing of 1956-60)

also a case for seeing a slightly falling trend in the early 1970s (after the regaining of the 1953 level) and a reversal of that trend since 1972.

With the behaviour of the 5-year moving average, the 5-year averages in the series from 1969-73 to 1972-74 are rising from a declining trend (from 8 793 to 7 887); the 5-year averages from 1969-73 to 1972-74 are rising from

has increased by more than 20-fold (from, say, 250 000 tons to 5½ million). There was the 1950s level of capacity, and then a shift in the first half of the 1960s (Hotazel open-cast

SÓ ROL DIE PETROLEUM-INDUSTRIE

* RAPPORT, 24 Desember 1978 - 9

Deur DAVID MEADES

DIE skerp verhoging in die prys van petroleumprodukte wat op 1 Januarie in werking tree, gaan in die nuwe jaar minstens R500 miljoen uit die ekonomiese trek.

Uit navrae in die oliebedryf blyk dit dat die verhoging van 3,2c per liter die land sowat R350 miljoen meer gaan kos. Maar met die kring-uitwerking van ander prysverhogings wat hierop sal volg, sal die totale uitwerking minstens R500 miljoen wees.

Oor 'n volle jaar sal die staat na raming meer as R130 miljoen van die verhoging van 3,2c neem om in die spesiale stabilisasiefonds te stort as 'n buffer teen gebeurlikhede op die internasionale oliemark. Aan RAPPORT is gesê dat die sake in Iran, wat ons grootste verskaffer van ru-olie is, meer deurmekaar is as wat baie mense besef. En Suid-Afrika is natuurlik nie al land wat nou daarop moet ly nie. Soos dit nou maar eenmaal gaan, buit ander olieverskaffers Iran se di-

lemma uit. As 'n mens skielik olie wil he, moet jy meer daarvoor betaal. Terselfdertyd het die probleme in Iran ook die koste om die olie hier te kry, ingrypend verhoog. Daar word gesê dat die oliebedryf net oor die laaste paar weke 'n ekstra byna R20 miljoen moes opdok.

Die prysverhoging van olie wat in 1979 in vier stadiums altesame 14,5 persent sal beloop, word in die bedryf op sowat 1,6c per liter geraam. Terselfdertyd is daar vir die kleinhandel glo 'n ekstra 0,2c per liter, terwyl Algemene Verkoopbelasting waarskynlik ook sowat 0,2c per liter sal verg. Dit laat daar 'n aanvullende 1,2c vir die nuwe stabilisasiefonds.

In die huidige prys van petrol is daar reeds 4c per liter wat na die Strategiese Oliefonds (SOF) gaan, waarvan die grootste deel aangewend word vir die gedeeltelike finansiering van

die tweede Sasol-aanleg by Secunda. As 'n mens die jongste 1,2c hierby tel, betaal die motorryer nou 5,2c per liter om die staat in 'n positie te stel om die voorsorgsmaatreëls te tref wat nodig is om die wiede aan die rol te hou. Dis 15,6 persent van die prys van een liter brandstof.

Dan is daar natuurlik nog 7,7c per liter wat ook na die staat gaan in die vorm van akyns- en verkoopbelasting, terwyl die Spoorweë 3,5c per liter neem. Die totale koste van die ru-olie beloop nou 12,9c per liter in Durban gelewer, terwyl die handelaar 2,06c kry en die oliemaatskappy 1,9c.

Volgens die Verbruikersraad in Pretoria kan die gewone motorryer met die regte lewenshouding en benadering tot die helfte van sy uitgawes aan brandstof per jaar bespaar sonder om noodwendig minder te ry. Sodoende sal hy dus die

En hierheen gaan al die geld uit die motorryer se sak

jongste petrolprysverhoging kan absorbeer, terwyl dit ook vir die handel en die nywerheid moontlik moet wees om hul verbruik met minstens 10 persent te verminder.

Maar ongelukkig is die boer nie in dieselde posisie nie. Mnr. Albert Basson, voorsitter van die Suid-Afrikaanse Landbou-Unie, het aan RAPPORT gesê dat die boer nou 'n aanvullende uitgawe van R20 miljoen

Die boer gebruik hoofsaaklik diesel vir produksiedoelindes, waarvan die prys nou met sowat 15 persent in die binneland en met nog meer aan die kus gaan styg. Die boer se brandstof verteenwoordig sowat 15 persent van sy totale koste en hierdie uitgawe op brandstof het vanjaar na raming sowat R137 miljoen beloop.

Die brandstofprysverhogings sowel as die kunsmis-

prysverhoging baar nou ernstige kommer in die landbou, sê mnr. Basson. Die prys van die boer se produksiemiddele het die afgelope vier jaar met 83,2 persent gestyg, terwyl die gemiddelde prys wat hy vir sy produkte kry, met net 36,4 persent toegeneem het.

Die Unie het reeds op 24 November samesprekinge met die ministers van landbou en finansies gevoer oor die agteruitgang van die boer se ekonomiese posisie.

As daar aanvaar word dat kosteverhogings onvermydelik is, beskou die Unie dit as 'n positiewe benadering dat die boer se produkteprysse ook onvermydelik verhoog sal moet word ten einde hom weer op 'n gesonde ekonomiese grondslag te plaas.

Elkeense hap daaruit

DIE tabel toon die hap wat elke man uit die prys van 'n liter petrol aan die Rand vat. Daar is aanvaar dat die petrolprys op 1 Januarie aan die Rand met 3,2c per liter styg.

Prys van petrol (93) in sent aan die Rand	April 1970	Oktober 1978	Januarie 1979
Koste (v.a.b.) in Durban	1970	1978	1979
Spoorvrug	2,22	11,30	12,90
Akyns, SOF, ens.	1,50	3,50	3,50
Oliemaatskappye	2,88	10,34	11,54
Handelaar	1,85	1,90	1,90
Algemene Verkoopbelasting	0,77	1,86	2,06
Prys by die pomp	9,20	30,06	33,26

Control curbs?

Star 27/12/78 (55)

W A

What a Women's Movement should be is a political movement within the structures of society, the reserves, squatter-camps, even theoretically, by the U.C.T. article has no direct knowledge among Women's Movement men and women are perhaps more aware of institutions that continually produce "in South Africa" and develop "adequate political practice" from a

undeniably bourgeois establishment as a white up projected "Integrated struggle for liberation or utopianism, organisation must concern itself with in no way excludes the awareness of other oppressed

In correlating such diverse statements as the "difference between men and women" (which contradiction is not that "the contradictions that exist between social importance (if at all)" the writer fails to recall a basic feminist tenet to attack one particular (not to be confused with Marxist, Socialist, Leninist) only one of the numerous positions held by U.C.T. organization of the movement. This article is the U.C.T. Women's Movement into an homogenous its policies accordingly.

By a process of flawed illogical reasoning several the most erroneous of which concerns "consciousness-raising" as an involvement with personal issues: tedious catalogue of fundamentals, the writer ignores the fact that "women's problems"- rape, the pill, private problems and that the small group facilitates awareness from the personal to the political. consciousness there can be no mass political consciousness of this is the "speaking bitterness" sessions of peasant women, which played a vital role in the

The cultural conditions of people's lives are a result of their oppression in determining consciousness. contradictions that exist between bourgeois women as discrimination and working class women who experience "essentially exploitation" a dichotomy is being replaced by psycho-sexual forms of oppression on the one hand and on the other substituting a mechanistic model of profound understanding of how these two aspects reinforce each other.

The mock-warning that "inadequate strategies" for liberation is not achieved simultaneously with no cognisance of the historical fact that in the next century have women, by fighting alongside men, equality, simultaneously or after the revolutionary

Iran crisis can hit SA hard, Heunis warns

South Africans could face tough new petrol curbs as a crisis looms following the stopping of oil exports from riot-torn Iran.

Iran has supplied an estimated 90 percent of South Africa's oil in the past and in an interview today, the Minister of Economic Affairs, Mr Chris Heunis, went out of his way to stress that the situation was serious.

He said the Government was considering additional steps to conserve fuel because of the crisis in Iran which has now resulted in no crude oil leaving that country.

He had discussions today with representatives of oil companies and officials of the departments of commerce and industry.

He would not give details of the additional steps that could be taken, but it appeared today that one possibility was selling hours. Service stations have been allowed to sell petrol on Saturdays since March, but it seems the Government could again restrict this to weekdays.

Mr Heunis will make an announcement on additional conservation methods late this afternoon.

Mr Heunis said the Government was looking for alternative sources of supply, but in the meantime consumers would have to do their best to conserve fuel.

Reluctant

He did not have full details of the latest crisis in Iran, but if the fuel shortage continued for an indefinite period additional steps would have to be taken. The Government would wait to see how long the crisis continued before taking steps. So far the Government has shown reluctance to



Mr Heunis . . . additional steps to save fuel.

Mr Heunis has said this could be done, but the Government was unwilling to do so because it would be expensive and cumbersome.

He has declined to give details of South Africa's stocks of crude oil, but it is known that the country has been stockpiling oil for some years.

A spokesman for the Automobile Association said his organisation had always been opposed to rationing. He stressed the importance of not only the private motorist conserving fuel, but also commerce, industry, local authorities and farmers making concerted efforts.

Star 27/12/78 (55) 12

Petrol on ration for world supplier

TEHERAN — Iran, the world's second largest petroleum exporter, imposed fuel rationing today after strikes by opponents of the Shah crippled production.

Industry sources said oil production today was expected to be below 400 000 barrels. The daily average for this time of year is about 6 million barrels and Iran's daily domestic consumption is nearly 700 000 barrels.

Troops fired automatic weapons in the air trying to dispel mobs of anti-Shah demonstrators marching toward the US Embassy, but protesters regrouped and headed in other directions.

Heavy bursts of gunfire shook the city centre.

Pedestrians took shelter in office buildings. On one street, some 500 protesters set fire to piles of tyres,

blocking traffic and setting a yellow car on fire.

Iran Air cancelled all 27 flights from Teheran today after airline workers walked off the job in protest against the reign of the Shah.

More than 70 oil tankers were lying at anchor today off the main Iranian export terminal of Khargh Island, unable to load up because of limited supplies.

The political opposition to the Shah said another mass anti-Shah demonstration would take place today at the funeral of a university professor shot dead in the Ministry of Higher Education in Teheran yesterday.

A spokesman for the main opposition National Front grouping said anti-Shah campaigners planned a massive mourning march and funeral for

Professor Kamran Nejayatollahi (28).

He was one of 60 academics staging a sit-in at the Ministry to protest against the closures of Iran's universities and schools by the military-led Government.

The Majlis (Lower House) meets behind closed doors today to debate the continuing demonstrations and violence.

Sources close to Dr Gholian Sadighi say the Shah has accepted all his conditions for taking the premiership, including the need for strict adherence to the constitution, which would limit the Shah's role to that of a figurehead.

The Shah is reported to be shopping around in Los Angeles for a large piece of land in the Bel Air section.—Own Correspondent, Sapa-Reuter-AP.

livity of the S.S.D. editors' of Bourgeois Feminism" in of the combined appear in their article.

ines itself to stating the 'It must, therefore, identify To assume that factors such role of women in these' have men's Movement indicates that discussions and projects notable difference being

re discrepancy between reproduce the structural re writer idealistically a context of such an

To theorize around the and women" is mere ic oppression. Separatism os.

contradiction that exists mined in detail) and saying es then assumes secondary it he/she moves from stating stance - radical feminism Lesbian Feminism) which is within the 'umbrella' rmed attempt to stereotype eminst group and attack

conclusions are deduced, ing". No feminist

ld endorse a description of "consciousness-onal issues. It is clear that, despite the he writer has failed to appreciate the basic the pill, abortion etc., are not personal and group facilitates the crucial transition in political. Without individual political political consciousness. A practical example " sessions held by small groups of Chinese role in their mobilisation.

lives are as important as the economic basis consciousness. In speaking of "the very real bourgeois women who experience their oppression s women who experience their oppression as

essentially exploitation" a dichotomy is being set up between the 'bourgeois' psycho-sexual forms of oppression on the one hand and the 'real' material forms on the other substituting a mechanistic model of class relations for a more profound understanding of how these two aspects of oppression depend upon and reinforce each other.

The mock-warning that "inadequate strategies" could ensure that "Women's liberation is not achieved simultaneously with the liberation of men..." shows no cognisance of the historical fact that in no third world revolution this century have women, by fighting alongside men, come anywhere near achieving equality, simultaneously or after the revolution.

continues/...

Star 22/12/78

Rationing of petrol old hat in Rhodesia

(55)

By Deon du Plessis,
The Star's Africa
News Service

Petrol rationing — now an uncomfortable possibility for South Africa — has been a fact of life for years in one of our closest neighbours, Rhodesia.

South African motorists in Rhodesia scarcely notice the rationing at all for as foreign tourists they are given all the petrol they need.

Rhodesians must apply for petrol coupons at petrol rationing offices situated in every city and town.

Allocation is strict. The rationing officer checks the car's engine size and asks whether the driver works, where he works, where he lives, and what the car is needed for.

He makes a computation and decides how many petrol units the applicant may have. With a 1500 cc car and living 6 km from my office, I received 55 litres a month.

Most firms receive a business allowance too but in many cases this allocation is even stricter than the private petrol allowance.

CREDIT

Periodically there is a petrol coupon forgery scandal in Rhodesia but with different colour coupons each month, they are difficult to forge.

Those who bear the brunt of the public's wrath are the rationing officers. Daily they are confronted with hard-luck stories from applicants trying to squeeze another coupon.

On the credit side the Rhodesian authorities have decided motorists should be able to do with their share what they like.

Petrol stations are open seven days a week and the national speed limit 100 km/h. It is rarely enforced.

Griffin writes of India: "Between the census year 1961 and 1971, the number of agricultural labourers in the male rural labour force rose from 15,3% to 24,9%. That

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We have seen how, for a number of reasons, projects, and technological improvement, etc., benefit the richer rather than the poorer. There is evidence to suggest furthermore, that in the areas where most technological improvements and aid are being introduced the gap between rich and poor grows more quickly than in less "developed" area.

Brett quotes⁴¹ C.B. Lamb's research in Kenya which shows that 14% of the members of a co-operative society receive 64% of the payout and that while co-operatives of more wealthy people prosper those who have not the resources to join get poorer. Thus the wealth of the few in the main cash cropping area of Tanzania is "only at the expense of the landlessness of growing sections of the population."⁴²

7

Summary of Main Trends Discussed in Part I

1 Because of the way in which the reserves have become incorporated into the wider South African economy, they have few resources. The majority of people are very poor, although there are important class differences.

Due to this poverty, there is an extremely limited market at the village level. Imported goods from South Africa and other countries supply the towns and trading stores. These goods are well advertised, efficiently distributed and regularly supplied. Any small local production enterprise is faced with competition from them, and has no protected period in which to establish itself. Lack of marketing channels is a crucial brake on production.

Keeping the record straight

If you have a complaint about an ascertainable error in The Star, please phone 838-5420 between 8.30 am and 4.30 pm.

The Star delivery

If you have a complaint about late delivery or non-delivery of your Star please phone The Star Hot-

line, such as the person should provide collective person than would be ally, by marketing

Heunis puts the brake on motor

RDM 28/3/78

(55)

THE MOTORIST

CAPE TOWN

MOTORISTS will have to observe the existing speed limits strictly to avoid drastic Government action to reduce fuel consumption, the Minister of Economic Affairs, Mr Chris Heunis, warned yesterday.

Announcing the formation of a working committee to probe possible action, he said there would be no decision on petrol rationing or other forced economy measures at this stage.

But a limitation on the selling hours for diesel fuel, due to come into effect on March 9, has been brought forward to January 15.

- 1959 Mr Heunis called on bulk users to avoid wastage, and announced that the Government had decided against any drastic increase in the price of petrol above the 10% rise which comes into effect on January 1.
- 1960
- 1961
- 1962 Mr Heunis told a Press conference in Cape Town that South Africa would drastically reduce its imports of crude oil in 1979, and conduct an inquiry into the use or wastage of fuel by agriculture, commerce, industry, mining and transportation.
- 1963
- 1964
- 1965
- 1966
- 1967 "In the light of the latest reports from Iran and the effect on the crude oil supply, it is clear that the production and exporting of crude oil has come to a standstill."
- 1968
- 1969 Mr Heunis said he saw no improvement in the position for the importing countries, including South Africa, which now had to increase efforts to obtain alternative supplies.
- 1970
- 1971 In reply to a question, he said he had not set a target on the cuts to be made in oil imports but would "see what can be saved in the productive sector without affecting the economy".
- 1972
- 1973
- 1974
- 1975
- 1976
- 1977

Mr Heunis said that to achieve a basic saving of crude oil imports, there had to be a saving in the use of petroleum products by users in all sectors.

"The Government has therefore decided to appoint a works committee consisting of representatives of my Department and of commerce, industry and the oil industry, to investigate as a

6 366 | 103

matter of urgent priority the use of petroleum products and to report to me any detrimental effects the costs and supply problems have on our economic position, and how to reduce or eliminate them."

A drastic increase in the petrol price would have meant placing it beyond the reach of a large section of the population, he said, and the Government had decided against it.

It would also increase inflation and dampen the economic recovery.

Strong arguments had been put forward in favour of lowering the speed limits. But he was sure motorists would observe the present limits strictly and so avoid the Government having to take drastic steps.

Among the matters the committee would investigate was a possible change in the present hours and days of sale of petrol.

The Minister said he thought the world oil price could rise strongly over the next few months if the present situation persisted.

Meanwhile a Motor Industries Federation spokesman confirmed in Pretoria yesterday that petrol retailers would sell all their stocks at the new price on January 1.

But he dismissed fears expressed by the Automobile Association that service stations would make windfall profits by selling old stocks at the increased price.

Mr C M Burton-Durham, secretary of the MIF's Southern Transvaal division, said most of the retailers affiliated to his organisation did not have the storage capacity to build up appreciable stocks of pre-increase petrol.

- It may be a blessing in disguise — Page 9
- Iran fuel cuts — Page 2

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CAPE TOWN — Petrol rationing or other enforced steps to reduce the use of petrol could be introduced next year, the Minister of Economic Affairs, Mr Heunis, warned yesterday.

Fuel measures welcomed

JOHANNESBURG — Pressure groups in the motor industry have reacted favourably to the fuel conservation statement made last night by Mr Chris Heunis, Minister of Economic Affairs.

Mr Jannie van Huyssteen, director of the Motor Industries Federation, which represents motor manufacturers and petrol retailers, said the proposals were fair and appropriate to the current oil supply position.

"The Minister is relying on the public. If it is necessary to impose tougher conservation measures later, we will only have ourselves to blame," he said.

"With our distances and our poor public transport, we are a motoring public very dependent on the car. The Minister has given us a chance to cooperate, and it's very important that we do so."

Mr Van Huyssteen said he was glad Mr Heunis had not introduced petrol rationing as part of the fuel conservation proposals.

Mr Hennie Kleynhans, spokesman for the AA, said the AA welcomed Mr Heunis's decision to establish a works committee in which all the relevant fuel interests would be represented.

"We are especially gratified to hear the Minister say there was no immediate need to impose further speed curbs."

He said the AA did not consider the price mechanism an effective restraint on the demand for petrol.

"Millions of litres could be saved by synchronising traffic lights and by tightening up law enforcement to stop things like double parking in peak periods, where motorists idled away masses of fuel," he said. — DDC.

And he called on South Africans to:

SAVE fuel in mining;
SAVE fuel in agriculture;
SAVE fuel in transportation;
SAVE fuel in industry.

He also disclosed that a limitation of the hours in which diesel fuel may be sold, which was due to come into effect on March 9, had been brought forward to January 15.

Mr Heunis said the priority was to reduce imports of crude oil and to ensure that supplies were used as effectively as possible.

The move follows the worsening crisis in Iran from which South Africa imports the bulk of its crude oil.

Reports from Teheran yesterday said that oil exports had stopped and output had fallen to a new low following a sudden increase in the intensity of the anti-Shah strikes and go-slows by oil workers.

Mr Heunis, who had talks with representatives of the oil companies and officials of the Departments of Commerce and Industry yesterday, said if the Iranian crisis continued indefinitely additional steps would have to be taken to find alternative sources of supply.

The Minister also revealed yesterday that a working committee — including representatives of his department and the oil companies — would be formed to investigate possibilities and make proposals on additional steps to conserve fuel.

He called on motorists to observe the present speed limits strictly as a voluntary measure and also urged bulk users of petroleum products to avoid wastage.

Mr Heunis said the appointment of the committee should not be seen as a panic measure, but as a precautionary move following the situation in Iran.

Its proposals would have to be made in the light of fighting inflation, the revival of the economy, maintaining the growth rate and the necessity of being fair to all members of the public.

He said a price increase would hit the less affluent members of the community.

It would also increase inflation and dampen the economic recovery.

Strong arguments had been put forward in favour of lowering the speed limits. However, he was sure motorists would be motivated to observe the present limits and so avoid the government's having to take drastic steps.

Mr Heunis said that among the matters the committee would go into was a possible change in the present hours and days of sale of petrol.

It would also have to assess what percentage could be saved in the productive section without harming the economy. — SAPA.

SAVE, SAVE, SAVE, SAVE

Petrol rationing may be introduced next year

28/1/78
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Possible changes in present hours and days of sale

Limit on diesel fuel selling hours brought forward

Iran nears total collapse

TEHERAN — Death and violence spread last night with Iran appearing close to social and economic collapse as the military government announced the introduction of fuel rationing.

Bonfires glowed here as the Shah and his family remained in their beleaguered palace. Nobody could explain why he refused to make a television appearance or radio statement as the Iranian crisis mounted.

Mr A. Entezam, chairman of the National Iranian Oil Company, warned that the rationing "might not be enough if the industry's 67 000 workers striking over the Shah's "repressive" regime did not return to work.

Mr Entezam appealed to Moslem religious leaders "to perform your religious duties and recommend

that the strikers end their strike."

The workers walked off the job after Ayatollah Khomeini, exiled leader of the powerful Shiite sect, urged a general strike to bring down the Shah.

Meanwhile, elite army rangers sprayed automatic-weapon fire on a funeral procession of anti-Shah demonstrators near Teheran University and at least four people were confirmed dead and 22 wounded after troops fired directly into the crowd.

Rifle and machinegun fire echoed across Teheran as demonstrators opposed to the Shah and his American supporters pressed a relentless terrorist war against weary army troops and police.

In one street rioters exchanged fire with army units and three troopers

were wounded.

The thousands-strong funeral procession called to mark the killing of a 27-year-old civil engineering professor during a sit-down strike erupted into violence when troops opened fire after it had paraded for about 500 m with the victim's body and family at its head.

As heavy bursts of gunfire shook the city centre, pedestrians took shelter in office buildings. In one street, some 500 protesters set fire to piles of tyres, blocking traffic and setting a car alight.

Demonstrators said the car had been full of agents of Savak, the Shah's secret police, shooting at the crowd. The demonstrators said the agents escaped before the car was set ablaze.

Iran's strike-torn oil industry is almost at a standstill — production is down from 5.8 million barrels a day to 500 000 and exports have ceased — the cut-back in deliveries by British Petroleum to its customers around the world is expected to be increased. BP is Iran's biggest single customer.

The plummeting oil output is affecting all 14 companies of the Western-owned Iran Oil Participants, as well as the Iranian Government's direct customers such as South Africa and Israel.

Oil experts assume the South African Government is making a thorough search for alternative sources of oil supply, possibly in South America, but nobody knows with what success.

— SAPA-RNS-DDC.

Picture page 9.

Iran cuts fuel as strikes cripple oil

KDM 28/12/74 (55)

TEHRAN. — Troops opened fire on demonstrators yesterday as Iran's oil production plunged to a 27-year low, halting exports for the second consecutive day and bringing fuel rationing to the country.

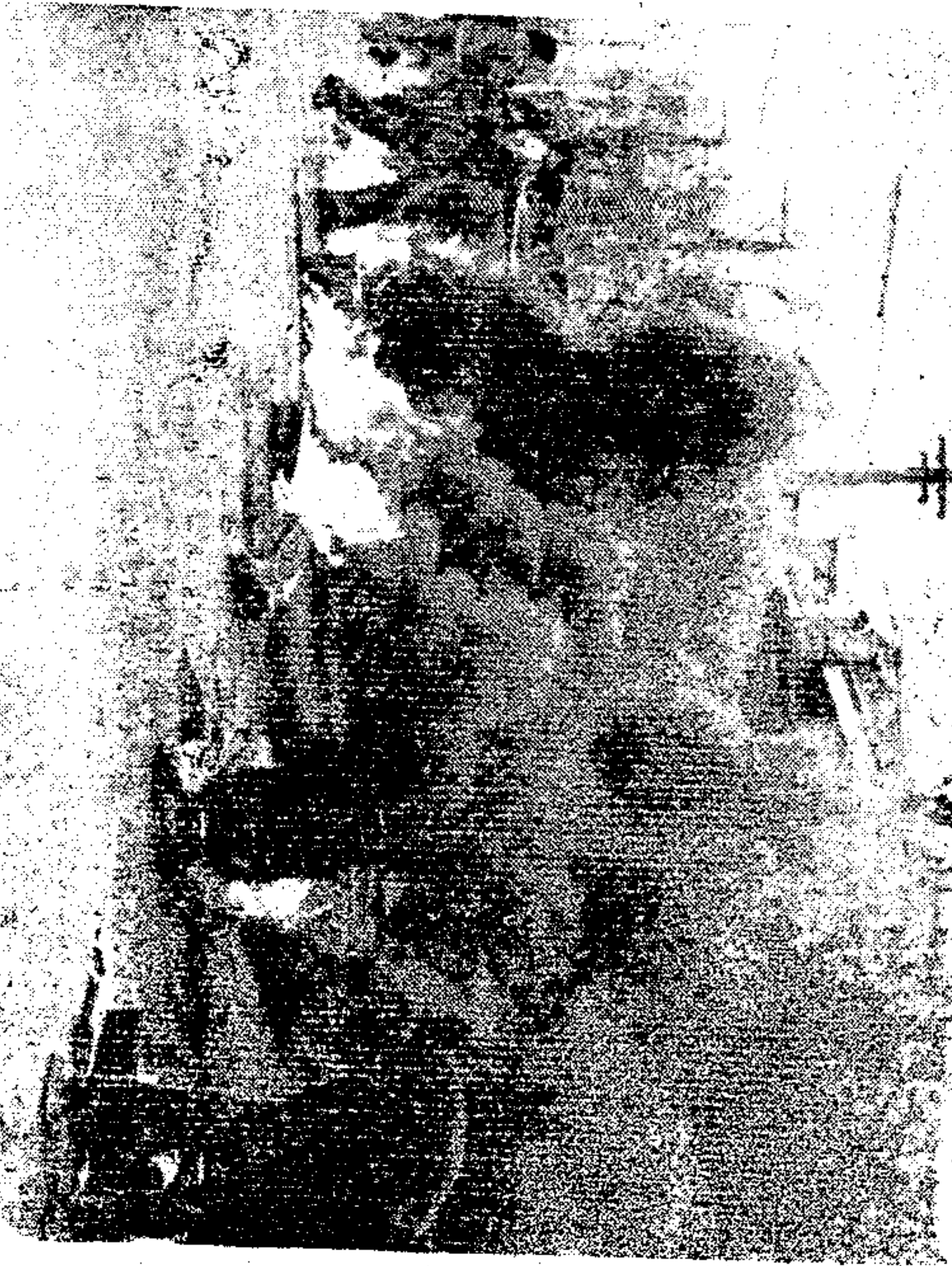
Witnesses and opposition sources said at least eight people, including three soldiers, were killed in a clash between troops and mourners around Teheran University.

Meanwhile, troops fired into the air in a bid to dispel mobs of anti-Shah demonstrators marching toward the United States Embassy in Teheran, but protesters regrouped and headed in other directions, witnesses said.

Heavy bursts of gunfire shook the city centre. Pedestrians took shelter in office buildings. On one street, about 500 demonstrators set fire to piles of tyres, blocking traffic and setting a car on fire.

Announcing the rationing move, Mr Abdullah Entezam, chairman of the National Iranian Oil Company, warned that this step might not be enough if the present general strike by anti-Shah workers continued.

Oil workers walked off the job after Ayatullah Khomeini, leader of the powerful Shiite sect, urged a gen-



Anti-Shah demonstrators set bonfires in Teheran to thwart army action.

eral strike to bring down the Shah.

The strikers have depressed oil production to critical levels and dried up imports of consumer goods.

Industry sources said oil production yesterday was expected to be below 400 000 barrels. The daily average at this time of year is about 6 000 000 barrels, and Iran's

lecturer killed on Boxing Day.

The army opened fire when the mourners refused to disperse, witnesses said.

Opposition sources said they had been given permission for the funeral procession by martial law authorities, but that word had evidently not spread to the troops.

The protesters in downtown Iran first gathered at the headquarters of National Iranian Oil, then moved toward the nearby US Embassy. Witnesses said the mob dispersed when soldiers fired into the air, but formed again when the shooting stopped, then moved down side streets.

The protests came as anti-Shah technical workers struck at Iran Air, forcing the national carrier to cancel all 27 flights from Teheran. They said their strike would continue "indefinitely".

Strike-related shortages have already spawned a flourishing black market in heating fuel.

Meanwhile the British Foreign Office said in London yesterday that British citizens in southern Iran have been advised to exercise "extreme caution" after the killing last week of a US oil executive.

A Foreign Office spokesman said: "Britons living in southern Iran have been advised to go out of doors only if this is necessary."

Witnesses said the shooting near the university started when troops tried to halt a procession of thousands of students, university staff, clergymen and doctors for the funeral of a 27-year-old civil engineering

Angola turns to the West

By RICHARD WALKER

NEW YORK. — Angola is turning to the West to expand its oil production in a move that appears to herald the beginning of an encouraging new economic policy.

Western oil companies describe as "promising" new regulations that would give them 25% to 30% of the production from any new oil discovery.

Such production sharing is standard practice in Africa and the Middle East, but the Angolans are hinting at special terms for companies who agree to explore and drill as quickly as possible.

According to one source, Angola is adopting a very realistic attitude and is encouraging American companies to approach it.

About six American oil companies are said to be interested, as well as Shell, BP and Total of France, the Washington Post reports.

During last week's visit to Angola by Senator George McGovern, President Agostino Neto stressed Angola's good relations with American business and appealed for more investments.

Gulf Oil currently produces about 135 000 barrels of oil off the Cabinda Coast, while Texaco has an interest in a small field in northern Angola.

BP supplies may be cut

By STANLEY UYS

LONDON. — With Iran's strike-torn oil industry almost at a standstill, the cut-back in deliveries by British Petroleum to its customers around the world is expected to be increased in the first quarter of 1979 from 25% to 33%.

BP is Iran's biggest single customer.

The plummeting oil output is affecting all 14 companies of the Western-owned Iran Oil Participants (IOP) as well as the Iranian Government's direct customers such as South Africa and Israel.

BP is hardest hit because it usually gets 40% of its crude supplies from Iran — about 2 200 000 barrels a day.

Iran's oil output has been so badly curtailed now by rioting against the Shah that the country cannot produce enough to meet its own domestic needs.

It is desperately short of refined products, such as kerosene and petrol, and the military government's efforts to buy supplies on the open market appear to have failed because of international shortages which tend to appear each winter.

Oil experts assume the South African Government is making a thorough search for alternative sources of oil supply, possibly in South

America, but nobody knows with what success.

The decline in Iran's oil output is due to a three-month-old strike which has just flared up again as a result of threats of reprisals by the Shah's opponents against the oil industry's 67 000 workers if they turn up for work.

Workers at Ahwaz and Abadan are so cowed by intimidation and death threats that troops are having to round them up and drive them to the oilfields.

But the workers are so frightened — all the more so since Saturday's murder of American executive Mr Paul Grimm, operations manager of the Oil Services company of Iran — that many are refusing to return to work even if they face sacking or eviction from their State-owned homes.

Oil is Iran's main foreign currency earner. Without it the economy would collapse.

The Shah's main opponent, the Ayatullah Khomeini, is determined not to compromise with the Shah's regime.

From his self-exile in France, the leader of Iran's Shiite Moslems is successfully keeping Iran in turmoil by using the twin pressures of economic disruption and street demonstra-

Iran's oil will last '7 days'

(W. CAPE BRANCH)

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I appreciate, ne quasi novam istam
laudius).

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ing the year:-

NM 29/12/75
TEHERAN — The Shah of Iran was confronted with the gravest threat to his 37-year reign yesterday as a burgeoning anti-monarchist movement brought the country's business and industrial life virtually to a halt.

2 More than 30 people were reported killed in clashes between troops and anti-Shah demonstrators in the southern city of Ahvaz.

Bloody disorders flared in other provincial towns.

3 And as fresh anti-Government rioting erupted again in the streets of Teheran, Iranians were officially advised the

country had only enough oil to last for a week.

The anti-Shah movement posed its biggest challenge to the 58-year-old monarch with a switch from political to economic action aimed at toppling the Peacock Throne.

Widespread strikes overshadowed the street fighting in the capital in spite of sporadic shooting, rock-throwing and teargas assaults.

4 The Iranian Oil company's chairman, Mr. Abdullah Entezam, speaking on the radio called on Muslim leaders to urge striking workers to return to work.

The strikers support religious leader Ayatullah Khomeini, who yesterday issued a call from his base in Paris for a national day of mourning in Iran tomorrow.

Mr. Khomeini told his Shi'ite followers that they should cease work and hold demonstrations to mark the first anniversary of what he called the start of the bloodshed in the present campaign to oust the Shah. — (Sapa-Reuter.)



held at Bishops in March. the response from the well worth repeating. My wife, Mrs. Mezzabotta,

existed for Std. 6, 7 and 8 Convent in August and again its success I must thank Miss Convent and our sponsors, Stellenbosch

cheme involving teams of Latin, in the preparation of commentaries for the Matric examinations. Two of them for publication in Akroterion, preparation.

stion made by our Stellenbosch Stellenbosch Farmers' Winery with an books for the promotion of an in- Magnanimously the cooperative provided the prizes for the Ludi arrive we shall be contacting the Association will be visiting to talk about the study of Latin and has carried on many well established seminar, conducted by Dr. P.A.L. communities of Greece; there have Dr. Colin Kraay of the Ashmolean Athens, and another addressed by Mrs. Greek vase paintings; there was a speakers were Mrs. J.M. Claassen lined model of a Latin reading event.

You will see that this programme has only been possible because we received an extra allowance from the central committee of the Classical Association, sponsorship from the Stellenbosch Farmers' Winery and once again generous donations from local members towards the cost of prizes. I am deeply grateful to all our benefactors, but must urge the incoming committee and the national committee of the Association to recognise that a local branch cannot sustain a vital programme from an allowance of only 50 cents per member.

Tempus est iam ...
delegere te ...
quo tendat oratio
tua (Claudius)



USING the media to encourage the public to keep within speed limits and to conserve petrol was suggested by Durban articulated clerk Mr. Geraint Gulstone.



"IF coupons were well controlled and distributed on a reasonable basis, that would be the best way," said insolvency officer Mr. Roy Reynolds.



UNIVERSITY student Fiona White said she thought ration coupons would be the fairest system. "Speed limits and shorter selling hours are no good," she said.



"COUPON rationing will be the answer if they can overcome the administrative expenses," said Mr. Junior Singh, a Durban accountant.



RATIONING would lead to a black market, a lot of hassles and too many administrative costs, was the opinion of driving school instructor Mr. Paul Minnaar.

Ration petrol plea by MP

Mercury Reporter

THE Opposition's chief spokesman on transport, Mr. Rupert Lorimer (PFP, Orange Grove) yesterday came out in favour of petrol rationing.

There was, however, strong opposition to the idea from motoring bodies in the Republic.

"Provided the administrative costs can be contained then I think it's the fairest way of restricting fuel sales," said Mr. Lorimer.

The Automobile Association public relations director, Mr. H. Kleynhans, said his organisation opposed rationing.

Statement

In a statement yesterday the AA said commerce and industry, Government departments and local authorities should "play their part in combating a situation which could put paid to any improvement in the economic forecast for the coming year".

Mr. Kleynhans thought cost of rationing would be too great.

He did not favour reducing speed limits or hours of sale.

Mr. Ken Hobson, general manager of the Durban Chamber of Commerce, said "every other method should be tried before



RATIONING should be used "only as a last measure," said author and firearms consultant Mr. J. P. Lott.



MR. L. Fourie of the Meat Control Board said "rationing would be fairest, even though it is unpleasant."

rationing".

The chairman of the Motor Industries Federation, Mr. Jessel Celine, also opposed the idea. "What we need is an intensive propaganda programme to make people aware of the need to conserve petrol.

"People should forego some of their pleasures. They should be prepared to share lifts to and from work," he said.

Call for a Ministry of Energy

NM 20/12/78
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SOUTH Africa needs a Ministry of Energy, co-ordinating all manufacture of energy in the country, and another fuel-from-coal project, preferably in the Newcastle - Vryheid - Dundee triangle in the heart of Natal's coal reserves.

This is the opinion of Mr Nigel Wood, MP for Berea and the NRP spokesman on planning.

"With the threat of United Nations' sanctions, the upheavals in Iran, our main suppliers of oil, and the promise of immediate and forthcoming price increases, we must think ahead and immediately start planning another Sasol-type project," he said in an interview last night.

Mr. Wood said a Sasol 3 project would probably take seven years from drawing board to production, as was the case with Sasol 2, due to start production in 1981.

"Northern Natal is the obvious siting for a similar project because it is near the Durban to Witwatersrand oil line and the Richards Bay to Sasol 2 railway line," he said.

Mr. Wood also commented favourably on the Government decision to allow a fuel - from - maize pilot plant.

"The added advantage of this is that the raw material, maize, is replenishable and not finite as is coal," he said.

Mr. Wood said that although the racial

problem was uppermost in South Africa, the availability of economical fuel was interwoven with that problem.

"If our fuel supplies were cut drastically, the poorer people would be the first to suffer from the depression. On the other hand, an oil-from-coal industry would create more jobs and mean less overseas expenditure," he said.

He said the question of a Ministry of Energy would "definitely be a point for debate in Parliament."

At Umlambo, where SAVS students were involved in building a clinic, it was mainly through the effort of one man, that the project succeeded. He made sure that

for its finish and size. Nobody was paid to help build it; it was all built by voluntary labour. People in the area say that this was due to Nambula's advertising and co-ordination. While I was staying in Abalimi I noticed that even after extensive advertising Mr Nambula personally goes round and collects people before every important meeting. It was obvious that many people who did then come would not have come otherwise.

Basically then, Joki Stuurman was the driving force behind the building of the clinic, and not the Zenzele women who claim to be responsible for it. Nor can one say that the village itself is particularly integrated or progressive. A shoaring shed was started in 1974 with 30 members. It is not finished yet, and again it is mainly Stuurman who builds when he can arrange that another member help him.

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In other words once gold mining employment begins to fall the labour-absorptiveness of the mining sector will depend on the big potential new employers - coal, platinum, asbestos, copper. If they perform as Plewman predicted total employment

Price of oil could zoom next month

M
3/12/78
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LONDON — The full impact of the drying up of Iran's oil exports will probably hit the world about the middle of January, according to oil industry sources here.

The industry then expects to get a clear idea of who has what and who needs what. If the picture is bad, prices could start to zoom.

Iran is normally the world's second biggest oil exporter after Saudi Arabia, and can produce up to 6.5 million barrels a day — about a fifth of the oil produced by the Organisation of Petroleum Exporting Countries, or 10 per cent of world supplies.

But the latest turmoil in Iran's oilfields have cut output to a trickle, not sufficient even to meet domestic requirements, and the government has had to impose rationing. Iran has had to enter the international market to buy vital refined products such as petrol and paraffin because of shortages.

Prices have not been dramatically affected by the ending of Iranian oil exports. The spot rates on

the market are not a true guide to prices because only emergency purchases are made through this market, which is therefore far more volatile. Because of the threat of "panic buying," most trading is done on a contract basis and is not influenced by short-term factors.

Most of Iran's oil is exported to Western Europe and Japan. Britain gets about 20 per cent of its oil imports from Iran, whereas the United States

imports only three to five per cent. But South Africa and Israel buy directly from Iran and are far more vulnerable.

South Africa, which obtains over 90 per cent of its oil from Iran, is considering petrol rationing.

Israel gets about 70 per cent of its oil from Iran and both countries would find it hard and expensive to obtain substitutes for Iranian oil because of their difficult positions internationally.

The availability of supplies will determine prices in the months ahead. What slack there was on the world oil market has already been taken up. The so-called oil glut, which haunted producers during 1978 and buoyed consumers, has disappeared, according to international oil companies.

British Petroleum, which obtains 40 per cent of its supplies from the Iranian oilfields it operates with a consortium of 13 other Western companies, has had to cut deliveries to customers by 25 per cent. Shell has also been forced to make cuts.

According to oil experts the pre-strike Iranian oil which was on the high seas as tankers travelled home from the Gulf has reached its destination. From now on, what stocks the West and Japan have built up will dwindle rapidly.

To meet this type of emergency the International Energy Agency was set up in 1974 to avoid a repetition of the energy crisis that followed the Arab oil embargo and the fivefold increase in Opec prices in 1973.

Pretorians hits tough oil buyings problems

Sun Times 31/12/78 55

THE South African Government, I learnt from reliable sources today, is finding it "extremely difficult" to shop around among the oil-exporting countries of the world to find replacements for the oil that is no longer flowing in to the Republic from strife-torn Iran.

The question being asked in international oil circles is whether, in view of Iran's decision this week to introduce fuel rationing, South Africa can avoid doing the same.

There are three main reasons why South Africa is encountering serious problems in overcoming the crisis that has arisen following the strike in Iran's oilfields. One is that there is no abundance of oil in the world today, and oil companies are not searching for markets on which they can offload additional supplies.

Another reason is that, with the exception of Mexico, the oil-producing countries of South America are not major oil exporters — and Mexico will not sell oil to South Africa for anti-apartheid reasons.

The most important reason though, I was told, is that the Arab oil boycott of South Africa makes it "very tricky" for oil companies to divert supplies to South Africa.

The international oil companies operating in the Republic — Shell, BP, Total, Caltex and Mobil — would be "frightened" to reroute Arab oil to South Africa and jeopardise their own supplies.

Shell and BP are particularly sensitive in view of the criticism directed at them recently for the part they played in breaking Rhodesian oil sanctions.

Official circles in Pretoria and oil company chiefs are "gravely concerned" over the threat to South Africa's continued oil supplies presented by the now chronic political instability in Iran.

Iran supplies South Africa with almost 95 per cent of its oil. Only odd cargoes, mainly of lubricants, are obtained from other countries.

Two separate threats have emerged to South Africa's continued supplies. The first is already a reality — the drastic reduction in Iran's output from 6-million barrels a day to fewer

than 500 000 a day as a result of the strike by 67 000 Iranian oilfield workers, leaving Iran itself searching for supplies of refined products such as petrol and kerosene in a scanty market — and with its exports of crude at a standstill.

The second threat is the political one that would arise if the Shah was toppled and a new anti-Western Muslim regime took over that yielded to anti-apartheid pressures to join the Arab oil boycott of the Republic.

South Africa's crude oil is shipped by large tankers from Iran to Durban, where Shell and BP (who now supply almost 40 per cent of South Africa's petroleum requirements) have installed a single buoy mooring outside the harbour to pump crude to the refinery at Reunion.

South Africa's obvious tactic — in the event of continued disruption of supplies from Iran — would be to buy oil cargoes at sea, of which there are always a certain number.

Oil companies like to have flexibility of supplies, and oil tankers often leave ports, where they have taken on supplies, to await fur-



BY STANLEY UYS:
London

ther orders concerning their destinations.

Technically, it would be simple for a tanker loaded with, say, Saudi Arabian oil, to be diverted to South Africa.

But, I was told, the oil companies would be reluctant to divert embargoed oil to South Africa, to make false declarations concerning the destination of an oil consignment, for fear of Arab reprisals.

For example, an oil company which bought oil from Saudi Arabia would normally sell some of that oil to a broker, say, in Rotterdam.

The broker might be tempted to resell the oil to South Africa if he was offered a high premium — this would then be black market oil.

But the oil company almost certainly would impose conditions on the resale of the oil — it would stipulate that the oil should not be resold to South Africa.

If no conditions were imposed, and the oil was sold to South Africa and then traced back to its Saudi Arabian source, the oil company could find its own supplies jeopardised.

Saudi Arabian oil, basically, is in the hands of the big American companies, not Shell, BP or Total.

Oil company executives admit that, business ingenu-ity being what it is — and with promptings by high premiums paid by Pretoria — some oil could find its way to South Africa. But they all agree it would be a "tricky operation."

The immediate problem facing South Africa is that, with Iranian oil output plummeting, both Shell and BP have had to cut back on supplies to their customers all over the world — in this they can plead force majeure.

But whereas Israel, for example, which also receives most of its supplies from Iran, can more easily shop around for alternative sources, South Africa cannot.

If Iran's supplies continue to fail, this will leave a big hole in the world's oil sources. Saudi Arabia, the world's biggest supplier, for example, can produce up to 11-million barrels of oil a day. Iran was producing 6-million barrels.

South Africa, however, has certain advantages. Seventy-five per cent of the Republic's energy needs come from coal, for example, and the country has been stockpiling oil.

The extent of South Africa's reserves are disputed. The figure usually quoted is that the country has reserves for between 18 months and two years, but a reliable source in London estimates that, with rationing, South Africa could survive without oil imports for five years.

According to Martin Bailey, author of a report on oil sanctions against South Africa, the Republic is spending around R1,17 million a year, or 14 per cent of its total imports, on 140-million barrels of oil a year.

PETROIL COUPONS AVAILABLE TODAY

Sun. Times 31/12/78 (55)

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Rising

A top Government economic adviser pointed out that even though the increasing price of gold would ease the situation, this could not be used to offset oil-price rises in a tight balance-of-payments situation. "I don't think there is an alternative to increased fuel prices," he said.

"If the underlying cost is increased, it is short-sighted to postpone price rises." The hardest hit will be South Africa's private motorists.

These, said Mr Heunis, would have to take the brunt of rationing.

Although the bulk users were commerce and industry, mines and farming, he added, "We do not want to affect these production sectors and retard economic growth."

"What we will do is work out how much can be saved in those areas without affecting national growth." Mr Heunis was speaking

BY NEIL HOOPER and EUGENE HUGO

PETROL coupons for possible rationing have already been printed, the Minister of Economic Affairs, Mr Chris Heunis, said yesterday.

He added that he would introduce rationing unless South Africa found enough alternative oil supplies to replace those from strife-torn Iran.

South Africa is said to rely on Iran for about 90 per cent of her oil.

Mr Heunis emphasised that South Africa's strategic oil stockpile would not be used for day-to-day fuel consumption but only in emergency.

This stockpile is estimated to amount to at least a two-year supply.

Tottering

Late yesterday there were ominous signs of Russian-American confrontation over Iran, with the US considering sending a navy carrier task-force to the Persian Gulf to underscore President Carter's warning against the intervention of external forces.

Mobs attacked American-owned buildings in provin-

9	79,0
9	3,0
9	3,0
13	4,0
27	8,0
11	3,0
326	100,0

er 1972 p.1145. Cited in: R. Verster, Liaison African Industry, Bloemfontein, U.O.F.S., 1974, p.9. , 22 August 1974. April 1975. 1975. Cited in: Muriel Horrell and Tony Hodgson, in South Africa, 1975. Johannesburg S.A.I.R.R.

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y 437 tion

Petrol coupons at the ready

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● From Page 1

after the first meeting of the working committee which held confidential talks on the oil crisis.

The committee is made up of Government department heads and representatives of oil companies, commerce, industry, mining and farming.

Oil-company executives would give no indication of what had been discussed.

BP chairman Mr R Kirtton said: "These were very delicate negotiations concerning classified information."

"I can say nothing."

The presence of oil-company executives at the meeting was sharply criticised by economist Dr Lawrence McCrystal.

He said: "It is wrong to have oil companies in key positions to advise on Government policy."

"These consultations are doing no more than staving off the evil day."

Speeding

"What South Africa needs to do is to find an alternative to oil."

Yesterday Mr Heunis disclosed that construction of Sasol II near Kinross in the Eastern Transvaal had already been speeded up.

He added that even with Sasol I and II in full production South Africa's needs would not be met.

Mr Heunis said he could not predict whether there would be another petrol price rise next year, apart from the 3.2 per cent taking effect tomorrow.

"I have already indicated that every country will be looking for alternative sources of oil," he added.

"There is pressure on those sources and South Af-

rica will have to pay a premium.

"Further price increases depend on that premium."

The chairman of his working committee, Secretary for Commerce Mr T van der Walt, said South Africa would approach all possible sources, including Angola, Nigeria and Zaire, when day-to-day supplies ran out.

Government advisers said they were optimistic that South Africa could get oil at a price, but there was a limit to what South Africa could pay.

One top adviser said the

construction of a third Sasol could not be considered as a way to meet the current oil crisis.

This would be something to be considered over four to five years, he added.

● Will the Grand Prix be allowed to go ahead next year if funds are found?

Mr Van der Walt said his committee would investigate this.

"We will certainly introduce measures to stop any unnecessary use of petroleum products," he added.

"If we find this applies to motor and other racing, then we will act."

Sim. Tribune 31/12/78

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We burn more energy

per dollar than many countries

(82)

NOTES.

Board "The Rehabilitation Programme in the East and its effect on the Agricultural and Rural Life of the Bantu in the Eastern South African Journal of Economics, 1964 p.37.

means one third to half the people had no land

mathical process is set out clearly in all

cf. also J.B. Mc I Daniel "Rural Resettle- African Areas". Journal for Geography Vol.3 6 and C. Board op.cit.

holds "First Observations on the management development in the Ciskei" (Available from .:U.) p.9.

tt: "Rural Development and Strategies for aspects of the East African Case" Johannes- versity of the Witwatersrand African Studies 1974. p.18 & 19. (Reprint)

brander ex-Director of Justice. Conversation 3 March 1978.

1. "The Moshav in Israel" article based on same name Praeger Publishers New York 59.

op. cit. p.6.

9. Table 7. Zululand: Co-operative Dairy schemes.

	1964	1968
No. of participants	114	67
No. of cows milked	480	178

(While Mc I. Daniel does not specifically state this, one gets the impression from his article that the projects were started with the rehabilitation scheme in 1964.)

From J.B. McI. Daniel p.639.

10. That the sample of dairy members is better off than the general population at least in terms of agricultural resources is proven by the following figures:

a) In Amathole location the population was 8 000 in 1970 and yet only 24 people have full economic units and 120 have half economic units. In the dairy sample of 11 people, 2 have full economic units and 4 have half economic units.

b) Ecard's survey of rehabilitation in the King William's Town District of the Ciskei in 1962 found that there was a high correlation between families selling cream and those with large arable holdings, good accessibility and more people in the family.

Board. pg. 45.

SOUTH Africa consumes a larger quantity of energy per dollar of its gross domestic product than several comparable capitalist countries, according to a Government report released last week.

This indicator — the "energy intensity" of a country — is an important yardstick of the productivity of energy utilisation in particular country, notes the report.

The report was released by the Energy Policy Com-

mittee of the Department of Planning and the Environment.

Comparing South Africa's energy intensity to that of the United States, Britain, West Germany, France, Israel and Japan, the report concludes that during 1969 South Africa's energy consumption per unit of the gross domestic product was about 28 per cent higher than that of the second largest consumer. In 1974 it was about 38 per cent higher.

Factors influencing a country's energy intensity include: the ratio of primary and basic industries to secondary industries, the ratio of agricultural to industrial activities and the extent and nature of mining activities.

"The cost of energy can also play a role; if energy is cheap or if its cost is kept artificially low it is possible that it can substitute other production factors," states the report. "It is also possible that

in a particular country manufactured and export goods are subsidised by cheap local energy." The report notes that energy consumption in the free world has roughly trebled during the past 30 years. The increased demand had been met almost exclusively from petroleum and natural gas.

The South African sectors most heavily dependent on petroleum are transport (30 per cent) and agriculture (four per cent).

capital and the mass of poor people in the reserves.

SCIENTISTS SLAM NATS' ENERGY CRISIS

By Vicki Rosenthal

STATE scientists have slammed the Government for not coming to grips with the country's energy crisis.

Their attack comes as South Africa confronts a bleak oil future without a central body to take charge of the situation.

The scientists say:

- At least four government departments deal with energy matters and do not co-ordinate their efforts.
- Competing vested interests are hampering the best use of our resources.
- South Africa's energy research budget is one-tenth that of comparable countries.
- The Energy Policy Committee is toothless — it has no power to implement its recommendations.
- The government only acts when faced with a crisis, instead of initiating action based on long-term planning.

Scientists, politicians and industrialists have repeatedly called for a central energy body, but the first indication that the state is seriously considering this came in a newly released government report.

The report, of the Energy Policy Committee of the Department of Planning and the Environment recommends that "machinery be established to initiate, co-ordinate and propagate energy conservation efforts."

The committee chairman, Dr D. J. Kotze, told the Tribune recommendations were likely to be implemented.

"The Department of Planning's plea comes as the Shah of Iran, our chief oil supplier, seems set to topple from power, raising the question of our oil future and our ability to continue supplying sanction-ravaged Rhodesia with fuel.

This week South African oil industry sources admitted that our fuel depots are vulnerable to a rocket-type attack such as that which recently devastated Rhodesia's reserves, but they could be able to quell any blaze and were happy their security was adequate.

Main task

Scientists who stressed the need for a central energy body include Dr Cornelius la Grange, director of the Fuel Research Institute; Mr Jaap van Straten, assistant director of the National Building Research Institute of the CSIR; and Professor Richard Dutkiewicz, director of the Energy Research Institute at the universities, said Professor Dutkiewicz.

South Africa's energy research budget is only one-tenth that of comparable countries, said Professor Dutkiewicz.

Dr la Grange said the Fuel Research Institute which has a budget of R2-million — could not afford to launch new projects.

The Institute's main task is to find economical ways of getting oil from coal — a vital facet of the energy programme.

Less than 10 percent of our petrol needs are met by oil-from-coal — but when Sasol II comes into operation in 1981, 30 percent will be met from this source.

"With more money for research, perhaps an even higher percentage of our needs could be met from coal," Dr la Grange said.

Scientists said a central energy body could co-ordinate research, launch a grantee and exercise control over competing interests.

One scientist alleged promotion of solar-energy equipment was hampered because "Escom wanted to sell electricity."

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ately in

Table showing range of industries in which workers are exposed to dangerous substances

Type of Industry	No. of Factories	Mines or Works Involved
Toxic Substance	671	230 173
Ammonia	838	63 285
	1107	68 704
	2563	192 547
	757	6 532
	2 410	26 021
	589 672	4 704
	155 371	2 410
	23 320	173 605
	23 767	585
	24 352	



• More reports on Page 7

THE OIL CRISIS



Reports by Peter Mann, Vicki Rosenthal, Geoff Dalglisli

Sasol III in the pipeline as oil from coal project helps keep the home fires burning

SOUTH AFRICA will be able to produce about 30 percent of her fuel requirements when the giant Sasol II oil-from-coal project comes into operation in 1981.

And Sasol I and Sasol II will together save South Africa about R350-million in foreign exchange every year.

The plants have been erected at an enormous cost — the bill for Sasol II is likely to run to R2 000-million.

Although Government and Sasol officials are tightlipped about the prospect, it is likely that a Sasol III will be built as the country tries to ward off the fuel crisis and reduce dependence on overseas suppliers.

South Africa has already spent more than R115-million in the last 13 years prospecting for oil. In November it was announced that a "promising" show of oil had been discovered 140 km south-east of Mossel Bay by the Soekor oil rig Sedco K.

This week it was announced that a pilot plant — likely to cost about R35-million — is to be set up to produce ethanol fuel from maize and sugar cane.

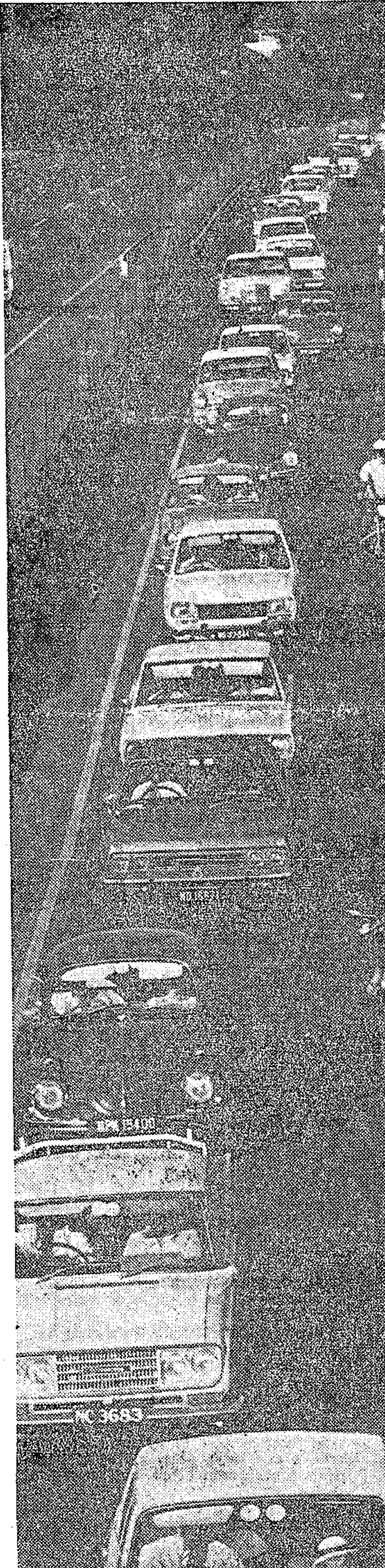
If the plant is a success, Santrachem, the chemical manufacturing group will build another.

Mr Wood has even recommended Northern Natal as a site for the Sasol III project which he estimates would take seven years from planning to production.

Mr Nigel Wood, MP for Berea, and the New Republic Party spokesman on planning and the environment, believes that no time should be wasted in the building of Sasol III.

Mr Wood has even recommended Northern Natal as a site for the Sasol III project which he estimates would take seven years from planning to production.

TAKE THE BUSES AND SAVE UP TO 94 PERCENT FUEL



THE endless streams of cars that waste vital fuel. One bus could convey all the drivers at a big petrol saving

Speed curbs of little value says report

UP to 94 percent fuel savings could be achieved if motorists switched to public transport, predicts Mr Les Pettey, general manager of Johannesburg municipal transport.

He believes that if each 80-seater bus carried a full complement of passengers it could take 55 cars off the road.

He estimates each car has an average occupancy of 1.4 people and uses 15 litres per 100 km in city driving while an 80-seater bus uses only 45 litres per 100 km.

On this basis up to 94 per cent fuel savings could be achieved if motorists took to buses, he says.

The acting general manager of Durban's Transport Management Board, Mr Clive Stuart, told the Sunday Tribune this week that if just one extra person travelled on each of the municipality's 50 000 White trips a month, 25 000 litres of petrol could be saved monthly.

Conserve

"You conserve fuel by not using your car," he said.

Meanwhile, a report released last week by the Department of Planning's Energy Policy Committee notes that speed limits are only responsible for an absolute fuel saving of between three and five per cent.

Speed restrictions have limited effectiveness in fuel conservation because most fuel consumption takes place in urban areas, states the report.

Transport experts say that although the price of fuel and rationing may force people to switch to buses, it is essential public transport systems offer faster and more efficient service.

Demand

They called for staggered work hours to spread peak-period demand and said public transport systems should be given road priority.

Mr Pettey estimates Johannesburg transport could carry twice as many people if work hours were staggered.

Municipal transport currently moves 54-million passengers a year — half in peak hours.

Illustrating the resistance of Johannesburg commuters to public transport is the fact that each local urban traveller takes an average of 70 bus rides a year compared with 370 in Zurich.

For the immediate future diesel buses will continue to bear the brunt of mass transport, predicts Mr Stuart, who says it will be at least three years before trams or trolleys could be introduced on any significant scale by any South African city.

He points out a change-over to trams or trolley buses would mean a huge capital outlay, involving large sums of foreign exchange.

Trolley

Trolley buses and trams would have to be imported. A trolley bus costs about R125 000.

The disadvantages of trolley buses and trams are that they are tied to fixed routes and are subject to power failures.

But, they would draw on a readily available local source of power supply — electricity.

It is estimated Durban's existing bus fleet could ferry most — if not all — of its white workers in and out of town each day, provided work hours were staggered.

Mr Stuart was unable to say what proportion of Durban's white work force currently uses the bus service.

Although most of South Africa's work force — who are black — make heavy use of public transport at present, the Driesen report indicates there will be a significant increase in car ownership among South Africa's blacks by the year 2000.

Transport

By 2000 there will be 200 to 210 percent more black-owned cars on the road than there were in 1970, and 100 to 110 percent more white-owned cars.

Mr Stuart does not believe integrating the black and white transport systems will contribute more than "a cut of a couple of R100 000 — a drop in the ocean" — to running costs.

He said centralising Durban's 200 black bus operators into one operation would lead to greater cost-efficiency and passenger convenience.

"It can only be a matter of time," he warned, "before the smaller operators are bought out."

Durban has more bus operators than any other complex of similar size in the world.

Head start for the new fund

Sun. Tribune 31/12/78

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THE GOVERNMENT takes 11,45 cents from every litre of petrol sold — nearly half the money you pay to fill your car.

HOW WE COMPARE

AS FROM tomorrow the price of petrol will be increased to 29,6 c/l for 93 octane and 30,3 c/l for 98 octane petrol.

The following are the high octane petrol prices of countries around the world:

COUNTRY	GRADE	PRICE
AUSTRALIA	98	13 c/l
AUSTRIA	96	48 c/l
CZECHOSLOVAKIA	96	84 c/l
EGYPT	85	19 c/l
FRANCE	97-99	56 c/l
E. GERMANY	96	79 c/l
W. GERMANY	97-99	44 c/l; 48 c/l
ISRAEL	94	33 c/l
ITALY	96-100	53 c/l
KENYA	95	33 c/l
LESOTHO	93	28 c/l; 29 c/l
NEW ZEALAND	96	28 c/l
RHODESIA	93	37 c/l; 45 c/l
SWITZERLAND	98-99	49 c/l; 54 c/l
UNITED ARAB EMIRATES	—	12 c/l
UNITED KINGDOM	4 star; 5 star	30 c/l
U.S.A.	95	13 c/l
U.S.S.R.	93	29 c/l
ZAMBIA	95	28 c/l

From tomorrow you will pay even more to the Government for your petrol.

This week the Minister of Economic Affairs, Mr Chris Heunis, announced a new Petrol Equalisation Fund, which comes into operation tomorrow.

The fund will receive part of the 3,2 cents a litre increase in the price of petrol and will use the money to pay the growing oil bill.

It is impossible to get precise figures, but the Opec price increase is said to account for only about 1,7 cents of the 3,2 cent increase.

This means that the Petrol Equalisation Fund will take 1,5 cents in every litre sold from tomorrow.

In addition the fund will benefit because the Opec increase is staggered in smaller increases during the year which total 10 percent.

Separate

South Africa has introduced the 10 percent immediately, giving the fund a head start which means it could total R100 million by the end of 1979.

The money raised in this way is separate from the 11,45 cents in tax already charged for every litre. The 11,45 cents is taken in direct tax and is made up of 10,25 cents a litre excise duty and 1,2 cents a litre sales tax.

The direct tax is split as follows: 2,579 cents a litre goes to the National Road Fund, which spends about R125 million a year on

road construction; 4 cents is paid into the State Oil Fund, which, with others, provides money for the building of the Sasol installations; and 3,671 cents is paid into the general revenue account of the State.

Jumped

Last year the Government received R223 million in tax from the money you paid to fill your car. This figure had jumped from R88 million in the 1975-76 financial year.

The Government's share of the price of petrol is understood to rise to 14,11 cents a litre from tomorrow.

Petrol stations will receive slightly more money for petrol sold from tomorrow, although their percentage profit on the total cost will remain almost the same. Their share increases from 2 cents a litre to 2,09 cents a litre.

The oil companies get about 14 cents a litre or about the same as the Government. It is not known what profit they make on a litre.

Resolve SWA or else, says Schwarz



Mr. Harry Schwarz

THE OIL crisis will worsen if an internationally acceptable solution is not found in South West Africa, Mr Harry Schwarz, Opposition spokesman on finance warned yesterday.

In an interview Mr Schwarz said there was "a real danger" that if negotiations over South West Africa failed sanctions would be introduced against South Africa — damaging even further the oil supply.

"We could find a new Government in Iran which would agree to a boycott on oil supplies to South Africa. The only way to overcome this is to reach an acceptable solution in South West Africa," Mr Schwarz said.

Energy

Dr Zach de Beer, the Progressive Federal Party spokesman on energy, warned that South Africa's general unpopularity brought about by the policy of apartheid meant that sources of supply were limited.

"All oil producers have for years been urged to boycott South Africa. The Shah of Iran has been the only person who refused to

Boffins slam Nats over oil

Sun. Trib.

31/12/78

(55)

Another said there was dissension over the export of coal.

One lobby backs export because coal is potentially our second biggest foreign exchange earner, after gold. It argues that an alternative source of energy will be developed long before South Africa's coal reserves run out.

Present estimates put the life of our coal reserves at 100 to 140 years.

Others say South Africa, which relies on coal for 77 percent of its primary energy requirements and is likely to depend increasingly on coal to reduce its dependence on imported coal, should conserve as much coal as possible for its future needs.

South Africa, which has about 91 676 million tons of coal, plans to step up exports from 12 million tons to 40 million tons a year by 1986. This will bring in more than R1 000 million a year in foreign exchange.

Groups where it is at present poor. As many of the present difficulties with the availability of food are distributional problems, and have some educational aspects, nutrition could probably be improved independently of production were it not that if the world recession continues the increase in population is likely to be accompanied by a continued increase in unemployment. Homeland agriculture, one source of food independent of wage labour, is at present declining (Transkei and Ciskei) or negligible (most other homelands) as a source of income. Unless farsighted agricultural policies are applied in the homelands, with considerable investment in irrigation on a small or large scale, and/or trenching, fruitgrowing and other intensive techniques, the food deficit will become far more chronic. It will probably affect black rural areas most severely and first.

Conclusions

These considerations point to an urgent need to change the type and organization of our health care system.

1. There should be as much decentralization as possible, to cope with existing and future deficiencies in transport facilities.
2. Areas should become as self-sufficient as possible, in the capacity for maintaining preventive services as well as in curative medicine and surgery. There should be as wide as possible diffusion of skills, not only to equip nurses to work

3.

Many of these posts may fall empty, so that preventive work in urban townships could also dwindle. With increasing disorganization in the townships, more disease is to be expected: influenza, pneumonia, TB, measles, gastro-enteritis and malnutrition. The latter two conditions are seen also to relate closely to the economic situation of families and the amount of unemployment.

The age structure of the population of doctors can be expected to increase, as young men leave.

2. Increase in defence spending

This will lead to an overall cut in the resources available to the health sector, and we may be faced with the twin prospects of a worsening disease situation with unemployed nurses and hospitals and clinics standing unused.

3. Township unrest will make many urban areas inaccessible to doctors. However the consequences of this will very likely be mitigated to a considerable degree by the presence of nurse clinicians who, if present training courses are imitated and expanded, will be available in reasonable numbers for work in decentralized clinics. Access to health services may, however be made far more difficult by periodic disruption of transport to clinics or linking them with hospitals.

Further trends about which there are some indications are:

1. Pressures on black doctors

Those who want a safe place for their children will also experience pressure to leave. There will be countervailing pressures to loyalty to their own community, and perhaps to set up separate black-run health services. Rural GP's will be under less pressure than urban doctors and will probably continue much as before. It also seems likely that the majority of black doctors graduating will continue to move ultimately into private practice.

The black communities are continually becoming more conscious of the need for general knowledge on health matters, including nutrition, gynaecology and first aid.

Rapport 31/12/78

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KOEPOONS LÊ EN WAG IN PRETORIA

PETROLRANTSOENERING vroeg in die nuwe jaar in die vorm van 'n koeponstelsel lyk vandag onvermydelik. In Pretoria lê miljoene petrolkoepons klaar gedruk.

Intussen word aan wye fronte dringende planne gemaak om die ontwinging vir Suid-Afrika te

verminder as Iran, ons versleg. Die olieproduksie vernaamste oliebron, in het feitlik heeltemal tot duie sou stort — en die stilstand gekom, en meer nuus uit Iran het gister geweld dreig.

SA man steek Sjah naald

ONTHULLINGS deur die Amerikaanse geheime diens dat Rusland 'n vername rol speel in die Iranese krisis en die opstandelinge so te sê onderrig in revolusionêre optrede, is lank nie meer nuus vir 'n man wat bekend staan as die spioenmeester van Suid-Afrika nie.

Hy is mnr. S. G. (Sydney) Morrissey, argitek en sake-man van Pretoria, wat reeds op 8 Julie 1976 aan die Sjah geskryf en hom gewaarsku het dat 'n Kommunisties gesteunde, langtermyn-godsdiensstige opstand in sy land beplan word. Hy het destyds aan die Sjah gesê dat die beplande revolusie deel van 'n meesterplan is om die verskaffing van olie aan die Weste in die wêreld te ry en selfs af te sny.

RAPPORT het toe volledig verslag gedoen oor die aanslae, die Sowjet-plan en mnr. Morrissey se brief aan prins Fahd.

In sy brief aan die Sjah stel hy dit baie duidelik dat die Sowjet deur kol. Muammer Gaddafi van Libië werk om Iran te ondermyn. Hy waarsku die Sjah: „As dinge tot 'n punt kom, sal u gevra word om te abdikeer. Doen u dit nie, sal daar 'n gewapende revolusie wees.”

Mnr. Morrissey het oor 'n tydperk van 23 jaar 'n uitgebreide spioenasienet in Afrika en elders opgebou.

Sasol II word vervroeg

SUID-AFRIKA se tweede Sasol-aanleg by Secunda in Oos-Transvaal gaan teen die einde van die nuwe jaar begin om petrol uit steenkool te produseer, het die voorsitter van Sasol, mnr. D. P. de Villiers, die naweek aan RAPPORT gesê.

Tot betreklik onlangs nog is die produksiedatum iewers in 1980 gestel. Daar word egter so mooi gevorder met die werk aan hierdie reuseprojek van R2 458 miljoen dat dit nou vroeër in bedryf gestel kan word, sê mnr. De Villiers.

Hy wil nie praat oor die uiteindelijke produksievermoë van Sasol II nie, hoewel dit lyk of hierdie fabriek aansienlik meer petrol gaan produseer as wat die meeste mense dink.

Toe die projek einde 1974 aangekondig is, is amptelik gesê dat die tweede Sasol sowat tien keer meer petrol as Sasol I sou produseer, hoewel hy net sowat drie keer meer steenkool sou gebruik.

Daar is toe ook gesê dat die twee Sasols saam in sowat 40 persent van die land se petrolbehoefte in daardie stadium sou voorsien.

Danksy die maatreëls om brandstof te bespaar, het die

verbruik van petrol oor die laaste paar jaar weinig gegroei.

Moontlike verskerpte maatreëls kan dus meebring dat die posisie teen die einde van 1979 nie veel sal verskil van einde 1974 nie.

Met die voltooiing van Sasol II sal steenkool ook verantwoordelik wees vir 70 persent van die land se totale energie-behoefte.

Ofskoon 'n derde Sasol om petrol uit steenkool te vervaardig, altyd 'n moontlikheid bly, is daar nou nog geen planne vir so 'n uitbreiding nie, sê mnr. De Villiers.

Maar dan is so 'n aanleg nie net tot Sasol beperk nie, voeg hy by. Die deure is oop vir die private sektor om so 'n fabriek op te rig, en hy verwelkom dit dat maatskappye soos mnr. Harry Oppenheimer se Anglo so 'n moontlikheid ondersoek.

So staan die Spoorweë gereed om by die 1 800 stoomlokomotiewe weer in gebruik te neem as dieselolie vir die nuwere loko's 'n kwessie sou word — en kenners sê die planne wat oor die laaste jare al gemaak is, verseker dat ons militêre paraatheid nie geraak sal word nie.

Daar word ook met nuwe dringende gekyk na openbare vervoerdienste.

Mnr. Chris Heunis, Minister van Ekonomiese Sake, is die man wat Suid-Afrika se oliekwessie hanteer. Hy het gister teenoor RAPPORT gewaarsku dat die internasionale oliekrisis tot rantsoenering met koepons in Suid-Afrika kan lei.

As die huidige internasionale olielewering nie verbeter

* VERVOLG OP BL. 8 *

KOEPONS LÊ EN WAG

Research Unit

* VERVOLG VAN BL. 3 *

nie — en hy kan nie sien dat dit vinnig sal verbeter nie — dan is rantsoenering onvermydelik, sê hy.

Jy kan op geen ander manier as met koepons rantsoeneer nie. Die komitee wat hy aangestel het, het die spesiale opdrag om 'n plan vir rantsoenering te ondersoek. Die praktiese toepassing van 'n koeponstelsel sal dus waarskynlik die eerste op die agenda wees wanneer die komitee op 8 Januarie begin werk.

Verteenwoordigers van die handel en nywerheid sal voorstelle aan die komitee doen.

'n Koeponstelsel sal veral die nywerhede raak. „Die grootste petrolverbruikers is die produktiewe verbruikers,” sê min. Heunis. „As jy wil spaar, moet jy daar spaar, maar op so 'n manier dat die ekonomie nie skade ly nie.”

Hy dink nie die gewone motorryer is die grootste sondaar nie; hy het immers al in die openbaar gesê dat die beperkinge tot dusver hoofsaaklik die gewone motorryer raak wat nie die grootste verbruiker van olieprodukte is nie.

„Daarom sal ons moet kyk na die handel, die nywerheid, die mynwese en die landbou.”

As Iran ons nie meer olie lewer nie, sal ons die mas kan opkom, sê min. Heunis — mits ons minder olie gebruik en dus minder hoef in te voer. In die opsig moet almal saamwerk. Dis vir ons 'n nasionale vraagstuk, en tegelyk ook 'n internasionale een.

Om veiligheidsredes kan hy nie sê hoeveel olie ons in ou steenkoolmyne opgaar en hoe lank ons daarmee kan uitkom nie. Dis buitendien noodvoorrade vir 'n noodsituasie, en is nie bedoel om sommer uitgery te word nie.

„As ons mense nie besef dat olie 'n internasionale vraagstuk geword het nie, sal 'n mens dwangmaatreëls moet gebruik. Ek probeer dit tot elke prys vermy.”

„Ons sal selfdisipline moet toepas. Daarvoor bestaan nie die minste twyfel nie.”

* Na RAPPORT verneem, lyk dit nie of die Regering nog laer spoedperke sal instel en die ure van brandstofverkope verder drasties sal inkort nie.

Uit Hermanus, waar hy vakansie hou, het mnr. Lourens Muller, Minister van Vervoer, aan RAPPORT gesê

deur die oliekrisis van Iran nie — daarvoor het Suid-Afrika jare gelede al betyds voorsorg begin tref.

Ekonomies is die prentjie ook nie te sleg nie: die hoë goudprys en die dalende waarde van die dollar vermindert die nadelige impak wat die hoër olieprys anders sou gehad het. Met daardie goudgeld sal ons, as Iran tot stilstand sou kom, wel elders olie kan koop. Maar ons sal meer moet betaal.

Ons kry die meeste van ons olie uit Iran — maar ons is vir net meer as twintig persent van ons kragbehoefte van olie afhanklik. Ons het onbeperkte hoeveelhede steenkool waaruit ons steeds meer elektrisiteit kan opwek.

Intussen het die toestand in Iran gister sleg gelyk vir die Sjah. Hy het een van sy teenstanders gevra om 'n burgerlike regering saam te stel wat die binnelandse vrede kan herstel, maar die algemene verwagting is dat die Sjah sal moet terugstaan, al doen hy dit dan net tydelik.

Amptelik word ontken dat daar enige sprake is dat die Sjah sy magte aan 'n regentraad sal oordra en die land sal verlaat — maar hy het reeds sy hoogs bejaarde moeder en ander familieleden met 'n militêre vliegtuig na Amerika gestuur, waar sy suster 'n spoggerige huis in Beverley Hills, Los Angeles, besit.

Gister is met masjiengewere in sy hoofstad Teheran geskiet, en 'n Amerikaanse fotograaf vertel dat hy meer as dertig kinderlyke in 'n massagraf gesien het.

Twee groepe in Iran het hul kragte saamgesnoer om van die Sjah ontslae te raak: die vurige Moslems en die nuwe middestand.

Die Moslem-leiers wil 'n godsdienstige staat instel wat suiwer gebaseer is op die Koran. Hulle kla die Sjah is te modernisties.

Die nuwe middestand, gebore uit die ekonomiese hervorminge wat die Sjah ingestel het, kla hy's nie modern genoeg nie: hulle wil sy magte ingrypend verminder en 'n parlement op die Westerse patroon instel.

Hierdie uiteenlopende groepe werk nou saam om die Sjah te verplig om te abdikeer — en dan sal hulle mekaar begin verskeur om te besluit wie's baas.

* Brittanje het gister begin om van sy Noordsee-olie na Iran uit te voer.

dat die Spoorweë by die 1 800 stoomlokomotiewe veilig bewaar het ingeval daar moeilikheid kom met olie vir dieselloko's.

Hierdie stoomloko's kan redelik maklik weer ingespan word. Dit sal probleme oplewer, bv. met water in droë streke, maar dit kan gedoen word.

Vir die lang termyn bly elektriese dienste die beste — ons krag word immers met steenkool opgewek. Die koste hiervan op bane met min verkeer is egter baie hoog. Dan maar stoom daar as dit moet.

Die stedelike verkeer moet ook aandag kry; heelwat brandstof kan so bespaar word. As die brandstofsituasie erger word, sal daar aandag gegee moet word aan die vinniger toepassing van die Driessen-verslag, sê min. Muller. (Lees ook berig op bl. 2.)

Uit Londen berig Gielie de Kock dat kenners daar sê Suid-Afrika se militêre paraatheid sal nie geraak word

U.C.T.

Cape Town

August 1978