MANUFACTURING.

PRINTING.

JUNE - DEC. 75

FEB. 76.

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JAN. - DEC. 78.

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Change to Act may hit firms

(195)

JOHANNESBURG — Businessmen are warned by the Financial Mail that imminent changes in copyright law could cost them dearly in court actions.

The business magazine this week reports that implications behind the new Copyright Act are so serious that the 170-member Newspaper Press Union is planning early approaches to Parliament in the hope of getting crucial amendments.

The Financial Mail adds that scrapping of the 1965 Act for the new Act, operative from January 1, has left even patent attorneys and copyright specialists bewildered.

Rewriting of this legislation means that copyright will vest with the originator even if the work is done by an employee during working hours.

Newspapers are especially vulnerable to changes in the law. To protect themselves copyright warnings will probably be carried in every section of the newspaper and possibly at the end of every report.

— DDC.

Werkerbesonderhede (1)

Nommer van plaas

Naam (eerste naam alleenlik)

Ouderdom

Geslag

Ras

Skooljare voltooi

Skool (naam, soort, distrik)

Soort werk

Permanente werkers alleenlik:

Hoe lank op hierdie plaas gewerk het

Toevallige/kontrakarbeiders alleenlik:

Permanente tuiste

Jaarlikse tydperk op die plaas

Jaarlikse tydperk tuis

Bedrywigheid vir die res van die jaar

Hoeveel keer reeds op die plaas gewerk

Aan alle werkers

(a) Werkure:

Maan-Vry	Begin	Uitskei	Pouse(s)
Sat.	"	"	"
Son.	"	"	"

(b) Jaarlikse verlof deur boer betaal
onbetaal

11. Kontantloon (weekliks)

12. Ander betaling (weekliks)

(a) Vleis: hoeveelheid
prys (as nie gratis verskaf word nie)
waarde aan boer
waarde aan werker

AFRIKAANSE PERS

Credibility gap

Activities: *Holding company with subsidiaries printing, publishing and distributing newspapers, magazines and books. Publications include* Die Transvaler, Vaderland, Hoofstad, Oggendblad, SA Financial Gazette, *and* Scope. *Vaderland-Beleggings owns 44,4% of Afrikaanse Pers, which in turn owns 85% of Perskor. Dagbreektrust has a 14,7% interest in Afrikaanse Pers.*

Chairman: *M V Jooste.*

Capital structure: *5,5m ordinaries of 50c. Market capitalisation: R6,3m.*

Financial: *Year to June 30 1978. Borrowings: long and medium term, R2,1m; net short term, R654 000. Debt:equity ratio: 27,6%. Current ratio: 1,4. Group cash flow: R7,2m. Capital commitments: R246 000.*

Share market: *Price: 115c (1977-78: high, 120c; low, 45c; trading volume last quarter, 188 000 shares). Yields: 62,5% on earnings; 9,6% on dividend. Cover: 6,5. PE ratio: 1,6.*

Evaluation of the annual report is made difficult by apparent inaccuracies or, at least, wishful thinking and a not altogether helpful presentation of accounts.

	'75	'76	'77	'78
Return on cap %	21,5	16,6	15,4	15,5
Turnover (Rm)	85	103	114	134
Gross profit (Rm)	4,7	3,6	4,7	5,0
Gross margin %	7,1	3,3	4,1	3,7
Earnings (c)	33,9	34,6	52,3	71,9
Dividends (c)	14	10	10	11
Net asset value (c)	263	282	395	417

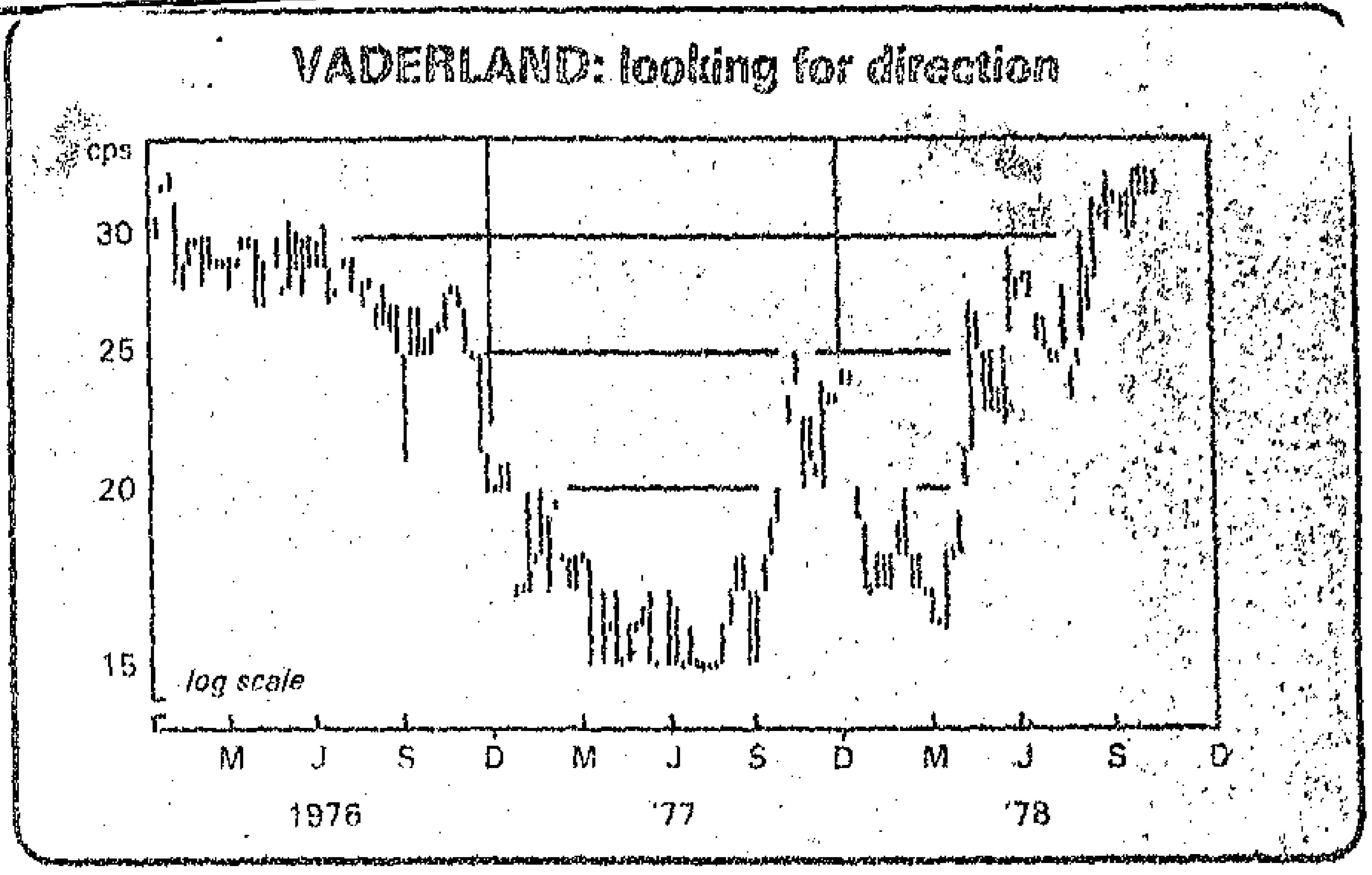
Chairman Marius Jooste claims that "with the co-operation of well-known ink manufacturers, Coates, your group obtained a majority holding in factories at Johannesburg and Durban." This has been refuted by Coates. He also says: "A clash of interest between Nasionale Pers and Perskor arose. I feel that the battle is drawing to a close and it can be expected that an agreement will be reached in the foreseeable future." Nasionale Pers has issued a statement saying that it is unaware of any such pending agreement. To an outsider the battle lines have never been so clearly drawn.

Be that as it may, even less helpful in analysing the group's performance is the practice of quoting turnover figures which include inter-group transactions. There is also no divisional breakdown of profit contributions, though the bulk of profits come from magazine and commercial printing operations.

Pre-tax profit before abnormal and extraordinary items increased from R4,5m to R6,5m, split almost evenly over both halves of the year. So, with the inroads being made into advertising revenues by TV, it could be deduced that commercial printing increased its contribution in the second half. The book division showed "a substantial increase in profits." Finished goods on hand declined from 3,4% to 1,9% of turnover, so it appears that the 1977 downturn has been overcome. On the other hand, the gross margin has deteriorated, presumably as newspaper profits were knocked by commercial TV.

Management's conservatism extends to financing, and the group continues to rely mainly on retained income for capex. Consequently gearing, as measured by debt:equity, is low at 27,5%. Following Saan, the move is towards electronic editing. It will be an expensive shift, but the balance sheet is strong enough to carry additional debt if necessary, and there has been a steady cash build-up, partly in anticipation of the need to provide the new equipment.

This year the printing arm and the two TV magazines should ensure that the group weighs in with improved profits.



But the impact of TV on advertising revenues continues to be a worrying factor. And if anything comes of talk that *The Citizen* is to be taken over, there could be a further knock to profit growth unless other compensating factors come into play.

The shares have enjoyed something of a re-rating with publication of the results, though the 1,7 PE ratio seems to discount all manner of uncertainties and the unlikelihood of any improved generosity.

More attractive is pyramid Vaderland-Beleggings at 31c, on an historical yield of 10,6%.

Peter Pittendrigh

DIE PERSKOR-GROEP

PERSKOR

JAAR VAN UITBREIDINGS

195

Verslag van die Voorsitter

Aandeelhouers sal in die gedrukte state volledige aanduidings kry van hoe die stand van u maatskappy is. Ek wil nie te lank daarby stilstaan nie.

Die omset vir die jaar was R134 000 000, 'n toename van R20 000 000. Dit beteken dat u groep verreweg die belangrikste groep is in die drukkers- en uitgewersbedryf. Die bedryfswins was R9 293 000 teenoor R7 160 000 verlede jaar. Die netto wins voor belasting was R6 328 000 teenoor R4 452 000 verlede jaar. Dit is die posisie met toepassing van dieselfde beginsel t.o.v. afskrywings as vorige jare. Vanweë die sterker winsprestasie is egter besluit om 'n baie strenger beleid t.o.v. voorsienings toe te pas. Die belasting vanjaar betaal verminder die bedrag na R5 647 000. Hiervan is R856 000 toedeelbaar aan buiteaandeelhouers wat die wins ná lopende belasting op R4 791 000 te staan bring teenoor R3 135 000 verlede jaar. Na belasting en abnormale items, op dieselfde vergelykende basis, is die wins toedeelbaar aan aandeelhouers R2 660 000 teenoor R2 321 000 verlede jaar.

Dit is egter nogtans 'n klein verbetering wat betref die bedrag toedeelbaar aan aandeelhouers.

In die omstandighede het die direksie gevoel dat dit weer moontlik is om die dividend te verhoog en om bonusse aan die personeel te betaal. In al twee gevalle is egter gevoel dat dit nie moontlik is om anders as uiters konserwatief te wees nie.

U direksie is oortuig dat ons in belang van u maatskappy nodig het om die likiditeit van u maatskappy so ver moontlik te beskerm. Ons is ook oortuig dat die meerderheid van ons lojale personeel sal besef dat dit in hulle langtermyn belang is dat die maatskappy finansieel sterk is vir die probleme wat voorlê.

U direksie het dus besluit om die dividend op Afrikaanse Pers-aandele te verhoog van 10 sent na 11 sent per aandeel en vir Vaderland-aandele van 3,0 sent na 3,3 sent per aandeel.

Vyf jaar gelede, soos u van die tabel wat resultate oor die afgelope tien jaar uiteensit kan sien, was dit nog u maatskappy se beleid om ongeveer een helfte van die winste uit te keer. *Die uitkering vanjaar is meer as agt keer gedek uit die winste voor die spesiale afskrywings.*

U bedryf is in die laaste jare in 'n kostespiraal vasgevang. Die prys van koerantpapier bv. het van 1 Januarie 1973 tot 1 Januarie 1978 gestyg van R136 na R349 per ton, 'n styging van nie minder nie as 157%. Die koste van masjinerie toon stygings van dieselfde aard. 'n Rolpers wat ons in 1974 R1 350 000 gekos het, sal vandag R3 350 000 vereis.

Inflasie het die bedrae wat nodig is om die maatskappy adverteerders kan aanbied bestaande uit 'n advertensieprogram in 'n aantal van ons tydskrifte en koerante sodat met inagneming van besteding in ander media hulle die beste resultate op hulle advertensiebesteding kan verwag.

Ons advertensietariewe is aantreklik en ons sien geen rede vir 'n daling in advertensie-inkomste in die volgende jaar nie. Tydskrifte het vanjaar 'n groter bydrae tot wins gemaak as verlede jaar en ons vertrou hulle sal dit kan handhaaf.

KOERANTE

U koerante maak vordering. Van die 5 invloedrykste koerante, gemeet aan aantal blanke lesers, word twee, *Die Transvaler* en *Die Vaderland*, deur u groep uitgegee. Geen ander persgroep gee meer as een van die mees invloedryke koerante uit nie.

Ek wil ook na 'n saak verwys wat die laaste tyd heelwat aandag geniet het. 'n Botsing van belange van Nasionale Pers teenoor Perskor het ontstaan by die loodsing van 'n mededingende dagblad en hierdie stryd duur alreeds meer as 4 jaar. Die stryd loop, myns insiens, na 'n einde en daar kan verwag word dat 'n ooreenkoms binne afsienbare tyd tussen die koerantgroepe bereik sal word.

Ek wil verder 'n aspek behandel wat in die jongste tyd in die Engelse Pers al sterker na vore kom. Dit is dat die Engelse Pers toenemend 'n groter leserskap onder die nie-blankes het as onder blankes. Van die belangrike Engelse dagblaaie is dit nog net *The Star, Citizen* en *Pretoria News* wat 'n meerderheid blanke lesers het. Die plaaslike koerante, *Natal Witness* en *Diamond Field Advertiser* het ook 'n meerderheid blanke lesers. Van die belangrikste Engelse koerante het die *Rand Daily Mail* slegs 30 % en die *Sunday Times* slegs 37 % blanke lesers.

Na my mening moet 'n koerant basies die belange van sy lesers vertolk. Ons glo nie dat dit op die duur sal loon om te probeer om op die draad te sit en te probeer om alle soorte lesers te dien nie. Ons voorsien dus 'n verbrokkeling van die Engelse Pers in koerante wat spesifieke belangegroepe dien.

Dit het reeds gebeur met die loodsing van 'n dagblad, *The Citizen*, wat op die blanke Engelse mark gemik is en merkwaardige vordering getoon het. Die jongste sirkulasiesyfers toon 'n gemiddelde van 71 052 verkope elke dag. Die blad wat deur ons gedruk word en grootskaals deur ons versprei word, is baie gewild onder die konserwatiewe lesers. Ons verwag dat dit verder suksesvol sal vorder in die komende jaar.

Die Sondagblad, *Rapport*, waarin Perskor en Nasionale Pers elk 'n 50 %-belang het, het 'n moeilike jaar gehad. Die blad, verreweg die grootste publikasie in venga Press en Ukhozi Press, waarin 'n deel van die aandele deur burgers van die tuislande besit word. Vir baie jare gee u maatskappy die blad Imvo uit in Xôsa. Onlangs het ons met 'n ander blad begin, die *Mmabatho Mail* wat veral nuus oor Bophuthatswana bevat.

U maatskappy het ook al die aandele in Mass Communications Media bekom. Dié maatskappy wat sake doen onder die naam Varia Boeke spesialiseer in opvoedkundige uitgawes, veral in die behoefte van die swart volksgroepe.

Ek wil mnr. P. J. Lubbe wat hoof van Varia was, in ons diens verwelkom en vertrou dat u maatskappy nog veel sal baat uit sy dryfkrag en ervaring op hierdie gebied.

DRUKKERYE

Ondanks moeilike omstandighede het u drukkerye weer 'n goeie jaar gehad. Ons het mooi verbeterings in winste gehad by ons tjekafdeling, skryfbehoeftes, ens. In totaal het ons fabrieke 'n toename in wins getoon.

Ons het in die laaste jare op groot skaal ons fabrieke gemoderniseer. Die proses is nog aan die gang. Die vordering op tegnologiese gebied in drukmetodes die afgelope dekades was fenomenaal.

Wat koerante betref ondersoek ons die nuwe elektroniese metodes wat die redaksies in staat stel om hulle kopie direk aan die drukkery te voer en met behulp van elektroniese metodes die kopie finaal vir druk goed te keur. Die proses sal 'n groot kapitaalbelegging vereis maar ons verwag dat dit geregverdig sal wees beide weens beter drukwerk en kostebesparings.

In 'n mate, wat tot onlangs nog nie voorsien kon word nie, word duur, moeisame metodes deur rekenaars oorgeneem met 'n groot uiteindelike kostebesparing. Intussen egter bring dit groot uitgawes mee aan nuwe kapitaaltoerusting en aan die omskepping van bestaande prosesse na die nuwe toerusting. Ons verwag dat die tydperk van ingrypende tegniese ontwikkeling in u bedryf nog vir 'n aantal jare beduidende kapitaalbeleggings sal vereis.

Ons drukkery in Durban is in 'n onlangse artikel in die Amerikaanse drukkersblad, *World-Wide Printer*, met lof genoem. Die werk van die tegniese direkteur, mnr. Walter Köhler, is hoog aangeprys. Mnr. Köhler het beheertegnieke ontwikkel om teen die laagste koste te druk. Sy metodes het o.m. 'n besparing van 25 p.s. in inkverbruik op die aanvaarde norm ten gevolge gehad sonder enige inboet van gehalte.

Ons groep het besluit om sy bedrywighede in die vervaardiging van drukkersink uit te brei. In samewerking met die bekende inkvervaardigers, Coates, het u groep meerderheidsbelang in fabrieke in Johannesburg en Durban verkry wat hoofsaaklik in die groep se [illegible] voorrade, debiteure en vaste bates te finansier sterk verhoog. Dit is nie goeie finansiële beleid om die addisionele kapitaal hiervoor hoofsaaklik uit nuwe buite-kapitaal te vind nie. 'n Groot deel daarvan moet uit teruggehoue winste gevind word. Vir die deel wat wel met nuwe kapitaal gefinansier kan word, was die markomstandighede van so 'n aard dat lenings nòg teen billike koerse nòg aandeeluitgifte teen 'n redelike koers moontlik was.

Ons aandeel in die advertensiebesteding in die land word ernstig benadeel deur advertensies op televisie. Dit bedreig u maatskappy se belangrikste inkomstebron.

Die bedrag wat vanjaar deur televisie uit die mark geneem is, was R38 000 000. Dit is nagenoeg drie keer die bedrag wat oorspronklik in die vooruitsig gestel is toe die diens aangekondig is. Vir 1979 word 'n verdere verhoging van sowat R14 miljoen in TV-besteding verwag.

'n Mens besef dat dinge deesdae altyd veel meer kos as wat oorspronklik beraam is. Ongelukkig ook voorsien ons dat die aandeel wat televisie uit die advertensiemark gaan neem, sal neig om te groei. Die SAUK sal genoodsaak wees om hulle dienste uit te brei en te verbeter, veral met die oog op waarskynlike mededinging van 'n sender uit 'n buurstaat sowel as die voorsiening van gelyke dienste aan Bantoe-T.V. Die mededingende sender sal ook sy aandeel uit die advertensiepot neem.

U Raad is bewus van die belangrikheid van televisie om die land se wel en wee aan die publiek oor te bring, maar dit kan nie geskied sonder om vir ander advertensiemedia probleme te skep nie.

Vir die jaar tot datum het daar 'n merkwaardige styging in advertensiebesteding plaasgevind sodat advertensiebesteding in media in totaal feitlik konstant gebly het. U groep het in totaal dan ook so te sê geen afname aan advertensieinkomste ondervind nie, hoewel daar afdelings was met 'n beduidende afname. Die nodige verhoging wat vereis was om stygende koste te dek het egter ontbreek.

Ek wil wys op u maatskappy se likiede posisie. Die kontant en depositos is in totaal R5 142 000 teenoor bankoortrekkings van R2 049 000. Ons het die minimum langtermynlenings en meeste van ons geboue is onbeswaar. In totaal is ons verbande slegs 8 % van die boekwaarde van ons geboue wat volgens 'n konserwatiewe waardering minstens driekeer soveel werd is. Dit is ook toe te skrywe aan ons verwagting dat omstandighede moeiliker sal word. Hoë likiditeit is belangrik.

TYDSKRIFTE

U groep is by verre die belangrikste uitgewers van tydskrifte in die land. Ons beraam ons markaandeel aan verbruikerstydskrifte op meer as 60 %. Totale sirkulasie beloop 60 000 000 eksemplare per jaar. Meer as 20 000 ton papier is verbruik, advertensie-inkomste het bykans R14 000 000 beloop.

Onder die 5 top-tydskrifte in die land word 4 uitgegee deur Republikeinse Pers, ons tydskrifafdeling. Besonderhede verskyn in die tabel op bladsy 13.

Weens stygende koste was ons genoodsaak om verkooppryse te verhoog in lyn met ander tydskrifte in die land bemark.

Met die toenemende mededinging van advertensies op televisie, glo ons dat ons 'n advertensiepakkie aan Afrikaans, is besonder swaar getref deur advertensies op televisie. Hoër kostes moes dus uit 'n hoër verkoopprys verhaal word en dit, tesame met 'n noulettende aandag aan kostes, maak ons optimisties oor sy vooruitsigte vir die komende jaar.

'n Afdeling van ons maatskappy wat 'n beduidende bydrae maak tot ons resultate is ons plattelandse koerante, die *Wes-Transvaal Rekord* in Klerksdorp, *Die Noord-Transvaler* in Pietersburg, die *Noordelike Stem* in Kroonstad en die *Oos-Transvaler* in Witbank. Die eerste drie is reeds vir jare al die invloedryke, toonaangewende nuusmedia in hulle gebied en die *Oos-Transvaler* is besig om sy plek te verower.

Ten slotte wil ek net daarop wys dat ons groep met sy vier dagblaaie en sy plattelandse koerante 'n totale sirkulasie van sowat 200 000 het. Daarby het ons 'n halwe aandeel in *Rapport* en kan dus 'n dekking in Transvaal bied onder blankes in Transvaal wat deur geen ander persgroep geëwenaar word nie.

PERSKOR-BOEKE

Ons boekhandel en uitgewery het vanjaar goeie resultate getoon met 'n mooi toename in die wins van al die afdelings.

Die afdeling het hom tot onlangs hoofsaaklik toegespits op opvoedkundige publikasies vir die blanke mark. In die afgelope jare het sy bedrywighede aansienlik in ander rigtings uitgebrei. Die gemiddelde jaarlikse groei in titels van algemene publikasies was sowat 34 % en dit word beplan om die persentasie te verhoog na dubbel dié syfer.

Ek wil graag van die geleentheid gebruik maak om mnr. Bartho Smit, hoof van ons uitgewery van letterkundige werke, geluk te wens met die welverdiende toekenning van die Hertzogprys vir drama.

Die veteraandigter, dr. Theo Wassenaar, het die Akademieprys vir vertaalde werk gekry vir voortreflike vertalings van dramas van Sophokles, *Antigone* en *Elektra* wat deur ons uitgegee is.

Benewens letterkundige werke voorsien ons in die behoeftes van klein en groot deur die publisering van alle soorte boeke. In die verband wil ek ons boekklubs noem wat ook 'n bydrae tot wins gelewer het. Met die neiging onder die skrywers om boeke te skryf wat min aansluiting by die gewone leser vind, het die boekklubs 'n belangrike rol begin speel om populêre leesstof van goeie standaard aan te bied.

Ons is trots op die tipografiese afwerking van die boeke. Die romans in ons boekklubs is ook as 'n reël van 'n goeie standaard en een is so pas vir skoolgebruik voorgeskryf.

Die afdeling wat hom toespits op regsboeke, Lex-Patria, het 'n goeie jaar gehad. Waar hy vroeër so te sê uitsluitlik 'n diens gelewer het om wette en ordonnansies op datum te hou vir wetswysigings neem hy nou meer en meer deel aan die uitgee van handboeke vir die regstudent en die regspraktisyn.

HANDEL MET TUISLANDE EN ANDER VOLKSGROEPE

Ons het hier 'n verskeidenheid van bedrywighede. Die uitgewery, Educum, wat hom toespits op opvoedkundige publikasies, het sy hoogste wins ooit behaal, soos ook die drukkerye by King William's Town en Umtata.

U maatskappy het reeds twee maatskappye gestig om die handel met Tuislande te bevorder, naamlik Bo-behoeftes sal voorsien.

VERSPREIDING

Republikeinse Nuusagentskap wat die verspreiding van ons publikasies waarneem, is die grootste organisasie in sy soort met 'n omset van byna R30 miljoen. Meer as 10 miljoen eksemplare word maandeliks verkoop vanaf meer as 8 000 afsetpunte.

Afgesien van die wat verkoop by spesifieke afsetpunte, word 'n groot aantal aan intekenare verskaf deur die pos en deur ons eie organisasie en deur die bemarkingsorganisasie wat van skoolseuns gebruik maak. In totaal is daar meer as 4 000 mense in diens by RNA, van wie 1 264 voltyds is.

Die 460 voertuie wat die aflewering doen, lê jaarliks 24 miljoen kilometer af (gelykstaande aan 600 keer om die aarde).

Vanaf 1 April word 'n groot deel van die verspreiding van *Rapport* deur ons organisasie gedoen. Die gebied wat ons dek is ongeveer vier-vyfdes van Transvaal met sekere aangrensende gebiede, en die hele Suidwes-Afrika.

Verspreiding is 'n duur en onekonomiese bedrywigheid maar baie noodsaaklik vir die sukses van enige uitgewersorganisasie. In Suid-Afrika is daar verskeie organisasies op die gebied wat lei tot groot duplikasie van koste. Dit is dus uiters wenslik dat dit mettertyd deur een organisasie waargeneem word.

Met uitgewers in mededinging sal dit uiters moeilik wees om so 'n organisasie daar te stel. Die Departement van Handel sal seker hier die leiding kan neem. Die besparing op brandstof alleen sal dit in landsbelang die moeite werd maak.

PERSONEEL

Gedurende die jaar het Sy Edele B. J. Schoeman afgetree as voorsitter van Perskor. Sy Ed. Jan de Klerk het uitgetree as trustee en voorsitter van Afrikaanse Pers. Waar ek die voorreg het om sulke luisterryke figure op te volg wil ek my waardering betuig vir hulle jarelange diens in ons groep.

Vanaf 1 April 1978 is dr. W. J. de Klerk bevorder tot besturende direkteur met spesiale opdrag om hoof te wees van alle redaksionele aangeleenthede van publikasies. Vanaf dieselfde datum is mnr. J. M. Buitendag bevorder tot besturende direkteur in bevel van alle besigheidsaangeleenthede.

Gedurende die jaar het ons een van ons trustees, mnr. W. B. Boshoff, deur die dood verloor. Hy was 'n lid van die Trust sedert die amalgamasie van Voortrekkerpers en Afrikaanse Pers in 1971 en ons sal sy praktiese sakebenadering mis.

DANKBETUIGING

Ek sou my aan 'n ernstige versuim skuldig maak indien ek nalaat om namens ons groep maatskappye, sy direksie en bemanning 'n woord van innige dank te rig aan die miljoene lesers van ons groot portefeulje boeke en publikasies. In besonder wil ons ons waardering boekstaaf teenoor dr. A. J. Koen vir sy hulp om ons mooi samewerking met skole te bewerkstellig. Ons is ook erkentlik teenoor adverteerders, skoolhoofde, die talle skoolkinders en hulle ouers wat hulle so geesdriftig in ons verspreidingsorganisasie werp, en al ons onbekende en ongenoemde vriende dwarsdeur die land.

M. V. JOOSTE

Voorsitter

JOHANNESBURG, 30 OKTOBER 1978

195 12/11/78

ARGUS (195) FM 3/11/78

Increasing profits

In the past 12 months, the *RDM* Printing & Publishing Index has increased 122 points to 256 as leading companies in the sector reported better profits. Argus has produced the best thus far, despite earlier fears that TV advertising would severely harm newspapers. Trading profits rose 75,1% to R5,1m in the six months to end-August, while pre-tax earnings increased to R5,8m (R3,4m).

Earnings for the period were 225,3c (114,7c) and the higher interim of 55c (50c) points to a better final after last year's 75c.

All profit sources contributed. Among the group's newspapers and printing operations, *The Star* was the best performer, with the *Argus*, the *Daily News* and the *Pretoria News* (55% held) all increasing profits. *Post*, the *Diamond Fields Advertiser* and the *Friend* continued to lose money.

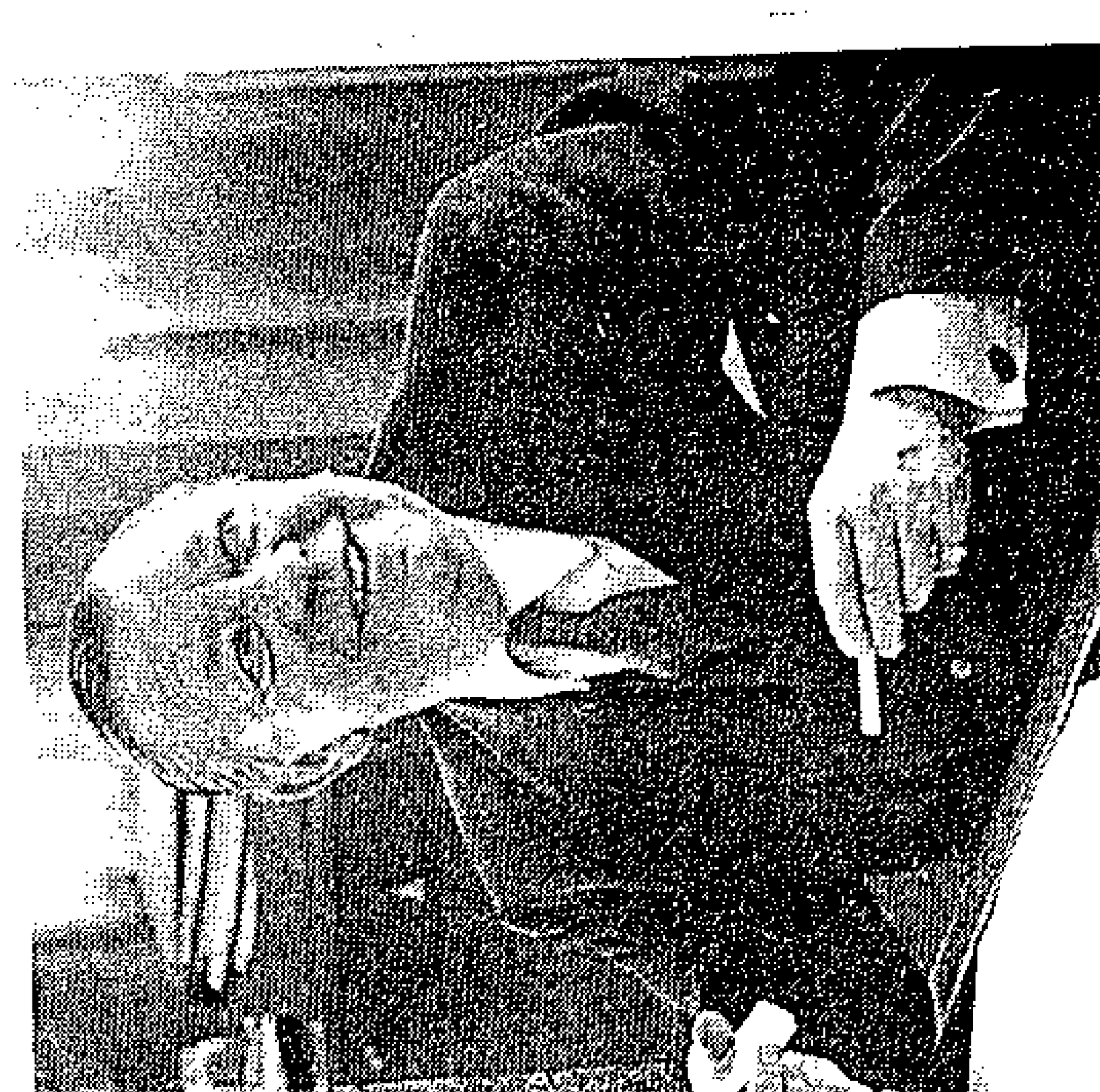
51%-owned CNA (not consolidated) contributed R150 000 (R83 000) to pre-tax profits despite turnover rising only R100 000 to R28,7m. Chairman Layton Slater says the rise followed the phasing out of unprofitable wholesaling activities, a better sales mix and cost controls. CNA earnings were 13,1c (10,4c) and its interim dividend was held at 5c.

The third profit source, investments, includes the 39% stake in Saan and 40% of Rhodesia Printing & Publishing. Profits from this source rose from R426 000 to R507 000, of which Saan contributed R431 000 (R269 000).

Slater says profit increased because better business conditions led to better advertising demand "which nevertheless remained below that of the corresponding period last year" and higher tariffs. Advertising columns for the period were 199 247 (207 716). Firm cost control was also a major reason for the better results.

He adds, second-half profit growth will not be as great as in the first half, but earnings are expected to remain at an acceptable level. MD Liff Hewitt says the second half of last year was helped by the July cover price increase. So this year's second-half growth will not match the first half.

Total group debt at end-August was about the same as the end-February R18,8m. Argus, ex-CNA, reduced net borrowings from R9,4m to R4,6m as the bank overdraft was whittled from near R8m to about R2m. But CNA ended the period with debt of R14,3m (R13,1m) on which interest was R853 000 (R829 000). Hewitt says the group plans to reduce borrowings, particularly in CNA.



Argus's Slater . . . something to smile about

At 1 500c the shares yield 8,7% on the latest two dividends. Even if the second half only matches last year's 183c, a final of 85c (75c) is easily possible. On a prospective 140c dividend the shares yield 9,3% and rate a hold recommendation.

Des Kilalea

APB SE INKOMSTE STYG MOOI

195

AFRIKAANSE PERS (1962) Beperk, moedermaatskappy van Perskor, het 'n toename in inkomste van R4 452 000 tot R6 328 000 gehad — 'n toename van 42 persent.

Die belasting daarop betaalbaar het toegeneem van R388 000 tot R681 000 en die voorsiening vir uitgestelde belasting is verhoog van R371 000 tot R1 685 000.

Die netto bedrag toeskryfbaar aan eie aandeelhouers toon 'n toename van R2 764 000 tot R3 106 000 of van 50,7c tot 57,0c per aandeel.

'n Verandering in die basis van verantwoordiging vir verlofgeld en 'n hersiening van die formule vir verandering van voorraad en ander abnormale afskrywings beloop R1 355 000 (vergeleke by R154 000 verlede jaar). Hierdie bedrae het nie betrekking op die winste van die afgelope jaar nie, maar op dié van die vorige jare, is aan Sake-Rapport gesê.

Die dividend is verhoog van 10c tot 11c. Dividende betaal op Vaderland-aandele is ook verhoog van 3c tot 3,3c.

BOOK PUBLISHING

A tilt at the title

195 FM 29/9/78

South Africans are not just a nation of television-watching rugby players. Some of our sporty types are secretly literate — more than 50 book publishers are in business in SA, publishing about 66% of the books sold here.

The real number is difficult to compute: 54 are members of the Publishers Association, but Secretary Piet van Rooyen estimates another 15 or more non-members. Only about 12 in all produce more than 25 titles annually.

Big business is concentrated in the hands of a few: Nasionale Pers for instance controls four imprints: Tafelberg, Human & Rousseau, Nason and Via Afrika. In the past three years up to March, the group published or reprinted 1 884 titles. "We publish more books each year than all the other SA publishers combined," assets MD Heinie Jaekel.

Pieter van Heerden, manager of general publishing at Perskor, acknowledged to be the second largest publishing group in SA, counters: "Perskor is the umbrella for six publishers, and of them Perskor General alone will produce 125 titles in the next 10 months."

The two big groups control the bulk of Afrikaans publishing — between them a guesstimated 90%, but most local publishers will produce an occasional Afrikaans title, usually translations of a textbook or a successful English book.

Ad Donker, who picked up *Oomblik in die Wind* after its trial run by Taurus Press (run by a consortium of lecturers in the Wits University Afrikaans Department), explains: "I don't go out of my way to attract Afrikaans manuscripts. The Afrikaans publishing trade is very effective and well organised, and has a good name with writers. When I started five years ago it was to fill a gap I perceived in English language publishing. At that time English books produced in SA for the general reader were mostly on gardening, cooking and Africana."

David Philip and Ravan Press both started a little earlier, and between them the three helped to change the face of SA English publishing, setting trends the larger firms have followed.

Local authors who would have small chance of being accepted for overseas firms' lists, are now published in SA. Donker, particularly, has encouraged poets and novelists. Sheila Roberts and Mongane Serote are two of his authors. Given the choice, Douglas Livingstone prefers being published in SA. Sheila Fugard's work stays local too.

Few authors get rich on writing. Local novelists royalties rarely total more than R400. But a good textbook may bring in R2 000 pa while it is prescribed.

David Philip aims to publish "books that matter and are good of their kind." He tends towards sociology, anthropology or politics, often written by academics, but with possible general appeal.

Ravan is a publisher with a social conscience, which brings its own problems — short print-orders for instance. Ravan commonly has print-orders of 700 or 1 500 copies, although other publishers agree that 1 000 is the bare minimum for economic viability. At the same time, Ravan tries to keep prices low. Subsidies are scrounged for "worthwhile" books, says GM Mike Kirkwood.

Red Metrowitch of Valiant Publishers produces 10 or so books a year. "They put forward the South African case. I am a staunch South African."

Whatever their size, most publishers specialise to an extent. Jutas, the oldest in the business and Butterworths in Durban, produce most of the legal and medical books, Struik concentrates on glossy coffee table books about Southern Africa.

According to Board of Trade estimates, 56% of books in SA are for "household and other" reading, 10% go to libraries, and 34% are school and educational.

Probably the most lucrative area of local publishing is the African schoolbook market, where long production runs offset low prices. But the bubble could burst.

"There is no guarantee," says Juta's James Duncan, that independent homelands will follow the Departments of Education syllabi; they may well prescribe different books, and even move to different examination systems — and that will all fragment production runs."

Long production runs keep schoolbook prices reasonable, but the general reader is not so lucky. Publishers generally price books on a multiple of four times the direct printing cost. A book costing R2 to print will be marked around R8, of which the author receives about 7,5%-12% of sales as his royalties, and the bookseller takes a third or more.

From what is left the publisher pays all editing, transport, warehousing and publicity costs.

Bookshop shelves . . . secretly literate SA

NEWSPAPER SALES

195

Weeklies slipping

FM 18/8/78

Increased prices and the growing popularity of television have hit many newspapers hard, and although some dailies are showing impressive gains, weeklies (but not the *FM*) are really feeling the pinch. On the other hand, a number of periodicals are showing huge sales increases.

It's against this background — falling sales and rising costs leading to dipping profits — that the *Sunday Times* this week introduces "Shopper," a supplement which carries R193 worth of trade coupons discounting consumer goods from a micro-oven to soap powder.

The aim, says Saan group circulation manager Ted Sceales, is to tap below-the-line promotional money spent by manufacturers on trade discount coupons — estimated at R100m a year — which newspapers don't normally get.

Meanwhile latest circulation figures for newspapers and magazines show that the largest gainer among dailies is the *Transvaler*, which has increased its circulation by 24% over June last year, and by 16% since December. Its rival, *Beeld*, increased sales by 20% over the year.

"The huge increase in the *Transvaler's* circulation is attributable to vastly improved distribution," says Perskor MD Marius Jooste, "as well as to the inclusion of jackpots, which have encouraged readership. Many newspapers have been hit by price increases and those that have improved their distribution have fared better."

The *Rand Daily Mail's* circulation fell by 8% over the past year, while its competitor, the *Citizen*, which did not increase its price, shows a circulation rise of 22%.

RDM editor Allister Sparks is not unduly concerned about the drop. "The past 18-month period has been one of intense news interest, which has inflated newspaper circulation," he says. "The *RDM*'s circulation was boosted because of its special coverage of events in Soweto."

"We are not disturbed by the fall in circulation of some of our newspapers," says Saan's MD Clive Kinsley. "We expected a decline following the price increase, and we expected weekend papers to drop as well, due partly to the recession."

The *RDM* is shortly to increase its news space, which could mean a marked improvement in the paper.

Argus group's recently established *Post*, successor to the *World*, sold 124 274 copies in the first audited six months period. Previous circulation of the *World*, in the six months to June last year, was 16% higher, 147 183 copies having been sold.

Evening newspapers have felt the pinch after price increases, with the *Star*

ABC — UPS AND DOWNS

	Jan/June 1978	% change on Jan/June 1977	% change on July/Dec 1977
DAILIES			
Star	171 897	—7,3	+0,7
Rand Daily Mail	132 234	—8,2	—4,0
Argus	103 069	—5,7	+1,4
Daily News	90 649	—4,5	+0,9
Cape Times	70 654	—3,1	+2,8
Burger	70 037	+1,2	+4,1
Natal Mercury	63 127	—7,7	—0,4
Transvaler	82 740	+23,6	+15,5
Vaderland	59 313	—1,9	+2,2
Citizen	71 052	+21,7	+13,5
Beeld	66 116	+20,2	+1,6
Daily Dispatch	31 806	+11,2	+2,4
EP Herald	27 971	+0,02	+2,1
Volksblad	26 552	—4,3	—0,9
Pretoria News	25 820	—4,8	+4,2
Evening Post	23 901	+0,3	+1,6
Hoofstad	17 035	—4,7	+0,6
Natal Witness	17 519	—0,2	—0,1
Oosterlig	11 562	+8,5	+7,7
Diamond Fields Advertiser	7 322	+0,8	+3,6
Friend	6 226	—13,6	—2,8
Oggendblad	7 563	+17,5	+18,0
†Post	124 274		
WEEKLIES			
Sunday Times	466 652	—5,1	—1,4
Rapport	408 871	—10,8	—3,8
Sunday Tribune	125 957	—10,6	—1,9
W/E Argus	127 334	—5,7	+1,2
Sunday Express	95 782	—16,9	—4,3
W/E Cape Times	98 834	—3,3	+1,3
W/E Star	87 187	—10,6	—1,0
Ilanga	82 422	+0,3	+0,6
W/E Burger	82 843	+1,2	+1,6
Cape Herald	68 316	—6,6	+2,9
W/E Evening Post	45 200	+1,7	+2,4
W/E Transvaler	44 052	—0,8	+4,8
Post (Natal)	44 976	+4,0	+7,3
WEEKLIES (continued)			
†Sunday Post	128 744		
W/E Daily News	29 848	—16,3	+1,7
W/E Volksblad	20 214	—5,8	+0,1
W/E Vaderland	18 812	+4,3	+5,4
W/E Pretoria News	11 268	+2,2	+8,1
W/E Oggenblad	4 470	—7,3	+5,9
W/E Hoofstad	4 179	+2,3	+15,6
Kerkbode	16 154	—8,6	—12,0
Imvo Sabantsundu	56 592	+1,3	—0,2
FINANCIAL WEEKLIES			
Financial Mail	20 816	+1,2	+1,8
Financial Gazette	7 413	—8	—9
PERIODICALS			
Living and Loving	188 621	—3,9	+0,08
Rooi Rose	191 968	+0,3	+1,9
Sarie Marais	167 174	—2,2	+0,9
Scope*			
Fair Lady	179 096	+4,9	+9,9
Family Radio & TV	137 867	+29,8	—4,9
Keur	143 840	—14,3	+0,6
Die Voorligter	143 852	+3,0	+1,7
Huisgenoot	179 235	+27,2	+28,2
Bona	132 286	+52,9	+41,7
Radio & TV Dagboek	78 265	+29	—16,1
Darling	85 470	—5,8	+0,4
SA Garden & Home	84 130	—10,3	—1,0
Landbouweekblad	79 632	—0,1	+1,1
See	24 393	—41,4	—10,5
Farmer's Weekly	35 085	—3,1	+1,4
To the Point	29 383	—11,7	—0,8
Kyk	18 663	—39,6	—8,1
Drum*			
Car	75 206	+34,9	+17,9
Patrys	48 801	—11,6	—8,9
Charmaine	48 124	+0,9	+14,2
Hit	80 217	+13,6	—0,3

† 1977 figures for World and W/E World were 147 183 and 204 207.

*Not available.

THE HOOLIGAN RIOTS

Cape Town : August 1906

- 1 -

'Hooligan' is a word with an ancient Anglo-Saxon sound about it. In fact is is a surprisingly modern formation, first occurring in print in the London daily press during the English summer of 1898, though it was also used in the music-hall a few years earlier. Its derivation is uncertain, but it appears to have clear Irish connections. Some see it as a 'perver ... song', though the identity of Hooley remains obscure ... Irish family' in some ... meaning is clea ... is a 'young str ... was first used ... term was obvio ... became the scen ... had ever known, ... 'hooligans' and ... disturbances Th ... plex phenomeno ... object of this ...

Of thei ... political crise ... excitement, unp ... alities – featu ... who still retai ... construct a cle ... out of any dram ... Events that are ... of social attit ... or are seldom allowed to be articulated. The process of analysing the causes of such events is not unlike throwing a stone into a pond and watching the ripples spread outward in ever widening circles, for the historian finds himself led to consider aspects of society of which previously he may well

have been/...

have been entirely unaware. Here indeed is the justification of an intelligent form of empiricism. For if the historian does his work properly, the end result must surely be a deeper knowledge of a particular society and a clearer understanding of the interconnection of the various forces, social, ideological and economic, at work within it. Such an understanding is to be achieved not by the application of any theory but rather by a careful examination of the available material, by the asking of pertinent questions and by the following up of such clues as the material may suggest.

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- 2 -

... d no place in any ... ed were they given ... ure of the day. ... them appears to be ... significance. I ... ny way through the ... rt. There on Octob ... iolence' and sentenc ... vidence in his case ... of the day – the ... for further informat ... contained vivid and ... mately none of the ... s for this particular ... ssible to document th ... formation was availab ... ases that arose out o ... office preserved in ... reactions. The riot ... ed organised by the Social Democratic Federation ... plications of such a demonstration one must look at the labour situation in the Colony at the ti and this in turn leads one to consider, even if in a very cursory manner, the economic position of the Cape in the years after the Anglo-Boer war.

Those most/.

s...ing a drop of 7% since last year, and the *Vaderland* a drop of 2%. However, both have made marginal gains since December.

"Evening newspapers tend to suffer more heavily from price increases than morning papers," says the *Star's* editor, Harvey Tyson.

Weekly papers have suffered more than dailies. Worst drop has been the *Sunday Express*, which fell by 17% since June last year. The *Sunday Times'* fall was less severe, 5% over the year. The *Express* price increase was 10c; the *Times* 5c.

The *Sunday Tribune* has declined by 11% since June last year, and slipped 2% since December. *Rapport's* circulation has fallen by 11% compared with June last year, and dropped by 4% since December. Few weeklies have shown substantial increases, but among those to rise were the weekend *Vaderland* (up 4% since June last year) and the weekend *Cape Times* (up 3%).

Jooste attributes the fall in demand for weekend papers to less attention to editorial, compared with the dailies, but feels this is no cause for concern. He says television has had little impact on the circulation of weekend papers.

Tyson comments that the drop in weekend paper circulation is part of the worldwide trend. "All Saturday papers have suffered due to the five-day week," he says. "Also price increases have had more of an effect on weeklies than dailies."

Periodicals, however, have shown huge increases. Highest jump in circulation was recorded by the black magazine *Bona*, in the Perskor group, which increased its circulation by 53% over last June, and 42% over December.

Increasing interest by motor car owners pushed up *Car* magazine's circulation by 35% over the year, and by 18% in the past six months.

Both TV magazines in the Perskor group showed considerable circulation increases, indicating growing interest in television, and better programme coverage. However, the massive advertising drive for the TV magazines must have been partly responsible for the improvement.

Jooste comments that the next six months will be crucial for newspapers. The *Citizen* has not had to contend with a price increase, while other dailies like the *Transvaler* and *Beeld* have had to spend huge sums on circulation and promotion drives to improve sales.

The outlook for the next six months does not look bright. While Cape newspapers have fared reasonably well, Transvaal papers seem to be competing for a diminishing share of an overtraded market.

FM 4/8/78

195

PRINTING
Prices up

Hard-pressed printers probably felt they were setting the type for their own obituaries when composing a statement on the latest paper price hikes. With disarming frankness the Federation of Master Printers says its members cannot absorb any more costs, so customers will have to stump up more for stationery.

"For the past four years we've held costs down while paper has gone up 50% (53% for board). We can't absorb any more. The rises will simply have to be passed on," says the federation's director, Chris van der Linde.

Hard on the heels of the printers' warning to customers come price rises from SA Board Mills, Sappi Fine Papers and Stanger Pulp & Paper.

Stanger MD Ken Skinner says coated papers from his mill went up 8,5% from Tuesday (they last rose 5% in January 1977), with no change in the price of uncoated products. The only other significant price shift, he adds, was a January jump of 20% in the cost of lightweight coated (used mostly for magazines) which "was greatly underpriced."

Sappi's 5% aggregate rise in July 1976 and 10% hike in February 1977 is now followed this month by an average 6% for paper and 12% for board.

Hardest hit are the 600 jobbing printers (letterheads, business cards, wedding invitations and the like), who also have to break the news of a 4% gst to customers when next they send out invoices.

"The price rises and new tax have all come at the same time. Nobody regrets this more than the printers but it is impossible for them to absorb any more," says Van der Linde.

Cartons and packaging are also affected by the federation's statement, although the big suppliers with more muscle and reserves will be able to stand up to indignant customers far better than traditional printers.

Adding around 7% to printing bills will not be easy for an industry already fighting on another front against the growing phenomenon of in-house production by banks, government departments and many other companies and organisations running off their own stationery on simple-to-operate litho machines.

While the traditional art struggles these in-plant operations are creaming a lot of badly-needed revenue off the top of the R600m-a-year typographical industry.

SAAN FM 4/8/78 195

Prospects only fair

aan lifted operating profits 36% to R1m nd earnings 61% to 36,5c in the six ionths to end June, but prospects for the :cond half look less than brilliant.

First half improvement was attributa- le largely to higher newspaper cover rices, effective from the beginning of the :cond half of 1977.

Circulation revenue, which rose 3,2%, was the only crucial number to nprove. The "substantial" decline in lvertising volume more than offset gher tariffs, and advertising revenue ok a 3% dip. Distribution and operat- g costs were held to 4% and 1,6% re- ectively.

Management takes a less than cheerful ew of the next six months, warning that :cond-half taxed profits are "likely to be :low those for the corresponding period 1977." But, in more cheerful vein, iere is the rider that "if the gradual nprovement in the economy continues, :sults for the full year could be better ian presently indicated."

A dividend of R105 000 from the *Pretoria News,* worth about 5,4c of Saan earnings, came to account in the first half for the first time this year. I understand there will be another dividend of a similar amount in August — in other words, the *News* has doubled its dividend. To equal last year's second half performance, Saan must earn another 84,4c.

Demand for advertising and for newspapers could improve with business and consumer confidence, especially before Christmas. But the extent to which they can be translated into profits will depend on the extent to which costs can be held.

It would be surprising if second half earnings of 84c are not achieved, especially with another 5,4c due from the Pretoria News in the second half. This means earnings for the year should be 121c, an improvement of 13,8c or 13% on last year. The dividend should be easily held, if not improved a cent or two.

Saan yields 10,3% at the current 320c, which is a 102% improvement on the low of 158c in April when fears about TV advertising approached total paranoia. The price rise was justified but upward potential from here looks limited until the publishing picture clarifies. *David Carte*

TABLE 2

THE PERCENTAGE SHARE OF INDUSTRIES IN GDP

5 Years with Central Year	Agriculture, forestry and fishing	Mining and Quarrying	Secondary industries	Services
1915	22,9	21,0	7,0	[illegible]
1920	24,3	19,8	9,6	46,4
1925	22,2	20,4	10,1	47,3
1930	23,4	19,1	10,7	46,8
1935	22,2	14,9	14,4	48,5
1940	19,6	14,0	16,1	50,3
1945	16,9	11,2	17,8	54,1
1950	14,7	10,7	22,3	52,3
1955	14,4	11,5	23,9	50,2
1960	13,1	13,8	24,2	48,9
1965	11,4	13,8	26,6	48,2

Source: Brand (1969) Table 1-1, p19

prominently in the history of France. And two Medicis filled the papal throne: Lorenzo's son Giovanni as Leo X, from 1513 to 1521; Lorenzo's nephew Giulio as Clement VII, from 1523 to 1534. Their tenure seems an ironic commentary on the ambiguous achievement of the Medici dynasty and the pathetic end of the Renaissance: Leo X was, as a true Medici, a great patron of the arts, but he also enjoyed the dubious distinction of presiding over Catholic Christendom at the beginning of its irrevocable splintering by Martin Luther. And Clement VII, though diligent, was inept, and it was during his papacy, in 1527, that Rome was brutally sacked by German and Spanish mercenaries in the employ of Emperor Charles V (see p. 117). The Italian Renaissance ended as it had begun two centuries before in Petrarch's mind—in turmoil.

THE HUMANISTS

Makers of a Style: Petrarch and His Followers

The old view that revolutions are made by great men is now discredited, but a look at the beginnings of the Renaissance almost tempts the historian to rehabilitate it.[19] Petrarch was not the first of the Humanists, but he was for long years the only great Humanist, and others felt impelled to follow his path by the sheer force of his example. Petrarch, eager for fame, would have been gratified at his influence, but astonished also: he aimed to be a poet and a moralist, to follow his talent as he understood it—or rather, as he painfully, all his life, tried to understand it. "You make an orator of me, a historian, philosopher, and poet, and finally even a theologian," he wrote to a friend in 1362. "But," he protested, "let me tell you, my friend, how far I fall short of your estimation. . . . I am nothing of what you attribute to me. What am I then? I am a fellow who never quits school, and not even that, but a backwoodsman who is roaming around through the lofty beech trees all alone, humming to himself some silly little tune, and—the very peak of presumption and assurance—dipping his shaky pen into his inkstand while sitting under a bitter laurel tree. . . . I am not so very eager to belong to a definite school of thought; I am striving for truth."[20] The charm and candor of this self-appraisal made Petrarch into a revolutionary. But he did not quite know it, as Boccaccio would know it soon after. Petrarch was a wanderer by choice, a seeker by temperament, a maker largely by inadvertence.

Other estimates:

Year	Share of agriculture, forestry and fishing	
1920	0,21	Lipton (1975)
1970	0,9	Brand (1975)
1960-64	11,9%	
1970-74	8,7%	Scattered

[19] Hay, *Italian Renaissance*, 68–69.
[20] Petrarch to Francesco Bruni, quoted in Ernst Cassirer et al., eds., *The Renaissance Philosophy of Man* (1948), 34.

The Florentine Francesco Petrarca[21] began his restless life, appropriately enough, in exile. He was born in 1304 near Arezzo, where his father had taken refuge after being banished from Florence for political reasons. Petrarch's contemporary fame rested largely on his poetry—on his Italian sonnets and lyrics, his rhymed Latin letters, and the epic about Scipio Africanus, *Africa*, which he circulated but never finished. In 1341 he was crowned in Rome as poet laureate. But his historical significance lies in two discoveries—his discovery of antiquity and of himself. He was, as Gibbon said four centuries later, "the eloquent Petrarch" who, "by his lessons and his example, may be applauded as the first harbinger ...

Petrarch's ... ancients. Forced to ... passionately devour ... remained Petrarch's ... what it excludes ... acquired more than ... of Homer's work ... am deaf to him ... admiration, Petrarch ... ists were to adopt ... coupled with a new ... antiquity.

Petrarch studied ... 1345, in the cathedral ... letters Cicero had sent ... and to Brutus. The ... Cicero, who had been ... eloquent rhetorician ... deplored Cicero's ... the unmatched Roman ... among politicians, a man with ordinary ... expressed his disappointment quite directly, in a letter to Cicero, which was one of the many bridges to antiquity Petrarch sought to build.

Petrarch's effort to see Cicero honestly ... achievement and a revision of scholarly ideals prevalent in his day. The effort implied and exacted the search for more classical manuscripts, the open-eyed study and the meticulous purification of manuscripts already known and of

The reasons for this were that the rises in ... production ... not sufficient to keep up with the growth of population and the ... encouraged foreign producers to compete effectively for the new markets. (35) ... in agriculture were the scourges of pestilence and ... abrupt ... market price and the shortages of labour experienced by white farmers. ... the state played an important role in obtaining a labour supply for white farmers, and ... assumed an increasing role in agriculture in directly assisting farmers ... supports, a marketing policy which raised agricultural prices well above the competitive level and subsidised credit. Shortly before the Second World War agricultural production ... intervention by the ... situation. (36) Over ... of food ... products ... farming ... particul... more than ... allocati... blacks, ... fertile ... Since 19... then imp... animal fo... are shown ... would have ... to the 19... with a mod... et the for... margin betw... a widening ... shortage. ... Furthermore, since 1970 all prices have increased rapidly with the increase in food prices (column II) exceeding the increase in the CPI (column I). ... Although the data should be treated with some caution, since they may conceal important movements between products, it appears that the supply of food has been adequate. ... distribution ... will not be considered here.

(35) Wilson, p.115 (36) see Wilson, p. 143 ff
(37) Lipton (1977), p.75 (38) Brand (1969) ...

Printing, packaging prices set to rise

Star 28/7/78 (195)

Printing and packaging prices will be going up by 7,5 percent on average — a price increase that will touch virtually every product sold in SA.

The Federation of Master Printers has announced that the printing and packaging industries cannot absorb the latest increase to their raw material costs — notably the increased cost of paper.

Mr R Groenveld, president of the Southern Transvaal Chamber of Printing, points out that the latest 6,5 percent increase in Sappi Fine Papers' white quality paper has escalated to a 14 percent rise by the time the goods have passed through the hands of all the intermediaries. For tinted paper the rise is greater still.

Mr Groenveld says the printers and packagers charge a standard 20 percent handling fee and with prices of inputs going up, this must inevitably lead to higher end product prices.

"Things are balanced out a bit by the drop in the 16 percent sales duty. If you compare prices now with those in February, consumers are in fact better off, even with the four percent GST," he says.

"Consumers will have to pay around 7,5 percent more for printed matter and four percent GST on that. But this still leaves them better off than if they had to pay the old 16 percent sales duty."

[21] Petrarch's father was known as Petracco; Petrarch himself appears to have used his name Petracchi and then adopted the more familiar version Petrarca. In English he has always been Petrarch.
[22] Edward Gibbon, *Decline and Fall of the Roman Empire* (1902), VII, 117.
[23] Ernest Hatch Wilkins, *Life of Petrarch* (1961), 136.
[24] Ibid., 51.

More Mondi for Amic

RDM 4/7/78 (145)

Deputy Financial Editor

ANGLO American Industrial Corporation has hoisted its shareholding in Mondi Paper to 54% by buying 5 440 000 shares in the company from Johnnies for R8 704 000.

Given Anglo's control of Johnnies, the deal appears to be little more than an internal reshuffle of its industrial interests, but in the light of rationalisation moves initiated two years ago when Amic exchanged its SA Board Mills Holdings for a bigger stake in Mondi, it seems that this is the next step in a process which will concentrate the Anglo group's operations in areas where it can take on Union Corporation in the paper industry.

The acquisition will do little in the short term for Amic's earnings or net assets, but it does underscore Anglo's intention to give it a platform for taking on Union Corp's Sappi domination of the manufacturing side of the paper industry.

Mondi is one of the components of Amic that has always looked a natural for flotation as a separate entity and the move to take the shareholding to more than 50% may be a precursor to a spin-off of Mondi.

ARGUS

(195)

Pressing ahead

FM 9/6/78

Activities: *Prints and publishes newspapers* — The Star, The Argus, The Daily News, Sunday Tribune, Diamond Fields Advertiser, The Friend, Pretoria News, Post, Ilanga *and* Cape Herald. *Owns 51% of CNA retail chain, 57% of Allied Publishers and 39% of Saan. Controlled by JCI and Argus Pension Fund.*

Chairman: *L E A Slater; managing director: C L C Hewitt.*

Capital structure: *1,4m ordinaries of R2. Market capitalisation: R13,3m.*

Financial: *Year to February 28 1978. Borrowings: long and medium term, R8m; net short term, R9,2m. Debt:equity ratio: 34%. Current ratio: 1,3. Group cash flow: R8,4m. Capital commitments: R3,9m.*

Share market: *Price: 950c (1977-78: high, 1 025c; low, 500c; trading volume last quarter, 44 000 shares). Yields: 31,4% on earnings; 13,2% on dividend. Cover: 2,4. PE ratio: 3,4.*

The great fear that TV was to be the nemesis of the newspaper industry has failed to materialise. The Argus group, with its predominantly evening newspapers, was expected to be hardest hit.

But both advertising and circulation revenues have remained intact over the past year. The comparable period is for 14 months and as this double counts two traditionally slack months, it is difficult to deduce precise comparisons. But the general observation holds. In addition costs, both for salaries and raw materials, appear to have been well contained.

	'75	'76	*'77	'78
Return on cap %	18,1	10,5	†14,2	13,8
Turnover (Rm)	54	64	148	139
Gross profit (Rm)	8,6	5,6	12,6	10,2
Gross margin %	16,0	8,7	8,5	7,4
Earnings (c)	392	246	275	298
Dividends (c)	150	150	†120	125
Net asset value (c)	2 739	2 760	2 994	3 190

**14 month period.*
†Annualised.

Strongest performance in the group came from *The Star* which achieved a "substantial increase" in profits. *The Argus, Daily News* and *Sunday Tribune* also contributed "appreciably higher" profits. Overall, earnings of around 300c per share are much in line with the previous trading period and the dividend is up 5c to 125c.

The CNA subsidiary is showing signs of coming right, though market value remains well below both asset value and cost price. At the current price of 175c, Argus' 51% is worth R3m or the equivalent of 218c an Argus share.

The 39% interest in Saan, which scarcely gets a mention in the annual report, is worth another R1,9m or 141c an Argus share. So together these two investments represent 35% of the share price even when taken at market values.

The asset value of Argus, sans CNA and Saan, is still nearly R34m. The current market price of 950c is according a market capitalisation of only R8m to these assets. This makes it one of the great asset situations around. The share price is now almost double its low point, but the yield is still above 12% on a 2,4 times covered dividend. Demand for advertising space has been maintained so far this year and as the dividend is in no danger, Argus rates a firm hold.

Richard Stuart

NEWSPAPERS 195

New moves FM 9/6/78

There is interesting news-behind-the-news in the press world — both in SA and SWA/Namibia.

Informal discussions between the two Nationalist newspaper empires, Perskor and Nasionale Pers, could be on the point of bearing fruit and ending their life-or-death struggle for supremacy in the Transvaal morning market — Nasionale's *Beeld* v Perskor's *Die Transvaler*.

Nasionale Pers MD Advocate D P de Villiers, after informal discussions between the two groups in recent months, is expected to put some formal proposals to Perskor boss Marius Jooste within the next few weeks.

As part of the proposals Nasionale will probably offer to renounce its claims to the morning market. *Beeld* will then become an afternoon newspaper, incorporating Perskor's *Die Vaderland*, and possibly Nasionale's *Die Volksblad* of Bloemfontein.

What will happen to *Hoofstad* and *Oggendblad*, the two Perskor Pretoria newspapers is still uncertain. However, Nasionale Pers may acquire a controlling share in *Rapport* the holding of which is at present split right down the middle by the two groups.

All of this is hotly denied by both parties as "nonsensical bilge." But be prepared to see some kind of deal.

Meanwhile indications are that *Die Transvaler* is still ahead in the circulation war. A Perskor source is confident that at the end of the present six-month period *Die Transvaler* will show a circulation of 80 000 against an expected 70 000 of *Beeld*.

In Windhoek a new independent daily newspaper is on the cards. Prime mover is Dr Lukas de Vries, head of Velkswa, the influential United Evengelical Church, and it will be sponsored by the Lutheran Church in Germany.

The new editor is expected to be Kurt Dahlmann, former editor of the *Allgemeine Zeitung*, which was recently taken over together with the *Windhoek Advertiser* by Turnhalle supporters, using West German funds.

The new newspaper — whether in English or Afrikaans is not yet decided — will probably start off as a roneoed news sheet until a new printing press can be imported from overseas.

Business Mail

RDM 2/8/78

(195)

Argus pares cost increases to the bone

Deputy Financial Editor

THE CONTROL of costs has become the name of the game in most boardrooms and nowhere more necessary has it been than in the fiercely competitive newspaper publishing industry.

And it is evident from the Argus Printing & Publishing Company's annual report that stringent control of costs was at the heart of its earnings improvement in the year to February 28.

The wage bill, on an annualised comparison, edged up only fractionally, the cost of raw materials fell from R21 661 428 to R20 957 000 and other expenses were held to an increase of just over R2-million.

Net advertising revenue rose from an annualised R52-million to R53 466 000 and circulation revenue was up from R18 217 714 to R19 304 000.

The cut in raw material costs is attributable to a fall in newsprint consumption from 69 531 tons to 59 752 tons although the average cost of newsprint rose from R316 a ton to R348 a ton.

The chairman, Mr L E A Slater, says "these results could not have been achieved had the demanding standards set by the managing director not been supported by the co-operation and loyalty of all the people in the company."

Mr Slater says the rise in earnings was contributed almost entirely from the group's newspapers.

"In the fiercely competitive market on the Witwatersrand, the Star did particularly well to achieve a substantial increase in profits. Profitability of the Argus, the Daily News and the Sunday Tribune also rose appreciably.

"The Pretoria News failed to match its trading figures of the previous period — although in the present commercial environment the result was satisfactory.

Mr Slater says that in spite of the introduction of commercial television, the demand for advertising in Argus newspapers has been maintained.

"While this is encouraging, it is too early to be certain that this will be sustained through the trading year. Moreover, the introduction of sales tax in July will increase our costs.

"However, a moderate improvement in our economy has been predicted in 1978. Provided this takes place — and CNA's results will depend heavily on the level of demand in the retail sector — earnings for the year should be satisfactory."

COMMENT: The shares yield 12,2% at their current price of 1 025c. In the absence of a strong recovery in the economy, there is little to go for in the share for the time being. Liquidity at the short end improved slightly in the review period but at 1,3:1, it still has some way to go before it recovers to the more satisfactory level of five years ago.

The percentage return on shareholders' funds has been held at last year's 10%, which is down from 17,3% five years ago.

But Argus fundamentals are not the main reason why an investment in the group should be treated with caution. It is the newspaper industry — which provides Argus with most of its earnings — which has yet to work itself out of its problems. While the Argus group may be less susceptible than some, it cannot immunise itself from the serious overtrading in the market.

Improved results for Argus Co.

NM 2/6/78

(195)

JOHANNESBURG – The satisfactory rise in the earnings of the Argus Printing and Publishing Company for the year to February 28 1978 – from 274c a share for the previous 14 months period to 292c – was contributed almost entirely by the group's newspapers, says Mr. L. E. A. Slater in his chairman's statement.

In the fiercely competitive market of the Witwatersrand, the Star did particularly well to achieve a substantial increase in profits while the profitability of the Argus in Cape Town and the Daily News and the Sunday Tribune in Durban also rose appreciably, compared with the previous 14 months period.

The Pretoria News failed to match its previous trading figures but Mr. Slater considers the results to be satisfactory in the present business climate.

Although the Diamond Fields Advertiser and the Friend in Bloemfontein are both loss operations, their performances showed an improvement.

Both the Cape Herald, directed at Coloured readers in the Cape, and Ilanga, for the Black market in Natal, showed significant profit increases. Post Natal made a loss, but "consolidated its place in the Indian market place."

Referring to the banning orders on the World and Weekend World, Mr. Slater says that he remains convinced that the bans were not justified.

"To date we have not, in spite of repeated requests, been given reasons for this arbitary action.

"The bannings harmed, and while in force will continue to harm, the concept of a free Press in South Africa – a concept consistently defended by the Government itself."

Mr. Slater says that arguments will continue to be placed before the Minister for the withdrawal of the orders.

While neither the daily editions of Post and the Sunday Post has reached the circulation levels of the World and Weekend World – nor their profitability – both newspapers have shown a steady improvement in the past few months.

Higher sales achieved by CNA were offset by the phasing out of certain operations, the re-location of warehouses and the updating of inventory systems.

Group capital expenditure for the year ahead is expected to be between R3m and R4m, compared with R4,6m last year. Net borrowings are lower.

Mr. Slater says that demand for advertising space has been maintained, but he warns that the introduction of sales tax will increase costs. – (Sapa.)

PUBLISHING FM 2/6/78

Nasionale's bonanza

195

There is no escaping general sales tax — even on giveaways. If someone gets something for nothing, the Receiver will still want his 4% chop. Of course, he is well aware that 4% of nothing is nothing. So the rule is that tax will be levied on the production cost where there is no selling price to the recipient. Tax is payable by the producer as the end-user.

Nasionale Pers has been clever. Last week it launched *Bonanza*, a monthly magazine for blacks to be distributed free through OK Bazaars on the last week of every month. The magazine has a cover price of 20c, despite being a giveaway, which next month will be reduced to 10c.

For the reader, the change is academic. For Nasionale, it makes a substantial difference. The publisher will pay tax on the apparent 10c instead of 20c "selling" price, although the paper costs more than 10c to produce.

Bonanza, a 48-page colour production, is described by Nasionale's Danie Krynauw as "a quality magazine, written for blacks by blacks, catering for the social aspirations, education, entertainment, financial security, health and all other aspects which make for a better and happier home life of all members of black families."

Distribution is to be concentrated, initially at least, on the major urban markets of the Reef and Pretoria. Unlike Perskor's highly successful *Your Family*, which sells through all the major supermarket chains, *Bonanza* will be given away exclusively through OK Bazaars' check-outs "because of the undisputed strength of their supermarkets among black shoppers," Krynauw explains.

OK, however, is not financially involved in the publication. Rather, distribution of the magazine is simply a service bonanza to its customers.

Application has been made for a Joint Marketing and Advertising Council certificate to prove distribution of the entire 150 000 print order.

RDM 27/5/78

(195)

Vorster told to repair Press damage

EAST LONDON. — After the damage done to Press freedom in South Africa a dramatic change of attitude by the Prime Minister, Mr Vorster, and his successors was necessary.

Delivering his annual report at the Southern African Society of Journalists (SASJ) congress in East London yesterday, Mr John Patten, SASJ president, said the change was necessary to again entrench the Press freedom South Africa had valued as a cardinal principle for 150 years.

"I think we can look back on the past year as one of substantial internal unity, but it has nevertheless been a year that has been traumatic in many respects.

"It would not be expressing it too strongly to say that the Press and working journalists have experienced a major crisis during 1977 and that we are far from out of the woods yet.

"We have come face to face with the reality of newspapers being closed down for political reasons, of our colleagues in journalism being banned or held in detention for months on end — neither appearing before court as accused nor even as witnesses — and being harassed by police action," he said.

Mr Patten said that almost without exception these actions were taken without any cause being shown.

"Such high-handed and arbitrary State action is condemned by this society in the strongest terms.

"The Press is operating under the continuous threat that the Government will re-introduce the Newspaper Bill it withdrew last year,' which would place the Press effectively under Government controls.

"The numerous complaints to the Press Council, which the SASJ does not recognise, have also involved newspapers in paying out large sums on legal representation when many complaints could be settled more simply by a direct approach to the newspaper editor concerned.

"We await the day when the Prime Minister can get up, not to threaten the Press as he has so often done before, but rather to threaten anyone who lays a finger on so valuable an asset as the free Press in South African society," Mr Patten said. — Sapa.

Printing company has lost valuable contract

C.T. 16/5/78

(195)

Political Staff

HOUSE OF ASSEMBLY. — Perskor, the printing company which produces several Nationalist newspapers and has a number of Cabinet ministers on its board, has lost a valuable government contract — with the Department of Information.

The Minister of Information, Dr Connie Mulder, who is a director of the firm, revealed yesterday that Perskor had been paid nearly R8m since 1965 for printing the magazine South African Panorama.

However, in reply to a question by Mr Derick de Villiers, PFP MP for Constantia, he said that the printing contract had now been awarded to SA Litho, a Cape Town company.

Up to now, letterpress had produced the best quality for this type of publication, he said.

In reply to a written question by Dr Zac de Beer, PFP MP for Parktown, Dr Mulder said Perskor publications had been paid R394 000 for 40 620 copies of South Africa: A Visual History.

Different press

The first 4 000 copies — of the 1971 edition — were bought in 1973 at R5 each.

In the following year, 7 000 copies of the 1972 edition and 7 120 copies of the 1973 edition were bought at different prices.

The book was also bought in 1975 and 1976, and last year 7 500 copies of the 1976 edition were bought at R13,63 a copy.

Asked by Dr De Beer if the Department of Information had helped in the production of the publication, Dr Mulder replied: "Yes — supply of some photographs, mostly black and white," and officials of the photographic department of the department had assisted.

In reply to another question — by Mr Japie Basson, chief Opposition spokesman on information — Dr Mulder said that Perskor had been awarded the contract for printing the 1974 official year book.

No figure was given for the contract.

Perskor loses big contract

195
16/5/78
RDM

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In reply to another question by Mr Japie Basson, chief Opposition spokesman on information, Dr Mulder said Perskor had been awarded the contract for printing the 1974 Official Year Book. No figure was given for the contract. — PC.

STAR 5/5/78 (195) ~~(128)~~

Argus increases profits, dividend

Harold Fridjhon

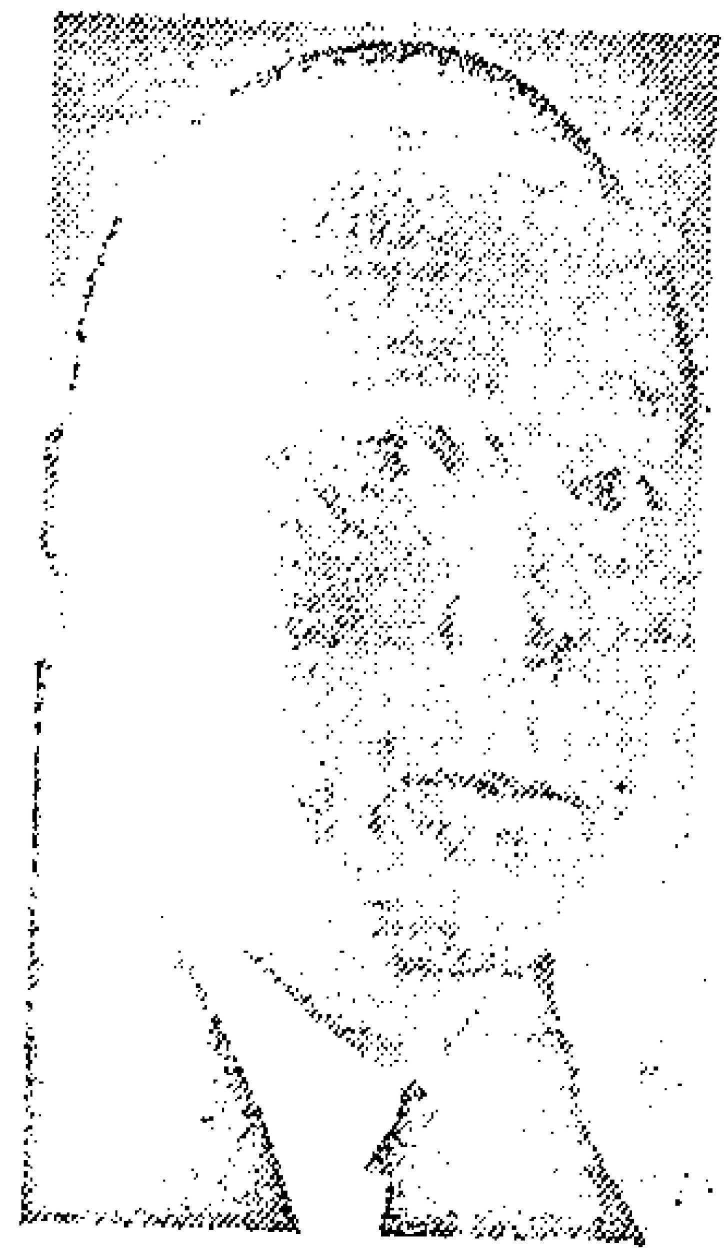
Argus Printing & Publishing Company has confounded its critics by increasing profits for the year to February 28 1978 by 6,6 percent, compared with the previous (14 months) accounting period, and by raising the final dividend by 5c to 75c a share, making a total of 125c for the year (120c) — a 4 percent improvement.

The improvement in the attributable earnings — from R3,9m to just under R4,2m — came from trading in the second half of the year. At the halfway mark, the current year had produced R1 580 000, lagging slightly behind the previous 14 months' R1 596 000.

Higher earnings (292c a share) derived from a R1m increase in trading income to R7,6m, a R200 000 fall in income from investments (including a vestigal dividend from CNA before consolidation), and R162 000 (R92 000) from unconsolidated subsidiaries. This improved income was offset to some extent by a higher tax rate of 39,3 percent, against 32,9 percent a year previously taking R3 361 000.

The dividend cover has improved from 2,28 to 2,34.

Describing the results as "most satisfactory" in the prevailing economic climate, the directors attribute the improvement in newspaper earnings to tight control of costs, increased selling prices and better advertising demand, although this was below the previous year's levels.



Mr L E A Slater, chairman of the Argus Company . . . "tight cost controls, better advertising demand and healthy circulations."

Newspaper sales dropped in normal pattern after selling prices had been raised on July 1 1977, restricting gains from this source. Circulations of the groups newspapers remain healthy and well ahead of competitors. Readers have responded well to the new Transvaal editions of Post; sales are increasing steadily.

Present demand for newspaper space since the introduction of commercial television has been satisfactory, although the directors say that it is still too early to assess its effect on the newspaper industry.

Provided that there is no downturn in advertising and, in the case of CNA, the retail sector does not deteriorate, the directors expect earnings to remain "satisfactory" in 1978.

SUNDAY TIMES, Business Times, April 23, 1978.

Daily Dispatch now in directors' hands

195

THE directors of of the East London Daily Dispatch, whose banned former editor Donald Woods has fled the country, have taken over full control of the newspaper.

The five executives bought the shares previously owned by the the Crewe Trusts, who wanted to pull out of the newspaper business.

The two Crewe Trusts, which donate their proceeds to charitable causes, owned 72,65 per cent of the 84 000 shares. Valued at R11 a share, this puts a price tag on the company of R924 000.

The shares were bought in a share transfer scheme through Barclays Merchant Bank by managing director Terry Briceland, technical director Mr L.E. Beacom, editor George Farr, and directors Mr E. A. Beaumont and Mr J. P. Horlor.

They have also bought other shares, including the 10 per cent held by Harold Bruce, giving them 85 per cent of the equity.

Other shareholders are being given the choice of accepting an outright purchase offer at R11 a share or continued participation in the company through 12,5 per cent cumulative preference shares.

By TONY KOENDERMAN

"Two months ago it became clear to us that the trustees wished to get out of newspapers," said Mr Briceland. "Our main purpose in taking over ownership of the Daily Dispatch was to ensure that its proud record of independence is maintained.

"Apart from the change in control, there will be no difference in the form of management, company policy, editorial policy or its staff structure — allowing, of course, for normal wastage and growth.

"The emphasis is on continuity. The board of directors remains the same, and Dennis Ross-Thompson, who is also one of the trustees, remains chairman."

The Daily Dispatch is one of only three daily newspapers in the country whose circulation grew strongly last year.

Its circulation of 31 000 in the July-December period was 8 per cent higher than in the same period of 1976 — exceeded only by Beeld and Vaderland.

The 22 daily papers in the country had an average circulation drop in the same period of 3,5 per cent.

Mr Briceland said the Daily Dispatch was making "fair profits" but in common with most other newspapers was struggling to increase revenue in the face of the encroachment of television into the advertising market.

"We have concentrated on getting black readers, and in conjunction with Eastern Province Newspapers we publish a black supplement once a week, called Indaba," he said.

"With a circulation of 75 000, this is now far and away the biggest newspaper in the Eastern Cape and has moved into a very good revenue figure."

FM 7/4/78

(195)

SAAN
TV looms

Activities: *Newspaper proprietor owning* Rand Daily Mail, Sunday Times, Sunday Express, Cape Times *and* Financial Mail. *Eastern Province Newspapers is 62,8% owned. Other interests are 45,5% of Pretoria News, 36,6% of Robinson & Co, 79% of Argus and 28,6% of Allied Publishing.*

Chairman: *I G MacPherson; managing director: C H Kinsley.*

Capital structure: *1,9m ordinaries of 50c. Market capitalisation: R3,1m.*

Financial: *Year to December 31 1977. Borrowings: long and medium term, R4,1m; Net cash: R2,7m. Debt:equity ratio: 24,8%. Current ratio: 2,2. Net cash flow: R2,4m. Capital commitments: R2m.*

Share market: *Price: 158c (1977-78: high, 210c; low, 158c; trading volume last quarter, 2 500 shares). Yields: 67,8% on earnings; 20,9% on dividend. Cover: 3,2. PE ratio: 1,5.*

	'74	'75	'76	'77
Return on cap %	17,6	9,5	19,3	16,4
Total revenue (Rm)	33,3	37,3	40,3	39,9
Total costs (Rm)	30,1	35,6	36,6	36,6
Gross profits (Rm)	3,8	2,0	4,3	3,9
Gross margin %	8,8	4,2	8,1	7,2
Earnings (c)	116,6	43,5	115,1	107,1
Dividends (c)	40	12	33	33
Net asset value (c)	905	916	987	1 062

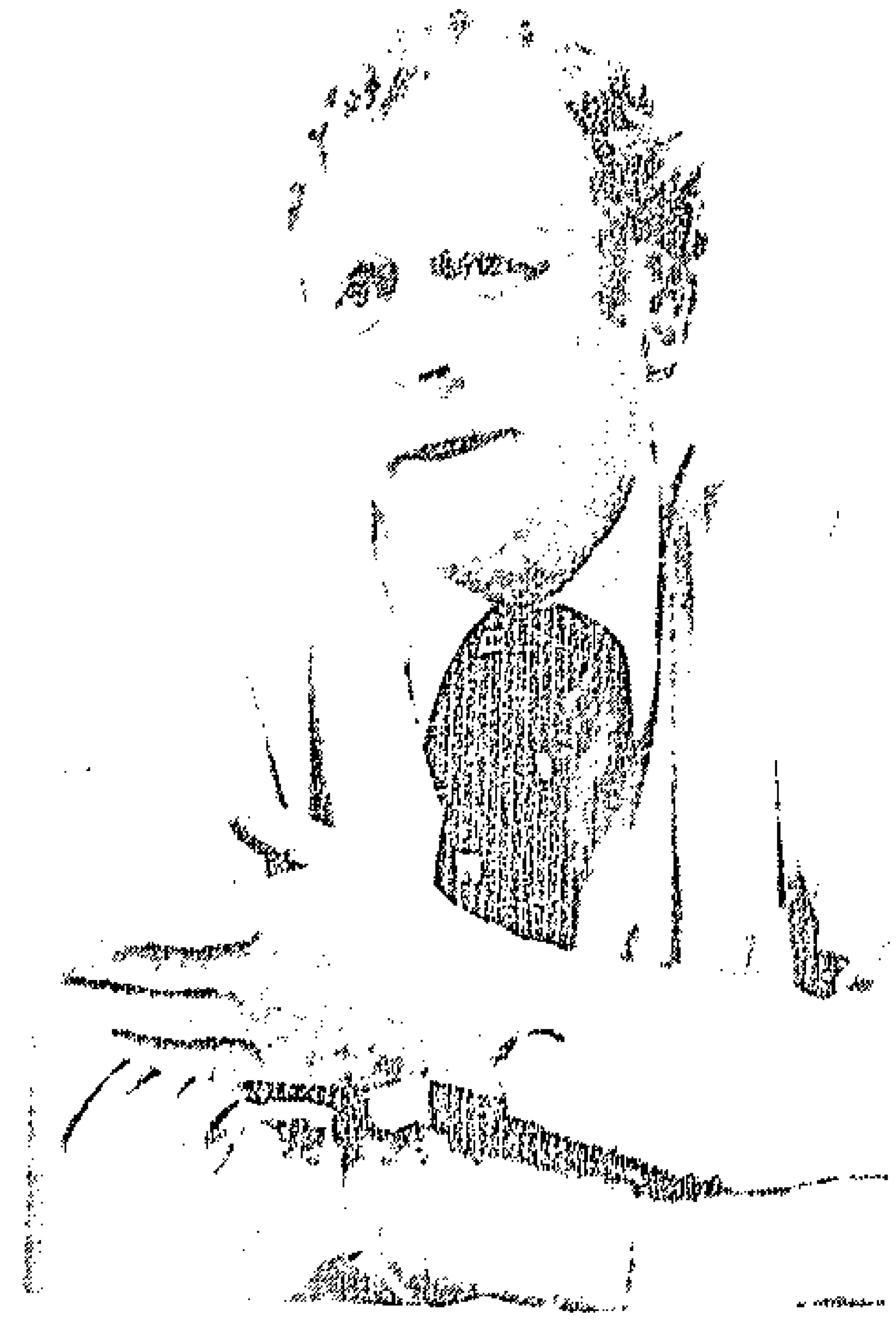
Operating revenue and costs were held near the 1976 record last year. But the excess of revenue over costs (R3,3m v R3,7m) is slim considering the threat of reduced revenues in the new age of TV advertising.

One approach to the TV threat might be to cut costs in line with the expected decline in revenues. The market is obviously sceptical that SAAN, and other newspaper publishers on similarly high yields, can support overheads at present levels in future.

No breakdown is given of the profits of the group's three biggest newspapers, the *Sunday Times, Rand Daily Mail* and *Sunday Express*, but the holding company, which encompasses only these three, contributed R1,6m in operating profits — 30,5% less than in 1976.

Higher advertising rates were more than offset by the decline in the volume of space sold. Higher cover prices were outweighed by higher distribution costs. Not even lower newsprint usage helped, as higher prices wiped out savings here. The only savings seem to have been in salaries and wages.

The subsidiaries contributed R985 000 (R783 000). Eastern Province Newspapers contributed R66 000 more and the *Cape Times* pushed up net profit 41%, while the *FM* level-pegged. Associate, Pretoria News suffered a 28% taxed profit decline and Robinson & Co, owners of the Natal Mercury suffered a 24% decline in profits after tax.



SAAN's Kinsley . . . help from electronic editors

The historical fundamentals do not look too bad, especially alongside the yields. Return on capital, though not scintillating, is reasonable at 16,4% pre-tax, while margins at 7,1% (8,1%) are no disaster area. Total net borrowings at R1,4m (R508 000) are low especially in relation to net cash flow of R2m. The interest bill is covered 4,8 times (5,3) by pre lease gross profits.

One big question about Saan is whether the new electronic editing process will be a net saver in the long run. "It should slow the escalation in production costs over the long term" says MD Clive Kinsley.

The future for an oversupplied newspaper market looks too uncertain now for the shares even at this price to have anything but speculative recovery appeal.

David Carte

Most Information cherries again go to Perskor

31/3/78 Star 195

Tim Patten
Political Reporter

THE ASSEMBLY — Perskor, the Afrikaans printing and publishing company, has again virtually swept the board on Department of Information printing contracts, according to official figures.

Out of R2,6-million of printing work for the Department of Information last year, Perskor was awarded contracts worth R2 584 125.

These figures emerged yesterday in answer to a question by Mr Japie Basson (PFP, Bezuidenhout).

The Minister of Information, Dr Mulder, said all the contracts were put out to tender.

BEST SALE

Replying to another question, Dr Mulder said R838 395 had been spent by his department on publishing the official South African Yearbook over a period of three years.

Of this amount, only R48 834 had been retrieved from the sale of the yearbooks.

Clearly the most successful sale of the yearbook was in 1975 when it was published in English and Afrikaans. That year 1 131 books were sold compared with 386 in 1974 and 469 in 1976 when it was published in English only.

Dr Mulder said the amount spent by his department on advertising space bought in overseas publications amounted to R100 628.

The largest amount spent — R14 475 — was in a French publication which carried a special issue on South Africa.

Close behind was the Washington Post where R11 949 was spent in putting South Africa's case to Americans.

The only countries in which advertising was placed were Britain, the US, Canada, Australia, Switzerland and France.

The only publication which refused to accept an advertisement from the department was the National Geographic Magazine.

Vraelys aan boere (2)

1. Lone

1. Hoe word lone op u plaas bepaal?

2. Bestaan daar enige ooreenskomste (formeel of informeel) tussen u en ander boere in die distrik oor lone of werkomstandighede? Indien wel, gee besonderhede.

195 Business Sunday Times 12/3/78

Strategy behind Hortors issue

HOLLARD STREET

HORTORS Graphics is coming to the stock market for extra cash, with the first rights issue since the wildly successful Ergo, although it is for only a fraction of the amount raised then.

The rights issue is part of a more complex financial manoeuvre that suggests that this is a step in a much grander scheme of things planned by the new owners of the group.

This is the second stage of the Hortors satellite launching programme, the first being the successful merger of Sparham & Ford with Kiley Baker to form Hortors Graphics.

Hortors consists of five main divisions: graphics, stationery, printing, Kalamazoo and communications which embraces 25 publications and other related media businesses. It will be interesting to wait for the third step.

The immediate objects seem to be threefold:

- To reduce Hortors Graphics gearing and thus give it more financial muscle.
- To obtain an additional JSE quotation thus preparing the way for further capital raising activities.
- To identify parts of Hortors many businesses as separate entities, possibly for easier realisation in the future.

The plan is for Hortors Graphics to raise just over R2-million in a one-for-one issue, and then reduce the company's capital back to what it was before the issue, giving shareholders in return an interest in a separate quoted company, Hortors Waltons Stationery, on a 50-for-100 basis.

Edited by

Jeremy Woods

Hortors Waltons Stationery is being formed through the merging of Hortors' predominantly Transvaal stationery interests with those of the Walton group, which are mostly in the Cape and Natal.

This will give Hortors Waltons Stationery a countrywide network of retail outlets with an annual stationery turnover of more than R13-million a year.

The net effect of the deal is that every Hortors Graphics shareholder who subscribes for his rights issue shares at 90c, will end up with one Hortors Graphics share and half a share in the stationery group.

The net tangible asset value per Hortors Waltons share is 110c and, as it has forecast a dividend of at least 20c this year, there should be a market value of 250c on each Hortors Walton share, judging by the average dividend yield in the stores sector at the moment.

As each Hortors Graphics share is worth half a Hortors Waltons share distributed free of charge, subscribers for the rights issue will get a half interest in a share with an approximate market value of 250c, in other words about 125c. That is a premium of about 35c, which should ensure that the issue is well subscribed.

An intrinsic part of the deal, so far as Hortors Graphics shareholders are concerned, will be the granting of a primary listing in the stores section of the JSE for the new Hortors Waltons shares.

The transactions will also be subject to the approval of Hortors Graphic shareholders at an annual general meeting, while the reduction of the Hortors Graphic share capital will be subject to confirmation by the Supreme Court.

This further rationalisation of Hortors will, in effect, result in the group's retail interests being spun off as a quoted satellite, of which control (as is the case with Hortors Graphics) will be retained by Hortors (Pty) Ltd, the holding company.

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NEWSPAPERS FM 10/3/78

Who's Citizen Jussen?

Still no word from the new owners of the *Citizen* on the make-up of the mysterious consortium behind the venture. So far there's Hubert Jussen and Jan van Zyl Alberts, chairman and MD of African International Publishing Company, publishers of *To the Point.* Alberts promises to disclose who the other backers are "when I'm in a position to."

A major point of interest is who are the overseas interests alluded to when the *Citizen* sale was announced. A representative of German press baron Axel Springer, Ernest Cramer, visited SA a few weeks ago but denied that his group was involved. The view of an *FM* source close to the *Citizen* is that "Springer wouldn't dare be associated with an SA newspaper group."

Another contender, US right-wing publisher John McGoff, is currently visiting SA. But he's also denied any connection with the *Citizen.* His comment: "I don't put money into losing ventures."

As far as the *FM* can ascertain, local members of the consortium are two Afrikaans "groups" and two English-speaking SA companies. A source suggested "they might not want to be named."

Another suggestion is that the "overseas interests" might be Hubert Jussen himself. Jussen came to SA seven years ago from Holland to found *To the Point.* His popular image is of a rich Dutch publisher, but little is really known about him or where he got his reputed wealth.

Jussen was born in March 1913 in Vaals, Limburg, has a secondary school education and since around 1930 has been a publicist and journalist on various newspapers. In 1959 he worked for *Elseviers Weekblad* in Amsterdam.

Jussen . . . his career had a sudden take-off

In April 1966 Jussen married a Miss O Kreymborg. After this his career seems to have taken off. In 1968 he was a director of the Verenigde Nederlandse Uitgevers Bedrijven NV (United Netherlands Publishing Company) and president of the Nederlandse Organisatie van Tijdschriften Uitgevers (Netherlands Organisation of Magazine Publishers).

Jussen came to SA in 1971. At that time he was still working on *Elseviers.* He then started *To the Point.*

Where, one wonders, did Jussen get the money to start *To the Point*? From Holland? In SA? And the cash to buy the Citizen? Attempts to talk to Jussen about both the past and the present have been met by a "no comment" reply from his secretary in Johannesburg.

Why the secrecy?

And so to bed? FM 24/2/78 (195)

Too many newspapers chase too few readers. With the threat of even more publications, isn't it time for some rationalisation?

The ten daily newspapers in the Reef-Pretoria complex constitute what must be the heaviest concentration of newspapers in the world.

Industry executives reckon that only two make money, *The Star* and the *Pretoria News.* The others together are losing an estimated R10m a year.

Times are indeed tough. Circulations, with some exceptions, are falling. Profits are slipping. And the outlook is grim.

The newspaper industry is reeling under a depressed economy, soaring costs, political pressures — and commercial television, which this year will take an estimated R36m-R38m of the advertising cake, upon which newspapers rely so heavily.

In addition, the press suffers from a severe burden of its own making — chronic overtrading. And this applies

both to Afrikaans and English newspapers.

Says Perskor MD Marius Jooste: "In Johannesburg alone we have seven dailies; we can afford two or three." At the same time Jooste condemns what he calls "the extravagance of our printing processes" along with "staggering distribution costs" which, he says, could be rationalised to save millions.

Now, however, there's a new spectre. The appearance of what could become yet another significant publishing group following the purchase of the *Citizen* by *To the Point* owners, African International Publishing Company, and a mysterious consortium.

FM sources indicate that a *Sunday Citizen* will appear later this year and hint at the possibility of an afternoon paper for the black market, filling the gap left by Argus's banned *World*, which *Post*, a morning paper, has not done.

Specifically, the *Citizen*, a loss-making venture, has as its target the *Rand Daily Mail*, which also loses money — although Saan MD Clive Kinsley reckons philosophically: "If the *Citizen* were to disappear overnight it wouldn't make any difference to our fortunes *per se*. We just wouldn't have to spend as much money fighting it as we do."

A *Sunday Citizen*, however, would tilt at Nasionale Pers's and Perskor's *Rapport* and Saan's *Sunday Times* and *Express*. Few give it much of a chance against the well-established and profitable *Rapport* and *Times*.

A black paper from the *Citizen* stable could give *Post* a run for its money and black readers could trim some of the *RDM*'s, though Argus chairman Layton Slater doubts that it would be politically acceptable to urban blacks.

Jooste, on the other hand, believes that the days of what he calls "white papers with pretensions of being for blacks" are disappearing. He predicts that black businessmen will get together and publish their own papers — in English. (With whose capital?)

Whatever the rationale, and whatever the pros and cons of who will do what to whom — a favourite, if self-destructive, topic in the newspaper world — the real threat surely is that more newspapers will

further erode the prosperity of the entire industry.

For the key to the future viability of the press as a whole is not proliferation, but rationalisation — no matter how unwholesome that may sound.

In other words, for how much longer can the rival Afrikaans publishing groups, Nasionale Pers and Perskor, go on battling each other and for how much longer can Argus and Saan stay at arms' length?

Jooste himself admits: "Nasionale and Perskor have fought themselves to a standstill." But on the rumour of a *Beeld/Transvaler* merger, currently gaining strength in tandem with the rising circulations of both papers, he says: "It would be a sorry day for the Afrikaans press if it came under one roof."

At the same time, Jooste hints at "new alliances which would have been thought impossible six months ago." But when pressed he talks vaguely of rationalisation in distribution, news, and "outside business." Yet Perskor has won its long fight with Nasionale over distribution in the Transvaal of their joint publication *Rapport*. Perskor takes over that function on April 1.

As to Argus and Saan, rationalisation has been under discussion one way or another since Argus's ill-fated attempt to take over Saan in 1968.

It has long been argued by both sides that it makes sense to publish both groups' papers under one roof, sharing one common printing facility and other overheads.

But who moves? Does Saan sell its property and move its men and machines to Argus, or *vice versa*? Either way, buildings would have to be expanded to accommodate both groups, more plant might have to be acquired, and a hunk of fixed investment on both sides would have to be written off. It would all cost a lot of money — and demand a great deal of nerve.

Argus has two large and expensive printing works, one at Sauer Street for *The Star*, the other at Industria for what was the *World*, now used by *Post* (with another printing press due in November). Saan has three huge, new, expensive offset litho machines in Main Street, which print direct colour.

Argus has remained basically a letterpress orientated printing group with pre-printed colour.

It's almost as if over the years the two groups have deliberately gone their ways to make it more difficult to get together should the necessity arise.

As for the political implications, it appears less likely that government would still be in a position to threaten legislation to stop a Saan/Argus merger as it was in the Sixties. For the English-language press has a feisty newcomer — the embryonic *Citizen* group. And both Saan and Argus could surely argue that they must rationalise for purely commercial reasons. They face a threat on their flank.

So much for the basic pros and cons. But will Nasionale Pers and Perskor snuggle closer in bed? Can Saan and Argus set up home together? Last word from Marius Jooste: "When the needs are real, political alliances don't matter a damn."

In the newspaper industry today the needs are very real indeed.

EDITED BY PENELOPE GRACIE

Print men must look to their defences . . .

19/2/78 SUN. EXP

195

WILL the newspaper and magazine industry be able to rise above its petty differences and mount a full-scale defence against other media — media which are tending to attract advertising revenue away from print, particularly newspapers and magazines?

They should do, for this year is not going to be an illustrious year for print and an effective campaign would increase advertisers awareness of print.

Calculations show that advertising revenue for 1978 should amount to just over R200-m. This takes account of a 5% growth rate which is well above last year's 2% but well below the average 13% recorded from 1970 to 1977.

It is noteworthy that television advertising, the new item in advertising expenditure, is scheduled to cream off R38-m and that the bulk of this, R30-m, will come from newspapers and magazines.

Other media spending should remain almost static this year. Outdoor, a visible adjunct to TV commercials, should hold at R10,5-m, cinema at around R4-m while Black radio, a specific medium for reaching Blacks, should rise from R9-m to R11,7-m. White radio advertising on the other hand is expected to fall to around R22-m.

If the SABC drops its requirement of advertisers holding radio time throughout the year and moves on to a more flexible basis of allocating time, radio advertising revenue could sink further for advertisers would initially use radio on a short time basis.

This year it has been estimated that print should take in R115-m in advertising. Being unique, local and trade press are unlikely to be hit by any fall off in ad spending, and the Black media, again being directed at Blacks specifically, should pull in around R8-m.

That leaves newspapers and magazines looking for R30-m to take revenue up to last year's level. It has been suggested that this they will not be able to do and that it will take the industry until 1980 to recover.

Clearly the print industry, and particularly newspapers and magazines, should already have taken some protective action if the industry is to avoid magazines or newspapers folding. Last year an aggressive marketing campaign should have been launched to point out the advantages of using print, but this wasn't done.

media spot

It is not too late however and J Walter Thompson is currently working on a campaign. What will be interesting to see is if the various constituent parts of the print industry can overcome their differences and work together in the industry's best interests. Will the newspapers, themselves split into dailies, Sundays, English and Afrikaans, act together with magazines? Will they act jointly with the trade and local press to sell the merits of print against radio and television?

Watch this space to see if the campaign gets into print.

* * *

GOODGOLL Said has been appointed by Elida Gibbs as its fourth agency on new products. This is the first time that the giant Lever Bros company has looked outside of the big three agencies for creative talent.

Agency man Trevor Goodgoll was shy about releasing further details saying only that the agency will be involved with new product development.

Does this mean that our already proliferated personal hygiene market is to welcome another product? This time will it be shampoo, toothpaste, soap or deodorant?

* * *

BLACK South Africans are discarding their traditional eating and drinking habits and are tending to emulate White eating patterns.

This emerges from research carried out by the Bureau of Market Research at the University of South Africa. The bureau has compared two socio-economic studies, one in 1970 and five years later and the results show that Black expenditure on meat as a proportion of total food expenditure rose from 29,6% in 1970 to 38,1% in 1975 while expenditure on grain, the traditional diet of the Black, decreased from 22,8% to 16,7% in the period.

It is clear from the research that the Black consumer is moving towards White traditions. It was also found that Black households consumed proportionately less sorghum beer at home than previously and that expenditure on sorghum beer at bars, beerhalls and shebeene increased.

Then too it is apparent that the proportion spent on malt beer increased over the period from 36% to 58% and that after malt beer, the most popular alcoholic beverage was brandy.

MOST ARE DOWN

(Average net sales)

	July/Dec 1977	% change on July/Dec 1976	% change on Jan/June 1977
DAILIES:			
Star	170 673	—7,1	—8,0
Rand Daily Mail	137 716	—9,4	—4,4
Argus	101 642	—9,5	—7,0
Daily News	89 884	—6,9	—5,3
Transvaler	71 632	+10,2	+7,0
Cape Times	68 749	—5,0	—5,7
Burger	67 300	—3,9	—2,8
Beeld	65 064	+29,9	+18,3
Natal Mercury	63 354	—7,5	—7,4
Citizen	62 618		+7,2
Vaderland	58 028	—3,7	—4,0
Daily Dispatch	31 062	+7,9	+8,6
EP Herald	27 400	—3,6	—2,0
Volksblad	26 812	—6,4	—3,4
Pretoria News	24 777	—5,0	—8,6
Evening Post	23 535	—7,7	—1,3
Natal Witness	17 542	+3,7	—0,1
Hoofstad	16 927	—1,8	—5,3
Oosterlig	10 735	—5,4	+0,7
Diamond Fields Advertiser	7 065	—5,7	—2,7
Oggendblad	6 409	—8,3	—0,4
Friend	6 405	—17,2	—11,1
WEEKLIES:			
Sunday Times	473 476	—3,8	—0,7
Rapport	424 803	—7,4	—7,3
Sunday Tribune	128 508	—11,9	—8,8
W/E Argus	125 792	—9,0	—6,8
Sunday Express	100 082	—16,3	—13,3
W/E Cape Times	97 594	—4,3	—4,5
W/E Star	88 091	—16,1	—9,7
Ilanga	81 927	—0,3	—0,4
W/E Burger	81 501	—0,5	—0,5
Cape Herald	66 361	—15,5	—9,3
W/E Evening Post	44 159	—3,4	—0,6
W/E Transvaler	42 035	—2,5	—5,3
Post (Natal)	41 903	+2,8	—3,2
W/E Daily News	29 360	—19,7	—17,7
W/E Volksblad	20 186	—10,2	—5,9
W/E Vaderland	17 852	—1,2	—1,0
W/E Pretoria News	10 424	—11,2	—5,5
W/E Oggendblad	4 222	—12,3	—12,5
W/E Hoofstad	3 614	—19,6	—11,5
FINANCIAL WEEKLIES:			
Financial Mail	20 443	—2,2	—0,7
Financial Gazette	8 142	—5,7	+1,1
PERIODICALS:			
Living and Loving	188 479	+4,3	—4,0
Rooi Rose	188 365	+1,1	—1,6
Sarie Marais	165 536	+3,8	—3,2
Scope	164 384	—7,1	—11,2
Fair Lady	162 839	+3,4	+4,6
Family Radio & TV	144 942	+129,3	+36,6
Keur	142 997	—16,8	—14,8
Die Voorligter	141 462	—0,5	+1,3
Huisgenoot	139 804	—3,1	—0,8
Bona	93 325	+9,3	+7,9
Radio & TV Dagboek	92 187	+152,5	+52,0
Darling	85 108	+2,6	—6,2
SA Garden & Home	84 937	—8,1	—9,4
Afri-Drum	80 443	+17,3	+13,8
Drum	79 640	+24,7	+22,7
Landbouweekblad	78 961	—4,2	—1,2
Car	63 811	+24,9	+14,4
Patrys	52 459	—0,4	—5,0
Charmaine	42 126	—9,7	—11,7
Farmer's Weekly	34 609	—1,8	—4,4
To the Point	31 514	—7,4	—5,3

Source: Audit Bureau of Circulations.

NEWSPAPERS

Ouch!

FM 10/2/78 (195)

This week's sacking of 12 SA Associated Newspapers' journalists illustrates why most newspapers aren't giving their latest circulation figures the usual front-page splash. For almost all of them the second half of 1977 was six months they would rather forget.

Only three dailies have anything to crow about. *Beeld* was undoubtedly the star, boosting its sales by almost a third over the past year. *Die Transvaler* posted a creditable 10,2% increase, and the *Daily Dispatch* managed to lift circulation by nearly 8%. Besides *The Citizen* — which only started publication in September 1976, the *Natal Witness* is the only other daily whose sales have risen over the past year.

Main reason behind the spectacular performance of Jo'burg's two Afrikaans morning papers appears to have been the lucrative jackpots introduced by both around mid-1977. *Beeld* marketing manager Hannes Ackerman also gives credit to his team's marketing efforts — he points out that home delivery subscriptions have soared. And *Transvaler* circulation manager Eben Roux ascribes some of his paper's success to "reasonably good news." Nonetheless, he admits he is surprised that both papers put in such sparkling runs.

The only Jo'burg morning paper which lost ground in July-December 1977 was the *Rand Daily Mail*.

Circulation manager Ted Sceales is not too concerned. He points out that the second half of 1976 produced particularly high sales as a result of the township riots. And last July's price hike knocked circulation for several months. "We expect the *Mail* to climb now until the next price increase," he reckons, observing that the gap between the *RDM* and its archrival, *The Star*, has narrowed to an all-time low.

Evening papers have fared badly. First reaction is to blame TV, but industry executives insist the cover price increase delivered the hardest blow. Figures for the first half of 1978 should show whether they're right. The huge leap in sales of *Family Radio & TV* certainly indicates that newspapers would get a boost if they were allowed to carry TV programme details in advance.

Sunday papers were hit hard by Christmas falling on a Sunday. *Rapport* reckons 45% of its sales agents took the day off while the *Sunday Times* reports it sold only about 350 000 copies that day. Nonetheless, says Sceales, "we're very excited about the *Sunday Times* widening its lead over *Rapport*. It's made a remarkable recovery from the price increase."

Post, which started publishing its Transvaal edition late last year, is not included in the latest figures. The *FM* learns however, that daily circulation is now running around 130 000 and Sunday sales at just over 125 000.

PRINTING FM 27/1/78

Offset onslaught

195

Small offset litho machines are taking so much bread-and-butter work from traditional printers that the industry is mounting a campaign to halt their spread.

Main tactic of the joint employer-trade

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union counter to office printing plants will be persuasive figures to prove that, with rare exceptions, the little printer round the corner can do the job cheaper.

"He'll also do it better. Standards drop drastically when a company puts in its own machines," says Federation of Master Printers director Chris van der Linde.

Spearhead of the initial campaign will be a man (still to be hired) touring the country to talk government departments, municipalities and companies *out* of doing their own printing.

Not an easy task as the fad for in-house printing entrenches many little empires around offset departments.

Helping the cost-conscious traveller, however, will be an already-functioning trade grapevine alerting him to imminent machine sales. His job will be to get cost-debunking figures on the desks of ministers, town clerks and MDs before offset salesmen can close the deal.

Second front in the campaign is to show heads of undertakings already running offsets that they are paying dearly for the in-house facility.

After that the plan, sponsored by the National Industrial Council for the Printing and Newspaper Industry, could get much rougher.

Only 17 months ago Van der Linde said his 1 000 employer members regarded the office offset as a niggle jobbing printers had learned to live with. Economics of the industry have become a lot worse since then ... especially for the 600 jobbers watching staple letterhead and invoice orders diminishing.

Failure to win back trade through statistical persuasion will bring a switch to legalities. Van der Linde says offices doing anything more than in-house work — like selling printing to other companies — face reclassification as a factory ... with the girl working the offset replaced by a machine minder at full trade pay rates.

Whatever else hard-pressed printers have up their sleeves it does not, however, include the advantage of speed. Despite depressed markets many are still tardy, almost traditionally slow, in getting orders out.

Van der Linde says in that case the customer should change shops. Well, many did, by deserting the old craft for simply-operated office offsets. Now it's going to take a lot more craftiness than craft to win them back.

Rapport 29/1/78

DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK

195

(Ingelyf in die Republiek van Suid-Afrika)

Die Perskor-groep het vir die halfjaar tot 31 Desember 1977 'n wins van R3 273 000 voor belasting verdien, of 34,75% meer as die wins van R2 429 000 vir die ooreenstemmende tydperk in 1976. Die wins na belasting was R2 226 000 vergeleke met R1 939 000 in dieselfde tydperk die vorige jaar.

Hierdie resultaat is bereik in weerwil van die ekonomiese slapte en skerp mededinging in al Perskor se bedryfsvelde.

Die verbetering in die syfers is hoofsaaklik aan die volgende faktore toe te skryf:

- Die prestasie van die Groep se tydskrifte en die sukses waarmee hulle hulle voorsprong op mededingers gehandhaaf het in weerwil van prysverhogings.
- Die voortgesette groei van ons drukkersfiliale.
- Die handhawing en — in gevalle verbetering — van ons koerante se sirkulasiesyfers en inkomste.
- Die sukses waarmee koste bekamp is.
- Die breë spektrum van die Groep se bedrywighede.

In die algemeen moet die gunstige resultate toegeskryf word aan die personeel en hulle uitstaande pogings om produktiwiteit en doeltreffendheid in 'n moeilike klimaat te verbeter.

Toestande wat Groepbedrywighede beheer sal na verwagting nie in die lopende halfjaar verbeter nie en advertensie-inkomste sal ongetwyfeld getref word deur die instelling van handelstelevisie. Nietemin, gesien die Groep se sukses in die eerste helfte van die jaar, verwag Perskor om minstens die resultate van die vorige finansiële jaar te ewenaar.

Die ongeouditeerde finansiële groepresultate vir die halfjaar tot 31 Desember 1977 met vergelykende syfers is soos volg:

INKOMSTEREKENING	**Halfjaar tot 31.12.1977**	Halfjaar tot 31.12.1976
Netto inkomste voor belasting, buitengewone en abnormale items	**R3 273 000**	R2 429 000
Min belasting	**R1 047 000**	R 490 000
Wins na belasting	**R2 226 000**	R1 939 000
Toeskryfbaar aan buite-aandeelhouers	**R 273 000**	R 359 000
Toeskryfbaar aan eie aandeelhouers	**R1 953 000**	R1 580 000
Verdienste per aandeel	**118,36 sent**	95,75 sent

Johannesburg
28 Januarie 1978

Namens Dagbreektrust
Sekretarisse
P. H. SPIES

DIE AFRIKAANSE PERS (1962) BEPERK

(Ingelyf in die Republiek van Suid-Afrika)

TUSSENTYDSE VERSLAG AAN AANDEELHOUERS

Die Afrikaanse Pers (1962) se enigste inkomste is die dividend wat hy verdien op sy aandeelhouding van 84,8% in die bates van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK.

PERSKOR betaal nie tussentydse dividende nie, maar die belang van Die Afrikaanse Pers (1962) se aandeelhouers in die groepwins van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK in die halfjaar tot 31 DESEMBER 1977 is R1 657 000 (1976: R1 341 000) wat 'n verdienste per gewone aandeel gee van 30,39 sent (1976: 24,58 sent)

Johannesburg
28 Januarie 1978

Namens Dagbreektrust
Sekretarisse
P. H. SPIES

VADERLAND-BELEGGINGS BEPERK

(Ingelyf in die Republiek van Suid-Afrika)

TUSSENTYDSE VERSLAG AAN AANDEELHOUERS

As Beleggingsmaatskappy, is die maatskappy se inkomste afkomstig uit die dividend op sy belegging in Die Afrikaanse Pers (1962) Beperk waarin hy 44% besit. Die Afrikaanse Pers (1962) Beperk se enigste inkomste is die dividend wat hy verdien op sy aandeelbesit van 84,8% in die bates van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK. PERSKOR betaal nie tussentydse dividende nie, maar VADERLAND-BELEGGINGS BEPERK se aandeelhouers se belang in die winste van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK vir die halfjaar tot 31 Desember 1977 is R736 000 (1976: R596 000) wat 'n verdienste per gewone aandeel gee van 9,4 sent (1976: 7,6 sent).

Johannesburg
28 Januarie 1978

Namens Dagbreektrust
Sekretarisse
P. H. SPIES

DD 21/1/78 (195)

Printing costs expected to rise

EAST LONDON — A hike in the prices of products manufactured in the printing and packaging industry in South Africa is predicted for 1978.

The Federation of Master Printers in South Africa expects the price rise during 1978 and says the price adjustments will be the result of cost increases imposed on the industry over the past few months.

The federation attributes the envisaged price hike to: an increase by the South African Board Mills Ltd in January of an average of 10 per cent in the price of all boards manufactured by the company; the recent increases in the price of imported paper; and increases in the prices of locally manufactured ink.

The federation also lists charges for trade and other services to the industry as an additional factor contributing to the expected price increase.

The director of the federation, Mr J. P. Van der Linde, says the industrial agreement for the printing industry, which came into operation of January 1, also provides for an improvement in wages and other benefits for employees in the industry.

"It is therefore inevitable the price of virtually all printing, packaging and paper, and board products should increase during this year," he said. — DDR

Printing profits

Activities: *Printer and publisher; publications include,* Die Vaderland, Die Transvaler, Hoofstad, Rapport, SA Financial Gazette, Scope, Farmers' Weekly *and* Rooi Rose. *44,4% owned by Vaderland Beleggings and 14,7% by Dagbreek Trust.*

Chairman: *B J Schoeman; managing director: M V Jooste.*

Capital structure: *5,5m ordinaries of 50c. Market capitalisation: R4,1m.*

Financial: *Year to June 30 1977. Borrowings: long and medium term, R2,1m; net short term, R3,9m. Debt:equity ratio: 32,9%. Current ratio: 1,37. Group cash flow: R5,9m. Capital commitments: R518 000.*

Share market: *Price 75c (1976-77: high, 100c; low, 45c; trading volume last quarter, 49 000 shares). Yields: 69,7% on earnings; 13,3% on dividend. Cover: 5,2. PE ratio: 1,43.*

Marius Jooste . . . slowdown in sales

Though it is not specifically stated, the bulk of profits comes from magazine and commercial printing operations. Much of the growth since 1974, when Republican Press was taken over, has come from magazine publication.

	'74	'75	'76	'77
Return on cap %	16,2	21,5	15,0	14,4
Turnover (Rm)	42,0	85,2	109,1	114,1
Trading profit (Rm)	4,2	7,4	5,6	6,9
Gross margin %	8,0	7,1	3,9	4,8
Earnings (c)	30,2	33,9	34,6	52,3
Dividends (c)	14	14	10	10
Net asset value (c)	250	263	282	395

Helped along by the two TV magazines, which enjoy exclusive rights to publish full TV programme details, the magazine subsidiary had a "very good year". But turnover of the book publishing division appears to have been chopped by the reduction in government spending, which affected school books. Looking at the year end stock figure, finished goods on hand (unlikely to be newspapers or periodicals, so probably mainly books) increased from 3,1% to 3,4% of turnover, indicating a continuing slowdown in sales.

Little information is given about commercial printing, though with major government contracts, such as that with the GPO for telephone directories, the division is a major contributor to the profit baseload. Again looking at the year-end stock figure, work in progress (the bulk of which is probably commercial printing and magazines) increased from 1% to 1,6% of turnover. So on this side there seems little evidence of any major slowdown.

The problem area is newspaper publishing. Again no specific details are given but apparently only *Rapport* and the country newspapers contributed to the increase in profits and turnover. The dailies are under pressure and the squeeze will intensify with commercial TV. Just how difficult the situation could become is borne out by chairman Ben Schoeman's statement that with the imminent arrival of TV advertising he "cannot, therefore, but view our profit prospects for next year with concern, and the board has therefore decided to pay an unchanged dividend".

Whether this means that some of the dailies are now, or are likely to become, loss-making cannot be determined from the accounts. But even if they are, there is plenty of leeway from the more profitable divisions to weigh in with financial support without any dividend cuts being necessary. Dividend policy has always been conservative and some relaxation of cover is easily possible if profits do come under pressure.

The apparent safety of the dividend is probably the reason that the shares are the lowest yielders in the sector. Along with the others the price will probably be under some restraint until the impact of commercial TV has been quantified.

On near-term considerations there are few attractions. For the faithful, with medium-term objectives, the shares could be bought on any downward movement.

Jim Jones

PICARDI CANNERS

Commenting on Picardi Canners accounts (*FM* October 21) we stated that part of Piccan's gearing was raised to finance the acquisition of Jones. In fact, the purchase consideration of R12m was settled by the issue of 6,4m Piccan shares at 186c, of which 5,4m were renounced in favour of Picbel and Sagit, which is itself now a subsidiary of Picbel. Thus it was Picbel and not Piccan which paid cash for the acquisition.

195 FM 9/9/77

PRINTING

Spreading the word

It's been a hectic couple of weeks for printer Dieter Zimmermann. He's been un-packing his new R130 000 computerised type-setting facility, finalising an R8 000 type setting contract with Germany and exploring similar opportunities in the US.

And all of this when the ink is hardly dry on the take over of his company, Johannesburg-based Dieter Zimmermann (Pty), by the NHK. The church, already well into publishing and book selling, has acquired a 52% interest in the company, effective from July 1.

The new type-setting facility is similar to that already installed at the *Citizen* and *The Natal Witness*. It comprises a Hendrix System 6400 with five on-line visual data terminals (VDTs) and an on-line optical character recognition (OCR) unit.

Input is standard copy typed on an IBM golf ball typewriter and using, only, IBM's OCR B typeface. Main advantage to the client is that he can determine otherwise time-consuming setting time. Anything wanted in a rush and the client can put, say, three of his own typists to preparing the raw copy.

Otherwise, input can be in any spoken language with output in that same language in any type size from 6-72 point and in any one of his currently stocked 60 faces.

Moreover, the Hendrix unit, supplied by Johannesburg-based Photracomp, can store 5m characters on two discs. Zimmermann currently has 12 such discs on call.

Clearly, Zimmermann has managed to cut down on expensive type setting labour. For example, his current turnover is around R400 000 pa but if he wanted to boost that to, say, R1m he would, he says, only have to add one print-out machine and two operators instead of having to triple (older) existing staff and machines.

Such is the cost benefit that he's now able to quote prices that are 20% cheaper than those of two years ago. And that's at a time when his own labour costs have gone up by 16% and materials (phototypesetting papers, film and so on) have gone up by 25%.

That same cost benefit means that he's 30% cheaper than German setting rates and 40% cheaper than those common in the US.

(195)

Sun. Times 7/8/77

Bans soar on student publications

Sunday Times Reporter

BANNING of student publications —including posters, pamphlets and newspapers — has soared in the last six months.

In what appears to be a major clampdown by the Publications Control Board on publications from English-speaking universities, 42 newspapers, booklets, pamphlets and posters have been declared undesirable this year.

In 1976, 26 student publications were banned throughout the year.

Several recent publications have been banned for possession as well as distribution, and at least one paper, the National Student, was seized and banned while being printed.

The Publication Board has told student editors it objects to the "often anti-capitalist, pro-socialist, and New Left line" followed in student articles.

N. Mercury 4/8/77

Paper boycott is hit

195

Mercury Reporter

THE cafe owners' campaign to boycott newspapers took a significant knock yesterday when the Pick 'n Pay supermarket chain in Natal announced that it would sell The Natal Mercury and other daily papers at a discount price of 10½c.

Meanwhile, at least eight cafe owners, fed up with the customer complaints about them not stocking newspapers any more, have opted out of the boycott. Others are expected to do the same.

Mr. Alan Gardiner, Pick 'n Pay Natal executive, does not think the boycott will succeed.

"When cafe owners come to their senses and the consumer can once again buy a newspaper conveniently, we will cease selling newspapers in our supermarkets," he said.

Daily newspapers have been on sale at Checkers and Spar outlets for some time and Allied Publishing, which is in dispute with the cafe owners, is establishing even more alternative selling points, including bottle stores.

Page

(195) D.D. 2/8/77

Expose to continue

GRAHAMSTOWN — The Rhodes University student newspaper, Rhodeo, will continue with a series of six articles on Grahamstown's townships with official sanction from the Journalism Department, despite a controversy which has blown up over the articles.

Students from the university's Journalism Department wrote the articles which have been criticised by officials of the Bantu Affairs Administration Board in Grahamstown.

Commenting on the officials' reaction, journalism lecturer, Mr Graeme Addison said the "Shame City expose touched a political nerve somewhere."

Mr Addison said it seemed local officials had been under pressure from someone in a senior position to object strenuously to the series.

"For my part, as a teacher of journalists, I can only say my students have performed admirably as watchdogs on the public interest and have exposed what needed exposing.

"Our investigation showed that Grahamstown's townships are certainly among the worst in South Africa. No amount of bureaucratic backchat can obscure that simple fact."

The Natal Mercury, Saturday, July 30, 1977.

195

Paper boycott widens

Mercury Reporter

THE TEAROOM Owners' Association has decided to extend its newspaper boycott to include paperbacks and magazines distributed by the CNA in an effort to force Allied Publishers to increase the commission it pays on daily and Sunday newspapers.

But CNA no longer has any control over Allied. It sold all its interests in Allied last year.

Mr. C. W. Eyles, Allied Publishers regional manager, said yesterday that the two companies were completely separate and that CNA was not in a position to influence Allied.

Mr. Johnny da Sousa chairman of the association said yesterday that it had been unanimously decided at a meeting not to handle any publications from Allied or CNA.

Although cafe proprietors were satisfied with the commissions on magazines and paperbacks they wanted the CNA to put pressure on Allied

Ladysmith and Newcastle have joined the boycott.

R.D. 30/7/77 (195)

Magazine banned

PRETORIA — The August 1977 issue of Living and Loving, published by Republican Press has been declared undesirable in terms of the Publications act, according to a notice in a special Government Gazette yesterday. — SAPA.

He wants it in Afrikaans

D.D. 28/7/77

(195)

JOHANNESBURG — Taal champion, Mr Robert van Tonder, will not accept the ban on the June issue of his newsletter, Die Stem, until the Publications Directorate notifies him — in Afrikaans.

This week he received official notification of the ban in English, but did not even bother to read it.

Instead, he slapped a no-nonsense sticker onto the unilingual letter — saying "Afrikaans asseblief" (Afrikaans please) in bold red letters — and promptly sent it back from where it came.

"My publication is in Afrikaans and they must correspond with me in Afrikaans," a disgusted Mr Van Tonder said yesterday.

"It seems that the Cape Publications Directorate banned my newsletter because they couldn't understand it.

"They must correct things — if they can understand Afrikaans. Until I receive notification in Afrikaans, the newsletter has not been banned," Mr Van Tonder said. — DDC.

N. Mercury 20/7/77

SCOPE BANNED AGAIN

195

Mercury Reporter

THE current issue of Scope magazine has been declared an undesirable publication, the Department of the Interior announced in a Government Gazette yesterday.

The ban affects the July 22 issue — volume 12 number 29 — and it is the sixth issue which has been banned since April this year.

The managing director of the publishing company, Mr. Boet Hyman, said yesterday: "Our attorneys in Johannesburg have launched an urgent appeal against this banning which will be heard on Wednesday."

N. Mercury 26/7/77

195

Paper sale action has little effect

Mercury Reporter

NO agreement was reached at a meeting yesterday at which Durban cafe owners presented the Allied Publishing Company with an escalated demand for overall 15 percent discounts on all newspapers they sell.

The cafe owners, who have been boycotting the sale of newspapers for the past few weeks, also demanded that street vendors should be prohibited from selling newspapers within 300 metres of agents' outlets and that Allied Publishing should refund any deposits paid by agents.

Yesterday Mr. Johnny da Sousa and other representatives of the Tearoom Owners' Association met Mr. John Featherstone, managing director of Allied Publishing; Mr. W. A. Rowley, managing director of The Natal Mercury; Mr. R. J. R. Gittins, manager of the Daily News, and other newspaper and publishing executives.

The meeting ended in a deadlock between the agents and the publishers, and the boycott continues.

Mr. Featherstone said last night that in view of the cost increases newspapers faced they could not afford the discounts demanded by the agents.

He said that only 215 of the 1 093 outlets in Natal were involved in the boycott, and that the resultant drop in sales was negligible. Sales were already climbing back to their previous levels. Additional agents had been appointed and street selling coverage had been extended.

Allied had been more than fair to its agents as the continued support of more than 80 percent of its outlets showed.

N. Mercury 26/7/77

(195)

Profits down for Saan

JOHANNESBURG — South African Associated Newspapers has declared an unchanged interim dividend of 8c per share for the year ending December 31, it was announced yesterday.

The unaudited net group trading profit for the six months from January to June this year was R478 000 compared with R543 000 a year ago.

Net trading profit attributable to Saan amounted to R440 000 (R478 000). Earnings per share dropped from 24,7c to 22,7c.

The trading results did not include the surplus of approximately R20 000 realised on the disposal of the entire issued shareholding in George and Knysna Herald, formerly held by Eastern Province Newspapers. The proportion of the surplus attributable to the company is approximately R12 000.

A depressed economy, aggravated to some extent by evidence of advertising budgets being diverted to meet commercial television commitments in 1978, resulted in a sharp decline in demand for advertising space in the first half of 1977.

Although tariffs were increased advertisement revenue also fell behind the level achieved in the corresponding period of 1976.

Gross circulation revenue was above that earned for the first half of 1976, due principally to the higher average cover price af Sunday papers, following the five-cent increase at the beginning of February 1976. — (Sapa.)

N. Mercury 25/7/77

(195)

Bid to break boycott of newspapers

Mercury Reporter

A TOP-LEVEL meeting will be held in Durban today to try to break the cafe owners' newspaper boycott which has now spread to Pietermaritzburg and involves about 200 cafes.

A spokesman for Allied Publishing Company, distributors of the newspapers, last night said the company's managing director, Mr. John Featherstone, would fly to Durban today to meet the cafe owners for talks.

"In the meantime we are trying to close the gap created by the cafes by putting extra street-sellers in affected areas," he said.

The boycott of Sunday newspapers spread to Pietermaritzburg at the weekend and a boycott of daily newspapers will start today.

The boycott started in Empangeni two weeks ago and spread to Eshowe and Durban.

Cafe owners are demanding that commission for selling two Sunday papers be increased to 10 percent to bring them into line with all other newspapers. They are at present receiving 8,3 percent. Allied Publishing Company has refused to meet their demands.

Mr. George Smyrloglou, proprietor of the Marchez restaurant and cafe in the capital, said that he fully supported the boycott.

If street vendors could earn 10 percent commission on paper sales the same should apply to cafe owners, Mr. Smyrloglou said.

Paper prepared for the Conference on Farm Labour at the Southern Africa Labour and Development Research Unit, University of Cape Town. September 20 - 24, 1976.

195

47pc profit fall

21/7/77

Mercury Correspondent

PORT ELIZABETH — Unfavourable economic conditions during the past six months have caused a 47 percent drop in profit for Eastern Province Newspapers Ltd., according to the company's interim report released yesterday. The board has declared an interim dividend of 4,5c a share payable on September 30.

N. Mercury 26/7/77

195

Cafes up demand to 15 percent

Mercury Reporter

THE Allied Publishing Company has rejected a request from cafe owners in Durban, Eshowe and Empangeni that the commission it pays on certain Sunday newspapers be increased from 8,3 percent to 10 percent of the selling price. The cafe owners yesterday retaliated by upping their demand to 15 percent on all dailies and Sunday newspapers they sell.

And, furthermore, the outlets, which have stopped selling newspapers, will from today refuse to sell magazines or any other publications handled by Allied Publishing Company, according to Mr. Jose Prestello, spokesman for the Tearoom Owners' Association.

He said in Durban yesterday that the association was in the process of being formed as a result of the dispute between the cafe owners and the publishing company.

Backing

"We already have the backing of 780 Greek and Portuguese cafe owners in Durban, Eshowe and Empangeni and our counterparts in Johannesburg, Pietermaritzburg and Estcourt have indicated that they will be joining us in our demand for a 15 percent commission on all newspapers we sell," he said.

Mr. Prestello said that the cafe owners were getting a 10 percent commission on all newspapers except two Sunday papers for which they were getting 8,3 percent.

"Our cost-of-living, rents, overheads and so on has gone up just like everyone else's and although newspapers are low-profit commodities we asked the publishers to increase the commission on the two Sunday papers to 10 percent.

"Our request was refused and the association's members decided that it was reasonable to demand an increase to 15 percent on all newspapers. Until our demands are met we will not handle any of Allied's publications," he said.

"I emphatically deny that any member of the association's committee has used Mafia strong-arm tactics or threats to force anyone to support our campaign.

"We are totally opposed to that sort of thing. Anyone is free to sell newspapers if they want to, even after we have approached them with our appeal that we are working for the benefit of everybody.

Mr. Jose de Freitas, who runs the Westville Tearoom, said yesterday that he had been visited by Greek and Portuguese men who "told me to stop selling the Sunday papers. They didn't threaten me with violence but one said that Portuguese people would spit on me if I carried on selling newspapers."

Anonymous

Mr. de Freitas added that on Monday he had an anonymous telephone call from a Portuguese man who threatened to put a bullet in his head unless he stopped selling newspapers.

"I'll ignore that and continue selling. We cafe owners don't make a living out of newspapers they are merely a service to the public. I reported the matter to the police and have now forgotten about it."

The station commander at Hillcrest police station said yesterday that a woman had reported that a group of men had told an assistant in her cafe that she would no longer be supplied with sweets if she continued to sell newspapers. She asked the police to keep an eye on the cafe.

A senior official of [illegible] Publishing Com-

N. Mercury
19/7/77

(195)

Cafes boycott papers

Mercury Reporter

CAFES and tea rooms in Durban, Empangeni and Eshowe are refusing because of a dispute concerning commissions.

Because of this about 90 cafe owners are boycotting all newspapers.

To combat the boycott, 90 extra street-sellers will be on duty this morning to sell the Mercury.

The Mercury will be available near tea rooms which have joined the boycott.

Supplies to other selling points will be increased to help readers who may have difficulty getting their copies of the Mercury.

TABLE NO. 6

PUPILS AT

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Farm	2
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Source: Bulletin of ... ion, 1961.
R.P. 45/197

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FIN. MAIL 25/3/77

PRINTING

Bedevilled times

195

Life is hardly a wayzgoose (printer's holiday) for the printing industry.

Comments "Lief" van Tonder, general secretary of the SA Typographical Union: "Things are worse than for the past 25 years. We were extremely fortunate during 1976, but 1977 started off rather badly. The position changes from day to day but a few weeks ago we had more than 50 journeymen out of work, which is very unusual."

Van Tonder says unemployment in Johannesburg is slightly above average, but the Cape has been very badly hit. "I can only think that they were overmachined in the past and are now paying for it."

Dirkie Uys, secretary of the Cape Chamber of Printing, feels that printing's troubles are only part of the general Cape recession. "We are being hammered here by Railway rates. We are isolated from the main market and the Cape market is not big enough for Cape industry. Compared to some industries, unemployment in the printing industry is negligible and some of the unemployed are unemployable."

Ivan Knock, vice president of the Federation of Master Printers, confirms that "for the first time since the war" skilled labour is freely available and grade one operators who have always been scarce have actually been laid off because of a shortage of work.

In his view the printers of publications dependent on advertising — newspapers for instance — and promotional material are being hardest hit.

This view is supported by John Robinson, chairman of Robinson and Company (Pty), proprietors of *The Natal Mercury* which announced last weekend that 50 staff members were being retrenched. Robinson noted that "during the first two months of the year advertising revenue was down 17%", and the outlook is poor. "Unhappily there is no

The printing industry . . . a hand to mouth existence

sign of an improvement in advertising during March, which is usually a time when advertising is buoyant."

The *Mercury* has quietly shelved its free monthly *Preview*, which was marginally profitable and depended completely on advertising. It is also investigating the possibilities of a joint printing operation with the *Daily News* and *Sunday Tribune*.

On the other hand, Bill Vorster, general manager of *The Natal Witness* in Pietermaritzburg notices "little change" in the company's general printing business and says cautiously that the newspaper "has not experienced a serious drop in advertising as yet".

Les Woods, president of the Natal Chamber of Printing, estimates that on the packaging side, "which is an exact reflection of secondary industry", there is a 15%-20% loss of volume compared with a year ago. "Up until the end of last year packaging held its own with printing because it was required for goods ordered in advance but now it is reflecting the downturn in smaller orders. Strangely enough it seems to be the largest customer companies which are being hardest hit."

19/3/77

Trading more difficult

MM

BECAUSE of continuing adverse trading conditions Robinson and Co. (Pty.) Ltd., the proprietors of The Natal Mercury, have retrenched 50 members of the company's staff of 597.

Mr. John D. Robinson, chairman of the company, said he deeply regretted having to take this step, but there was no alternative.

During the first two months of this year advertising revenue was down 17 percent, while the price of newsprint remained abnormally high, with the threat of a further increase above R325 a ton in the second half of this year.

Even though costs had been held below the budgeted figure for January, the monthly newsprint cost was imposing a heavy burden on the firm's finances.

"Unhappily," said Mr. Robinson, "there is no sign of an improvement in advertising during March, which is usually a time when advertising is buoyant. Nor do prospects for the next three months give much promise of a meaningful improvement in trading."

Certain senior members of staff had been placed on premature retirement with the company making up the difference in their pensions.

Salaried staff who had been retrenched had been paid up to the end of April and wage earners until March 29. Vacancies created by resignations were not being filled except in very special circumstances.

A total of 31 Whites, seven Indians and 12 Africans were affected by the decision.

195

(MPC + MPI)

4/16 x 400/1

140 City printing workers laid off

Cape Times Staff Reporter 7/3/77

175

MORE than 140 printing workers in Cape Town alone have been laid off work in what the General Secretary of the SA Typographical Union described last week as the worst slump the industry has experienced in a generation.

The retrenchment of printers is the latest development in South Africa's spiralling unemployment rate. In February this year, according to Department of Labour statistics, unemployment among Coloured, Asian and White workers alone, had risen by 91 percent from January, 1976.

Mr E van Tonder, General Secretary of the SA Typographical Union, which represents more than 21 000 printing workers throughout the country, described the slump in the printing industry as the worst in about a generation.

Cape printers were the worst-hit, he said, and he expected the position throughout the country to worsen over the year to come.

He said that at a meeting of the union last month, unemployment was a predominant feature of discussion and members formulated proposals which they plan to lay before their employers at the next meeting of their industrial council this month.

Mr Van Tonder would not disclose what these proposals were but said that the union intended taking "positive steps" at this meeting to see what additional assistance could be given unemployed members.

The benefits they were entitled to draw from the Government's unemployment insurance fund and from their own industrial council's fund were "not sufficient", he said.

Meanwhile, a spokesman for the Cape Town office of the SATU reported last week that 143 unemployed printing workers were registered at their office at present owing to staff reductions at printing firms. These figures did not include the newspaper cutbacks which they expected to follow soon.

3/3/8

195

'... we are only now starting to feel it, and it is something unknown to us.'

Printers feel job pinch

ARGUS 22/2/77

By a Staff Reporter

WHITE and Black artisans and semi-skilled workers in the printing industry are being pushed into South Africa's dole queues in growing numbers.

Lists of unemployed tradesmen have lengthened steadily since January in the worst spate of lay-offs possibly in 30 years. And Cape Town is feeling the squeeze more than other major centres, say trade union officials.

In the city almost 100 out-of-work artisans and semi-skilled workers are on the books of the regional organiser of the South African Typographical Union — already more than 20 times the local industry's average unemployment rate — and the numbers will have increased by the end of February.

Nationally, the jobless figure for the industry shows Cape Town in the worst position, and the union is unhappy about prospects for the year.

Typographical Union general secretary, Mr Lief van Tonder, said: 'The industry as a whole has been more fortunate than other industries throughout 1976, but this year started off a little badly for us.

'At this stage it has not reached crisis proportions, but we are worried about what the year holds for us.'

In Cape Town, newspapers have begun trimming printing staff, jobbing shops are laying off personnel in various production departments, and some commercial printing houses based elsewhere in the country are running down operations in Cape Town-based regional factories.

GLOOMY

Later this month the SATU — nationally, a 22 000-strong union with White, Coloured and Asiatic members — will discuss the industry's gloomy scene at a conference at union headquarters in Pretoria.

Mr M. Deysel, regional secretary and organiser in Cape Town for the SATU, says: 'This will be a normal conference, because in June we are going to start negotiations for wages, but this unemployment is an additional item that will have to be thrashed out now.'

In the Western Cape more than 100 workers — almost half of them qualified journeymen — of the union's 7 000 Western Cape members will be on the jobless list by the end of the month.

Mr Deysel says: 'Other industries have been feeling it for some time. But we are only now starting to feel it, and it is something unknown to us.

'Normally we have a shortage of journeymen in the industry, so this is something foreign to us.'

Jobs are still being offered, he says, 'but I doubt if I will be able to find employment for them all.'

General secretary Mr Lief van Tonder said: 'Cape Town is our worst area. Johannesburg is not quite as bad, but the indications are that the trend will increase before we can hope for a recovery.'

Newsmen angry at sackings

RDM 21/2/76

(1) 245

(2) 195

Labour Correspondent

JOURNALISTS on The Star have launched a protest against the sacking of 26 African cleaners by their company. The firm intends contracting out its cleaning — at an estimated saving of R70 000 a year.

Star journalists said at a special meeting yesterday that they deplored the retrenchment of the workers and have called on the newspaper's management for their reinstatement.

One man with five years' service was being paid R44 a week by The Star.

Jobs for 11 cleaners who have served the company for more than 10 years have been found within the firm and jobs are being sought for six others.

The Star's manager Mr P. W. McLean, said the retrenchments were made for reasons of economy and efficiency. Last year profits of the Argus Printing and Publishing Company dropped from R5 549 000 to R3 437 000.

Luyt paper on streets by 1977

NM 29/12/75

195

Mercury Correspondent

JOHANNESBURG—Mr. Louis Luyt's proposed English-language morning newspaper will be on sale in the streets of Johannesburg by January, 1977.

Mr. Martin Spring, former editor of the Financial Gazette and newly-announced editor of Mr. Luyt's newspaper, said yesterday he had already signed contracts with several top-class journalists and negotiations on printing and distribution were well advanced.

"You can expect a decision fairly soon on who will be printing and distributing the newspaper. Once that is settled we will look for suitable offices," Mr. Spring said.

The name for the paper had not been settled and would be announced in due course by Mr. Luyt, he said.

"It will be an objective, middle-of-the-road newspaper aimed at the middle market of South African readership. It will be a popular, family paper like the Rand Daily Mail or the Star," he said.

Mr. Spring said he had been given a "fantastic opportunity," to start a newspaper from scratch.

"We are getting together top journalists from a cross-section of the Press and from other sources. There are plenty of such men about and we've had no trouble findig them," he said.

He had received applications from employees of several newspaper groups.

"All our journalists will receive the same fringe benefits as staff working for Mr. Luyt's Triomf Fertiliser Company. Those include a double salary cheque in December whether or not the company has made a profit," Mr. Spring said.

Luyt will offer R9m for SAAN

Cape Times 28/10/75

(2) 245

195

Own Correspondent

JOHANNESBURG. — Mr Louis Luyt will today offer the major shareholders of South African Associated Newspapers 450c a share. Mr Luyt's offer is worth R9m.

The shares were trading at 190c before Mr Luyt's intentions were known although speculative buying hours before their suspension last Thursday took the shares to 300c.

Mr Luyt said at a press conference in Johannesburg last night that the offer would initially be made to the major shareholders, the Bailey Trusts and Estates and the Argus Group, who between them own 68 percent of the shares.

If either of the major shareholders accepted, the offer would be extended to minority shareholders.

Mr Luyt said he had pitched his price on a realistic assessment of SAAN's net worth — which he estimated at R13m or about 650c a share — and on the potential earning capacity of the group.

'GOODWILL'

Mr Luyt said: "In the consideration of 450c, quite an amount had been included for goodwill, mustered in SAAN's long tradition."

He expected no profits from SAAN this year or in 1976, a contention which was disputed by Mr George Palmer of the Financial Mail who attended the conference.

Mr Luyt confirmed that his overseas partners were the McGoff group from America and the Springer group from West Germany.

In a statement Mr Luyt said: "My partners and I accept the fact that more money will have to be injected into SAAN over the next three years, which means an erosion of the net asset value of the group as was the position at December 31, 1974."

Mr Luyt emphasized that he did not set much store by SAAN's claim of net assets of more than 900c a share.

'SITTING DUCK'

He said he was interested in SAAN because it was a "sitting duck" and he believed that with the right management the group could become profitable enough to give him a 25 percent return on his investment.

At 450c a share, or R9m this means that Mr Luyt is looking for profits of R2 250 000 by 1977 — the year in which he believes his management will be able to turn SAAN around.

"You can't expect to turn a company around in only one year," Mr Luyt said.

It was also announced yesterday that Hill, Samuel had withdrawn from the takeover bid.

Hill, Samuel confirmed that it had been consulted by Mr Luyt but said it had on a previous occasion held a brief for the owners of the Daily Dispatch and had decided it could not now act for any other party concerned in a bid for control of SAAN.

LUYT CONFIDENT

Mr Luyt, who says he has been working on the bid for eight months, is confident that he will succeed.

Mr Luyt said that if either of the major SAAN shareholders accepted his offer he would extend it to all shareholders in SAAN but the takeover bid was conditional on his getting 51 percent control of SAAN.

Under close questioning at his press conference he conceded that he found more he liked in Nationalist policy than in the policies of other parties — though he disagreed with some aspects of it — and said he felt the Rand Daily Mail should be more right-wing.

Although he repeatedly said he did not want to interfere with editorial policies, he left no doubt that he would do so if necessary.

He also disclosed that Dr Frans Cronje, a SAAN director and national treasurer of the United Party, had been instrumental in introducing him to the Bailey trustees through Sir De Villiers Graaff, who was not financially involved in the takeover bid.

"I wish he would take some shares," Mr Luyt said.

McGoff, Swift denials, page 3.

Luyt press conference, page 4.

195

(1) 195
(2) ~~245~~

Luyt on attitude to independence

Cape Times 28/10/75

JOHANNESBURG. — At his press conference last night Mr Luyt was closely questioned on his attitude to editors and editorial independence. He said that newspapers under his control would report truthfully and objectively.

George Palmer, editor, Financial Mail: "Truth isn't that simple, objectivity isn't that simple and opinions are an element in the situation."

Luyt: "My attitude could be that of an owner and yours as an editor so we could differ perhaps over what I regard as truth and objectivity."

Palmer: "If we did, whose will would prevail, yours or mine?"

Luyt: "I wouldn't like to cross swords with you but since I am putting in the money, I have a problem answering this."

Mr Palmer said that under present SAAN management, an editor's decision on editorial was final and he asked whether Mr Luyt would try to alter that.

Luyt: "I don't think a proprietor should intervene. Once he has appointed his editor and once he's talked this through and the editor is willing to work for him I don't think the proprietor should intervene."

Mr Luyt was asked whether in the case of disagreement he would change the editor. He replied: "Hopefully not. Like I said, I am not going to be the spokesman for any party or what have you." Asked whether he believed that SAAN newspapers were not objective, Mr Luyt replied: "I didn't say that. I don't know what SAAN's objectives are. I only know what my objectives are."

John Imrie, Rand Daily Mail: "Do you detect anything wrong in the reporting?"

Luyt: "Oh hell yes I do. I didn't like the Anneline Kriel report."

Palmer: "Would you suppress that if you had been the proprietor ... would you have fired the editor?"

Luyt: "No I was kidding. I was playing the fool."

Kevin Stocks, the Star: "What are your politics?"

Luyt: "I'm a great liberal. No I'm not a member of any political party. I haven't voted for three elections."

John Imrie: "Are you inclined by sentiment — you are on record once as saying you're a Nationalist."


Mr Luyt

I may agree with the very solid support for the Rand Daily Mail on an objective, say, an anti-Government campaign, I don't think one should solicit the type of reports you do get sometimes, which doesn't augur well for our country."

Asked whether or not he thought that newspapers were more than a business and had a duty to the community and at times had to follow unpopular policies which might lead to a drop in earnings, Mr Luyt replied:

"You have some shareholders in SAAN who live off the income from SAAN. Do you want to tell those guys — those people — that they should give it up because you as a journalist would like to follow your philosophies or political whatever you want to call it? You must remember that even as a newspaperman, you work for the shareholders who certainly want money for what they put in. Otherwise you can forget about it. No-one will go into this business. Everybody is in the business for money."

Asked if about choosing between taking an unpopular stance in the national interest — as the Rand Daily Mail had done on occasions — or choosing to make prof''s, Mr Luyt said:

"What you're saying to me is that the editors are allowed a stance but I'm not. If I think it's in the interest of the country to move a bit more right then I think that should also prevail."

Asked what his reaction would be if the sale of SAAN was conditional on non-interference in the papers' political policies, Mr Luyt said he could not accept this if it meant losing R10-million or R20-million a year. "I will sign things I can do, not things I can't do."

Mr Luyt said he would welcome further partners in SAAN and would "honestly be so happy" if he got United Party and "even Progressive members to buy into this — I don't mind that at all."

SINKING SHIP

Questioned about the right-wing views of his two foreign partners in his take-over bid, Mr Luyt said: "Who will put money into a sinking ship? Only a group with a bit of backbone will do it."

Mr Palmer said that far from SAAN being a sinking ship, he personally thought SAAN would earn a profit of R1 500 000 this year.

Mr Luyt: "That will be great."

Asked whether if his bid failed he would, together with his international partners, launch another English-language press group, Mr Luyt said: "That is the second alternative. We must first look at this. First. That is the second one. That bridge we will cross when we get to it."

Cape Times 25/10/75

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6/195

~~2 245~~

Papers 'sceptical' about Luyt offer

Cape Times Correspondent

JOHANNESBURG. — A local Nationalist newspaper writes that the newspaper world believes Mr Louis Luyt enjoys behind-the-scenes backing of influential people in his bid to take control of South African Associated Newspapers.

It said newspapers were sceptical about Mr Luyt's declaration that he was busy with the takeover plans in his personal capacity.

It did not want to indicate that Mr Luyt did not have extraordinary business acumen — "he has already given proof of his business power over and over" — however, it was plain as a pikestaff that the successful management and control of a newspaper group in the first place required the backing of a wide management field with specialized knowledge and experience of the newspaper industry.

"Such people," the Vaderland said, "are harder to obtain than SAAN shares."

Moreover, if the possibly detrimental effect of television on the newspaper industry were to be taken into account, "it is a hazardous undertaking at this stage for any business man to invest his money in a struggling industry.

"Mr Luyt must be aware of all the dangers. If, in spite of that, he is still prepared to spend millions of rands on such a gamble, a person can well ask what his motive is," says the Vaderland.

The Nationalist morning paper, the Beeld, said it was a very expensive undertaking to distribute a newspaper. To fulfil its function to its community, a newspaper also had to be profitable.

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(1. ~~225~~
(2) 195

Phone the 'Mail' 28-1500, 171 Main Street, Johannesburg, Box 1138 Telex 87 034.

RAND Daily Mail

24/10/75

Luyt's bid

IT SEEMS CURIOUS that a shrewd and successful businessman should seek to take over one of the great newspaper empires in South Africa, the South African Associated Newspapers group, at a time when economic recession and spiralling, inflation-fuelled costs are making desperate men of newspaper owners in South Africa and, indeed, throughout the world.

And the event becomes even more curious when that man turns out to be Mr Louis Luyt, who made his fortune with Triomf fertilisers.

Mr Luyt has claimed that he is acting in his personal capacity, so dissociating the board of Triomf with its bevy of National Party politicians from his action. But, wealthy though he is, he will need the financial support of others, and being a Nationalist supporter he is bound to gather people of like persuasion around him.

Interfere

The Nationalist newspaper that broke the story yesterday suggested that he would not interfere with the policies of the papers. He would conduct SAAN's affairs like Lord Thomson, the British newspaper baron who controls his vast empire by scrutinising the accounts and leaving the papers' diverse policies to the editors he employs.

Mr Luyt has not given any indication himself of how he would conduct affairs, but if this is indeed his view—and we accept this as probable because other aspects of the Nationalist paper's story turned out to be accurate—it is patent nonsense in the intense political climate and survivalist Natio-

Cape Times 24/10/75 (1) ~~265~~ (2) 195

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Luyt bid for SAAN

By the Financial Editor

FERTILIZER tycoon Mr Louis Luyt is making a cash bid for the entire share capital of South African Associated Newspapers.

News of the bid appeared first yesterday, in the Johannesburg pro-Government Afrikaans newspaper Beeld and in the Burger.

In a brief announcement Mr Luyt said he was in the process of formulating an offer which should be finalized within the next 10 days.

Mr Luyt's move to buy SAAN, one of the country's major newspaper groups, has rocked the business world and astonished brokers were yesterday groping for SAAN balance sheets to try to gauge what the share is worth.

Before the bid SAAN shares ruled at 190c but yesterday, before the listing was suspended on the Johannesburg Stock Exchange at the request of SAAN, they jumped to 250c.

SAAN has an issued capital of 1 938 800 shares and the current pre-bid price of 190c is also the low for the year. At the beginning of 1975 they stood at 380c and the high since 1974 was 685c.

The key shareholding in SAAN are the Argus Printing and Publishing Company's 32 percent and the Abe Bailey Estate and Trust and Associates which control roughly the same amount of shares.

The voting of these two shareholders will be critical. As I see it, either could effectively block the bid. It seems highly likely that Mr Luyt's overtures could flush other bidders into the market. Stockbrokers are speculating that a dramatic takeover battle may soon be under way.

SAAN owns the Rand Daily Mail, the Sunday Times, the Sunday Express, the Financial Mail and the Cape Times. It has controlling interest in Eastern Province Newspapers (Eastern Province Herald and Evening Post) and a large shareholding in the Pretoria News and a one-third shareholding in the Natal Mercury.

Our Johannesburg correspondent writes:

"Market reaction yesterday to Mr Luyt's intention to bid for SAAN was that

To page 3

Luyt in bid for SAAN

From page 1

he had no chance. The investment manager of a big insurance company said he was sure there would be counterbids if Mr Luyt offered anywhere below 500c a share.

"The attitude of the Bailey trustees will be the crucial factor.

"If, as has been suggested in Hollard Street, Mr Luyt intends offering 400c a share in cash, it is unlikely the trustees will be persuaded to sell.

"But the crucial factor in the Bailey trustees' attitude — apart from the obvious sentimental attachment to the holding — is that SAAN shares have a net worth of at least 900c.

"If Mr Luyt bids at a 40 percent discount to net worth — say 540c a share — the test for the Bailey trustees will be whether then to regard the SAAN holding as anything more than an investment.

"On pure investment considerations, a cash offer of 540c should be accepted. The newspaper industry is going through a testing time and there are no signs, in the short term, of picking up.

"The Argus Group would probably not be able to exercise its pre-emptive option on the Bailey holding for fear of attracting the same Government disfavour which spiked its previous bid for control of SAAN.

"But Mr Donald Woods, editor of the Daily Dispatch in East London, has suggested that money could be raised to sponsor a takeover of SAAN by more suitable people than the Argus or Mr Luyt.

"And there are suggestions in the market that there are others waiting in the wings with competitive bids if the Bailey trusts do want to sell."

- Luyt's full statement;
- SAAN, Argus and Bailey Trust reaction;
- Donald Woods's statement;
- London reaction.

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2) 195

Bailey trust holds key to bid for SAAN

RDM. 24/10/75

By HAMISH FRASER

Deputy Financial Editor

THE R30-million Abe Bailey trusts and estates hold the key to the success of Mr Louis Luyt's impending bid for control of South African Associated Newspaper.

Mr Luyt, fertiliser king and former beer baron, has notified the board of SAAN — owner of the Rand Daily Mail and other leading newspapers — that he will submit an offer for the entire shareholding of SAAN in the next 10 days.

The success of Mr Luyt's bid will depend on the five trustees of the Bailey family trusts which own 835 000 SAAN shares — 48 per cent of the issued capital of the company.

The other large shareholder is the Argus group — also a newspaper publishing company — which owns 634 000 shares, which is equivalent to 32 per cent of the capital of SAAN.

It is doubtful whether the Argus group would want to sell its strategic stake in its biggest competitor, and this turns the spotlight on the attitude of the Bailey trustees.

They, like just about everybody involved in the deal, are saying nothing.

But if, as market talk suggests, Mr Luyt intends offering R4 a share in cash it is unlikely that the trustees will be persuaded to sell. SAAN was quoted at 190c before its suspension on the Johannesburg Stock Exchange yesterday but the shares have a net worth of 900c a share.

Mr G. K. Lindsay, the chairman of the administrators of the Bailey estate said no offer for SAAN shares had been received. He said many other factors apart from the financial aspect, would have to be considered in the event of the offer being received.

Mr Hans Middelman, another Bailey administrator, who has recently being buying SAAN shares for himself, said nothing could be done until the value of Mr Luyt's bid was known.

Mr C. L. C. Hewitt managing director of the Argus group refused to comment, as did Mr L. H. Walton, managing director of SAAN.

Mr Laurence Gandar, former editor of the Rand Daily Mail said: "If, as has been suggested, Mr Luyt regards this purely as a business venture, then my advice to him is to stick to fertilisers which he knows. His sortie into the beer market should have taught him to steer clear of spheres which he does not know."

Mr Donald Woods, editor of the Daily Dispatch in East London said yesterday: "If SAAN is now in the market, its present proprietors have a moral obligation to let non-nationalist, non-Argus newspaper people have first option. Raising the money would not be a major problem."

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Luyt in bid for news papers

Star 23/10/75

The Johannesburg millionaire Mr Lou Luyt will make an offer for the enti issued share capital of South Afric Associated Newspapers.

SAAN shares on the Johannesburg Stock Exchange were suspended this afternoon, at the request of the newspaper group, after their price had risen from 190c at the start to 305c and later stood at 250c.

If Mr Luyt's offer is accepted he will be in total control of the group which owns the Sunday Times, the Rand Daily Mail, the Sunday Express, the Financial Mail and the Cape Times and which has a major interest in the Eastern Province Herald.

In a statement to The Star today Mr Luyt said he was formulating his offer, and expected it to be ready within 10 days. The offer would be made in his personal capacity.

NO COMMENT

He refused to expand on his statement or to reveal any details [illegible] his offer [illegible] had been [illegible] the controlling shareholders of SAAN.

The managing director of SAAN, Mr Leicester Walton, was in Port Elizabeth today for a board meeting of Eastern Province Newspapers. He refused to come to the phone and sent a message saying he had no comment.

The Abe Bailey Estate controls one the biggest blocks of shares in SAAN

Newspapers bid by Luyt

From Page 1

but the chairman of the estate's administrators, Mr G K Lindsay, refused to be drawn on the offer.

He said many factors, apart from the financial aspect, would have to be considered in the event of an offer being received.

APPROACHES

The chairman of the Southern Transvaal branch of the South African Society of Journalists, Mr Clive Emdon, said it was an anxious time for journalists at SAAN.

He said some very senior management people in the group had been approached and had claimed to know nothing about the offer. Mr Emdon works for the Rand Daily Mail.

A meeting of the representative association of SAAN journalists, the SAAN editorial chapal, is scheduled at which the Luyt offer may be discussed.

Two of SAAN's editors, Mr Tertius Myburgh of the Sunday Times and Mr A Sparks of the Sunday Express refused to comment and said they did not have sufficient information. Mr Raymond Louw of the Rand Daily Mail was not available for comment.

Mr C L C Hewitt, managing director of the Argus group, which controls about 31 percent of SAAN shares, also refused to comment.

SECRECY

There is information available on whether Mr Luyt approached major shareholders in SAAN before deciding to make his offer.

Strict secrecy was maintained until today.

The stock market was taken by surprise by the bid but immediate reaction was widespread doubt that the bid would succeed.

The issued shares of SAAN total 1 938 800 — so Mr Luyt would need to gain nearly a million to win a majority.

Argus Printing and Publishing Company alone holds 633 965. And the Baily Trust directly owns an additional 50 400, plus 400 000 with Union Rhodesian Mining and Finance, plus 31 876 via nominees.

Thus, these two interests combined could hold the key to the bid.

A V Lindbergh has 125 466 shares and Robinson & Company, proprietors of the Natal Mercury, have nearly 100 000.

Standard Bank nominees own more than 90 000 shares.

● Attempts have been made to takeover SAAN before. An offer by the Argus group some years ago was rejected on Government insistence and a subsequent bid by interests in the Eastern Cape was rejected. There were also rumours of a Perskor bid.

Fm 15/8/75 (195)

NEWSPAPERS

1) ~~245~~ 2) 196

Fewer sales

Poor circulation performances over the first six months of the year — attributed largely to cover price increases — have created little immediate concern in the newspaper industry, if comments are to be taken at face value.

Indeed, the further explanation offered — that the general state of the economy is reflected in reduced advertising revenue — and the belief that circulation losses will be quickly recovered, is supported by both advertisers and advertising agencies.

Evidence of such a recovery can be seen in the steady *growth* of average monthly sales for most publications during the January-June period. The largest seller *The Sunday Times*, grew consistently (with a great leap in April due to the Fox Street saga), from 466 595 in January to 509 450 in June. Rival *Rapport* began with 450 000, but increased this to 501 571 by June.

By far the best performer was *World*, which increased sales by 16,8% — helped by the introduction of a morning edition. Manager John Marquard dismisses the view that this increase was less than expected or needed for viability (there have been suggestions in the industry that the "round-the-clock" operation would be justified only on a 40% increase).

Beeld, though way below Nasionale Pers's optimistic projections, grew steadily during the six-month period (from 23 147 to 37 948). *Die Transvaler* remained fairly comfortably ahead (ending the six-month period with sales of 53 648). However Afrikaanse Pers must be concerned at the inroads *Beeld* is making in Pretoria, where *Oggendblad* recorded the worst performance of all dailies with a 19,2% drop.

SALES DOWN

	Sales average Jan-June 1975 '000s	Change on July-Dec 1974 %	Change on Jan-June 1974 %
DAILIES			
Star	181	—1,2	—5,1
RDM	132	—7,0	—8,8
World	116	+16,8	+11,6
Argus	112	—2,7	—4,7
Daily News	95	—7,0	—8,1
Natal Mercury	67	—9,1	—11,6
Cape Times	67	—7,6	—11,3
Vaderland	66	—9,6	—9,2
Burger	65	—2,2	—1,8
Transvaler	50	—4,2	—4,3
Beeld	33	n/a	n/a
Volksblad	31	—10,0	—15,4
E P Herald	29	—3,7	—3,5
Pretoria News	27	—5,0	—11,5
Daily Dispatch	26	—6,6	—2,5
Evening Post	26	—1,2	—1,0
Hoofstad	22	—6,3	—8,4
Natal Witness	18	+0,4	—1,5
Oosterlig	13	+1,4	+2,4
Oggenblad	8	—19,2	—14,2
The Friend	7	—1,2	—5,6
Diamond Fields Advertiser	7	+1,6	—3,1
WEEKLIES			
Sunday Times	491	—4,1	+1,7
Rapport	479	—3,4	—4,4
W/E World	188	+3,0	+2,9
Sunday Express	175	—6,1	—9,1
Sunday Tribune	160	—5,3	—7,8
W/E Argus	144	+0,6	—2,4
W/E Star	125	—2,7	—8,3
W/E Cape Times	102	—0,5	—3,9
Cape Herald	80	—7,8	—8,4
W/E Burger	77	+2,7	+2,3
Ilanga (bi-weekly)	71	—5,0	+8,7
Post	59	—19,7	—19,2
W/E Evening Post	49	+1,1	—0,1
W/E Daily News	42	—8,1	—14,8
W/E Transvaler	41	—12,3	—18,5
To The Point	32	+14	+4,4
W/E Vaderland	28	—10,7	—20,6
W/E Volksblad	26	—8,8	—16,4
Financial Mail	21	—0,6	—0,8
W/E Pretoria News	15	—11,1	—22,3
W/E Hoofstad	7	—11,0	—26,1
PERIODICALS			
Fair Lady	150	+2,3	—1,0
RHODESIA			
Sunday Mail	94	+5,1	+9,2
Rhodesia Herald	80	+7,6	+12,8
Chronicle	33	+10,8	+13,7
Sunday News	27	+6,7	+9,9
Umtali Post	3	—0,3	+0,5

Audited figures for periodicals be released by the NPU until nex but specialist magazines, such a *Family* and *Living and Lovi* expected to show substantial Another figure not yet released is the *Financial Gazette*, which is among the agencies to have lost s tial sales.

With commercial TV only tw away, newspapermen have cau anxiety. A 22% drop in ne demand for the second half (thoug ciding with the better news of a 2 in price) may well augur future though any suggestion that this rationalisation plans is firmly dism for the moment.

To suggestions that rationa may be on the cards, particularly overtraded areas as the Reef SAAN and Argus react firmly: in circulation remains a major priori

Argus MD Liff Hewitt w emphatic, however, when asked w future held for the notably weekend editions published group's provincial dailies.

Asked whether Argus would c discontinuing these publicatio replied that that stage "has not y reached"

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Gloomy Press news

SAAN has passed its interim dividend (18c last time) and shown an attributable loss of R208 000 (R889 000 profit); Argus has repeated its interim at 70c but this is uncovered by earnings of only 58c (192c).

These first-half 1975 results from SA's dominant English language newspaper groups tie in neatly with the "Pressing Problems" outlined by the *FM* last week in its discussion of the industry ahead of the miasma of TV.

They also underline what Ian MacPherson, of SAAN, and Layton Slater, of Argus, told shareholders at their last AGM's. Both then warned of steep rises in newsprint costs, which have turned out to be a prime factor in the poor performances of both companies so far this year.

Distribution costs have also soared, as have wages, salaries, and (expensive) overtime working because of undermanned production departments.

Other costs have also risen, notably that of money — with both companies committed in one way or another to fairly heavy outlays and financing sizeable stocks — while in the background the rather dull level of economic activity has checked the rate of increase in advertising.

Circulations too, have suffered from the increase in cover prices.

All of which adds up to a good case for the average investor to avoid newspaper shares, despite the encouraging noises from both chairmen about the second half of the year.

SAAN's Walton . . . better second half?

F.M. 1/8/75 (2) 195

SAAN expects its second six months to produce profits of around those of the same period a year ago which, allowing for the first half-year loss, suggests earnings of between R1,1m and R1,3m, or 60c to 70c a share.

Since the chairman also stresses the need for an improved ploughback, it's unlikely that the final will be more than last year's 22c. At 290c, the prospective yield would then be 7,6%.

Argus also looks for better things in its second six months, with a maintained final to repeat 150c, but this time covered only 1,5 times by earnings of 225c, given no substantial changes in the economic scene.

At 1 500c the prospective yield is thus 10%, a third more than that offered by SAAN. (Argus owns 32% of SAAN, which holds 9% of Argus).

There could thus be some appeal, for some perhaps, in Argus on income grounds. But those looking further ahead are unlikely to see either share having any really positive attractions.

Don Wilkinson

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Printers go slow

STAR 19/6/75

Own Correspondent

DURBAN — The entire printing staff of about 130 Whites was today reported to be working-to-rule at Republican Publications — owned Arprint printing works at Prospecton.

Production of the Afrikaans weekly, Tempo, is said to have been affected.

A spokesman for the printers said the men were demanding a 25 percent pay increase and have refused to work any overtime in support of this demand.

MANUFACTURING - PRINTING

195

8. 1. 79

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4 - 11. 79

MONDAY
January 8, 1979

Good for Perskor but not good for SA

(195)

SHAREHOLDERS of Perskor will no doubt be delighted at the outstanding business deal pulled off by their company in buying the Citizen's printing press. But the South African public will not share their joy.

As we reported on Saturday, the press is being taken over for R375 000 whereas the local agents for the makers value it at about R850 000. A printing firm, Caxton, says it would happily pay R750 000, while the Argus Company, in response to our disclosure about Perskor's acquisition, has put in a formal bid of R600 000.

The R32-million of public money sunk into the Citizen is bad enough. Making it worse is the so-called "purchase" of the Citizen by Perskor — simply for the cost of the unexpired printing contract held by Perskor. That's not a purchase; it's a rip-off.

The latest little nasty deal adds insult to injury. The Citizen's press is worth a great deal more than R375 000. The eagerness of other potential buyers proves it.

In any event, can the Citizen, Perskor or anyone else get involved in this sort of sale and purchase? That printing press belongs to the Government; public money has been meeting its R1,2-million cost. So how dare anyone go around disposing of it, particularly at such a bargain-basement price?

Perskor's chief, Mr Marius Jooste, says his company bought the press a long time ago and has always owned part of it. The answer to his claim will be that whenever Perskor bought it, it had no right to acquire it — and in any event, the evaluation we are currently dealing with (made, incidentally, by a former Perskor employee) is dated as recently as December 4, only weeks after the Mostert Commission report when the Citizen's shady founding and financing were already known.

Let's have no more of this nonsense. Let's face the fact that the Citizen's press belongs to the Government which means the people of South Africa, and that selling it to the highest bidder, according to the normal tender rules, is both the right and the honest thing to do — and can recoup at least a bit of the money that has been squandered.

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presume that they can

influence members of their extended family groups. Through informal arrangements with family members and through what might be corruption of the "Mafisa" system of borrowing-in cattle it may be possible for large livestock owners to retain stock near their traditional homes and thereby to utilise communal grazing. The Report on Rural Development does touch on the subject but does not provide satisfactory answers. The reason for the failure seems to lie in the mechanistic nature of the methods proposed. A serious fault is the absence of any reference to the large number of families who have no cattle. Is that position simply to be accepted for the present and for the future? It may be that the extensive discussions now being carried out in Botswana over the White Paper proposals will educate the public as to the intention of the proposals so that the public itself will become a watch-dog on the working of the arrangements. Thus far nothing has arisen that would reduce the concern. The final section of the Rural Income Distribution Survey raises the same concern.

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1. The freehold farms are largely owned by non-citizens. In recent years wealthy Botswana have bought many of these farms with the aid of a steeply differential transfer tax on sales to non-B swana.

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SCHOOL OF ECONOMICS
ECONOMICS 1A

CLASS EXAMINATION : 6TH SEPTEMBER, 1978 : M

This test counts 10% towards the final exami
One mark will be awarded for every correct
1/4 mark will be deducted for each wrong ans
your answers clearly and legibly in space pr
computer answer sheet.

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1. Which of the following statements is not

(1) GNP measures only total output avai
(2) GNP excludes leisure which is a ma
human welfare.
(3) GNP is measured in market prices (ac
(4) GNP does not include non-market ou
(5) None of the above.

2. Which of the following are not included in GNP.

(1) Net interest.
(2) Social security payments to the aged.
(3) Depreciation.
(4) Taxes.
(5) Profits.

3. Which of the following come closest to being a better measure of the change in the real standard of living?

(1) Change in GNP at current prices.
(2) Change in GNP at constant prices.
(3) Change in NNP at constant prices.
(4) Change in NNP at current prices.
(5) Change in investment expenditure.

4. Which of the following is not an indirect business tax?

(1) A sales tax.
(2) A company profit tax
(3) An import duty.
(4) A property tax.
(5) None of the above.

5. Which income measure is derived by adding all factor costs in current period?

(1) National Income
(2) Gross National product
(3) Disposable Income
(4) Net National Product
(5) Personal Income

PRINTING COSTS TO RISE — BACKHOUSE

NM
31/1/79
(195)

Deputy Financial Editor

PRINTING costs are going to rise in the wake of increases in printers' wage, and paper and board costs, Mr. L. Backhouse jnr, president of the Natal Chamber of Printing, said yesterday.

There is no indication, at present, of the size of the rise.

Costs of fine papers and boards have risen by between six and 14 percent for all material manufactured from this month.

Mondi Paper is to review its prices of paper following a "significant increase" in the price of chemical woodpulp. They will be affected soon as they cannot carry large pulp stocks. The company expects to review the situation in this first quarter.

Wage increases in the printing and newspaper industry came into effect from January 1.

S.A. Board Mills, a subsidiary of Mondi, has lifted its board prices.

Mr. Backhouse said many printing and packaging manufacturers were still experiencing difficult trading conditions and could not absorb these extra costs.

"They will have to be passed on to consumers of printing, packaging and other board and paper products."

for final goods and services

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roduct accounts, a negative

(1) could never occur.
(2) would automatically occur if there were no current investment.
(3) could occur if inventory disinvestment exceeded gross capital formation.
(4) would occur if capital used up by depreciation exceeded replacement.
(5) means simply that the economy has produced more than it has consumed.

9. Every payment from one individual to another automatically increases:

(1) National Income.
(2) Gross Investment.
(3) Gross National Product.
(4) Net National Product.
(5) None of the above.

10. GNP exceeds NNP by:

(1) The amount of all taxes.
(2) Government expenditure on goods and services.
(3) Government transfer payments.
(4) The difference between gross investment and net investment.
(5) Purchases by businessfirms from other business firms.

11. If NNP were R360 million in 1965, measured in current prices, and the price level rose by 20% from 1960 to 1965, then the 1965 NNP, in 1960 prices, would be:

(1) R300 million
(2) R320 million
(3) R400 million
(4) R360 million
(5) R520 million

SAAN (195)

Tough times

Television advertising has not decimated profits, as the stock market once feared, but it is having an impact. With TV attracting national advertising worth millions a month, SAAN did well to hold earnings at 125c (142c) in the year to end December, a 12% decline.

Less advertising space was sold, but higher rates partially compensated. The drop in advertising revenue was made up by higher circulation revenues despite — for most papers, though not for the *FM* — lower newspaper sales, thanks to higher cover prices. Distribution expenses were in line with the previous year. However, lower circulations for most papers and smaller newspapers due to lower advertising volume led to substantial savings on newsprint, despite higher prices per ton. The upshot was that operating profit rose 1% to R3,3m.

Helped by a doubled dividend of R210 000 from the Pretoria News, investment income rose from R352 000 to R511 000. With interest payments lower at R163 000 (R302 000), pre-tax trading profit was 10% ahead at R3,7m.

Lower down the income statement there were less happy developments. The tax rate rose from 32% to 36% and, in addition, investment allowances were trimmed. Attributable profit was 12% down at R2,4m (R2,8m), though 1977's figures were enhanced by a R237 000 foreign exchange profit.

Operating profit rose 36% in the first half and fell 9% in the second half, while earnings in the first half rose 61% and fell 12% in the second. But, according to managing director Clive Kinsley, this does not accurately reflect today's tougher trading conditions. "First- and second-half figures," he points out, "were distorted by the advertising tariff increase and receipt of the Pretoria News dividend and foreign exchange profits."

The directors expect newsprint, distribution and labour costs to rise in a fiercely competitive market. Electronic editing and the imminent move of the *FM* from the Carlton Centre to SAAN's own building should create some savings. But unless an economic upturn leads to a rise in advertising revenue, profits look bound to fall. Barring catastrophes though, SAAN looks liquid enough to maintain the dividend.

At 410c the share yields 8% against the industrial average yield of 6,2%. Less than a year ago when the market was thoroughly paranoid about television advertising, the price was 158c and the yield 21%.

David Carte

DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK

(Ingelyf in die Republiek van Suid-Afrika)

Die Perskor-groep het vir die halfjaar tot 31 Desember 1978 'n wins van R3 100 000 voor belasting verdien teenoor R3 273 000 vir die ooreenstemmende tydperk in 1977. Die wins na belasting was R2 189 000 vergeleke met R2 226 000 in dieselfde tydperk vir die vorige jaar.

Die wins toeskryfbaar aan aandeelhouers is R2 129 000 of 129,03 sent per aandeel teenoor R1 953 000 of 118,36 sent per aandeel vir die ooreenstemmende tydperk verlede jaar.

Resultate word as bevredigend beskou omdat advertensie-inkomste verlede jaar nie aan mededinging van televisie blootgestel was nie. Resultate het in sekere afdelings gedaal, maar is gebalanseer deur gunstige resultate veral in die skryfbehoefte- en boeke-afdelings.

Vir die res van die boekjaar word verwag dat omstandighede dit moeilik sal maak om op verlede jaar se resultate te verbeter.

Die ongeouditeerde finansiële groepresultate vir die halfjaar tot 31 Desember 1978 met vergelykende syfers is soos volg:

INKOMSTEREKENING	**Halfjaar tot 31.12.1978**	Halfjaar tot 31.12.1977
Netto inkomste voor belasting buitengewone en abnormale items	**R3 100 000**	R3 273 000
Min belasting	**R 911 000**	R1 047 000
Wins na belasting	**R2 189 000**	R2 226 000
Toeskryfbaar aan buiteaandeelhouers	**R 60 000**	R 273 000
Toeskryfbaar aan eie aandeelhouers	**R2 129 000**	R1 953 000
Verdienste per aandeel	**129,03 sent**	118,36 sent

Johannesburg
15 Maart 1979

Namens Dagbreektrust
Sekretarisse
H. Brink

DIE AFRIKAANSE PERS (1962) BEPERK

(Ingelyf in die Republiek van Suid-Afrika)

TUSSENTYDSE VERSLAG AAN AANDEELHOUERS

Die Afrikaanse Pers (1962) se enigste inkomste is die dividend wat hy verdien op sy aandeelhouding van 84,85% in die bates van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK.

Die belang van Die Afrikaanse Pers (1962) se aandeelhouers in die groepwins voor buitengewone en abnormale items van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK in die halfjaar tot 31 DESEMBER 1978 is R1 806 000 (1977: R1 657 000) wat 'n verdienste per gewone aandeel gee van 33,12 sent (1977; 30,39 sent).

Johannesburg
15 Maart 1979

Namens Dagbreektrust
Sekretarisse
H. Brink

VADERLAND-BELEGGINGS BEPERK

(Ingelyf in die Republiek van Suid-Afrika)

TUSSENTYDSE VERSLAG AAN AANDEELHOUERS

As beleggingsmaatskappy, is die maatskappy se inkomste afkomstig uit die dividend op sy belegging in Die Afrikaanse Pers (1962) Beperk waarin hy 44,44% besit. Die Afrikaanse Pers (1962) Beperk se enigste inkomste is die dividend wat hy verdien op sy aandeelbesit van 84,85% in die bates van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK.

DIE VADERLAND-BELEGGINGS BEPERK se aandeelhouers se belang in die groepwins voor buitengewone en abnormale items van DIE PERSKORPORASIE VAN SUID-AFRIKA BEPERK vir die halfjaar tot 31 Desember 1978 is R802 000 (1977: R736 000) wat 'n verdienste per gewone aandeel gee van 10,24 sent (1977: 9,4 sent).

Johannesburg
15 Maart 1979

Namens Dagbreektrust
Sekretarisse
H. Brink

Costs threaten Saan profit rise

RDM 31/3/79

195

By HAMISH FRASER

SOUTH AFRICAN Associated Newspapers directors caution in the annual report that profits this year will not match last year's attributable profits of R2 423 000.

On that basis, notwitstanding that the dividend is nearly four times covered and that the theoretical net asset value of the shares is more than three times the current price, the shares have little appeal at 350c, where they yield 9,4% on yesterday's closing price of 350c.

But the directors approved the report before the Minister of Finance's expansionary Budget speech, and with the advantage of hindsight, they might have been tempted to have been more bullish.

Their pessimism is based on the fact that the cost of newsprint is expected to rise by 12% this year, which will result in a substantial rise in operating costs.

The ability to hold costs was the most important factor in the rise of profits last year.

The directors also warn that distribution costs are likely to increase significantly this year and "other elements of expense will be above 1978 levels".

"The upward trend in economic activity remains hesitantly unexciting and in a highly competitive market, increases in newsprint, cover prices and advertisement tariffs are unlikely to take place in the immediate future.

"In this adverse trading climate, it is probable that the group's trading profit for 1979 will be less than that achieved in 1978."

Saan is committed to electronic editing, the initial cost of which is substantial but whose pay-back is expected to be rapid. The fact that it is far ahead in the automation game — which should quickly reflect in a substantial reduction in wage costs — should help it to offset pressures from commercial television.

But television apart, competition, particularly in the daily newspaper market, is intense and many of the group's publications are likely to take time to reflect satisfactory returns on capital employed.

Saan's profit performance does not measure up to that of the Argus Group, whose yield is a percentage point lower than Saan's.

On the evidence of recent results, and given the lower relative dependence of Argus newspapers on national advertising — which is more vulnerable to the depredations of television — Argus shares are probabaly still a better bet in the short term.

FM 6/4/79 (195)

SAAN
Downturn ahead

Activities: *The group's main business is the printing and publishing of newspapers and magazines. Saan wholly owns* Rand Daily Mail, Sunday Times, Sunday Express, Cape Times *and* Financial Mail. *It has a controlling interest in Eastern Province Newspapers. Other interests include* Pretoria News, *Robinson & Co, Argus and Allied Publishers.*

Chairman: *I G MacPherson; managing director: C H Kinsley.*

Capital structure: *1,9m ordinaries of 50c. Market capitalisation: R6,8m.*

Financial: *Year to December 31 1978. Borrowings: long and medium term, R2,3m; Net cash: R1,5m. Debt:equity ratio: 14%. Current ratio: 2,3. Groupflow: R40m. Capital commitments: R2,6m.*

Share market: *Price: 355c (1978-79: high, 410c; low, 170c; trading volume last quarter, 8 000 shares). Yields: 31,4% on earnings; 9,3% on dividend. Cover: 3,4. PE ratio: 3,2.*

	'75	'76	'77	'78
Return on cap %	9,5	19,3	16,4	14,8
Total revenue (Rm)	37,3	40,3	39,9	40,2
Total costs (Rm)	35,6	36,6	36,8	36,9
Gross profit (Rm)	2,0	4,3	3,9	4,2
Gross margin %	4,2	8,1	7,2	7,7
Earnings (c)	43,5	115,1	107,1	111,3
Dividends (c)	12	33	33	33
Net asset value (c)	916	987	1 062	1 200

Despite keen competition from a full year's TV advertising, Saan increased its earnings in respect of net trading profit by 3,9% to 111c a share. However, net profit fell to 125c a share.

The loss of newspaper and advertising volumes to TV was almost entirely offset by higher tariffs. However, no further tariff increases are expected in the foreseeable future.

Net revenue from advertising fell 2% to R31,2m and accounted for 71% of total income. Circulation revenue rose 12,7% to R8,6m, 22% of the total. This rise was achieved, in spite of lower circulations, by increased cover prices. Sundry revenue fell by R58 000 to R410 000.

Profit for the current year is likely to fall. An expected 12% hike in the price of newsprint will have to be absorbed, together with increased distribution costs brought about by higher fuel and labour costs. The industry has already absorbed a substantial rise in the price of newsprint.

General inflationary pressures are expected to continue. Saan held operating costs well in check during 1978, increasing the figure a mere 0,3% to R36,9m.

The 11,6% rise in investment income was in part due to a 61% profit rise of Robinson & Co resulting from higher returns from its printing and publishing activities and a substantial profit at its colour printing plant at Congella. Dividends received from this 36,6% owned associate rose R37 000.

Additional revenue was also received from 45,5% held *Pretoria News*, which raised its net profit by 40%.

The *FM*'s operating costs rose 8,9% more than offset by a 9,6% rise in advertising revenue. Net profit was 22% higher.

At its current price, Saan's dividend yield is attractive on long term considerations. However, shareholders must be prepared for a drop in earnings for the current year, although adequate cover should allow a total 33c dividend for the fourth year running. *Jean Moon*

PUBLISHING 4/5/79

Booked up

195

Book publishing has become a major industry, turnover more than doubling in four years to an estimated R100m annually as prices of imported books soar. Last year, the number of titles submitted to the National Bibliography was 3 300 (compared to 3 000 in 1977), and the volume of books printed rose almost 50% to 28,4m. Of these, first editions accounted for 8m copies.

Publishers attribute the increase partly to better quality of local printing, and partly to the large number of educational books published locally due to specific syllabus requirements.

There are 55 members of the SA Publishers Association, and major educational publishers total six or seven. There are about 10 general publishers, excluding smaller ones who produce only two or three titles a year.

Educational publishing takes by far the largest slice of the market in terms of unit sales (about 90%), while general books account for only 10%. Educational publishers put out an estimated 500 to 600 titles a year, compared with 100 to 150 titles produced by general publishers. The average general publisher produces about 10 or 12 titles annually.

Largest sector of the educational market is school textbooks, with university and professional books accounting for a smaller share. About 50% of educational books go to the black market.

"Educational and textbooks are the money spinners, as they offer long production runs," comments William Collins' sales director Paul Hardingham. "With six or seven prescribed books a year per scholar, orders can run as high as 500 000 copies per title."

Number of copies that must be sold to make publication viable, varies with the title, but one educational publisher estimates that 33% to 50% of copies must be sold to recover costs. After overheads and trade discounts, as well as royalties (about 12%), publishers generally earn less than 10% of the selling price.

One of the largest publishers in the educational field is Nasionale Pers, whose subsidiary Nasionale Boekhandel controls Tafelberg, Human and Rousseau, Nassou and Via Afrika. According to Nasionale Boekhandel MD, Heinie Jaekel, the Nasionale group published 880 titles, including reprints, in its last financial year, and volume averaged 34 000 copies per working day. More than 80% of the group's turnover goes to institutional buyers such as provincial libraries and schools.

Others in the schoolbook field are Juta's, Maskew Miller, Longman's Shuter and Shooter and Oxford University Press. Perskor and Juta's publish university books, as do McGraw-Hill and Van Schaik.

One of the largest in the general field is Struik Bros, which concentrates on non-fiction and produces about 10 or 12 titles annually. Recent publications include *Rhodesian Legacy* and *Namibia*.

Struik marketing director Gerry Struik believes there is a good demand for high quality illustrated books at reasonable prices. Struik Bros spends an average of R100 000 per title, and selling prices are between R4 and R20. Sales average between 5 000 to 30 000 copies, depending on the title.

High prices of imported books have encouraged local publishing by subsidiaries of overseas-based publishers. William Collins, subsidiary of the UK William Collins, started publishing locally last year with its Companion Guide to SA. It intends to publish a tribal folklore book next year.

Paperbacks make up about 30% of total sales, but paperback publishing is not lucrative in SA due to low volumes. The publisher must sell at least 20 000 to 25 000 copies per title for profitability, and margins are slim.

But for good volume there's nothing to beat the Bible. The new translation, the Good News Bible, published by the SA Bible Society, sold 125 000 to 130 000 copies of its first edition.

Argus should maintain div, but costs are rising sharply

Star (195) 1/6/79

By Colin Campbell

The Argus Printing and Publishing expects to maintain its dividend payments at 130c a share for the current year — even though there is the prospect of lower profits from newspaper operations.

In his annual statement today, Mr L E A Slater, chairman, says that the higher prices of newsprint and fuel, together with unavoidable rises in other expenditure will result in considerably increased costs this year.

"In the absence of increases in selling prices or advertising tariffs newspaper earnings are expected to decrease."

It was, in part, due to record newspaper earnings that Argus reported a 61,1 percent increase in attributable net profit last year. Net profit rose from R4,16m to R6,71m — which translates into net earnings of 471c a share compared with 292c a share previously. Out of these, Argus raised its interim dividend by 5c to 55c a share, made an unchanged final payment of 75c and paid a 20c non-recurring bonus, to make a year's distribution of 150c a share.

As said at the preliminary reporting stage, the main reasons for the group's increased profitability were:

- the continuing firm control of costs;
- selective increases in advertising tariffs and;
- the improvement in commercial activity which led to more advertising — lower in volume than in the previous year but approximately eight percent higher in revenue.

Newspaper sales generally declined after the price increase in July 1977. During the first half of the year under review there was a gradual improvement, but in the second half circulation averages fell again.

The outcome however was that circulation revenue was three percent higher when compared with the previous year.

The chairman adds: "I am pleased to say that in the first quarter of 1979 sales moved firmly upwards again."

Capital expenditure this year is estimated at between R2m and R3m — but there is no single item of any significance. All the expenditure will be incurred on plant and vehicle replacement, refitting and resiting a number of CNA stores as well as on opening new stores.

Trading income as a percentage of turnover rose from 5,46 percent to 8,41 percent; while the net current asset ratio improved from 1,28:1 to 1,4:1. Loans at balance sheet date were down from R8,02m to R6,95m. Interest paid came down from R2,65m to R2,2m.

Those investors expecting Argus to consolidate the 20c non-recurring bonus dividend as CNA recently did with one of its bonus payments should pay close attention to Mr Slater's statement. He states pretty clearly that costs are likely to rise considerably this year, but despite this says that the 130c dividend should be maintained — unless there is a marked deterioration in commercial activity.

The 130c payment is covered a comfortable 3,6 times, and the current yield is 7,8 percent.

The share price has come up from 1 550c at the time of the preliminary report to 1 675c. Until the interim report illustrates just how the group is managing with its looming cost problem the share is likely to consolidate at around current levels.

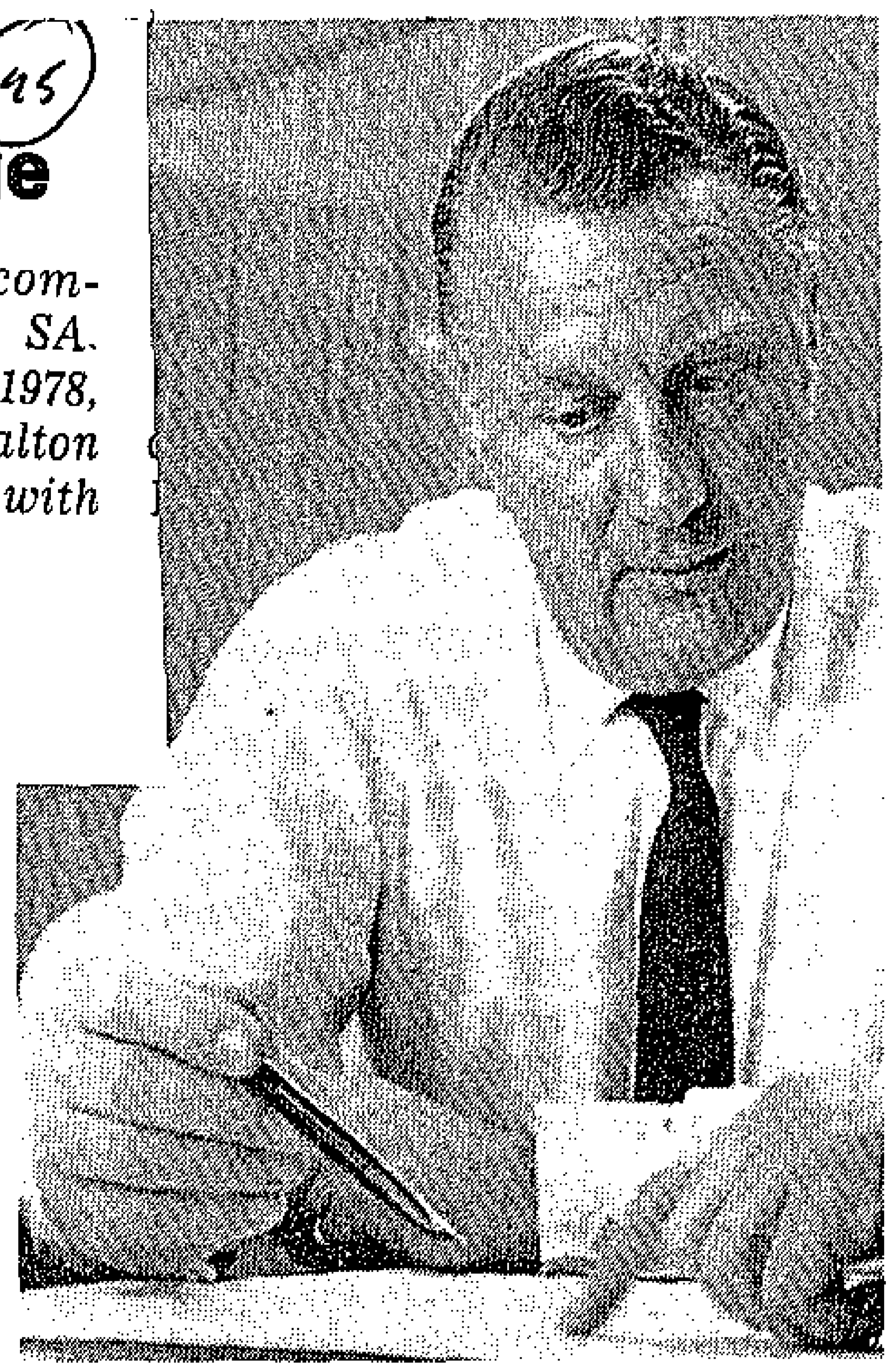
HORTORS WALTONS

Fm 15/6/79 (145)

Successful marriage

Activities: *HWL is the largest commercial stationery company in SA. Trading commenced on March 1 1978, mainly under the name of Walton Stationery, following the merger with Hortors' stationery division.*

Financial Mail June 15 1979



HWL's Parrington . . . catching his breath

Chairman: *J M Parrington; managing director: P E A Robarts.*

Capital structure: *2,7 ordinaries of 50c. Market capitalisation: R5,8m.*

Financial: *Year to February 28 1979. Borrowings: long and medium term, R977 600; net short term, R1,9m. Debt:equity ratio: 68,0%. Current ratio: 1,7. Net cash flow: R515 000. Capital commitments: R21 000.*

Share market: *Price: 215c (1978-79: high, 320c; low, 200c;. trading volume last quarter, 89 000 shares). Yields: 19,1% on earnings; 9,8% on dividend. Cover: 1,9. PE ratio: 5,2.*

	'79
Return on cap %	26,8
Turnover (Rm)	18,2
Pre-tax profit (Rm)	1,7
Gross margin %	10,4
Earnings (c)	41*
Dividends (c)	21
Net asset value (c)	140

**Based on the weighted average of shares in issue.*

The marriage a year ago between the old well established stationery divisions of Hortors and Waltons Stationery, plus a few additions since, has so far proved highly successful. In fact, the prelisting forecast of net earnings of R833 000 has been exceeded by 20,6%, partly due to acquisitions during the year and partly due to rationalisation benefits.

And, given a full year's contribution from these acquisitions, HWL looks set to earn at least 45c in the current year compared to 41c for the period to end-February.

Over the year, the acquisitions increased nav a share from 106c to 140c. However, chairman Maurice Parrington says that the group has no more new additions in mind at present since it "needs to catch its breath" before continuing on the takeover trail. But it does intend to grow further by acquisitions in the future.

As a result of the acquisition of the Chimes group, which increased market share in the Transvaal, several activities have been rationalised. Distribution points were increased to 28, with new branches opened in Benoni, Isando and central Durban. Three more branches are planned for this year, at Bloemfontein, East London and Germiston.

Despite the good results, the share remains under-rated. Parrington blames the fall in the share price, from a high of 320c, on alleged links with the Info scandal. He assures shareholders that, whatever connection the owners of Hortors may have had with the former department, neither Hortors nor HWL has ever received or handled any government money or had any contact with the government except in the normal course of business.

On the question of dividends, HWL did well to pay out a 1,9 times covered 21c compared to the forecast of a 1,8 times covered 20c. But, given Parrington's view that inflation will continue to escalate, he cautions shareholders that HWL will move towards a cover of 2,0. As such, the dividend this year is unlikely to exceed 23c, to give a prospective yield of 10,7%.

Since its pre-suspension price of 300c, prior to the Chimes acquisition, the share hit a 200c low in December, pushing it into a heavy bear trend. Although there has since been some improvement, the bear trend remains. However, once the industrial market stabilises, the share warrants consideration as a yield sweetener.

Jean Moon

rural areas or cause of deaths' according to t
(Personal Communication). At least 50 000 d
registered. These occur mainly in the rural
about 10% of the deaths in the main urban dis
Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.

DISCUSSION

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of the various groups were pictured in Part I with the exception of the urban Africans, which appears in Fig. 2. This population shows an excess of healthy working males and lack of elderly persons as a result of the migratory labour situation.

The standardised

Infant mortality rates are summarised in Fig. 3. Once aga
is experienced in obtaining data for Africans. Birth stat
Africans are not published by the central government. The
cal officers of health[9] have estimated the infant mortalit
their urban areas. These show considerable variation. (S
A mean figure and the range are given in Fig. 2. These de
should be interpreted with caution as sick infants are ofte
cities from rural areas. An indication of the situation i
areas is given by a sample survey carried out in Cape Town
among Xhosa-speaking Africans.[12] An increase in infant m
observed with decreasing urbanisation, the figure for the c
areas being of the same magnitude as those parts of the wor
medical services. Fig. 4 summarises the age specific mort

ARGUS

(195)

Rising costs

pu 15/6/79

Activities: *Prints and publishes newspapers* — The Star, The Argus, The Daily News, Sunday Tribune, Diamond Fields Advertiser, The Friend, Pretoria News Post, Ilanga and Cape Herald. *Owns 51% of CNA and 39 [illegible] of Saam. Controlled by JCI and Argus Pension Fund.*

Chairman: *L E Slater; managing director C L Hewitt*

Capital structure: *1,4m ordinaries of R2. Market capitalisation R22,7m.*

Financial: *Year to February 28 1979. Borrowings: long and medium term, R6,9m; net short term, R6,6m. Debt:equity ratio: 25,2%. Current ratio: 1,4. Net cash flow: R7,8m. Capital commitments: R2,9m.*

Share market: *Price 1 650c (1978-79 high, [illegible]; low, 500c). Trading volume last quarter, 6 000 shares. Yields: 20,3% on earnings; 7,9% on dividend. Cover: 3,7. PE ratio: 2,4.*

	'76	'77*	'78	'79
Return on cap %	12,1	12,1	15,2	20,3
Turnover (Rm)	94	148	129	147
Gross profit (Rm)	8,4	[illegible]	11,3	15,8
Gross margin %	[illegible]	[illegible]	8,2	10,7
Earnings (c)	249	[illegible]	283	494
Dividends (c)	150	120	115	150
Net asset value (c)	2 [illegible]	2 [illegible]	3 [illegible]	3 627

* Annualised
[illegible]

The coming year will see lower newspaper profits and CNA is not expected to offset the decline, says Argus chairman Layton Slater. But, unless there is a "marked" deterioration in business activity, he anticipates the annual dividend will be maintained at 130c.

In the year to February 28, Argus declared a 130c total dividend and a bonus of 20c, the bonus being declared to reflect the record profit for the 1978-79 financial year. But, by not including it in the ordinary total, it also mirrored the boards' cautious outlook for the current year.

Although CNA had a good year, with a pre-tax profit attributable to Argus of R1,8m (R1,2m),85% of earnings before extraordinary items still came from newspapers - which recorded their best year ever.

Surprisingly, the record profit from newspapers came in the year of introduction of TV advertising. However, most of the profit increase was due to "selective" advertising, tariff rises and firm cost control. The volume of advertising was lower than in the previous year, as reflected in the lower tonnage of newsprint consumed by the group at 54 000 t (60 000 t).

Advertising revenue totalled a record R57,9m (R53,5m). Newspaper sales fell during the year, but because of the July cover price increase, circulation revenue ended 3% higher at R20m (R19,3m). Better sales were recorded in the first six months, but circulation fell in the second half. Promisingly, Slater says an upturn was evident in the first quarter of the current year.

The loss-makers in the newspaper stable were *The Diamond Fields Advertiser, The Friend,* and *Post Natal* and *Post Transvaal,* the latter two reducing their deficits. Slater hopes for an improvement in *Post,* following the introduction of a web offset press which will upgrade quality. *The Star* and *The Argus* earned record profits.

The past year saw a strengthening of Argus' financial ratios. Total borrowings were lower at R15,6m (R18,8m), and the interest saved allowed the gross profit cover on the interest/leasing bill to rise from 4,2 to 5,6 times.

Gross profit margin was much improved last year, but this year promises a deterioration as newsprint prices are set to rise, and distribution and other costs will also increase. However, Argus has shown it can hold costs. For example, the staff count was reduced in 1978-79, and raw material purchases and operating costs rose only 2,8% to R135,1m (R131,4m).

At 1 650c the share yields a prospective 7,9%, and stands at a 55% discount to nav. The yield may not be exciting, but the newspaper/CNA mix and the ability to control costs rate the share a firm hold. But perhaps the board ought to consider a share split to make the stock more marketable.

Layton Slater . . . cautious outlook

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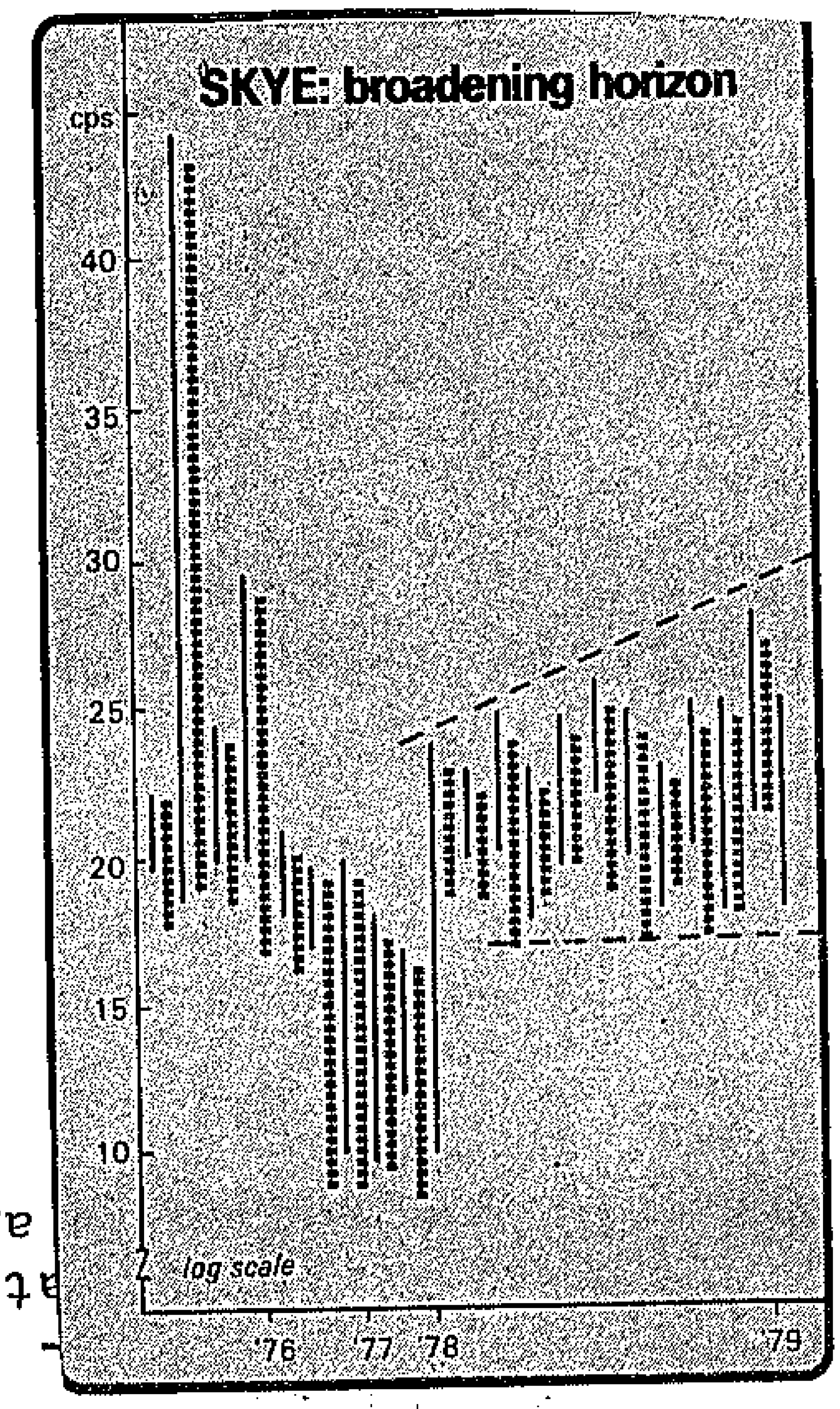


FM 27/4/79

195

EP NEWSPAPERS

Pressing ahead

Activities: *Publishes and distributes the* Eastern Province Herald, Evening Post, *and* Weekend Post. *Saan holds 62,8% of the equity.*

Chairman: *T Toft; managing director: A M Sturrock.*

Capital structure: *1,6m ordinaries of 50c; 100 000 5,5% cum prefs of R2 each. Market capitalisation: R2,8m.*

Financial: *Year to December 31 1978. Net cash: R921 000. Current ratio: 3,3. Net cash flow: R194 000. Capital commitments: R2,3m.*

Share market: *Price: 175c (1978-75: high, 185c; low, 80c; trading volume last quarter, 9 900 shares). Yields: 17,1% on earnings; 10,6% on dividend. Cover: 1,6. PE ratio: 5,9.*

Keeping up with newspaper technology will cost EP News about R2,2m this year. Following the demonstration of substantial savings by associated companies, EP News has ordered electronic editing and production equipment to be purchased and installed by end-1979. Though payment will be through medium-term borrowings in addition to retentions, this should present no difficulty. At end-1978 the balance sheet was entirely debt-free.

	'75	'76	'77	'78
Return on cap %	29,2	25,8	27,2	27,6
Turnover (Rm)	6,0	6,2	6,8	7,0
Trading profit (R'000)	779	707	787	835
Gross margin %	12,9	11,3	11,6	12,0
Earnings (c)	28,1	23,2	26,2	29,9
Dividends (c)	18	18	18	18,5
Net asset value (c)	150	157	167	176

Gross profit: Pre-tax profit plus all interest paid.
Debt:equity ratio: All interest bearing debt as a percentage of total shareholders' funds.
Total shareholders' funds: The total of ordinary, minority and preference shareholders' funds adjusted for the market and/or directors' valuation of investments less intangibles (eg goodwill).
Return on capital: Gross profit as a percentage of capital employed.
Capital employed: Total shareholders' funds plus deferred tax and all interest bearing debt.
Gearing: Total interest bearing debt plus preference share capital as a percentage of net asset value.
Net asset value: Net assets attributable to ordinary shareholders after adjustment for market and/or directors' valuation of investments less intangibles.
Return on equity: Pre-tax profits less preference dividends as a percentage of total shareholders' funds less preference.
Current ratio: Current assets divided by current liabilities.
Cash flow, group: net profit plus depreciation; **net:** retained earnings plus depreciation.
Capital commitments: Contracted and authorised commitments.
Gross margin: Gross profit as a percentage of turnover.
Stock turnover: Turnover divided by the year-end stock figure.
Market capitalisation: Number of ordinary shares multiplied by latest market price.
Earnings per share: Net profit after tax minority interests and preference dividends, and after adjusting for non-recurring items, divided by the weighted number of ordinary shares in issue.
PE ratio: The number of years' purchase of latest earnings per share represented by the current share price.
Cover: Earnings divided by ordinary dividends paid.

Following a subdued first half, the adjustment of tariffs introduced in April resulted in a 2,2% improvement in advertising revenue to R4,8m (R4,5m), despite a 10% drop in space sold.

Circulation revenue rose 5,5% to R1,66m (R1,57m) with increased cover price of the group's two dailies. Despite the price hike, second-half circulation was well maintained.

Circulation of the *Evening Post* remained steady, while sales of the *Eastern Province Herald* fell by 1% and sales of the *Weekend Post* rose 1,5%.

Operating costs rose a mere 2,9% to R5,6m (R5,3m) on the back of higher newsprint costs and wages. However, though the increase was small, some saving was made by the closure of the George operations which published the bi-weekly *South Western Herald*. George's plant and machinery has been leased to the new owners.

Though the board finds it difficult to predict outside influences, internal trading conditions are expected to show a gradual improvement, though bigger newspaper costs will take their toll.

The tightly-held shares are unattractive to investors looking for near-term gains. Last year's dividend should be maintained and the additional balance sheet gearing this year makes the share reasonably attractive to investors prepared to wait for the benefits of the new equipment.

Jean Moon

NEWSPAPER TECHNOLOGY

FM 29/6/79 (195)

Not The Times

International Relations

The issue which threatens to put paid finally to *The Times* of London (if it has not already done so) and which has led to protracted strikes in the US — electronic technology in the newspaper industry — is currently being hotly discussed by employers and trade unionists in SA.

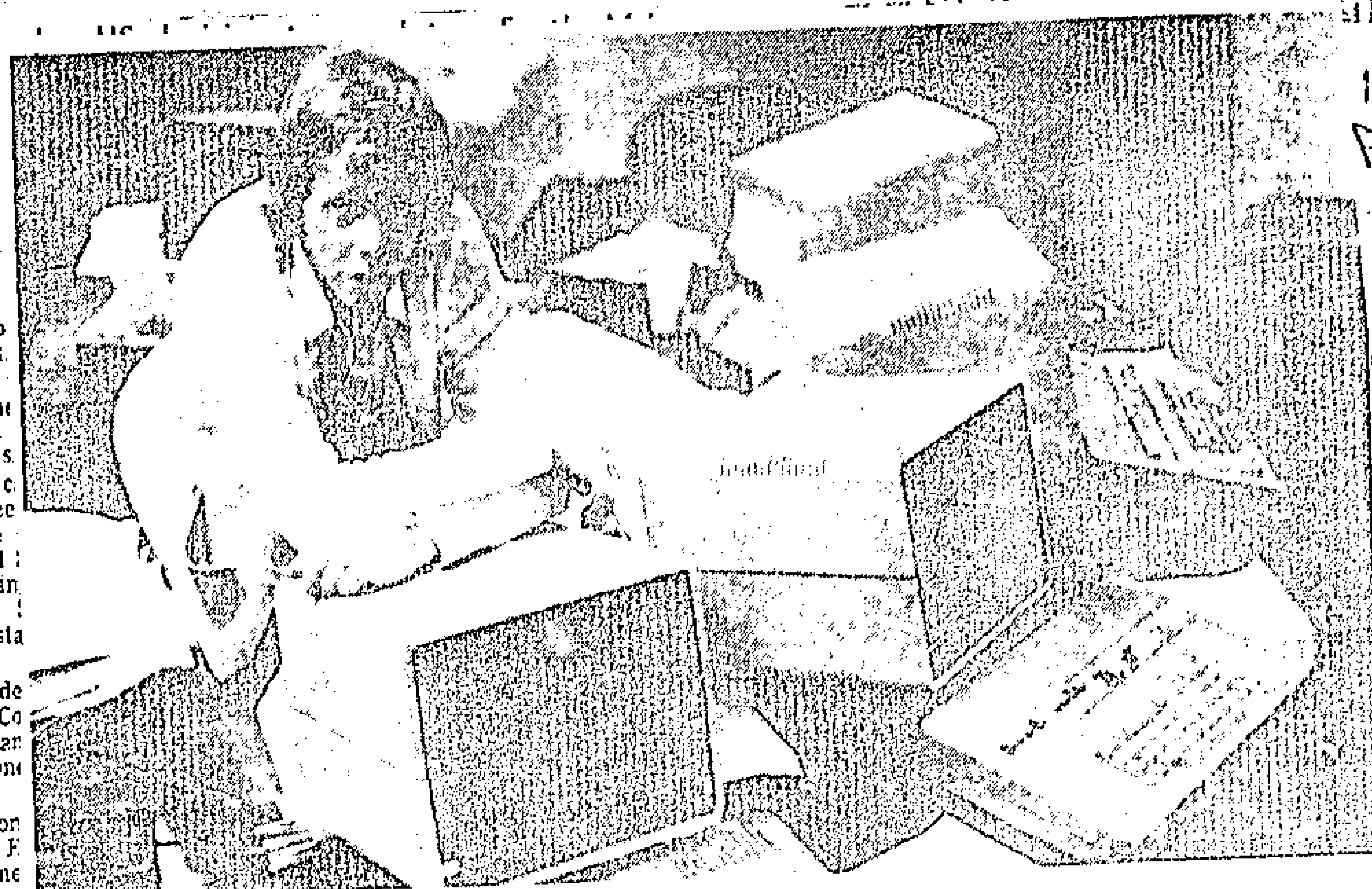
The crux of the issue is the fact that a new electronic editing process (now being rapidly phased in at the *FM*) drastically reduces the role of printing operatives. Electronic editing is already being used on other SA Associated Newspapers (Saan) publications, and the talks concern the role of union labour in its implementation at Saan.

Unlike its UK counterparts, the SA Typographical Union accepted the introduction of the system at Saan in exchange for certain safeguards. Among these was a non-retrenchment clause and management's agreement that certain functions in the new system be retained in union hands, although non-Typo men (including journalists) could perform them. But despite the safeguards, Typo union members fear their jobs could still be in jeopardy.

Earlier this year, the union's Saan chapel declared a dispute with management, who, it claimed, wanted to hand over new functions — in particular the processing of classified advertisements — to non-printing staff. The newspaper industry's national industrial council has therefore been considering ways of clarifying the earlier agreement so as to compromise between management's desire to cut costs through the new system and the Typo union's demand that its members' job security be guaranteed.

Typo union boss Lief van Tonder tells the *FM* that he expects a settlement soon. He adds that a Saan agreement acceptable to the union will open the way for other newspaper groups to implement the new system "as we expect them to do." The agreement will be binding on any newspaper group which decides to go electronic.

"We can't stand in the way of progress, but we are determined to save as many jobs as we can," says Van Tonder.



FM's electronic terminals . . . will they terminate his job?

Spy ch... US ...

Argus 14 ...

By ...

RELATIONS plummeted t... accusations ... diplomats ... Americans.

The deterioration ...tions follows the dis... by the Prime Minis... P W Botha, that a ... States Embassy aircr... been found to be ... with a spy camera ... was used to take p... of sensitive installat...

The plane left ... Africa today on the ... stage of its return ... to the United States.

After South Afric... announced that three ...rican airmen were ... expelled the United ... retaliated by expellin... members of the ... African Embassy sta... Washington.

They are the de... and naval attache, Co...dore W du Plessis, an... air attache, Colon... Coetzee.

The US had con... that the American E...sy plane had a came... board, but they hav...jected allegations tha... was improper. The ...ricans are in turn acc... South Africa of kn... for some time about ... was going on and o... trying to create a ...sion.

STAGED

The Americans sa... the whole episode ... deliberately staged t... tract attention from ... Information scandal.

South Africa is dema... an apology from the ... The US is refusing ... this.

The US Secreta... State, Mr Cyrus Van... warned that the 'spy ... incident will ... damage future ... between the two c...

The Minister of Foreign Affairs, Mr R F 'Pik' Botha, said today there had been a considerable deterioration of relations between the two countries.

LACK OF TRUST

He spoke of 'a total lack of trust and confidence between the two countries' and indicated that the position was not likely to improve unless the US apologised.

He said he regretted that the situation had deteriorated to the present position and said he did not wish to get involved in acrimonious exchanges with the US Government.

At the same time he accused the US of intimidation and veiled threats.

...deterioration in relations as there were earlier indications that they were on the mend.

Mr Edmondson was today not available for comment. An embassy spokesman indicated that all reaction would come from Washington.

...1979 Post

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4/4/79 ...ate

WASHINGTON — US officials expressed surprise yesterday at South African allegations that a US Embassy plane was used for spying purposes and the Prime Minister, Mr P W Botha's decision to expel certain embassy personnel.

"We don't have all the facts yet," one official said. "But if we wanted to spy on South Africa, we have fancy satellites that can do it better than a Piper Cub."

The State Department was awaiting a full report from the ambassador, Mr William Edmondson.

One official said he was unable to immediately identify the plane or the officials to which South Africa was objecting but said the plane might be of the Piper Cub variety.

Some American diplomats speculated that the timing of the South African accusation was linked with the Information scandal.

"This has driven 'Muldergate' off the front pages," one said.

...an tighter ...ion laws

Cape Times April 13 1979

...espondent

...rnment's tighter immigration laws ...ult for South Africans to settle here.

A Tory government would clamp down strictly on numbers allowed into the United Kingdom and, as legislation would not discriminate between black and white, white South Africans would be included in the "shut door" policy.

A Tory spokesman told me that a revision of the immigration laws would be a priority with a Conservative government. He said changes would be made only after consultation with governments of countries whose nationals would be affected.

"As South Africa's position in the international community is not exactly a happy one, a Conservative government's attitude to would-be immigrants would, in fact, be anything but generous," the spokesman said.

He added that only positive changes in South Africa's internal policy might make it possible for a Conservative government to view the matter of immigrants more favourably.

He spelt out exactly how Conservative immigration policy would probably affect South African would-be immigrants.

At present a person whose father was born in the United Kingdom is usually granted permanent residence here. Revised immigration legislation would almost certainly change this.

Affected would be not only South Africans but also many Canadians, New Zealanders and Australians, and others from countries to which British subjects had emigrated.

"There is a limit to the number of immigrants that Britain can afford to take in and that is a basic fact. We simply don't want more people than we can accommodate," the spokesman said.

At present persons who have worked in the UK for four years can apply for permanent residence. This, I was told, would almost certainly fall away.

The Tories also would end concessions to husbands and fiances. This would be aimed mainly at Asians, but would apply also to other nationals.

The issue of work permits would be severely restricted and a quota system introduced, covering everyone outside the European community.

As far as political refugees and war resisters or draft dodgers were concerned, asylum or permanent residence would be at the discretion of the home secretary, I was told.

Labour gets tougher on SA

RDM 07 APR 1979

LONDON. — Britain's ruling Labour Party yesterday toughened its stand on South Africa, declared it was prepared to intensify sanctions against Rhodesia and would support United Nations' settlement proposals for South West Africa.

In its manifesto for the May 3 General Election, the party pledged to take steps to reduce Britain's economic dependence on the Republic and discourage new investment in the country.

"Labour believes that it is not only wrong, but contrary to British long-term interests to have close economic ties with South Africa," the party stated.

"Until a settlement in Rhodesia acceptable to all the people of the country is arrived at, the Labour party will maintain and even intensify sanctions."

Prime Minister Mr James Callaghan said Britain would also put pressure on other nations to apply sanctions against Rhodesia more effectively. — Sapa-Reuter.

F.M 13/7/79
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NEWSPAPERS

Extra! Extra!

Half of the 62 Kempton Park newsagents are refusing to sell dailies and Sunday papers in a bid to force newspaper groups to double their 12,5% commission or discount. But the newspaper owners are standing firm.

Circulation managers report minimal effects on sales, mainly because Afrikaans and English paper proprietors have acted in concert to rationalise distribution to street vendors, trebling the number of these outlets to take up the loss of sales because of the tearoom owners' boycott. The dispute came to the fore soon after cover prices on dailies were increased to 15c (14c plus 1c gst) on July 1.

Cafe owners, at present getting a 12,5% rake off, want 25%, to keep pace with "inflationary trends". The newspaper groups are adamant that this isn't on and point out that, in monetary terms, discounts have in fact doubled. On the present scale, agents are earning 1,75c on 14c. However, 1c is built into the price, to cover the 0,56c gst, giving them a "profit" on gst of 0,44c. So their discount is in fact pushed to 2,19c a copy. When papers were 12c a copy, agents were making 1,5c but had to meet 0,46c gst themselves, thus were only earning 1,04c.

Demosthenes Michos, chairman of the Tearoom, Restaurant Proprietors and Cafe Owners Association, says this might well be the case, but the newspapers have "consistently decreased discounts as prices have gone up." Bob Barker, group circulation manager of Saan, disputes this. "When papers cost 7c they were getting 16,66% and earning 1,16c. They got 15% on 10c and earned 1,5c, the same as before gst on 12c when the discount was 12,5%."

Barker says that circulation has only been marginally affected. Dissident cafe owners kept papers under the counter on the first Monday, and when the newspaper groups got wind of the boycott they reacted immediately. Moves are underway to appoint new agents, although, as Ray Alport of Allied Publishers says: "Obviously we can't replace in exactly the same locality, so won't obtain the same effectiveness."

Another bone of contention is that street vendors, who have no overheads, are earning 5c a copy, according to Michos. "Tearoom rents are up, wages up, everything's up. Surely the cafe proprietor has a right to make a living?" he asks, making the point that this is not in fact a boycott, but merely traders asserting their right not to carry unprofitable lines. Chris Visser, national depot manager of Republican News Agency (distributors of *Transvaler*, *Citizen* and *Vaderland*) counters this. "Newspapers are the only living for street sellers. Can't the cafes, who carry a multitude of other lines, realise this?"

RNA pays a straight commission of 5c a copy, unlike Allied, which distributes higher circulation papers and pays R19,20 a week or 10% commission, whichever is the greater.

Star circulation manager John Dickson also says the effect has been minimal — "Only a few hundred copies." About five new agents have been signed up and Dickson hopes that things will be back to normal soon.

One side effect of the dispute could be that subscriptions increase, and some sources are even hoping that the boycott spreads for this reason. "With a controlled circulation, think of the saving on newsprint. There'd be far fewer returns," is one viewpoint.

What is certain is that the newspapers believe they can't afford to relent - "A 25% discount would cost the *RDM* R25 000 a month," says Barker. So if agents want to return to the fold, they're going to have to eat humble pie.

Corner cafe . . . looking for more commission

Agreement reached on electronic editing

Cape Times 20/7/79

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JOHANNESBURG. — A dispute over computerized printing at South African Associated Newspapers has been settled and according to the general secretary of the Typographical Union, electronic editing and printing can now be introduced at other newspapers.

Mr E van Tonder, general secretary of the union, announced the end of the dispute yesterday and said an agreement had been reached to provide the basis for the introduction of the computerized system at other newspapers.

"It has been built into the main agreement of the industrial council for the newspaper industry," he said.

The introduction of electronic equipment would replace the hot metal process at most newspapers in the near future and would eliminate traditional functions of printers and other members of his union, Mr Van Tonder said.

Subject to certain provisions, paid editorial staff, journalists and advertising staff would be allowed to operate the new equipment. — Sapa

PUBLISHING

Hortors sells out

Hortors (Pty) is getting out of publishing. Hortors announced this week that "*Pace* magazine is being made available to any recognised SA publisher subject only to agreement on continuation of publication and emloyment of the magazine's 12-strong editorial, advertising and production staff . . . "

The publishing arm, Hortors Publishing (Pty) which publishes 16 trade and technical journals as well as *Pace* magazine and manages a specialised exhibition department, has been successfully bid for by Frank Payne and Michael Brown this week.

Hortors (Pty) MD Maurice Parrington explains the move. "*Pace* was launched last year as a black consumer magazine with no government guidelines and no government money involved. But right from its launch which coincided with the Information scandal links of David Abrahamson and Stewart Pegg (who own Hortors), it was assumed by the other media that *Pace* was Info linked, a government media with goverment funding.

"No matter how much this was denied by Hortors and the *Pace* editorial staff, it made no impression. Eschel Rhoodie has just stated in his interview with the Dutch magazine that *Pace* is a government publication. We want to place the magazine in safe hands where the editorial staff will be safe from attack. Payne was interested in what was left of the publishing arm so we sold it."

Payne, previously chief executive of Hortors' publishing interests signed an agreement in terms of the trade and technical journals and specialised exhibitions. Excluded is *Pace*. Says Payne, "My interests have always been on the trade and technical journals which represent the major part of the publishing interests." Hortors Publishing (the name is being retained) will continue to run, for the moment, the business affairs and administration of *Pace* "as an accommodation" says Payne who becomes deputy chairman and chief executive of the copany.

Currently Hortors Publishing annual turnover is roughly R3m. Payne hopes to improve this.

Financial Mail August 3 1979

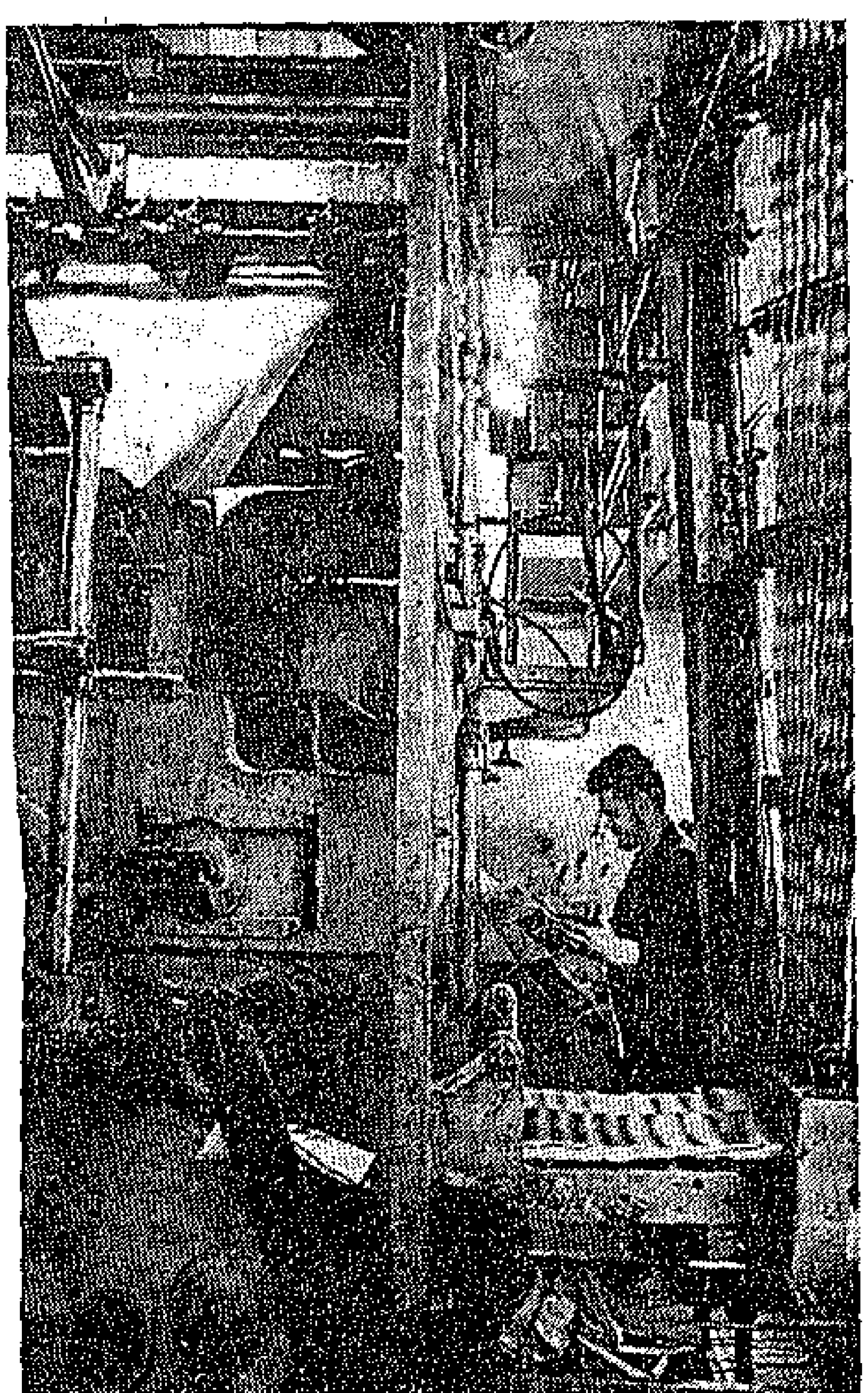
SAAN FM 3/8/79 (195)

Paper profits

SAAN's profits for the half-year to end-June were marginally ahead of budget, but they offer little consolation to investors who have pushed the share 97% higher to 340c in the past year. The interim has been pegged for the fourth time at 8c and, at this stage, an unchanged final is on the cards. But with costs continually squeezing margins, profit prospects are not bright.

First-half group revenue increased 8,9% to R20,8m (R19,1m), mainly because of higher advertising revenue. But cost increases pushed operating profits 39,4% lower to R611 000 (R1m). After unchanged investment income of R230 000 and R73 000 (R41 000) attributable to minorities in EP News, earnings were 24c (36,5c) — the lowest in two years.

Fuel, labour and newsprint were the main components of the cost increases.



He costs more . . . and so does the newsprint

Over the past year, distribution costs have risen about 8,5%, says MD Clive Kinsley. Continual efforts are being made to control costs but, with a higher fuel bill certain in the second half, and another R10/t newsprint price increase due this half, near-term cost prospects are bleak.

Of the group's newspapers the *Cape Times* reported lower results, while the *RDM* continues a loss-maker, aggravated by a higher newsprint bill as circulation improved. This situation will be partly alleviated in the current six months by higher cover prices, but it appears most, if not all, of increased circulation revenue could be absorbed by cost increases.

Investment income of R230 000 comprised mainly R105 000 (R105 000) from 45,5%-owned *Pretoria News* and R94 000 (R75 000) from the 9% stake in Argus. Robinson & Co (36,6% owed) reported worse profits, enhanced by a loss at a subsidiary. Group income however benefited by a consolidated R104 000 (R55 000) from 62,7%-owned EP News, of which the dividend portion was R72 000.

For the next six months, Kinsley hopes for an unchanged dividend from *Pretoria News*, and the Argus stake should generate R54 000, but Robinson will contribute less than in 1978. Subsidiary EP News' profits should be higher, but an increase on the 18,5c total dividend is doubtful in view of that company's R2,7m capex programme. But this will have no impact on Saan's dividend distribution this year because of the group's liquidity.

The second six months should see higher advertising revenue — Kinsley expects a 10% improvement on the year — and the effect of higher cover prices. But after rising 9% since end-December, a further newsprint price increase is coming which will give an annual hike of 11,5%. On the plus side, the group will pay less interest because of last year's R1,5m loans repayment — reflected in an interim interest bill of R31 000 (R104 000). And with newsprint stocks held at about six weeks of requirements, liquidity should remain satisfactory.

The capex programme has tailed off, with the exception of the EP News, which should allow ample scope for an unchanged final dividend. The JSE however has taken the erratic profit record into account, as well as the fact that little rationalisation is possible in the overtraded industry.

Des Kilalea

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15/2/79 DM 195

Police probe printing blaze

EAST LONDON — Police here are investigating the cause of a fire and explosion which destroyed R10 000 worth of printing equipment and seriously injured an East London man late on Tuesday night.

The owner of General Printing in Albert Street, where the fire occurred, Mr O. Willmer, said he had no idea what could have caused it.

His nephew, Mr Desmond Willmer, 22, saw flames from Buffalo Street and investigated. "As he approached the building there was an explosion and he was badly burnt," Mr Willmer senior said.

A Frere Hospital spokesman said the burnt man's condition was "satisfactory" yesterday.

Mr Willmer senior said he had been told arson was suspected.

Most of his business was printing wedding cards and he had lately started doing pamphlets and books. He was sure he had not printed anything offensive to anyone, but had recently had people threaten him to stop printing.

The equipment lost in the fire included a German Exofoto camera which Mr Willmer said was irreplacable, and an IBM typewriter and printing machinery. Mr Willmer estimated the total value at about R10 000.

He said he had no idea what could have caused the explosion as there was no inflammable liquid stored in the printing works. — DDR.

By PETER WRINCH-SCHULZ

THE PRINTER'S GREMLIN

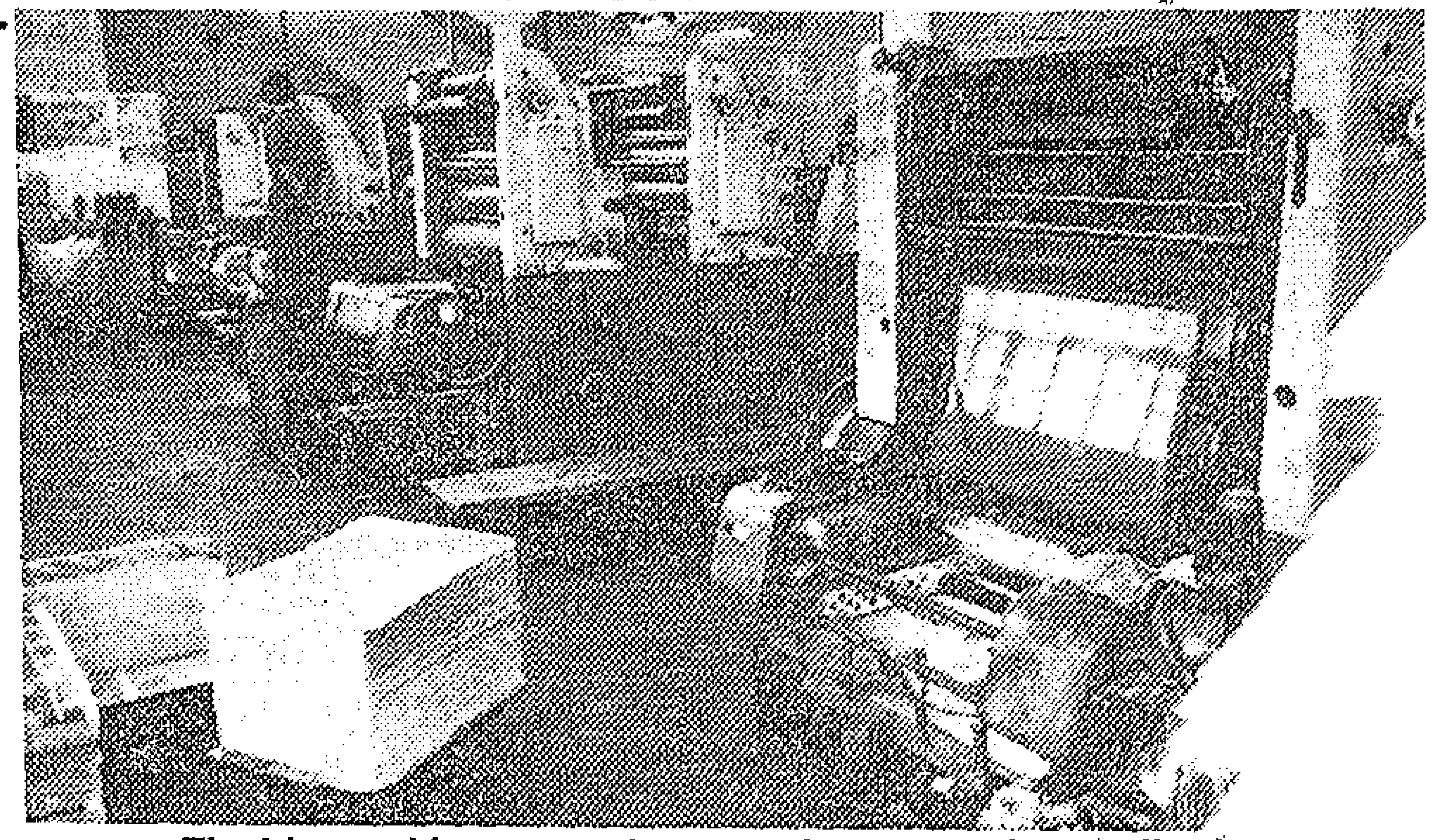
In the last nine months more than 90 printing businesses have gone bankrupt in South Africa. Every three days, a printer has been forced to close his doors for the last time.

Many, perhaps most of them, are "small" concerns, but several large, well-known companies have vanished as well and the future of the printing industry — in the short term at least — is bleak indeed.

Recently 135 rather anxious, solemn-faced printers (I was one of them) attended a seminar organised by the Natal Chamber of Printing to show how to improve profitability and increase the chances of survival.

When the alarming bankruptcy figures were divulged by one of the speakers — introduced as a successful printer from Johannesburg — they came as a surprise to no-one in the audience. For all knew that the printing industry in South Africa, in spite of its enormous size, was in a sorry state.

What has caused this Will the situation improve soon enough to save the many small printing concerns that are trying to eke out a precarious existence in Durban, Johannesburg and Cape Town?



The big machines move in . . . and out goes the small printer

The small and medium-sized printer (with a turnover of from half to a million rand a year) is facing four distinct hazards today:

- A strong trend towards in-plant printing by large companies who believe, often erroneously, that it is cheaper to do their own printing rather than buy it out;
- The arival of the "fast" printer who works only for cash and, like the supermarket, goes for big turn-over and a low profit;
- The ncreasing use o sophisticated copying machines which themselves almost replace printing presses; and
- The staggering increase in the cost of printing equipment and machinery.

I believe it is this last factor, more than any other, that has caused trouble in the printing industry, as the average printer simply has not adjusted to his new and higher overheads. Most printing machinery is so expensive today that it CANNOT earn its keep — let alone make a profit — by working just one shift a day.

When I expanded my company by establishing a printing division in Durban about 12 years ago, an initial investment of just over R7 000 bought a handsome lithographic printing press a guillotine, a plate maker and a folding machine. This, virtually, was all you needed to start a printing business.

Labour and print's basic commodity, paper, was much cheaper and more

Rising costs hit the little man

readily available than it is today and with a little effort and planning it was easy to make a profit AND put money aside for bigger, better and newer equipment.

But what is the situation today.

A medium-sized printing works with about 35 employees and able to produce quality work in full colour, needs a capital investment today of at least half a million rand.

Yet, in spite of these enormous increases, print — basically — does not cost the customer much more than it did five to seven years ago! Big buyers of print will be the first to admit that they have never had it so good. Aware of the insecurity of the small printer desperate for work, they will go from one to another, ruthlessly insisting on a lower and lower price as they go along.

An unhealthy state of affairs but one that printers have brought upon themselves by undercutting or taking on work whether it makes a profit or not — and this was the blunt message that the three speakers at the recent Durban print seminar emphasised again and again.

In my opinion it is almost too late to change this extraordinary situation. The small jobbing printer will either disappear or have to specialise in a field in which he excels. Many printers are getting together and putting their work through the same plant. And the really big printers — the ones who print a million detergent cartons at a time — are handling more and more work with the same presses so that instead of running two eight-hour shifts each day, they can now run three a day — week in and week out.

Hopefully this process will rationalise what is undoubtedly an ailing industry. Many more printers will certainly disappear but those that do survive will run better businesses, be able to produce good print and, more important, be able to command fair prices.

The cost of print will go up substantially — as it should have done so many years ago. Print buyers who base their long term packaging and print costs on today's levels are being shortsighted. No-one can blame a buyer for seeking the best price but to bank on it in the future is inviting disaster.

Last week I spoke to a printer who had quoted R1 150 to print a lavish brochure in full colour throughout. The cost of the paper alone was R1 150. Why, I asked him, did he bother to do the job?

His answer was interesting. "I had the paper on the floor," he said, "and I'd been forced to pay cash for it by a nervous paper merchant. The only way I could turn this paper back into money was to print on it.

"I needed the money for wages, so I had to take in the job at the best price I could get."

With this quaint reasoning so prevalent in the printing industry, is it surprising that paper merchants are nervous or that the printing industry is in the doldrums in South Africa today?

STUFFED CABBAGE SALAD — May Bennett, Ridgeworth

1 fresh green mediu[...]
  cabbage
onions
carrots

tomatoes

Cut the centre fro[...]
form a bowl. Wash[...]
and pineapple. Cu[...]
leaves of the cab[...]
pineapple, tomato[...]
in a bowl adding[...]
salt and black pe[...]
into the cabbage[...]
bowl of mayonnais[...]
roses, cut acros[...]
iced water until[...]

---oOo---

GERMAN POTATO SALAD — Ethne Beard, Port Elizabeth

boiled potatoes
cooked bacon
mayonnaise

chopped onion
salt and pepper

Cube the potatoes while still hot. Chop up the bacon, mix with the potatoes, onion and mayonnaise. Season with a little salt and pepper. Use hot or cold.

---oOo---

EGG SALAD — May Bennett, Ridgeworth

hard boiled eggs
salanaise

salt and pepper
paprika and parsley

Cut eggs in half and lay on a flat salad platter; cut side down. Pour over salanaise.

---oOo---

CHICKEN AND CUCUMBER SALAD — S. Drury, East London

1 cup cooked chicken, diced
4 T finely chopped walnuts
French dressing/mayonnaise
lettuce

1 cup cucumber, peeled and diced
1 cup cooked green peas

Marinade chicken, cucumber, nuts and peas with French dressing. Serve on lettuce with mayonnaise. Cover with greaseproof paper and refridgerate until ready for use.

French dressing:
Blend together 6 T salad oil and 2 T lemon juice.

---oOo---

SPRING GREEN SALAD — May Bennett, Ridgeworth

1 medium size lettuce
2 onions
parsley

1 cucumber
mint (fresh)
scallions

Boil the[...]
pour off[...]

Sauce:
1 1/2 cu[...]
1 d curr[...]

Mix the [...]
so that [...]
boil up a[...]
and onion[...]

APPLE TUNA [...]

1 medium head lettuce, torn in bite-size pieces (4 cups)
2 cups diced apple
1 11 oz can (1 1/3 cups) mandarin orange sections, drained
1 6 1/2 or 7 oz can tuna, drained and broken in large chunks

1/3 cup coarsely chopped walnuts
1/2 cup mayonnaise or salad dressing
2 t soya sauce
1 t lemon juice

In a large salad bowl, combine lettuce, apple, orange sections, tuna and nuts; toss together. Combine mayonnaise, soya sauce and lemon juice; mix well. To serve, add dressing to salad; toss gently. Makes 4 - 6 servings.

---oOo---

Printers plan war on business pirates

195

7/10/79 Sunday Tribune

Industrial Reporter

SOUTH AFRICA's 300-year-old printing industry is stepping up its campaign to stem the erosion of business by "in-plant empire builders."

Offset litho presses and photo-copiers are found in a growing number of large businesses and Government departments which want more control over their printing and feel they can operate more economically than going out to the trade.

Even worse from the trade printer's point of view is that these machines are often idle and in an attempt to make them pay their way the in-plant people are touting for work outside their own businesses.

The Federation of Master Printers of South Africa which has 1 600 members employing 100 000 people is girding it loins and is appointing a man who will specialise in promoting the advantages of trade printing.

These include:

- The initial purchase of machinery is expensive;
- In-plant machines often lie idle for long periods. A British study has shown that many machines operate only 10 to 20 hours a day.
- Operating costs are high and require specialised staff.

The president of the Master Printers, Ivan Knock, says the growth of in-plant printing is related to the uncontrolled building up of empires by managers in businesses.

The machines are installed under the mistaken guise that printing can be done more cheaply by eliminating the printer's profit.

Knock says although conditions in the trade are improving after the long recession it was still common for 15 or 20 printers to chase one job.

Chris van der Linde, director of the Master Printers, says the industry still has spare capacity but the position is gradually improving with unemployment dropping. Turnover for printing and publishing in South Africa last year was R413 million.

He says a close watch is being kept to ensure that photo-copiers do not infringe the copyright law.

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PERSKOR

DIE PERSKOR-GROEP

Verslag van die Voorsitter

Die jaar 1978/1979 was 'n jaar wat in die koerantwêreld beslis opslae gemaak het. Groot gebeurtenisse in die politieke opset het plaasgevind met die verkiesing van 'n nuwe Eerste Minister en 'n nuwe Kabinet. Dan ook was daar besonder groot gebeurtenisse en veranderinge wat die handel en die geldmark betref.

Die televisie-owerhede het vir groter gelde gevra wat groot reaksie gehad het in die advertensiemark van alle tydskrifte en koerante. Kostestrukture het die hoogtes ingeskiet, o.m. met die gevolg dat papier tans ongeveer R400 per ton kos.

Nieteenstaande al dié moeilikhede wat in die hand gewerk is deur die gebeurtenisse in die publikasiewêreld, het die koerante en tydskrifte dit taamlik goed reggekry om kop bo water te kon hou.

Die prys van tydskrifte is in hierdie periode verhoog, sodat sommige nou 50c per eksemplaar kos, en dagblaaie word nou teen 15c elk verkoop. Die verhoging in prys sal noodwendig die sirkulasie nadelig beïnvloed. Op die oomblik is ons in dié posisie dat ons ons uiterste moet doen om die sirkulasie van koerante en tydskrifte weer te kry waar dit vóór die prysverhoging was.

Advertensietariewe is opgeskuif om stygende koste die hoof te bied. Wat die tydskrifte betref, kan ons dit bevestig dat die resultate baie bevredigend is.

Wat die dagblaaie betref, kan daar weer gemeld word dat hulle noustrop trek. Groot hoeveelhede advertensiegelde is nodig om televisie aan die gang te hou, en hierdie geld word van die publikasies weggeneem. Gevolglik is daar weinig dagblaaie wat eerlik kan sê dat hul posisie rooskleurig is en winsmoontlikhede in die nabye toekoms sal styg.

Gedurende die jaar het ons deel gehad in die aankoop en uitgee van 'n Engelse dagblad nl. *The Citizen*. Soos bekend aan die aandeelhouers, is *The Citizen* gekoop van mense wat die besit oorgeneem het by die Regering, en die eerste uitgawe het verskyn op 8 Desember van die huidige boekjaar. Ons koester die hoop dat die koerant mettertyd groot waarde vir alle Suid-Afrikaners sowel as u maatskappy sal hê.

Ons het geglo, en glo vandag nog, iets moet gedoen word vir die Suid-Afrikaanse publiek om in Engels die Suid-Afrikaanse posisie uit 'n ander oogpunt as dié wat tot nou toe deur ander Engelstalige koerante weergegee is, te kan lees. Ons glo dit is essensieel dat daar veral oorsee 'n ander prent geskilder moet word as wat tot nou toe die geval was.

U Groep besit in 'n radius van ongeveer 162 kilometer vanaf Johannesburg vier dagblaaie wat daagliks saam met *The Citizen* ongeveer 220 000 eksemplare verkoop. Dit is die grootste sirkulasie van enige groep binne Transvaal, en dié feit sal mettertyd sy vrugte

Buitendag, dr. W. J. de Klerk, prof. D. M. Joubert, A. J. Marais en prof. J. D. V. Terblanché.

Die beherende aandele is afkomstig van Die Dagbreek-Trust se 400 beherende aandele sowel as die Afrikaanse Pers se 33 000 aandele wat ook aangekoop is deur die Trust. Die bates van die Voortrekkerpers is aangekoop in ruil vir aandele in Perskor, terwyl die Republikeinse Pers se aandele vir 90 % in besit is van Perskor. Sodoende is dit moontlik vir die Trust om totale beheer te hê oor die Groep, sonder enige vrese van oorname deur vreemde elemente wat daartoe geneig sou wees.

Perskor is verreweg die grootste maatskappy in sy soort in enige taal wat omset sowel as trefwydte betref en is, volgens sy statute, gestig om in diens te wees van die Suid-Afrikaner.

Dit is nodig om aan die hand van die bereikte resultate die maatskappy se bedryfsaktiwiteite in oënskou te neem. Die omset het weer eens hierdie jaar van R134 000 000 na R141 000 000 toegeneem.

Die bedryfswins toon 'n klein toename van R9 077 000 tot R9 108 000 vanjaar. Die netto wins voor belasting toon steeds 'n stabiele R6 009 000 vir hierdie boekjaar in vergelyking met die R6 113 000 die vorige boekjaar. Met die betaling van belasting het die bedrag tot R5 397 000 gedaal in vergelyking met die bedrag van R5 432 000 wat verlede jaar oorgehou is. Hiervan is R881 000 aan buite-aandeelhouers toedeelbaar. Dit bring die wins, na belasting, vanjaar op R4 516 000 te staan, in vergelyking met die R4 596 000 vir die vorige boekjaar. Wat toedeelbaar is aan aandeelhouers, nadat voorsien is vir belasting en abnormale uitgawes, is R2 808 000 in vergelyking met R2 660 000 die vorige jaar.

Besonderhede aangaande individuele en gekonsolideerde state van die verskeie maatskappye sowel as van die hoofmaatskappy, verskyn in die Jaarverslag. Uit wat reeds gesê is en uit wat u sal bemerk in die state, blyk dat die Groep sy boekjaar suksesvol afgesluit het.

Onder die omstandighede het u direksie besluit om die dividend op Afrikaanse Pers-aandele te verhoog na 12,5 sent per aandeel in vergelyking met die 11 sent per aandeel verlede jaar. Die persentasie verhoging is dus 13,6 %. Terselfdertyd het u direksie dit goedgekeur om op Vaderland-aandele die dividend te verhoog na 3,75 sent per aandeel in vergelyking met 3,3 sent verlede jaar, 'n 13,6 % verhoging.

Dit is ook nodig om daarop te wys dat u maatskappy se likiede posisie gesond is. Kontant en deposito's in totaal is R5 195 000 in vergelyking met die R5 142 000 van die vorige boekjaar, terwyl die bankoortrekking R3 700 000 bedra. Die verhouding van die buitefinansiering (langtermynlaste tot gewone aandeelhouersbelang) is vanjaar 7,6 % in vergelyking met die 9,2 % van

'n Nuwe bestuurder, mnr. Tobie Boshoff, 'n nuwe redakteur, mnr. Sakkie Perold en 'n nuwe advertensiebestuurder, mnr. Louw van der Merwe, is aangestel.

Ons weekblaaie het die afgelope jaar 'n beduidende verbetering getoon in sirkulasie sowel as omset. Al hierdie koerante – *Wes-Transvaal-Rekord* (Klerksdorp), *Die Noord-Transvaler* (Pietersburg), *Die Noordelike Stem* (Kroonstad), *Oos-Transvaler* (Witbank), en *Tempo* (Durban) – is toonaangewend en invloedryk in hul verskillende gebiede.

Finansieel beleef koerante 'n moeilike tyd, veral vanweë die algemene kostespiraal, en in die besonder die styging in die koerantpapierprys. Daarom dan ook dat koerantpryse verhoog moes word.

Samehangend hiermee, is die trae advertensieverdienste, wat vir die pers in sy geheel in 1978 met slegs R2,4 miljoen (1,6 %) gegroei het.

BOEKE

Ons boeke-afdeling het verbeter op verlede jaar se prestasie en weer eens 'n stewige bydrae tot groepwins gelewer.

Benewens geslaagde nuwe projekte van ons opvoedkundige uitgewery in verskeie provinsies, het die groeiende algemene uitgewery aandag getrek met geleentheids- en ander prestige publikasies. Internasionale samewerking met oorsese uitgewerye het toegeneem.

Die Perskor-prys vir Letterkunde is aan Bartho Smit toegeken vir sy drama *Die Keiser*.

Ons drie boekklubs en die regsuitgewery, Lex Patria, het ons publikasieprogram doeltreffend afgerond.

Ons eie gespesialiseerde boekdrukkery was verantwoordelik vir die produksie van al die boeke wat verskyn het.

Bemarkingsdienste is by bestaande boekwinkels uitgebrei en 'n nuwe kantoor is in Pietermaritzburg geopen.

Vooruitsigte vir die volgende jaar lyk belowend.

DRUKKERYE

Nieteenstaande geweldige kostestygings, het u drukkerye op kenmerkende wyse daarin geslaag om hulle produksiekostes goed onder beheer te hou. Ten spyte van feller mededinging het hulle sonder uitsondering gesorg vir groter opbrengste en verbeterde winste.

Die handelsdrukkery in Johannesburg het groot vooruitgang getoon in die kwaliteit van drukwerk wat

lope maande van ekonomiese onstabiliteit, daarin kon slaag om sy posisie te handhaaf en te verstewig.

SWART DIENSTE

Die verskeidenheid van bedrywighede in hierdie afdeling van u maatskappy is met goeie resultate beloon.

Educum en Varia, wat hulle toespits op opvoedkundige publikasies, het groter hoogtes as verlede jaar behaal toe vorige winsrekords oortref is.

King William's Town se drukkery het sy vorige beste prestasie geëwenaar. Umtata het egter alle verwagtinge oortref.

Die ander tuislandmaatskappye, Bovenga Press Limited en Ukhozi Press Limited, het besonder mooi gepresteer, en verdere aandeleuitgifte aan die burgers van die noordelike en suidelike tuislande is gedoen. In beide gevalle was die uitgifte drie keer oorvolteken.

Imvo, 'n Xhosa-weekblad handhaaf sy posisie as voorloper in hierdie mark.

VERSPREIDING

Ons verspreidingsorganisasie, Republikeinse Nuusagentskap, bedien steeds die grootste gedeelte van die land met 'n omset van ongeveer R34 miljoen. Daar word maandeliks 11 miljoen eksemplare van Perskor se publikasies by 8 350 afsetpunte verkoop.

Republikeinse Nuusagentskap het 4 500 persone in diens, waarvan 1 400 voltydse werknemers is en 3 100 deeltyds. Die bemarkingsafdeling wat deur middel van skoolseuns koerante verkoop, hanteer nog steeds 'n belangrike deel van die groep se koerantverkope.

Die verspreidingsorganisasie gebruik 526 voertuie vir die verspreiding van koerante en tydskrifte. Sedert die ontstaan van die brandstofkrisis, is die afstande wat afgelê moet word, verminder van 24 miljoen kilometer verlede jaar tot ongeveer 21 miljoen kilometer vanjaar.

Sedert Desember 1978 versprei Republikeinse Nuusagentskap *The Citizen* in sy geheel. Met die Verkryging van *The Citizen* het dit nodig geword om sy huisaflewering en straatverkoopaksie oor te neem.

Verspreiding is 'n duur bedrywigheid, waarvan kostesensitiewe faktore soos brandstof en ander vervoerkoste 'n belangrike deel uitmaak. Ons is voortdurend verplig om te beplan vir kostebesparings sonder om van wesenlike verkope daarvoor in te boet.

Daar is in verlede jaar se jaarverslag in die vooruitsig gestel dat daar pogings aangewend moet word om rasionalisasie te bewerkstellig tussen die verskillende verspreidingsorganisasies wat mekaar se bedrywighede in 'n groot mate dupliseer. 'n Ondersoek om so 'n rasionalisering te bewerkstellig, is op die oomblik aan die gang.

REPUBLIKEINSE PERS (EDMS) BEPERK

Ondanks die koms van handelstelevisie en aansienlik verskerpte mededinging deur Republikeinse Pers se vernaamste konkurrente op tydskrifgebied, het die maatskappy sy posisie as Suid-Afrika se grootste drukker en uitgewer van tydskrifte in die afgelope jaar meer as gehandhaaf.

[illegible]

70 % tot 70 % van die mark uitmaak. Wat die tydskrifte betref, kan ons met 'n mate van blydskap sê dat ons tydskrifte hoër en sterker staan as in enige tydperk vandat ons hulle besit. Die grootste waarvan ons weet vandag, is *Bona*, met 'n sirkulasie van tans net onder die 300 000 eksemplare.

Die Groep se winste is besonder bemoedigend, en daar bestaan geen twyfel nie dat dieselfde resultate herhaal sal kan word in die jaar wat voorlê.

Die volgende is nogal veelseggend wat advertensie-allokasie in Suid-Afrika betref. Die lesers van die Afrikaanse koerante is, volgens die opname van die Persunie, in 'n heelwat hoër inkomstegroep as die lesers van die Engelse koerante. Dan ook is meer as die helfte van die lesers van die Engelse koerante swartes, wat die koopkrag van hul lesers heelwat verminder. So is die *Rand Daily Mail* wat leserstal betref, meer as twee derdes swartes. Dieselfde, maar in 'n mindere mate, geld wat die Argus-Groep betref. Die volgende is 'n tabel wat verdere besonderhede oor die sterkte van die verskillende groepe toon:

	Totale sirkulasie	Inkomste uit sirkulasie
		R
Perskor	2 040 000	14 350 000
		15 940 000 (insl. ½e van Rapport)
Argus	1 000 000	10 260 000
	1 240 000	12 140 000 (insl. Rhod.)
SAAN	910 000	10 760 000
Nas. Pers	800 000	7 960 000
		9 560 000 (insl. ½e van Rapport)

As ons in aanmerking neem dat die dagblaaie wat deur die Perskor-Groep geproduseer word binne 'n taamlike kort afstand van die Witwatersrand-kompleks verkoop word, hoef ons nie veel verdere kommentaar te lewer nie.

Advertensies in die Engelse pers in Suid-Afrika beloop ongeveer R86 miljoen per jaar, terwyl die hele Afrikaanse pers 'n inkomste van om en by die R32 miljoen ontvang. In ons eie Groep is daar Engelse tydskrifte met 'n heelwat kleiner sirkulasie as Afrikaanse tydskrifte, maar wat heelwat meer advertensies dra. Ons het die rede hiervoor deeglik nagespoor en onses insiens is die rede dat die meeste adverteerders Engelssprekend is, sowel as die mense wat advertensiespasie toesê. Ons glo dat, indien die posisie bereik kan word waar alle persone wat gewone advertensieruimte koop, tweetalig kan wees, die posisie moontlik heelwat kan verbeter.

Dan ook is dit miskien nodig om iets te sê in verband met kontrole en besitreg wat die Perskor-Groep betref.

Perskor, wat sy beheer en beleid betref, word besit deur Die Dagbreektrust, waarin die volgende lede lewenslank benoem is: Sy Ed. dr. B. J. Schoeman, M. V. Jooste, Sy Ed. M. C. Botha, Sy Ed. dr. H. Muller, Sy Ed. J. H. Steyl, dr. T. Muller, dr. W. B. Coetzer, dr. W. van Heerden, J. J. H. Victor, J. M.

Ek behandel nou die Groep se uiteenlopende afdelings en bedrywighede.

KOERANTE

Perskor se vier Transvaalse dagblaaie – *Die Transvaler, Die Vaderland, Oggendblad, Hoofstad* en *The Citizen* – het 'n besondere plek op die Suid-Afrikaanse mark verower.

Hulle verkoop tans meer as 220 000 koerante per dag, oorwegend in die ekonomiese hartland, die Pretoria-Witwatersrand-Vaalgebied.

Dié posisie word nog sterker onderstreep wanneer daar aan die hand van die jongste Alle-Media- en Produksiestudie (AMPS) na die blanke leserstal gekyk word. Daarvolgens is die vyftal se totale blanke leserstal 1 114 000 per dag.

Die vier Afrikaanse dagblaaie se daaglikse blanke leserstal beloop 833 000, en in dié opsig beklee *Die Transvaler* 'n besondere posisie.

Die Transvaler is die Afrikaanse dagblad met die grootste aantal blanke lesers in die land. Wat Afrikaanse en Engelse dagblaaie saam betref, is dit die tweede grootste – alleen een Engelse middagblad oortref *Die Transvaler* wat blanke lesers betref. Die blad se blanke lesers is in der waarheid meer as die blanke lesers van al die Afrikaanse dagblaaie wat buite Transvaal gepubliseer word.

Die Transvaler en *Oggendblad* is ook die enigste Transvaalse koerante waarvan meer as die helfte van hul lesers meer as R700 per maand verdien.

Die Vaderland is die derde grootste Afrikaanse dagblad wat blanke lesers betref. Dit bly ook steeds die Afrikaanse dagblad met die hoogste indringing in die dig bevolkte stedelike komplekse van Johannesburg, Rand en Vaaldriehoek, wat dit advertensiegewys uiters gesog vir die kleinhandel, afdelingswinkels en kettinggroepe maak.

Hoofstad en *Oggendblad* bly nog steeds uiters gewilde advertensiemedia vir Pretoria se sakelui en lewer dus 'n stewige bydrae tot die ekonomiese welvaart van hierdie snel groeiende stad.

The Citizen is, sover dit blanke lesers aangaan, die tweede grootste Engelse oggendblad in Suid-Afrika en is slegs sowat 40 000 agter die grootste. Dit is ook in dié opsig die derde grootste Engelse dagblad in die land. Merkwaardig is *The Citizen* se groot getal Engelssprekende blanke lesers van 166 000 – en wel ten spyte van die negatiewe publisiteit wat dit ondervind het.

Daar is so pas belangrike bevorderings in die topposte van ons koerante aangekondig: mnr. H. Pakendorf as mederedakteur van *Die Vaderland;* dr. P. G. du Plessis as redakteur van *Hoofstad;* mnr. M. J. Human, redakteur van *Oggendblad* en mnr. A. S. Lake, redakteur van ons Kaapstadse buro.

By *Rapport*, waarin u maatskappy die helfte van die aandele besit, is daar vordering op die vorige jaar. Die steeds dalende sirkulasie van die laaste paar jaar is stopgesit. Wat leserstal betref, het *Rapport* nog steeds die meeste blanke lesers van alle publikasies in Suid-Afrika, 1 467 000, en ook die meeste Kleurlinge, 492 000 – iets waarop *Rapport* se personeel besonder trots is.

toerusting vir die maak van hoë-gehalte-kleurskeidings en litografiese vierkleur- en tweekleur-drukperse. Die fabriek spog ook met 'n geweldige toename in die aandeel van drukwerk uit die private sektor.

Die drukkery was suksesvol met die kontrak vir die druk van die Transvaalse en die Natalse telefoongids vir 'n tydperk van tien jaar vanaf 1981. Hierdie telefoongidse, wat tans ongeveer 80 % van die totale hoeveelheid vir die Republiek bedra, sal teen die aanvang van die kontrak weens groei en verdeling na raming in so 'n mate toeneem dat die verwagte omset aan die begin van die nuwe kontrak reeds gelykstaande sal wees met dié van die totale hoeveelheid telefoongidse wat tans deur u Groep gedruk word.

Ten einde steeds meer aktiwiteite te rekenariseer, is die rekenaar vergroot, op so 'n wyse dat dit na gelang van die behoeftes verder uitgebou kan word. 'n Belangrike deurbraak in hierdie rigting sal wees wanneer die geelbladsye van die telefoongidse binnekort gerekenariseer word.

Die settery in die koerantfabriek oortref die setvermoë van alle mededingers in die Republiek en set, behalwe 'n Sondagblad, daagliks vyf dagblaaie, waarvan twee koerante se bladsye met die modernste transmissiestelsels oorgesein word na Pretoria.

Die gebruikmaking van een sentrale settery het geweldige kostebesparings in die hand gewerk en die setkapasiteit verstewig.

Die handelsdrukkery in Pretoria is toegerus om enige mededinging of eise van die tyd die hoof te bied, en hoë verwagtinge word aan hierdie fabriek gestel.

Weens die geografiese ligging van die drukkerybelange in Durban, word tans nuwe projekte ondersoek met die oog daarop om ander vertakkinge waarin hierdie groep tans nog nie deel nie, by te voeg en die verskeidenheid van dienste verder uit te bou.

In Durban het die drukkery volgehou om sy hoë standaard van kwaliteitdrukwerk te handhaaf, te midde van 'n groter werklading wat meegebring is deur die groei van die tydskrifte.

'n Groot mylpaal sal binnekort bereik word wanneer die skryfbehoefte-fabriek hul eie gebou betrek. Hierdie fabriek se kapasiteit is ook versterk met die toevoeging van moderne toerusting.

Ook die koevertfabriek is gemoderniseer en staan sy plek vol in hierdie vertakking van die skryfbehoeftebedryf.

Met die toevoeging van moderne druktoerusting by die aaneenlopende skryfbehoeftefabriek, is 'n jarelange leemte aangevul. Te midde van strawwe mededinging, het hierdie fabriek hom reeds stewig ingegrawe in die bedryf. Hiermee tesame gaan die tjekdrukkery, wat steeds 'n voorloper bly in die produksie van tjeks wat deesdae aan baie streng spesifikasies en vereistes moet voldoen.

Om die plattelandse drukkerye uit te bou en te moderniseer, is 'n uitdaging van die tyd, en in hierdie opsig word daar reeds fyn beplan om tred te hou met die vereistes.

Hoewel daar steeds in u bedryf 'n groot tekort ondervind word aan die nodige vaklui, word die werksaamhede gekenmerk deur lojale werkers wat met vertroue hulle beste lewer, sodat u drukkerye in die afge-

sies waar stewig gevorder is: inkomste uit hierdie bron is met 11 % verhoog ten spyte van 'n massale R50 miljoen wat handelstelevisie uit advertensiebesteding opgeslurp het.

In die afgelope jaar het Republikeinse Pers 61 % van die land se totale advertensiebesteding in verbruikerstydskrifte na sy kant toe getrek.

Stygende koste van produksie (hoër prys van papier, ink, chemikalieë ensovoorts) en hoër verspreidingskoste het die maatskappy gedwing om die verkoopprys van sy vernaamste tydskrifte te verhoog. Desondanks en ten spyte van verskerpte pogings deur ons vernaamste mededingers, is daarin geslaag om deur die bank sirkulasies te verhoog.

Op hierdie gebied is skouspelagtige vordering gemaak deur die maandblad *Bona*, 'n tydskrif vir swartes, wat in vier tale gepubliseer word. Hierdie tydskrif het tans die hoogste sirkulasie van enige tydskrif in die Republiek – blank of nie-blank.

Republikeinse Pers publiseer tans altesaam 29 tydskrifte. Hiervan is 11 die land se vernaamste verbruikerstydskrifte, waarvan 360 uitgawes per jaar gepubliseer word.

Hierteenoor publiseer ons naaste teenstanders 156 uitgawes per jaar.

DANKBETUIGING

In die verslagjaar is die trustakte hersien en is 'n paar aanpassings gedoen. Op 30 Oktober 1978 is dr. W. J. de Klerk en mnr. J. M. Buitendag tot die trustees bygevoeg, en op 27 November 1978 is professor J. D. V. Terblanche, professor D. M. Joubert en mnr. A. J. Marais tot alternatiewe trustees verkies. Vir hulle dan wat bygevoeg is, my hartlike gelukwense en ek wil die hoop uitspreek dat ons samewerking lank en vrugbaar sal wees.

Sy Edele M. Viljoen is tot Staatspresident verkies en het bedank as trustee. Vir sy waardevolle dienste gelewer, wil ek hom opreg bedank. Mag sukses ook sy deel wees in die hoë amp waartoe hy geroep is.

Dit is vir my 'n voorreg om aan elkeen van die trustees en direkteure dank en waardering oor te dra vir hul besondere bydrae in die afgelope jaar as trustees, en ook as direkteure van die maatskappy.

Namens ons groep maatskappye rig ek 'n woord van groot-dank aan hulle in wie se diens ons ook staan, die besonder groot aantal lesers van ons boeke en publikasies oor ons hele land. Ons voel ons ook gedwonge om veral erkenning te gee aan die adverteerders, aan al ons klante, aan die skoolhoofde, aan die ywerige skoolkinders en hulle ouers wat weer eens hul deel bygedra het met die verspreidingsaksie van die koerante. Terselfdertyd ook my dank aan al die vriende oor ons hele land van wie die name nie genoem kan word nie, en wat moontlik ook onbekend is. Ek sou sekerlik my plig versuim as ek nie aan ons personeellede – blank en nie-blank – my diepste waardering uitspreek vir hulle lojaliteit en toewyding nie. Sonder hulle sou ons doelwitte nie bereik kon word nie.

M. V. JOOSTE
Voorsitter

Johannesburg, 31 Oktober 1979

CAXTON/ARGUS F.M 7/12/79

Suburban link?

(125)

Caxton's new controllers, Afmed's Terry Moolman and Noel Coburn, have wasted no time in making an impression — and in tightening their control on the group. Both are part of a consortium that has purchased former chairman Felix Stark's 20% shareholding; and not only were the interim results considerably better for the period to end-August, but they appeared but one month later.

Now, I understand that Caxton and Argus MD Hal Miller have agreed on terms for Argus to acquire a minority stake.

Just why, neither party was prepared to say at the time of going to press. What interests they have in common, however, tend to centre around suburban newspapers. Caxton already produces more than a dozen bi-monthly and weekly give-aways in the Johannesburg area. Also with its new R400 000 press, there is capacity to spare.

To take up some of the slack — Caxton has the capability to handle 18 000 tabloids an hour — Stark started the process of converting bi-monthlies to weeklies, and sought additional launches further afield.

For its part, Argus is believed to have been assessing the free distribution market for some time. Already it has been experimenting with drop-ins, or shopping guides, in some local areas of *The Star* such as Randburg and Sandton. Also, industry speculation has it that Argus is rather short of printing capacity and could usefully use Caxton's better distribution facilities.

One thing seems sure. The intensely competitive suburban give-away market is due for further rationalisation and, with Argus behind it, Caxton appears to be about to consolidate further its market leadership.

F.M. 14/12/79 195

TELETEXT

Watching big brother

George Orwell's "1984" predictions of electronic hegemony can hardly be regarded as science fiction any more. The world's first electronic publishing system — teletext — is fast becoming the "new medium" in Britain, Europe and the USA. SA is considering this new computer technology which is promising to revolutionise homes and businesses.

The ingenuity of a teletext system is that it's inexpensive and isn't restricted to electronic geniuses. It is merely an extention of two well established services — television and telephone.

Says Eric Starky, chairman of the executive committee of British Advertisers: "Teletext is the ordinary man's access to a virtually unlimited library of information." All that's needed is a modified television set and a telephone. The user dials the "data bank" or presses a remote control keypad similar to a pocket calculator. The index flashes on to the screen. Any page can then be called up.

The range of information the system can store and print is limitless. Stock market prices, theatre programmes,

he whites. The 'coloureds' have higher uses of death apart from cardiovascular men over 65 years of age, neoplastic cardiovascular disease in men 45-64 Clearly the rate of 5/1 000 which has t a similar pattern of mortality emerges ed.

fic mortality rates require emphasis. e incidence of the diseases in question, heir fatality rates, for example, a Tuberculosis will not only be influenced sease but also by improved prevention at ls of intervention which will consequent- herefore, the associated mortality.

hat although the calculation of rates is ince they take into consideration the ders of health care the actual numbers rticularly true for those groups which portion to the total population, for s old. The different demographic pro- l are presented in Fig. I, and this pro- ibution of whites and 'coloureds'. ch occurred between 1941 and 1970 are, ly, of relative unimportance.

eds' and whites are presented in Fig. 6. Africans[5], this is speculative and is eliability to warrant inclusion. Two been included: (1) e_o – the expectation expectation of life at 45 years of age. er expectation of life than men, and both whites and 'coloureds'. In fact, e_{45} 'coloured' females have a better s. What is perhaps of some concern is of life for males and females is widen- h the whites and the 'coloured' communi- arked in the latter for whom Male:Female has become 6,9 years in 1970. For whites increased to 7,0 years in 1970.

Both white and 'coloured' females have shown an increasing life expectancy at the age of 45, and although this has been small, it contrasts with the downward trend of both white and 'coloured' males.

Although it is apparent that the Expectation of Life at birth for the 'coloureds' has shown a marked improvement between 1941 and 1970, it is salutary to note that neither 'coloured' males nor females, at either e_o or e_{45}, have reached expectations of Life in 1970 which are as high as the whites were in 1929. What also gives some cause for concern is that although the expectation of Life cannot be expected to improve indefinitely, it would appear that the 'coloured' life expectancy is levelling off at a much lower age than has occurred in the white community.

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F.M. 14/12/79 (195) (232) (243)

CAXTON/ARGUS

Buying protection

The acquisition by Argus of a 30% stake in Caxton is, as foreshadowed in *Fox* last week, centred on the growing, but highly competitive, free distribution newspaper market. Caxton's joint MD Terry Moolman sees the link with Argus as basically a defensive manoeuvre, with several positive aspects.

He feels that Caxton will now not have to face a full frontal attack from, say, Saan or Nasionale Pers in the freebie market. "Very few will think even three times about competing with us," he hopes. He considers that with Argus' backing, albeit more psychological than material, Caxton will be in a better position to tackle other dailies such as the *RDM* "which is neither fish nor fowl and has no well defined market niche."

Argus is also to form with Moolman and other joint MD Noel Coburn, a marketing agency to sell advertising to blacks on behalf of *Post*, *Sunday Post* and Caxton-associated Afmed. Moolman figures that there is a lot of scope here since, although *Post* ranks third in daily circulation, it rates but 10th in advertising revenue.

For Argus, the attraction lies in getting an immediate and meaningful stake in the freebie market, plus the option to provide editorial, typesetting and printing facilities for out-of-town papers in the future. For this is how Moolman intends using Caxton's considerable printing capacity. "Once everything on the Witwatersrand is running smoothly, we intend branching out."

Caxton is obviously expecting circulations to balloon. A six-unit Goss Suburban printing press was installed recently, bringing the number of units to nine. These are running 18 hours a day, Moolman claims. Standing in a Stuttafords warehouse is a three-unit Harris, while in a recent deal Moolman arranged for delivery in six months' time of another six-unit Goss. This is more than enough to handle Caxton's six weeklies and five monthlies.

With the combination of selling advertising to the black market as well as to white suburban women, Moolman feels that he is on to a profitable pitch. One reason for his confidence is overseas experience, and the fact that he is highly critical of most local newspaper management. Drawing on experience gained at Republican Press under the Hyman brothers, he avers that "most daily newspapers appear to have an identity crisis. And they employ newspaper managers rather than publishers. Leave the editors to do the writing, and the owners to do the publishing."

Be that as it may, getting in on Caxton's act in difficult. Marketability is virtually *non est*. The controlling consortium of Moolman, Coburn and Argus now have 96% of the equity

John White

TABLE II

	WHITE		ASIAN		COLOURED		BLACK	
	[illegible]	[illegible]	Male	Female	Male	Female	Male	Female
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	49 2.1%	56 2.9%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	273 11.4%	212 11.0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	148 6.2%	66 3.4%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	772 32.3%	749 39.0%
Total [illegible]	9752 100%	7926 100%	1135 100%	804 100%	3114 100%	[illegible] 100%	2390 100%	1921 100%
[illegible] 319)	750 38.0%	287 42.4%	122 36.6%	28 26.9%	572 26.3%	161 24.7%	282 15.1%	59 18.2%
[illegible]	485 24.6%	104 15.4%	42 12.6%	13 12.5%	84 3.9%	18 2.8%	76 4.1%	11 3.4%
[illegible]	59 3.0%	41 6.1%	41 12.3%	2 1.9%	680 31.3%	167 25.6%	806 43.1%	89 27.5%
Total Accidents, Poisoning and Violence (E800–E999)	1973 100%	677 100%	333 100%	104 100%	2175 100%	652 100%	1868 100%	324 100%

* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision). See Ref. 13.

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MANUF. – Printing

1-1-80 – 31-12-80

SYMPTOMS AND ILL-DEFINED CONDITIONS

XVI

	W M	W F	A M	A F	C M	C F	B M	B F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	[illegible]
25-44	0,05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

C.T. 25/1/80 195

Paper prices increased by 14%

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Staff Reporter

THE South African Printing and Allied Industries Federation, representing printers and packaging manufacturers in South Africa, has announced a further substantial rise in the price of printed matter and paperboard packaging.

In a statement released yesterday, the federation said this was a result of wage increases and the rise in the price of raw materials.

The statement reads:

"The rise is inevitable as a result of wage awards made to employees in the printing and newspaper industry, which came into effect on January 1 this year, and rises in the prices of fine papers and newsprint, manufactured by Mondi Paper Company Ltd, Sappi Fine Papers (Pty) Ltd and paperboard produced by the South African Board Mills Limited.

"As from January 1980, the South African Board Mills Ltd have announced price increases of between 14 and 15 percent over the range of products manufactured by the mill, which are used widely in the packaging industry.

Increase in labour, raw material costs

"Sappi Fine Papers (Pty) Ltd and Mondi Paper Company Ltd have also recently advised price increases averaging approximately 14 percent on the various paper grades manufactured by their mills. In view of these increases in the cost of labour and raw materials to printing and packaging manufacturers, the price of their products will inevitably increase this year.

"The federation is concerned at the magnitude of these increases, particularly as the industry within the last two months has had to contend with a 6 percent rise in paper distributor's prices over a wide range of materials, which, it was claimed, was necessary due to the local paper mills changing their trading policies. The raw material supply position is consequently being actively investigated by the federation in order to protect the interests of buyers and consumers of printed matter."

	W M	W F	A M	A F	C M	C F	B M	B F
1-4	0,49	0,21	0,31	0,27	[illegible]	[illegible]	0,32	0,19
5-24	0,71	0,22	0,68	0,20	0,63	0,61	0,21	0,20
25-44	1,18	0,30	1,43	0,37	1,40	0,38	0,68	0,12
45-64	1,25	0,42	1,55	0,40	3,32	0,70	1,22	0,26
65+	1,26	0,71	1,34	0,91	2,89	0,76	1,10	0,31
ALL	0,95	0,33	0,95	0,29	2,19	0,90	1,02	0,53
NO.	1973	677	333	104	1,91	0,56	0,89	0,20
					2175	652	1868	324

ALL CAUSES

	W M	W F	A M	A F	C M	C F	B M	B F
0-1	21,76	16,18	40,44	27,11	133,70	119,02	91,30	88,18
1-4	1,17	0,94	2,42	2,39	17,22	16,21	10,23	9,93
5-24	1,05	0,46	1,31	0,74	2,26	1,25	1.64	1,12
25-44	3,02	1,47	4,33	2,48	8,80	4,96	4,78	3,70
45-64	17,46	9,49	26,27	18,72	24,27	17,87	18,06	15,57
65+	73,62	54,55	92,20	82,93	96,90	71,79	53,38	45,89
ALL	9,44	7,40	8,03	5,51	14,62	11,00	8,77	8,13
NO.	19600	15374	2828	1967	16632	12847	18348	13062

	W M	W F	A M	A F	C M	C F	B M	B F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,23
25-44	0,05	0,05	0,28	0,17	0,42	0,31	0,72	0,78
45-64	0,44	0,18	1,73	1,04	1,73	1,02	3,80	3,64
65+	1,84	1,95	8,32	6,56	8,55	5,71	14,69	14,84
ALL	0,22	0,23	0,56	0,38	0,83	0,65	1,80	1,96
NO.	463	485	199	134	943	761	3765	3145

XV

Star 30/1/80

Concern over paper rise

195

By Pieter de Vos

There is concern over the 20 percent rise in the price of printed matter and paperboard packaging since the end of last year.

The ripple effect could push up prices over a broad front — from breakfast cereals to cigarette cartons to books, magazines, letterheads, company statements and brochures.

South African Board Mills — major manufacturer of products widely used in the packaging industry — has announced price increases of between 14 and 15 percent for their range of products from January.

Sappi Fine Papers and Mondi Paper Company have also recently advised price increases averaging about 14 percent on the various paper grades manufactured by their mills.

These price rises are added on to a 6 percent rise in paper merchants' prices over a wide range of materials. It was claimed that the merchants had to push up their prices because the mills changed their rebate structures.

The Printing and Allied Industries Federation, however, is seriously concerned about the rises which are, according to Mr Jim Vivian, president of the Southern Transvaal branch, out of line with last year's rises of about 12 percent.

The federation does not want "to appear to be climbing in on a boom period," he says.

The federation hopes that its members will contain further price rises this year, he says, but there is no guarantee that they will.

	W M	W F	A M	A F	C M	C F	B M	B F
65+	1,26	0,71	1,34	0,91	2,19	0,90	[illegible]	[illegible]
ALL	0,95	0,33	0,95	0,29	1,91	0,56	0,89	0,20
NO.	1973	677	333	104	2175	652	1868	324

ALL CAUSES

	W M	W F	A M	A F	C M	C F	B M	B F
0-1	21,76	16,18	40,44	27,11	133,70	119,02	91,30	88,18
1-4	1,17	0,94	2,42	2,39	17,22	16,21	10,23	9,93
5-24	1,05	0,46	1,31	0,74	2,26	1,25	1.64	1,12
25-44	3,02	1,47	4,33	2,48	8,80	4,96	4,78	3,70
45-64	17,46	9,49	26,27	18,72	24,27	17,87	18,06	15,57
65+	73,62	54,55	92,20	82,93	96,90	71,79	53,38	45,89
ALL	9,44	7,40	8,03	5,51	14,62	11,00	8,77	8,13
NO.	19600	15374	2828	1967	16632	12847	18348	13062

PRINTING (195) FM 1|2|80

The small type

As printing equipment becomes more compact, many companies have taken to handling their own printing requirements in in-house print shops, claiming as much as a 40% saving.

It's a trend that's worrying the country's 1 600 commercial printers, and the SA Printing and Allied Industries Federation has begun an investigation into it.

"We have difficulty in understanding why companies are venturing into the business of printing their own printed matter" says Federation director Chris van der Linde. "We cannot stand aside and let the commercial printing indusry be eroded."

He cites a recent study done in the UK which shows that many in-plant printing machines are operating for 15 or fewer hours a week. The investigation also shows that 51% of firms operating in-plant print shop have no idea of the cost of their printing departments. The remaining 49% have never made a direct comparison with a commercial printer. "There is little doubt in our minds that a similar situation exists in SA," says van der Linde.

"There are not many industries where you have so many firms competing with each other and the result has been lower prices and better service."

Printers in the jobbing sector of the industry — those most affected by the increase in in-plant operations — have always operated on low profit margins. The Federation's figures show that one out of every five "jobbers" has a marginal loss, three out of five have a profit of about 5% on turnover, while only one in five makes a profit of 10-12% on turnover.

"Profits," claims van der Linde, "have remained pretty constant in the jobbing sector due to the large number of firms scrambling for the same amount of work."

Turnover figures show an average increase of 10% pa from 1975 to 1978 which is just about in line with inflation. But in 1977 the increase was only 2,2%. This can partly be attributed to the introduction of television, which hit print media.

While there are still 3 000 in-plant printers operating, there are moves to switch back to the commercial printer with at least three large companies shutting down their in-plant print shops.

Stewarts & Lloyds is one such company. Says financial manager David Price: "We discovered we had a management problem — it was a foreign business and we did not have the necessary management skills." Price claims that costs of replacement are enormous. "It's all very well having cheaper equipment but it takes a lot longer to get the work done," he says. "We decided to get the experts to do the job."

Theunis Kotze, financial director of Fowlers Construction agrees. While Fowlers still operate an in-plant print shop, Kotze says he is not convinced that inhouse printing is cheaper. He argues that operations "can become flabby as there is not the competition one finds on the open market."

EP News well up, but pegs div

195

RDM 22/2/80.

By ELIZABETH ROUSE

EASTERN Province Newspapers net profits are up 31,7% at the December yearend, but the final dividend has been pegged at 14c, making an unchanged total of 18,5c.

Estimated net profit is R669 000 against 1978's R508 000, equal to earnings of 41,1c a share compared with 31,1c earned in 1978.

A good yearend result was foreshadowed at the halfway stage by an 86% climb in taxed trading profit to R171 000.

The tax rate is lower because of investment allowances on EP News R2 700 000 electronic editing and production equipment and offset litho purchase. This provided tax relief of R155 000.

The capital programme accounts for the group's conservative dividend policy in the short term. Distribution should increase as soon as benefits of computerised printing start to pay off. Dividend yield is 8,8% on yesterday's market price of 210c.

Net trading profit increased by 8% from R478 000 in 1978 to R517 000 last year after deducting tax. Pre-tax profit was up from R832 000 to R901 000 — an improvement of nearly 8,3%.

The directors say the taxed profit for 1979 includes the benefit of R155 000 in tax relief for investment allowances on capital expenditure (R7 000 in 1978). If this item is deducted from the net profit, the result for the year is R514 000 compared with R501 000 the previous year, an improvement of 2,6%.

After allowing for R11 000 for preference dividends, the income attributable to ordinary shareholders is R658 000 (R497 000 in 1978), of which R296 000 will be paid in ordinary dividends, leaving R362 000 (R201 000 in 1978) in undistributed income to be carried forward.

EP Newspapers publishes the Eastern Province Herald, Evening Post and Weekend Post.

Saan makes resounding recovery in second half

(195) CT 26/2/80

By HOWARD PREECE

JOHANNESBURG. — South African Associated Newspapers made a resounding recovery in the second half of 1979 and has increased the final dividend from 25c to 37c to give a total of 45c (33c).

Operating profit for the year was up from R3 330 000 in 1978 to R4 506 000 in spite of the miserable first half when it was down from R1 008 000 to R611 000.

Saan owns the Rand Daily Mail, Sunday Times, Sunday Express, Financial Mail and Cape Times, controls Eastern Province Newspapers and has minority holdings in both the Pretoria News and Natal Mercury.

The rise in operating profit in the second half of last year from R2 322 000 to R3 895 000 was more than merely seasonal and showed a strong upturn in the economy as reflected in the growth of advertising.

Saan's net profit position is a little more complex.

Investment income dipped from R511 000 to R367 000. That drop was caused by the loss incurred by Robinson & Co (Pty), controllers of the Natal Mercury, because of a printing subsidiary that has now been closed down.

Investment allowances rose from R204 000 to R228 000, mainly because of the buying of electronic editing equipment by the EP News group.

In calculating earnings a share Saan has included a loss of R166 000 (1978 profit of R62 000) from the sale of hot metal plant made obsolete by electronic equipment.

That looks like a non-recurring factor that should be excluded from earnings but apparently it has been included in calculating the rise in earnings a share from 125c to 144c.

It seems that if earnings are calculated excluding that non-trading loss but also making all the various deductions for minorities, the figure still comes out to around 144c.

On that basis, however, the 1978 figure would certainly have been less than 125c so the published figures understate the real improvement last year.

Possibly the best indicator for 1979 is the rise in taxed trading profit from R2 363 000 to R2 994 000 — an increase of nearly 27%.

With all the sundries, however, net profit is estimated by Saan to have risen only from R2 423 000 to R2 784 000.

The chairman, Mr I G MacPherson, says profits in 1980 should "compare favourably with those achieved in 1979."

COMMENT. At 600c, up 64% since the beginning of 1979, Saan shares offer a historic 7,5% dividend yield covered over three times.

Even though the newspaper market is overcrowded this should be a good year.

Investment income must improve now that the Natal printing loss has been stopped.

But newspapers are not an easy business and one firm of stockbrokers has added Saan to a list of industrial shares reckoned to be over-priced.

There is, however, solid underpinning of net asset value.

Saan's fine rally — final rises to 37c

(95)

26/2/80 RDM.

By HOWARD PREECE
Financial Editor

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But newspapers are not an easy business and one firm of stockbrokers has added Saan to a list of industrial shares reckoned to be over-priced.

There is, however, solid underpinning of net asset value.

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Post 3/3/80

Injured worker 'laid off', fired

Mr Mashaba

MR PATRICK NYAKO MASHABA was injured on duty last month and two days afterwards was fired when he went to collect his weekly wages.

Mr Mashaba (21) of 1135 Mapetla, Soweto, was employed by Union Printers on October 12, last year. He was fired on February 15 this year.

Mr Mashaba told **Dignity Watch** his problems started on February 13 when his finger was injured. He said he went to a doctor who laid him off for a week.

"Two days later, I went to my employer and showed him the doctor's letter. I was also to collect my weekly wages. The owner of the company, Mr Natty King, did not want to listen to me and demanded my reference book.

"I give it to him. To my amazement, Mr King told me he was signing me off because there was no longer work for me.

"I felt bitter and humiliated by his action," he added.

Mr King told **Dignity Watch** Mr Mashaba was not injured "that much" that he could stay off from work for a week.

He said Mr Mashaba had a small bruise on his finger.

Mr King said Mr Mashaba was on and off from duty. He stayed away from work almost two weeks each time he had a quarrel with anybody at work.

He said he once fired him for this, but re-employed him after Mr Mashaba had promised to "behave" himself.

Black printers may now join union

Post 4/3/80

195

135

BLACKS may now become members of the South African Typographical Trade Union, the general secretary of the Satu, Mr E van Tonder, said yesterday.

Mr van Tonder said permission to incorporate blacks in the union that previously only provided for white, coloured and Asian workers in the printing industry was recently granted by the Department of Manpower and Utilisation.

"We are now going to apply for the amendment of the Union Constitution to effectively provide for the needs of all employees in the printing industry.

"We also want to open the benefit funds of the union and the Industrial Council to all workers who now qualify for amendment," Mr van Tonder said.

Printers union can now admit blacks

135

195

RDM 4/3/80

By RIAAN DE VILLIERS
Labour Correspondent

THE powerful SA Typographical Union has become one of the first registered trade unions to be given permission by the Government to open its ranks to blacks.

Disclosing this yesterday, Mr Lief van Tonder, general secretary, said the union would now aim at recruiting all blacks active in the printing industry.

Mr Van Tonder, who is also a senior office-bearer in the Trade Union Council of South Africa (Tucsa), to which the union is affiliated, said there were about 3 000 semi-skilled blacks in the industry and a "great many more" unskilled workers.

"At this stage we are not sure to which extent unskilled workers will join, but we will aim at recruiting all blacks eligible for union membership, whether semi-skilled or unskilled," he said.

The typo union is a registered mixed union with more than 20 000 white and coloured members, organised into separate branches under a white executive, as required by the Industrial Conciliaton Act.

In terms of the new exemption by the Minister of Manpower Utilisation, Mr Fanie Botha, the union can now also recruit blacks into a separate branch.

The union is only the second known to have been given such permission since the amendment of labour laws last year granting blacks registered trade union rights.

Mr Jaap Cilliers, Secretary for Manpower Utilisation, said last week that several unions had been granted permission to recruit blacks, but would not name them.

The other union known to have been given permission is the Iron Moulders Society of SA. Several other unions are waiting to hear the outcome of applications.

To become completely non-racial, unions have to apply for Ministerial exemption, which has existed since 1965 when the Industrial Conciliation Act was amended to prohibit the formation of new mixed unions and force existing mixed unions to separate white and coloured members into branches under a whites-only executive.

Mr Van Tonder said his union had not applied for such exemption, and would not say if it would do so in the future.

At present, the mixed union issue is viewed as "extremely sensitive".

195 FM 14/3/80

KOHLER

Solid performance

Activities: *SA's second largest printing and packaging group. Subsidiaries include Hayne & Gibson, Master Business Forms, General Packaging, Swisstool, Trident Plastics, Holdain Boxes, Union Corrugated Cases and TPI Cores & Tubes.*

Chairman: *B Landau; managing director: A G Crosby.*

Capital structure: *8,2m ordinaries of 50c. 225 000 6,5% cum prefs of R2. Market capitalisation: R86,1m.*

Financial: *Year to December 31 1979. Borrowings: long- and medium-term, R6m; net short-term, R3,4m. Debt: equity ratio: 26,7%. Current ratio: 2,1. Net cash flow: R7,4m. Capital commitments: R9,4m.*

Share market: *Price: 1 050c. (1979-80: high, 1 050c; low, 680c; trading volume last quarter, 77 000 shares). Yields: 12,0% on earnings; 5,8% on dividend. Cover: 2,1. PE ratio: 8,4.*

	†'76	'77	'78	‡'79
Return on cap % *	19,2	24,8	38,6	34,2
Turnover (Rm)	63,4	77,0	92,2	113,3
Gross profit (Rm)	8,9	12,0	17,3	17,8
Gross margin %	14,0	15,6	18,8	15,7
Earnings (c) *	50,7	79,3	119,9	125,7
Dividends (c) *	21	26	50	61
Net asset value (c) *	324	377	412	472

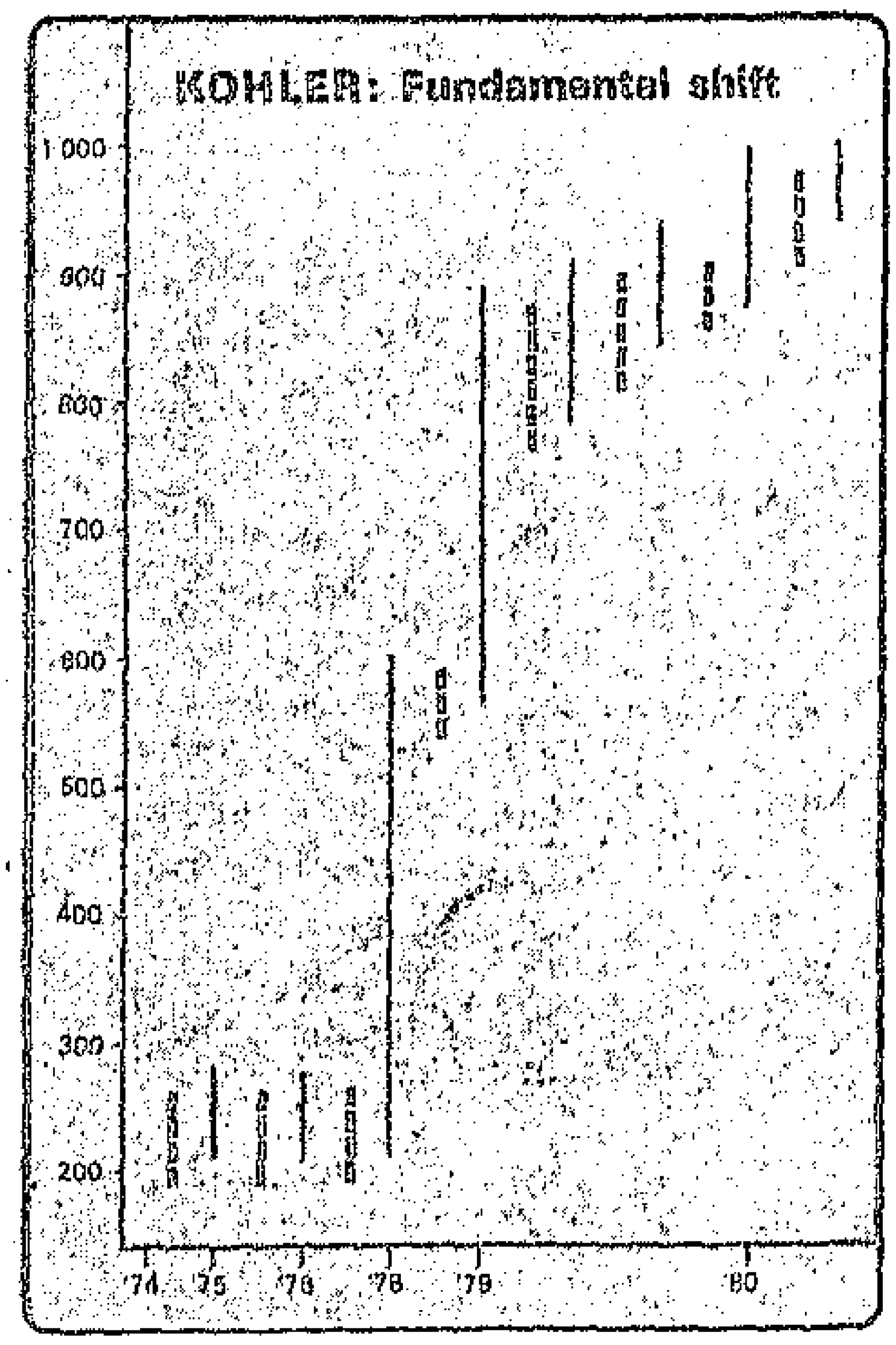
† Year-end June 30.
‡ Change to lifo.
* Figures for 1976 and 1977 adjusted for 1978 cap issue.

Before Lifo

	1978	1979
Return on cap %	38,6	39,9
Turnover (Rm)	92,2	113,3
Gross profit (Rm)	17,3	20,7
Gross margin %	18,8	18,3
Earnings (c)	119,9	146,0
Dividends (c)	50	61

"This year should be a very good one for Kohler Brothers," says chairman Basil Landau. After the results for the year to end-December 1979, this should please shareholders who have seen earnings nearly double in three years on a comparable basis. Profit growth in 1980 should easily surpass that in 1979. Not only will a buoyant economy lift demand, but greater rationalisation and expansion possibilities, and the tax benefits from substantial investment should further boost earnings.

Last year, Kohler joined the growing list of companies which have changed to lifo stock valuation in order to match more accurately costs and revenue. In this instance, the net effect of the change was to reduce pre-tax profit by R2,9m and taxed profit by R1,7m. Earnings before lifo were 146c and after they were 125,7c. Though the change meant a flattening of Kohler's growth curve, the saving in tax and the more realistic reflection of annual profit in times of inflation more than compensate for the less flattering record. By adopting lifo Kohler saved R1,2m cash



in tax — equivalent to 15c a share.

Last year's profit growth was largely organic. The acquisitions of Blopac and Tindale Plastic during the year added little to earnings and, with intense competition, both new and old, margins in the industry were under pressure. Kohler had to cope with unavoidable cost increases which it was not able to pass on, but in the second half of the year the group reported an improved profit margin of 17,6% compared with 17,2% in the first half. The gross profit margin (on lifo profit) was marginally lower at 18,3% (18,8%) for the year.

The two acquisitions strengthened Kohler's position in the rigid plastics business. Tindale was merged with Trident Plastics in the Western Cape, while Blopack operates in the Transvaal as a Swisstool subsidiary.

Though last year's 22,9% increase in turnover necessitated a larger asset base, Kohler's balance sheet remains sound.

The group has little gearing with R10,5m (R9,3m) total borrowings. These could be repaid from less than two years net cash flow. The current ratio was held more or less steady at 2,1 times, despite the change to lifo which reduced the value of year-end stocks by R2,9m. Had fifo valuation been continued, year-end stocks would have risen to R18,4m (R16,1m), indicating to some extent the expected increase in business this year.

Besides the brighter economic prospects, which should keep demand growing, and a better agricultural season, shareholders should benefit from the R16m expansion and capex programme for 1980. Not only will new products boost demand, but significant rationalisation benefits and tax concessions should enhance earnings this year.

Overall, the packaging market again looks set to be a solid performer this year and Kohler, with its wide range of products and services and strong track record, is well placed to take advantage of the upswing.

Dividend prospects are also bright. Last year 61c was paid to give an unchanged 2,4-times cover on fifo profit, a cover which should be maintained this year. Since the annual results and the announcement of a change of lifo, the share price has remained on the 1 050c high to yield an historic 5,8%, despite weakness in the industrial market. The share rates a firm long-term hold.

Des Kilalea

DATES TO REMEMBER

Last day to register dividends:
Friday March 21: A Lipworth 5c; Alexhow 6,2c; BTR 19c; Berkshire 7c; Diroyal 5c; E Haddon 21c; Liberty 58c; Libery Hold 12c; Rhodesian Corp 1,04c; Robbs 4c; SAAN 37c; Samancor 70c; Shulton 18c; Stanbic 25c; Textile Mills 2,97c.

Meetings:
Tuesday March 18: Brick & Clay; Otis.
Wednesday March 19: Federale Mynbou; General Mining.
Thursday March 20: Osborn.
Friday March 21: Hunyani (Z Rhodesia); Protea Hold; Shulton.
All meetings are in Johannesburg unless otherwise stated.

Allied agrees to talks with union men

RDM 15/3/80 ~~139~~ 195

By STEVEN FRIEDMAN
Labour Reporter

A POTENTIAL confrontation between the management of Allied Publishing and the company's newspaper vendors and drivers appears to have been averted.

The company has agreed to meet representatives of the unregistered Commercial, Catering and Allied Workers' Union, together with union shop stewards, in order to discuss a range of issues, including worker grievances.

Last weekend a meeting of Allied workers gave Allied until today to agree to a meeting with union officials and worker representatives.

A statement issued after the meeting said Allied workers would not meet management unless union representatives were present. They said they feared Allied was trying to revive their defunct liaison committee. Allied has denied this.

Union officials warned at the time that "the situation could become very serious" if management did not agree to such a meeting.

This week, Allied agreed to a meeting and has sent the union a proposed agenda which includes the question of worker grievances.

Workers are due to meet today to discuss this development.

The union's general secretary, Mrs Emma Mashinini, told the Rand Daily Mail yesterday that union membership at Allied has risen sharply in the last week.

Meanwhile, negotiations between Allied and the union, aimed at securing a recognition agreement between the two parties, ran into a snag yesterday.

The Institute for Industrial Relations (IIR), a joint labour-management body which is advising Allied in the negotiations with the union, and which had agreed to audit the union's membership records to determine how many members it has at Allied, decided not to go ahead with the audit.

In a letter to the union, the IIR said the relations between it and the union were such that it feared the union might not accept that its audit was impartial.

Mrs Mashinini said she was "surprised" by the letter. "I know of no incident which could have led them to take this step," she said.

No IIR spokesman was available for comment yesterday.

259

Info link 'wasn't known'

RDM 20/3/80

195

Political Reporter

THE ASSEMBLY. — The Department of Community Development has spent R10 200 since April last year buying books from a publishing company that was linked to the Information scandal.

This was revealed in Parliament yesterday by the Minister of Community Development, Mr Marais Steyn, in reply to a question by Mr Harry Schwarz, PFP Yeoville.

Mr Steyn said 1 000 copies of a book entitled "Community Development, the South African Scene", were bought at a cost of R10,20 each from Chris van Rensburg Publishers.

The Erasmus Commission investigating the Information scandal found that the company "colluded" with Dr Eschel Rhoodie in pretending that copies of Info-commissioned books were ready when they were not.

The Erasmus Commission also mentioned "puzzling correspondence" between Mr Van Rensburg and Dr Rhoodie, designed to disguise the fact that the company was being paid from secret funds.

The Department of Information also carried R30 000 losses the company sustained on Info-commissioned projects.

Mr Steyn said his department was not aware of the company's connections with the former Department of Information when Chris van Rensburg Publishers offered to publish a book in conjunction with his department.

The department later bought 1 000 books at R10,20 each from Mr Van Rensburg.

RDM 22/3/89 (195)

Caxton not linked with Citizen paper

IN A report in the Rand Daily Mail on July 16, 1979, we speculated that the suspension of Caxton shareholding was linked to a deal in which the Citizen newspaper would be sold to Caxton Limited.

This report was erroneous. It has been established that the suspension of Caxton shares was due to Afmed (Pty) Limited taking control of Caxton Limited, and had nothing to do with the Citizen newspaper.

Afmed (Pty) Limited has issue[...] never in the past been connected with the Perskor organisation, and has never sold space for or on behalf of Perskor or any of its subsidiaries.

South African Associated Newspapers regrets any inconvenience that this report may have caused.

Caxton Limited has expressed to the Rand Daily Mail its regret for the intemperate language used by it in correspondence relating to this

STU13-9 EXAMINATION RESULTS IN FACULTY ARTS AS AT 29 02 80

13010 BACHELOR OF ARTS YEAR : 1

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SY
~~152163V~~	~~VAN NIEKERK~~	~~MURIEL DIANNE~~	~~107101~~	~~ENGLISH I (PRE-1980)~~	~~3N~~
159757Z	VAN WAGENINGEN	ANNEMARIE	107101	ENGLISH I (PRE-1980)	3
~~155815P~~	~~VISSER~~	~~ANNELIZE~~	~~107101~~	~~ENGLISH I (PRE-1980)~~	~~2~~
153767N	WACHER	GUY STEVEN	115102	FRENCH INTENSIVE	UP
~~160780L~~	~~WESSELS~~	~~CHARLENE~~	~~107101~~	~~ENGLISH I (PRE-1980)~~	~~3N~~
158400Z	WHITAKER	ANDREW	909105	GEOLOGY IA (HALF COURSE)	UP
~~115228Y~~	~~WHITING~~	~~ROBERT GEORGE CURZON~~	~~107101~~	~~ENGLISH I (PRE-1980)~~	~~3N~~
157399L	WILLSHER	MELANIE GABRIELLE ROSANNE	115101	FRENCH I	UP
~~154408K~~	~~WOLFE~~	~~ANGELA KILWARDEN~~	~~003101~~	~~SOCIOLOGY I~~	3
			004101	PSYCHOLOGY I	3
			103202	SOCIAL ANTHROPOLOGY I(PRE 1	3
			107101	ENGLISH I (PRE-1980)	3N
159697J	WOOD	NICHOLAS	107101	ENGLISH I (PRE-1980)	3
155858L	WYNGAARD	GAVIN WILLIAM ERIC	103202	SOCIAL ANTHROPOLOGY I(PRE	1UP
			~~115101~~	~~CULTURAL HISTORY OF W.E. I~~	~~UP (-50)~~

* TOTAL NUMBER OF STUDENTS 137

---------------------------- DEAN

---------------------------- REGISTRAR (ACADEMIC)

UCT

Kompeprint

PUBLISHING 145

Faulty figures?

Jan 28.3.80

The All Media and Product Survey, from which press and magazine readership figures are derived, is under fire again.

Big-selling SA magazines in the AMPS '79 survey are shown to have just over 20% more readers per copy than the average for comparable magazines elsewhere in the world.

The AMPS over-estimate is reckoned to range from 38% for the *Argus* to almost 400% for *Farmer's Weekly*.

Reader's Digest is shown to have 77% more readers in SA than the world-wide average. *Family Radio & TV* and *Radio & TV Dagboek* have three to four times the readers per copy than similar magazines elsewhere.

Claude Heiman, market research manager of the *Reader's Digest* says he suspects the sample survey "never got its results accurately. They've developed statistics from language. This is not precise, answers are often misinformed. What needs to be done is that questions should be worked to a new formula."

Ad agency Grey-Phillips media director Adriaan de Buck adds, "Agencies have long suspected readership figures are abnormally high."

He suspects the wording of AMPS questions is "clumsy and nebulous. The holes in the filter questions are fairly big." He does not think circulation is reflected in readership trends.

"AMPS cannot be regarded as gospel. We view the figures with circumspection." Readership figures are "downweighted at least 30% on the TV and radio magazine, about 20% for some others."

The nub of the problem appears to be the suggestion that copies of newspapers and magazines are passed on to other families, thus giving high readership figures.

Rubbish

Says Noel Coburn, joint MD at Caxton: "The suggestion that the *Sunday Times* for example is passed over the back fence to three or four neighbours is rubbish. I don't know of any real life situation where it happens. It doesn't exist."

The figures can't be validated, he says. "The people who are paying for the survey want big answers. The questions are worded in such a way as to give high answers."

An outraged Wally Langschmidt, head of Market Research Africa (that researches AMPS) says, "There's nothing wrong with the survey. They're talking bull. If readership questions are narrowed down to pure reading, the audience reduces by 30% to 40%.

"When the question is expanded to offer the option about reading or paging through, we found it rose 50%.

"The former president of the Advertising Research Foundation in New York said the biggest single evil in media research is the quest for large numbers. He's right."

The Technical Committee of the SA Research Foundation meets at the beginning of April. Langschmidt says all available variables have been cross-tabulated against each other and he thinks the committee will be able to sort out problems to satisfaction.

Says Heimann: "The crunch comes from the way figures obtained are massaged through the computer. In a sample survey you always get problems. One wrong response accounts for a representative 2 500. Incorrect responses can account for this crazy readership per copy. Ultimately they will have to be more realistic about the data."

He says the method of questioning is fairly standard world wide. "But in Europe and particularly in Germany they use a different statistical model to downweight readership. Further testing is clearly required to arrive at the best methodology."

KNOWLES ROLLS ON

The Pinetown-based Knowles group of stores has concluded another Cape deal in pursuit of its plans to go national. It has bought the Knysna Spar franchise holder, Cash-in Supermarket, for an undisclosed sum. Last year it acquired stores in Somerset West, Paarl and Edenvale and now has 18 stores in all provinces except the Free State. Director Stuart Sampson says the group will be spending R1,5m on providing and fitting out shopping space at Knysna and expects the acquisition to boost group turnover to R40m a year. Percy Frederick has been appointed regional director and will move to the Cape later this year.

Argus buys 25 percent stake in Hortors

~~232~~

Star 2/4/80

195

By Colin Campbell

The Argus Group has bought a 25 percent plus stake in Hortors.

The chairman of Argus Printing and Publishing, Mr L E A Slater, announced this morning that Argus decided that a shareholding in Hortors, operating as it does in the printing and publishing field, was a sensible investment. The stake cost roughly R2,25m cash.

Argus acquired its interest through the stock market, and is now probably the largest single shareholder in Hortors. However, it is understood that Argus, by virtue of its market acquisition, will not have to make a similar offer to acquire other shareholders' interests.

155C A SHARE

When the Abramson-Pegg interest in the Hortors group was unwound following the Information scandal, their interest in Hortors was placed privately with local investors and institutions. The placing initially ensured that no individual shareholder controlled 20 percent or more. Since then parcels of shares have become available on the market, and Argus has been a buyer. Hortors closed on the JSE last night at 155c a share.

In his statement this morning the chairman of Hortors Limited, Mr J M Parrington, said that "during the past two weeks the volume of the company's shares traded on the Johannesburg Stock Exchange has been well above normal.

"Shareholders are advised that The Argus Printing and Publishing Company Limited has notified the directors that they have made an investment slightly in excess of 25 percent of the issued ordinary shares of Hortors Limited."

12c DIVIDEND

The question of Argus boardroom representation on the Hortors board by virtue of its stake has not been considered yet.

Argus recently acquired an effective 30 percent stake in Caxton Limited, and its latest purchase takes it yet further into the printing/publishing industry.

Hortors' main operating divisions include Kalamazoo Business Systems, Sparham and Ford, Kiley Baker, Cape and Transvaal Printers and other print and packaging interests.

Hortors recently forecast net earnings of 22c a share for 1980 and a dividend of 12c a share. Total capital employed at last balance sheet date was R7,88m.

Perskor earnings boost

(135) Star 3/4/82

Perskor improved its earnings by 18,2 percent to 152,6c a share in the six months to December.

The company said results show a steady growth, and for the rest of the year, it is expected that the results of the previous year will be at least equalled.

De Afrikaanse Pers earnings improved from 33,12c to 39,17c a share. It derives its only income from a 84,85 percent of assets of Perskor.

Vaderland's earnings improved from 10,42c to 12,32c in the six months. Its income is derived from a 44,44 percent share in Afrikaanse Pers.

Vendors negotiate big pay increase

STAR 11/4/80

Allied Publishing signed a wage agreement with the Catering and Allied Works Trade Union, yesterday, ending a dispute over newspaper vendors' pay.

The new agreement will come into effect next week, after weeks of negotiation. The increases affect 2 000 workers in the Transvaal and Orange Free State.

Manual labourers who are presently started at R24 a week will now receive a 33 percent rise to R32 a week.

Vendors in suburban streets will now get R38 a week and main street sellers and sub sellers R50 a week.

Drivers will receive R35 to R50 a week regardless of the distance they have to travel.

Roundsmen — sellers who deliver on bicycles — will get R10 rises, to R38 a week.

Drivers and roundsmen were dissatisfied with the increases.

Bookseller denies the 'rip off' in the local book industry

RDM 11/4/80 (195)

HAVING read the article "The Big Book Rip-off" (RDM Apr 2) and the claim made by your reporter of the exorbitant profits being made in the retail book trade, I feel compelled, in the interests of my company particularly, and the book trade as a whole, to correct the many inaccurate and misleading statements made in this article.

Mr Saunderson-Meyer states that the Board of Trade committee found that "monopolistic conditions existed in the trade to the *detriment* of the buying public." In fact, the recommendation of the Board of Trade read as follows: "After careful consideration of the possible advantages and disadvantages ... the Board came to the conclusion that *on balance such an exemption is no longer justifiable in the public interest.*"

Again quoting from the Board of Trade report, your reporter states that the index for *reading matter and stationery* rose the most, viz by 133,1% — as can be seen this figure includes stationery. The price index for *books only* rose during this period by 91,6% due to increased importing costs and higher published prices and not to higher gross profits.

Booksellers, your reporter states, celebrated the academic year with a 5% price increase but he omits to say that the 5% price increase was only in respect of the British imported book and not on any other imported or local publications. This price increase of 5% was forced on ABSA by a massive increase in freight rates from the United Kingdom from January 1, of 22½%. There was also a strengthening of the pound sterling against the rand.

I think, in fairness to the Book Trade, it should be pointed out that, during the past 18 months, four new price schedules have been introduced.

These schedules have been introduced as and when the pound sterling strengthened or weakened against the rand and import charges increased or decreased. At the present moment the Council of ABSA is preparing a new schedule of retail prices for imported books, due to the withdrawal of the 7½% surcharge and the weakening of the pound against the rand.

Paper-backs: Your reporter says the "Mail" investigation showed profit margins on paperbacks imported from Britain range between 98% and 108%. Presumably, the bookseller is supposed to be making this profit. For your reporter's information, the South African selling price of popular paperbacks published in the UK, such as Pan, Fontana, Granada and other series, is fixed by the South African branch of the publishers concerned or their wholesaleing agents in South Africa. Booksellers are supplied at the South African selling price, less a discount of 33⅓% only — a far cry from the profit of 108% as alleged in the article.

Booksellers supply books to Provincial and City Libraries throughout South Africa at the British published price, converted at the daily rate of exchange, less a discount. Obviously, in supplying on these terms, the profit margin is greatly reduced.

As far as University textbooks are concerned, your reporter assumes all university textbooks are imported direct by the local bookseller. However, the majority of university textbooks are either published locally or are prescribed books which are stocked in the overseas publishers' local warehouses and are supplied to the local bookseller at South African selling price less a discount of 30%-33⅓%. Large overseas publishers who have local warehouses are McGraw-Hill, Prentice-Hall, Collier Macmillan and Macmillan UK. Textbooks published locally, used more and more in South African universities, are supplied to the trade at the South African selling price, less 25%-30%.

From the above points it can be seen that the Book Trade is a most complex organisation and it is only by having retail price maintenance that an efficient book trade can exist at all. — **J E CALDER, Director, Juta and Company Ltd, Johannesburg.**

WILLIAM SAUNDERSON-MEYER replies:

• Finding of the Board of Trade and Industries (BTI): the board found as long ago as 1964 that monopolistic conditions existed in the book trade. In December 1967 the BTI reported that resale price maintenance (RPM) was not in the public interest. It is thus not unreasonable to infer that the recommendation of the BTI that RPM not be allowed in the book trade was because the monopolistic conditions existing in the trade were to the detriment of the buying public.

• Consumer price index. It is true book prices increased in the period 1970-76 by "only" 91,6%, but it is not mere speculation by *Juta's that the reason* for this was increased import costs and higher published prices? From the investigation of the BTI it seems possible that the fault lies with lack of efficiency and competitiveness in the trade.

• Price increases: As stated in the article, most English books are imported from Britain, thus the 5% increase affects the largest category of books for sale. With such large profit margins on imported books, a finding unchallenged by the trade, it is surprising the booksellers did not absorb the increase — especially considering the finding of the BTI.

• Paperbacks and university textbooks: It is immaterial whether the excessive profits are being made by the booksellers or the SA agent running a "closed market". The point is that if it were not for RPM a bookseller could sell any book at a price lower than that determined by the Booksellers' Association. It is interesting that none of the booksellers who believes that books cannot be sold for less, is willing to allow renegade booksellers to bankrupt themselves by cutting prices.

STAR 14/5/80 195

COBOL-

Argus pays 150c —outlook good

By Colin Campbell

Argus Printing and Publishing reports a small drop in net earnings for the 12 months ended February, but is raising its final dividend by 20c a share and is looking for a better earnings performance in 1981.

The earnings setback is in line with chairman Mr L E A Slater's warning in his last annual statement when he said "overall group earnings are expected to decline."

The welcome surprise is that Argus has raised its final dividend to make a year's payment of 150c.

In the previous year Argus paid a final dividend of 75c a share, an interim dividend of 55c a share and added a bonus payment of 20c a share. But the 20c payment was clearly marked "non-recurring," so the group is now effectively consolidating that bonus payment.

COSTS

Trading income was marginally lower at R12,38m, pre-tax income was down from R13,41m to R13,36m, and attributable net income slipped from R6,71m to R6,51m.

Net earnings turn out at 457c a share, against 471c a share previously, and cover the 150c a share total payment 3,05 times.

Though Argus advanced on the advertising and circulation revenue fronts, these respective gains were more than offset by increases in the cost of newsprint and other expenditure. The result was that newspaper profits were lower.

ADVERTISING

As previously reported, CNA Investments did very well in the year to February with sales up by 23 percent and net earnings 56,7 percent higher. But for such a good performance by CNA, Argus might well have reported even lower earnings.

But the outlook contains hope.

Mr Slater and managing director Mr H W Miller say in their joint statement that higher earnings are expected from Argus newspapers this year.

Under the lead of the March Budget, consumer spending has already increased. Advertising demand is therefore expected to continue improving and this, together with tariff increases, should result in higher newspaper revenue.

NEW PRESSES

Argus still faces "a heavy rise in the price of newsprint and appreciable increases in other costs," but as newspaper revenue is set to rise because of the improved economy (from which CNA will also benefit) overall group earnings should be higher come end February, 1981.

Argus says that planned capital expenditure at year-end amounted to R21,91m (R2,86m previously). The bulk of this is for new presses, but about R15m of the planned expenditure is not due for payment until after the end of 1980.

The decision to declare a firm final dividend of 95c rather than maintain last year's final payment of 75c and add in another bonus, would seem to underline the board's hopes for an improved performance on the newspaper front in the current year.

As CNA stands to benefit from higher consumer spending, and Argus per se is expected to de better, the current dividend yield at 7,89 percent is not without attraction.

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ONTROL-BREAK
TROL-BREAK
TROL-BREAK
RENT-POSITION
RENT-TARGET
RENT-SOURCE
EST
            ELSE
                MOVE ' IRRESOLVABLE LOGIC CONFLICT'
                    TO PRINT-LINE
                GO TO ERROR-EXIT.
      *
      *
       UPDATE-CURRENT-POSITION.
           MOVE CORR-SYL-POSITION OF SORT-FILE TO CURRENT-SY
       UPDATE-CURRENT-TARGET.
           MOVE TARGET-CORR-SYL OF SORT FILE TO CURRENT-TARG
       UPDATE-CURRENT-SOURCE.
           MOVE SOURCE-CORR-SYL OF SORT-FILE TO CURRENT-SOUR
      *
      *
       SOURCE-CONTROL-BREAK.
           MOVE CURRENT-SOURCE-SYL TO SOURCE-CORR-SYL OF SO
           MOVE TOTAL-SOURCE-CB TO TOTAL-OCCURRENCES OF SOU
           MOVE TOTAL-TARGET-RECS
               TO NO-OF-TARGET-RECS.
           WRITE SOURCE-RECORD.
           MOVE ZERO TO TOTAL-POSITION-RECS
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ARGUS FM 23/5/80 (195)

Flat earnings

Argus Printing & Publishing has reported an almost unchanged profit for the year to end-February. But with 1979's 20c bonus dividend now included in the normal distribution, it seems that the group is more confident about the future, and chairman Layton Slater claims that "Argus is back in the saddle."

At the pre-tax level, profit slipped to R13,3m (R13,4m) while taxed earnings shaded to R6,5m (R6,7m). A heavy rise in newsprint costs was partly to blame, and this was compounded by the fact that the group lagged others in raising newspaper prices. However, the directors expect advertising volumes to continue to rise and with increased tariffs, to improve earnings this year.

The marginal fall in taxed earnings to 457c (471c) arose despite an improved performance by 51%-owned CNA Investments. Its R1,6m (R1m) contribution to Argus' results translates to 117c (74,8c) an Argus share. Hence, the taxed contribution of the rest of the group fell to 340c (396c), due mainly to lower newspaper earnings.

Last year, Argus bought a 30% stake in Caxton, publisher of give-away suburban newspapers, and a 25% interest in Hortors, another printing and publishing group. Planned capital expenditure for this year is R22,8m (R2,9m) largely for two web-offset presses for *The Star*.

In spite of the marginal downturn in earnings, a final dividend of 95c was declared, bringing the total for the year to 150c. This compares with the previous year's 130c plus a 20c non-recurring bonus. The directors seem confident of being able to maintain the higher level of payout this year. At 1900c, the share yields an historic 7,9% compared with a 6,7% sectoral average. But until marketability is improved — possibly through a share split — the share will probably remain unexciting.

Fiona Halse

Argus-Saan look at print-sharing

STAR 30/5/80

175

By Colin Campbell

Argus Printing and Publishing and South African Associated Newspapers have commissioned an investigation into the feasibility of sharing printing facilities for their publications on the Witwatersrand, Mr L E A Slater, the Argus chairman, says in today's 1980 annual report.

The investigation should be completed later this year.

As said at the time of the preliminary year-end report, Argus is expecting a better year ahead, despite a heavy rise in the price of newsprint and appreciable increases in other costs.

The recent Budget has already led to increased consumer spending, advertising demand is expected to continue improving and higher newspaper revenue should follow.

In addition, CNA is expected to do well.

As announced Argus's net earnings for the year ended February were 2,9 percent lower at 457c a share, and would have been lower still but for the good performance at CNA.

Newspaper and printing contributed 76 percent against 85 percent previously to income, with CNA and related activities making up the balance of 24 percent against 15 percent previously.

OFFSET

Mr Slater says newspaper revenue increases were more than offset by the rise in costs — raw materials rose by no less than 27 percent — and profits at The Star, The Argus, and The Daily News and Sunday Tribune were lower than previously.

Pretoria News did particularly well to achieve a record trading profit, while Diamond Fields Advertiser and The Friend incurred losses, as did Post Natal.

Cape Herald and Ilanga were again profitable and there was a very encouraging return to profitability by Post Transvaal and Sunday Post.

After the earlier gains newspaper sales were generally maintained during the rest of the year — the eventual increase in selling prices having little or no effect on circulation.

These increases resulted in a 10 percent rise in circulation revenue.

Argus recently acquired a 30 percent stake in Caxton, but while no immediate impact on group earnings is expected, in the medium to long-term this should be beneficial and very well worth while.

And since year-end Argus has bought an approximately 25 percent stake in Hortors. A satisfactory though not material contribution to earnings, is expected in the short-term.

Group commitments total R22,7m at balance sheet date, of which R8,3m is expected to be spent in the current financial year.

There is no mention in the report about possible further price increases, but following this week's announcement that the Rand Daily Mail is going up to 25c a copy, can Argus be far behind?

Because of the chairman's hopes on the earnings front, Argus's total distribution of 150c a share certainly looks maintainable covered 3,1 times.

The decision to consolidate the previous 20c a share bonus certainly suggests faith, and if newspaper profits under a more buoyant economy do pull ahead, and as CNA is doing well, there may even be room for a modest increase.

All things considered, the current dividend yield of 7,9 percent is not without attraction.

RDM 31/5/80

(195)

Argus, Saan look at joint works

Financial Reporter

ARGUS Printing & Publishing and South African Associated Newspapers have commissioned an investigation into the feasibility of sharing printing facilities for their publications on the Witwatersrand, says Mr L E A Slater, chairman of Argus, in the groups's annual report.

The investigation should be completed later this year.

Saan owns the Rand Daily Mail.

Mr Slater says Argus expects a better year in spite of a heavy rise in the price of newsprint and appreciable increases in other costs.

The Budget encouraged increased consumer spending and advertising demand is expected to continue to improve and higher newspaper revenue should follow.

CNA is also expected to do well.

Mr Slater says that newspaper revenue increases last year were more than offset by the rise in costs — raw materials rose by 27% — and profits at some newspapers were down on the previous year.

After the earlier gains, newspaper sales were generally maintained during the rest of the year, the eventual increase in selling prices having little or no effect on circulation.

195 5/6/80

STAR 5/6/80

Printers get pay increase

195

~~346~~

The National Industrial Council of the Printing and Newspaper Industry has negotiated a new wage agreement for two years from January 1981.

The agreement, which affects about 21 000 workers throughout the country, was negotiated in Durban this week.

In the first year it gives skilled and semi-skilled workers an increase of 15 percent in the basic rate.

Factory aids (labourers) will receive an increase of 17,5 percent.

Those workers who at present earn more than the minimum rates will receive a pay packet increase of R10 a week for skilled workers, R5 a week for semi-skilled workers and R2,50 a week for factory aids.

The same monetary increases will be given in the second year.

The chairman of the Industrial Council, Mr Hal Miller, said today improvements had also been achieved in the benefit funds of the council, especially with regard to the pension fund.

EP News lower, holds interim

(195) RDM 18/7/80

Own Correspondent

PORT ELIZABETH. — Income attributable to ordinary share holders in Eastern Province Newspapers for the six months to June dropped from R165 000 last year to R150 000 this year, but the directors have maintained the interim dividend at 4,5c.

Eastern Province Newspapers publishes the Eastern Province Herald, Evening Post and Weekend Post in Port Elizabeth.

Earnings an ordinary share fell from 10,3c in the first six months of last year to 9,4c a share in the same period this year.

The directors say circulation and the volume of advertising improved compared over the corresponding period last year, but operating costs, particularly newsprint and labour, were significantly higher.

They warn that the cost of newsprint has again increased from this month and because of the higher level of overall costs compared with the previous financial year, it is expected that the profit for the full year to December will be less than that of last year.

EP Newspapers is a subsidiary of South African Associated Newspapers.

Argus, SAAN —no joint printing

195

Star 29/7/80

By Colin Campbell

Argus Printing and Publishing and South African Associated Newspapers say that after an exhaustive investigation they have regretfully come to the conclusion that joint printing is not for the present practical.

The possibility has been under recent examination, and the prospect was seen in the market place as a very sensible idea given the cost pressures facing newspapers. But the boards have declined to go beyond their official bland statement that the idea is not for the present "on."

COSTS

Today SAAN announces a sharp increase in profit for the six months ended June. Net earnings have risen from 24c to 100c a share, and the half time payment has been raised from 8c to 20c a share

The "exceptional" increase in profit has been helped by advertising revenue and circulation revenue — though some of the cream has been lost because of substantially higher operating costs, which remain a problem.

SAAN is cautiously optimistic about second half results, though emphasises that the price of newsprint will be substantially higher and that all labour costs continue to rise. Of interest in the board's statement is that while certain publications receive mention, there is no word about profit levels of the Rand Daily Mail.

Investment analysts generally understand that the RDM is still losing money, and would have welcomed some positive indication about how circulation is going following the sharp cover price increase recently.

Without denying the improved picture at SAAN, the group does have a patchy record. Nonetheless the prospect of much better year end results gives the share some merit — as long as the economy continues to improve and the stock market has further to go.

A successful outlook for SAAN papers

(195)

Deputy Financial Editor

SOUTH African Associated Newspapers, publishers of the Rand Daily Mail, Sunday Times, Sunday Express, Financial Mail and other newspapers, pushed up earnings 317% in the six months to end June.

According to the interim profit statement published today, Saan increased operating profits off a depressed first half of 1979 by 400% to R3 022 000 (R1979: R611 000). Taxed profit was 317% better at R1 945 000 (R466 000). Earnings rose in line to 100c (24c) a share and the interim dividend received a 150% hike to 20c (8c).

Because it expects higher newsprint and labour costs in the second half, the group forecasts second half profits to "closely approximate" the R2 318 000 earned after tax in the second half of 1979. This is effectively to forecast year end earnings of R4 263 000 or 220c a share — a 53% improvement on 1979.

See Page 12

Journalists strike for better salaries

Own Correspondent

JOHANNESBURG. — The editorial staff of Post and Sunday Post went on strike yesterday after a dispute with the papers' management over salaries and other working conditions.

About 50 people — including reporters, sub-editors, photographers and telex operators — downed tools as a result of the dispute between the management and the local chapel of the Writers' Association of South Africa (WASA).

Neither WASA officials nor members of the management could be reached for comment last night, but workers said talks between the WASA chapel and the management ended in deadlock.

They said they were demanding a complete overhaul of the employment structure at the two Argus-owned newspapers. They want a new salary scale, improvement in working conditions and a written agreement between the chapel and management review [illegible] management relationship.

No written recognition agreement exists between the management and WASA, which was a member of the Conciliation Board to which most major English language newspapers and the Southern African Society of Journalists are parties.

It is understood senior journalists above news editor level were involved yesterday in producing today's edition of Post from items supplied by news agencies and other newspapers in the Argus group.

Neither the editor of Post and Sunday Post, Mr Percy Qoboza, nor the WASA president, Mr Zwelakhe Sisulu, who was involved in the strike, were available for comment last night. Mr Sisulu is also news editor of Sunday Post.

RDM 3/7/8

195

Post journalists go on strike over pay

By AMEEN AKHALWAYA

THE editorial staff of Post and Sunday Post went on strike yesterday after a dispute with the papers' management over salaries and working conditions.

About 50 people — including reporters, sub-editors, photographers and telex operators — downed tools as a result of the dispute between management and the local chapel of the Writers' Association of South Africa (Wasa).

Neither Wasa officials nor members of management could be reached for comment last night, but workers said talks between the Wasa chapel and management ended in deadlock yesterday.

They said they were demanding a complete overhaul of the employment structure at the two newspapers, which are owned by the Argus Company.

They wanted a new salary scale, improved working conditions and a written agreement between the chapel and management.

They also wanted a review of the relationship between staff and management.

No written recognition agreement exists between management and Wasa, which was a member of the Conciliation Board, to which most major English-language newspapers and the Southern African Society of Journalists are parties.

Wasa, which represents most black journalists in South Africa, withdrew from the Conciliation Board and is therefore not officially recognised by managements.

It is understood that some senior journalists, above news editor level, were involved yesterday in producing today's edition of Post from items supplied by news agencies and other Argus newspapers.

Neither the editor of Post and Sunday Post, Mr Percy Qoboza, nor the Wasa president, Mr Zwelakhe Sisulu, who was involved in the strike, was available for comment last night.

Mr Sisulu is news editor of Sunday Post.

(1971) (243) (195) RDM 31/7/90

Newspaper strike goes on

THE editorial staff of Post and Sunday Post continued to strike for the second day yesterday after talks between the newspapers' management and staff representatives over salaries and working conditions remained deadlocked.

About 50 people — including reporters, sub-editors, photographers, librarians, drivers and telex operators — downed tools on Tuesday as a result of the dispute between management and the local chapel of the Writers' Association of South Africa (Wasa).

The staff are demanding a complete overhaul of the employment structure of the two newspapers, improved working conditions, a revision of the "haphazard" salary scales, and a written agreement between employees and management accepting Wasa as mediators.

The Post management team held discussions with the newspapers' owners, the Argus Printing and Publishing Company, late yesterday in attempt to resolve the dispute.

Neither Wasa officials nor members of management could be reached for comment last night.

It is understood that many of the employees had stayed away from work or left early. — Staff Reporter and Sapa.

No 'Post' today as editor walks out

RDM 1/8/80.

195

By AMEEN AKHALWAYA

THE editor and senior black executives of strike-hit Post newspaper yesterday walked out of a meeting with manager Mr John Gittins after allegedly being told that police were coming to check on the strike.

Post (Transvaal) will not be published today, said Mr Hal Miller, managing director of the Argus Printing and Publishing Company, the owners.

The walkout by the editor, Mr Percy Qoboza, and the black executives took place while staff continued striking over pay and grievances.

The executives told the Rand Daily Mail that they felt they had been trying to end the impasse between management and workers for a week. "The last straw was when Mr Gittins told us police were coming to check on the strike. We were outraged and walked out."

Mr Miller said in a statement: "We learned that members of Post's staff had been subjected to threats if they continued to produce and print the newspaper. In these circumstances we have no alternative but to suspend publication until we and the journalists are able to come together and act appropriately to end the strike."

SAAN (195)

Pressing ahead

FM 1/8/80

Being so closely allied to the consumer sector, press advertising is often a sensitive indicator of the general level of economic activity. For obvious reasons, results of the major publishing groups will usually follow the same pattern although performance can also be affected by abnormal increases in operating costs.

This is clearly illustrated in SA Associated Newspapers' performance over the past 18 months. With the economy still sluggish during the first half of 1979, the group was unable to recover higher costs and net profits for this period were down 35%. But the pick-up during the second half of the year, when the first tranche of tax cuts started filtering through, was immediately apparent in a 61% improvement in earnings, and gave the group an overall gain of 29% for the year.

Against this background, and with the economy moving into top gear, the further earnings improvement in the first six months of the current year was predictable, although the extent of the gain — 317%, from 24c to 100c a share — is well ahead of even the most optimistic expectations.

Other commentators have made the point that the improvement was off a very low base. This is, however, only a half-truth. In the past five years, admittedly a depressed period, first-half earnings have exceeded 25c only once (in 1978: 37c), while the previous record for these months was 46c.

For competitive reasons, newspaper groups normally give minimal details of their performance, and SAAN's interim report is no exception. It does, however, note that the improvement was attributable mainly to the holding company, which directly owns the *Rand Daily Mail* and the two Sunday papers. The report also comments that the *FM* performed well and that the *Cape Times* was "modestly better." But, as announced last week, 63%-owned Eastern Province Newspapers moved against the trend with a 9% earnings fall. This probably reflects the fact that advertisers tend to concentrate their expenditure in the areas of greatest population density, with the result that coastal papers may not have participated fully in the advertising boom.

Because of the rate at which costs are increasing, management is cautious on second-half prospects. It forecasts that results will be much the same as the 119c earned in the same period last year. There are, however, a number of factors which are likely to prove this assessment conservative.

Historically, July-December earnings have exceeded those of the earlier period. Over the past ten years they have in fact never been less than 1,7 times the January-June figure. This reflects the normal mid-year cover and advertising rate increases, as well as the build-up of advertising during the final quarter, ahead of Christmas. In contrast, the opening months of the year are usually slow.

Unusually large cover price increases of certain publications came into effect in June, which should go some way in offsetting cost increases during the second half. This is, however, impossible to quantify as the company gives no indication of the effect of these increases on circulation.

Possibly the most important factor are the latest tax cuts, which point to another bumper Christmas shopping season. Advertisers will no doubt make every effort to ensure that they at least maintain their share of the consumer cake.

On balance, it is probably fair to look for second-half earnings of around 150c, making 250c for the full year. This is 75% up on 1979's 143c. It should be noted, however, that despite the large increase, net return on equity funds is unlikely to exceed 17% (1979: 10,6%). This is still unexciting by present-day standards.

Dividend cover is likely to remain slightly above three, pointing to a 75-80c total after the 20c (8c) interim. This is contrary to the *FM's* earlier expectations that distribution policy might become more liberal, but takes into account the termination of talks with Argus regarding the establishment of a joint printing works. A probable consequence is that SAAN will have to increase its own capacity to cope with a higher volume of colour printing.

But even on an unchanged cover the prospective yield at 700c is around 11% which, coupled with a probable net worth by the year-end of some 1 500c, makes the share look underpriced.

SAAN . . . results make good reading

Brian Thompson

Q243 195 Kaz

Post strike enters 5th day

RDM 2/8/80

Staff Reporter

THE strike at Post and Sunday Post newspapers in Johannsburg enters its fifth day today, with no sign of the deadlock between management and staff ending.

Workers said it was unlikely that today's edition would appear, but there was still uncertainty over whether Sunday Post would be published tomorrow.

Yesterday workers said the editor, Mr Percy Qoboza, had told them he had been authorised by management to make them an offer, but that details would be given only if they returned to work.

The workers, who have been on strike since Tuesday over pay and other grievances, said they rejected the proposal.

Post was not published yesterday.

The management of the newspapers declined to comment yesterday. Both Mr John Gittins, manager of Post, and Mr Hal Miller, managing director of the Argus Printing and Publishing Company, said only Mr Qoboza could comment.

Mr Qoboza could not be contacted yesterday.

Meanwhile, the Southern Transvaal region of the Writers' Association of South Africa (Wasa), to which the Post chapel is affiliated, is to hold an emergency meeting tomorrow.

The Southern Transvaal region has pledged solidarity with the striking workers.

Striking black writers give Press ultimatum

2143 (15a) (195) RDM 4/8/80.

Staff Reporter

THE strike-hit newspapers, Post and Sunday Post, have been given until Wednesday to meet their workers' demands.

This ultimatum was given to the papers' management by the *Writers' Association of South* Africa (Wasa) yesterday. The *strike enters its seventh day* today.

At a meeting of Wasa's Southern Transvaal region yesterday, members were told of a warning by the Argus Company, owners of Post and Sunday Post, that the newspapers might be closed down if the striking workers did not return to work by tomorrow.

The Wasa resolution, to be sent to the managements of the Argus and South African Associated Newspapers (SAAN) groups, said:

"We call on the management of the Post and the Argus Company to urgently meet representatives of the workers at Post and Sunday Post to resolve the workers' demands and grievances by Wednesday.

"We take a serious view of the management's failure to resolve the issue as well of the indirect threat to close down Post.

"We give notice that if the managements continue to ignore the workers' legitimate grievances, we will be forced to take collective action.

"Taking note that SAAN and Argus are inter-linked, we as black workers employed by these groups believe that the grievances at Post and Sunday Post are not confined to these newspapers, but are also indicative of the problems faced by black workers on all newspapers."

The strike began on Tuesday after staff complained of disparity in salaries, and other grievances.

Hortors beats budget

195

RDM 4/8/80.

By DAVID CARTE
Deputy Financial Editor

FOLLOWING its reconstruction in the wake of the Info debacle, Hortors has exceeded budget in the six months to June 30 and expects to beat its earnings forecast for the year.

Earnings in the first half were 11,2c a share. This compares with the forecast of 22c for the year made in the reconstruction circular.

The company says: "Due to seasonal and other factors, the profit for the second half is normally higher than for the first half and that forecast is likely to be exceeded."

Because the reconstruction has transformed the company, comparative figures are of little relevance.

Sales in the first half were R17 415 000, pre-tax profit R927 000 and taxed attributable profit R671 000. An interim dividend of 5c has been declared.

COMMENT: It would be surprising if earnings at the year-end were less than 25c a share and the dividend less than 11c. This puts the share on a prospective yield of 6,5%, which means the good news has been anticipated and most of the re-rating has taken place.

good.

8-day strike at 'Post' is over

RDM 6/8/80

By AMEEN AKHALWAYA

THE eight-day strike by workers at Post and Sunday Post over pay and other grievances is over.

Management and workers concluded an agreement late yesterday, bringing to an end the strike which halted publication of the newspapers since last Friday.

Settlement was reached a day before the deadline set by the Southern Transvaal region of the Writers' Association of South Africa (Wasa), which had warned of "collective action" should the workers' demands not be met by today.

A spokesman for the Wasa chapel said: "We deem the agreement reached as a victory for workers in the newspaper industry."

The agreement covers improved pay offers to a wide range of employees — editorial staff, drivers, telephone and telex operators, shorthand typists, library assistants, cleaners and messengers.

Pace gets new owner

28/8/80 Post

PACE, the glossy monthly magazine aimed mainly at the black market, has been bought from Electrocol Ltd by Caxton Ltd, the Johannesburg publishing company in which Argus has a 30 percent share.

Announcing the purchase yesterday, Mr Terry Moolman, joint managing director of Caxton said: "We are excited about this development in the magazine field in association with the Argus company. Pace is a highly successful monthly magazine with a growing circulation and strong advertising support.

We plan to develop it into the leading publication in its field."

(1195) (EWR) 130 28/9/80

Lovedale printers strike

ALICE — The entire printing staff of the Lovedale Press here, downed tools yesterday and had talks with management over what is believed to be dissatisfaction over pay.

The general manager of the company, Mr R. B. Raven, confirmed yesterday the workers had downed tools and were having discussions with him but would not give any further details.

Asked how many workers were involved, he said the entire printing staff but would not give figures.

"We are still discussing the matter and we hope to get back to production tomorrow when we reach finality," he said. — DDR

Strike not over pay

DD 29/8/80

(195)

ALICE — The downing of tools by the printing staff of the Lovedale Press here continued yesterday, but the general manager of the company, Mr R. B. Raven, said all the problems should be ironed out today and production should be back to normal.

Mr Raven said the problem was not dissatisfaction over pay as earlier press reports stated, but a "purely internal domestic problem."

He declined to elaborate. — DDR.

Former Info paper sold

S.Times 3/8/80

By GEOFFREY ALLEN

THE successful black-oriented magazine Pace, launched in 1978 by former Department of Information front men Mr David Abramson and Mr Stuart Pegg, was sold this week for the second time in a year.

The magazine has been bought for an undisclosed sum by Caxton, the publishers and printers in which the Argus newspaper group has a 30 per cent interest.

Pace was launched when the Department of Information scandal was at its height. Nine staff members threatened to resign when they were told that the magazine was owned by Mr Abramson and Mr Pegg through their Government-supported Hortors group of companies.

At the time, Mr Abramson assured the staff that there was no Government shareholding in Hortors.

Deal

But the Erasmus Commission into alleged irregularties in the now defunct Department of Information subsequently revealed that the purchase of Hortors had been made possible through a complicated Government-backed financial deal with Mr Abramson and Mr Pegg.

Late last year, Pace was sold to Mr David Lewis's Electrocol group of companies.

The Caxton group has announced it will launch a new white-oriented magazine, Style, on November 24 with Pace's managing editor, Mr Jack Shepherd-Smith, as editorial adviser.

New magazine company is launched

5/9/80 Star

(195)

In a major development in the publishing field, The Argus Company and Caxtons announce the formation of a joint magazine company which will trade under the name *Combined Publishers*.

Caxtons will hold 75 percent of the shares and The Argus Company 25 percent. Argus holds 30 percent of Caxtons.

In a joint statement today, Mr Terry Moolman and Mr Noel Coburn, joint managing directors of Caxtons, and Mr Hal Miller, managing director of The Argus Company, said that the magazine company would publish general interest and specialist magazines wherever it discerned a market gap.

Initial magazine titles will include Pace, the glossy magazine aimed mainly at the black market which was purchased recently by Caxtons, and Top Twenty, a magazine covering the teenage market. A new glossy monthly magazine, Style, will be published in November this year.

Style will be a regional magazine with its circulation confined to the heavily populated Witwatersrand, Vaal Triangle and Pretoria areas. It will deal with home decorating, better living, entertainment, gardening and speciality shopping for those people who have aspirations in self-improvement.

The new magazine company will have as editor-in-chief Mr Jack Shepherd-Smith. He will be partly responsible for Pace, will be advising on the launch of Style and will also be investigating areas for possible new magazines.

The editor of the new magazine, Style, will be Marilyn Hattingh, who for many years was a senior editor at Republican Press and who until recently edited Darling magazine at Republican. The editor of Pace will be Mr Lucas Molete who has been with Pace since its inception.

195

FM 5/9/80

ABC — AVERAGE SALES PER ISSUE

	Average sales per issue Jan/June 1980	% change on Jan/Jun 1979	Jul/Dec 1979
DAILIES			
Friend	6 901	−3,5	+0,2
Hoofstad	15 517	−4,9	+4,1
Natal Mercury	63 498	−2,1	−2,3
Natal Witness	18 915	+3,2	+3,3
Oggendblad	6 068	−19,7	+6,5
Oosterlig	10 452	−2,5	−4,4
Post (Transvaal)	112 354	+0,4	−1,4
Pretoria News	27 334	+0,4	+3,7
Rand Daily Mail	131 944	−6,5	+0,1
Star	184 214	+1,4	+5,3
Transvaler	75 287	+1,0	+9,3
Vaderland	60 564	−7,0	+5,5
Volksblad	25 716	−3,0	+3,8
Argus	106 209	+0,7	+3,1
Beeld	64 901	+6,4	−0,2
Burger	72 214	−1,7	+4,3
Cape Times	67 666	−6,3	+5,6
Citizen	54 266	−5,4	+15,0
Daily Dispatch	31 217	+0,1	−0,6
Daily News	92 173	+0,2	−0,9
Diamond FieldsAdvertiser	7 362	−0,3	+1,4
EP Herald	28 296	+3,5	+3,9
Evening Post	23 310	+1,1	−1,2
WEEKLIES			
Hoofstad	4 423	−17,3	−1,1
Ilanga	105 455	+15,7	+5,3
Imvo Zabantsundu	55 350	+6,1	+2,8
Oggendblad	4 144	−16,1	+3,0
Post (Natal)	39 040	−17,6	−14,1
Pretoria News	12 822	+3,2	+9,3
Rapport	417 146	+1,4	+0,6
Saturday Post	47 726	+31,2	+30,9
Star	85 575	−3,5	+4,5
Sunday Express	90 322	−4,9	−1,8
Sunday Post	118 271	−9,2	−4,8
Sunday Times	461 980	−5,2	−1,5
Sunday Tribune	127 806	−0,5	−0,8
Transvaler	40 151	−9,8	−0,7
Vaderland	12 360	−29,0	−6,9

	Average sales per issue Jan/June 1980	% change on Jan/Jun 1979	Jul/Dec 1979
Volksblad	18 322	−7,4	+1,6
Weekend Post	44 883	−0,7	−2,5
Weekend Argus	122 306	−2,2	+2,0
Burger	85 816	+0,5	+3,0
Cape Herald	68 118	−6,0	−3,3
Cape Times	91 891	−7,8	+0,4
Citizen	42 765	−15,5	+1,5
Daily News	26 446	−10,6	−5,2
PERIODICALS			
Bona	313 164	+42,9	+16,8
Car	82 809	+3,9	+5,8
Charmaine	39 642	−5,2	+10,3
Darling	90 431	+8,7	+6,3
Drum	145 640	+57,3	+35,8
Fair Lady	202 869	+21,4	+11,4
Family Radio and TV	154 161	+5,3	+8,4
Farmers Weekly	35 195	+1,4	+1,3
Huisgenoot	254 345	+25,6	+14,5
Kerkbode	—	—	—
Keur	159 788	+11,8	+9,7
Kyk	17 340	+4,5	+7,1
Landbouweekblad	78 657	+5,2	+2,1
Living & Loving	195 376	−1,2	−0,1
Look & Listen	25 447	−1,8	−2,2
Mylpaal/Milepost	—	—	—
Pace	134 508	+46,8	+10,8
Parade & Foto Action	24 128	+1,7	+6,7
Patrys	40 547	−7,0	+1,2
Prize & Radio Post	24 919	−6,2	+0,3
Radio & TV Dagboek	109 754	−8,9	+1,6
Rooi Rose	211 993	+17,6	+11,4
Sarie Marais	200 628	+18,5	+4,4
Scope	176 501	+3,3	+3,5
See	21 493	−6,3	+1,8
SA Garden & Home	103 637	+20,2	+13,5
To The Point	27 613	+4,9	+9,4
True Love & Family	91 803	+73,9	+33,1
Wiel	14 546	+44,8	+16,7
Your Family	243 107	+3,9	−0,3

Total daily newspaper circulation held firm in the period January to June 1980 after a 2,1% decline during the previous six months and weekly paper sales are slightly down on the figures for the corresponding period last year.

Average sales of the *Sunday Times*, the country's biggest circulation newspaper, dropped 5,2%, or 25 436, to 461 980 copies since last year.

Rapport's sales rose marginally by 1,4% to 417 146. The major Sundays put up prices from 30c to 40c in October.

Sales of newspapers read by blacks have tended to rise against the downward trend, with *Post* (Natal) a notable exception with a circulation drop of 17,6% to 39 040.

Biggest percentage increase was recorded by the Zulu language *Ilanga* with a 15,7% increase to 105 455.

Sales of *The Citizen* are now up 15,0% on the second half of last year although they are still 5,4% down on the corresponding period for last year.

Paid circulation of the *FM* increased by 14,5% over the same period last year.

Magazines have enjoyed increasing sales with most of the gains going to black oriented publications. *Huisgenoot* has continued to boost sales, this time by 25,6% to 254 345 for the same period for last year.

The importance of including the designers and constructors into the process of programming cannot be overstated. The Project Manager is fully conversant with the time constraints affecting each operation, but he is not in a position to be able to predict how the ...

DRG's solid profit

1844 155 1844

RDM 20/9/80

By DAVID CARTE
Deputy Financial Editor

DRG (SA) the packaging, stationery and plastics group that was listed on the JSE in November last year, achieved solid profit growth in the six months to June 30.

The interim report released today shows pre-tax profit up 43% to R4 381 000 on a 61% increase in turnover, which was R45 089 000. With the tax rate up slightly and the minority slice down, earnings were 51% better at R2 319 000.

This was equivalent to 19c a share, on which an interim dividend of 8c was declared. The company says the reconstruction of DRG's capital base makes earnings and dividends incomparable on a per share basis.

According to the report, John Dickinson Stationers, Sparro Wholesale Stationers and Tension Envelope improved results in a competitive market. Palladium Business Stationers has opened five new "service centres", while DRG Flexible Packaging and DRG Plastic Moulders benefited by improved demand.

DRG Sacks has maintained a satisfactory performance and DRG Sellotape has moved into a new factory at Isando and will soon be ready to penetrate new markets.

COMMENT: **The second half is traditionally better and the company expects year end earnings to be more than double the interim 19c. Earnings of 42c should be no sweat. Last year the dividend cover was 2,1 and the prospectus said it would be roughly 2. This suggests a total dividend for the year of about 20c. At 270c, the shares yield an interesting 7,4%.**

BACKGROUND

The Perskor bookworm takes a huge bite of SA printing

195

By Josie Brouard

According to Perskor chairman Mr Marius Jooste, his publishing empire is, both in turnover and national impact, "by far the largest group of its kind in any language and is, according to its constitution, founded to serve the South African."

The group owns four daily newspapers, all based in the Transvaal, a host of smaller regional newspapers, more than 10 popular magazines catering for English, Afrikaans and black readers, and printing works in Johannesburg, Durban and Pretoria serving contracts worth millions of rands annually.

Known to be the official mouthpiece of the National Party in the Transvaal, Perskor recently moved to the Western Cape where it bought the established Cape Town printing business of Galvin and Sales.

A number of bids to take-over some existing small town newspapers have already been made, which some fear could mean the opening of a new front in the decades old Nat Press war.

From the establishment of Dagbreekpers in 1947, Perskor developed as a result of its merger with Afrikaanse Pers, Landstempers, Voortrekkerpers and Republikeinse Pers.

Since 1915 the various boards of directors have been served by such chairmen as General Hertzog, Mr J G Strydom, Dr H F Verwoerd, Mr B J Vorster and Dr B J Schoeman.

In its most recent half-year financial statement announced earlier this year, the group announced an increase in pretax income of 43,5 percent, a rise from R3,1 million to R4,5 million.

Perskor has six major arms to its operations: newspapers, books (with a Perskor Prize for Literature awarded each year), printing works, black services (with the emphasis on educational material), a distribution agency, Republican News Agency — and Republican Press Limited.

Republican Press publishes more than a score of magazines. Of these, 11 are the country's most important consumer magazines and include Your Family, Scope, Darling, Family Radio and TV, Keur, Rooi Rose and Living and Loving.

In this field the most spectacular advances have been claimed by the monthly Bona, a journal which is published for blacks in four languages. The circulation figures of this magazine now top that of any journal in South Africa black or white, according to the latest Chairman's Report.

Perskor's four dailies — Die Transvaler, Die Vaderland, Oggenblad/Hoofstad and The Citizen — sold, before the Audit Bureau of Circulation controversy, a reported 220 000-odd in total, which was the largest circulation of any group inside the Transvaal.

Perskor also has a 50 percent shareholding in Rapport, the Afrikaans Sunday newspaper, with the largest number of white and coloured readers of all newspapers in South Africa for 1979.

The book division includes an educational publishing house, three book clubs and a legal publishing section Lex Patria.

Perskor's printing works boast lucrative contracts. The group handles almost all of the Post Office's periodical publications (97,2 percent) and has a contract to print the Transvaal and Natal telephone directories from 1981 for the next 10 years. This has served to

pad the comp
the onslaught
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THE PAPER CHASE

(195) FM 26/9/80

Newspaper circulation figures are essentially based on trust. An auditor cannot economically be posted at every street corner and cafe in the country to check on the sales of every newspaper. In the end, the Audit Bureau of Circulations depends on the honesty and integrity of the publishers.

It is this that makes the Perskor circulation fiddle over its *Vaderland*, *Transvaler* and *Citizen* newspapers so reprehensible.

What the auditors verify is the amount of revenue received by the publisher. What they cannot check is how it was obtained. If a publisher chooses to buy back his own newspapers from street corners, it may be expensive, but nobody can prove he did it unless he is caught red-handed.

The *FM* understands that what alerted the ABC to Perskor's malpractice was a tip-off from someone within the company. It then sent in its own auditors to do a spot check.

The advertising fraternity is up in arms over the whole affair, not only because it has been taken for a ride, but also because it reflects adversely on the media business.

Nic Tredoux, president of the Association of Accredited Practitioners in Advertising, called it a "calculated misleading of advertising agencies and their clients."

"I am appalled," says Dick Reed, media director of J Walter Thompson. "People who are inclined to be sceptical about the ethics of advertising will see this as proof that they are right."

Advertising agencies are seeking legal advice on a possible rebate, but it is by no means certain yet that they have a claim.

When a newspaper sells advertising, it does not guarantee a particular ABC circulation figure. It is up to the advertiser to decide whether the published advertising rate is justified in the light of the ABC certificate.

If, however, they are able to make a claim stick, pro rata to the revised circulation figures, it could cost Perskor at least R650 000, based on the degree of misrepresentation: 28% for *Transvaler*, 15% for *Vaderland*, and 12% for *Citizen*.

Advertising revenues for the three dailies during the January-June period this year probably were about R4,2m — Market Research Africa's Adindex figure of R3,56m for brand and retail advertising, plus about 15% of total advertising which is accounted for by smalls, legal and employment ads.

But that's not the end of it; the ABC has now withdrawn the 1976-1979 *Vaderland* and *Transvaler* certificates.

Readership figures are obtained independently from circulation by conducting surveys of the public. But they, too, can be inflated by flooding the market with free copies.

Additionally, circulation and readership figures are both needed to calculate readership per copy, an important indicator to advertisers.

Perskor will suffer through the exposure of the fraud. Many advertisers use only the leading medium in their market. *Transvaler* is no longer seen to be the biggest Afrikaans morning daily in the Transvaal: *Beeld*, published by rival Nasionale Pers, is.

But the individuals responsible for the falsification of the figures should not be allowed to wriggle out of the affair unscathed. In the end, Perskor MD Marius Jooste carries responsibility for all that goes on in his empire.

CAPE TIMES 1/11/80

Herald: Public 'misled'

195

Staff Reporter

THE Cape Herald staff association yesterday noted "with regret" what the association saw as an attempt by the managing director of the Argus Company, Mr Hal Miller, to "deliberately mislead the public" about the reasons for the strike at the newspaper.

Mr Miller said yesterday that:

- The Cape Herald became a signatory to the SA Newspaper Press Editorial Conciliation Board at the request of its editorial staff who wished to obtain the benefits of the SASJ scales of pay;
- The staff received the benefit of a recent arbitration award to all SASJ journalists and would benefit from the new increases to be implemented from January 1, 1981.

The association said yesterday that Mr Miller had created the wrong impression that only journalists — for whom a new salary agreement had been reached — were on strike.

"He has done this knowing that the clerks, telephonists, advertising and tele-ad salespeople are also on strike."

These categories were not represented on the SA Newspaper Press Editorial Conciliation Board.

SAAN bans Mwasa meeting

POST 24/10/80

(195)

MORE THAN 80 black staff members at the South African Associated Newspapers yesterday defied a management ban on the first Mwasa meeting on their premises in Main Street, Johannesburg.

The unit executive of the Media Workers Association of South Africa (Mwasa) had called a meeting of all black workers — from journalists to messengers — to discuss the organisation's congress resolutions.

The congress earlier this month decided to change the Writers Association of South Africa (Wasa) into a union for all black workers in the communications media.

A few hours before the meeting, the chairman of the Mwasa unit, Mr Ameen Akhalwaya, got a memorandum from the group personnel manager, Mr Larry Hall, banning the meeting.

"It is not company policy to allow the use of company premises to outside organisations, particularly without an approach to management for their approval and permission," the note said.

A few minutes after the meeting had started in the canteen, Mr Hall came in and tried to stop it.

The 50 or so people present unanimously voted to carry on. This meeting later swelled to more than 80.

Mr Hall had also stopped the president of Mwasa, Mr Zwelakhe Sisulu, and the Southern Transvaal Regional secretary, Mr Joe Thloloe, from getting into the canteen.

After the staff had decided to go on with the meeting Mr Hall and his personnel office staff allowed Mr Sisulu and Mr Thloloe to go in.

Those present, including newly-recruited members of the South African Typographical Union, said there was a need for a strong union of black workers in the newspaper industry.

Discussions on the new structure are continuing.

Saan are the publishers of the Rand Daily Mail, Sunday Times, Sunday Express and the Financial Mail, among others.

Later in the day the Saan management and two Mwasa unit officials there met for lengthy discussions, where it was agreed that although they understood the actions of the other, they did not nesessarily agree with them.

But indications are that the two parties will continue talks ontheir future relationship.

Cape Times 27/10/80 (195)

Cape Herald strike in 4th day

Staff Reporter

ALTHOUGH the striking staff of the Argus-owned weekly newspaper, The Cape Herald, will be at their desks today, they will not be working.

A spokesman for the staff action committee yesterday reaffirmed the strikers' "non-negotiable stand" on salary demands, saying they would not return to work until the demands were met.

The strike, which enters its fourth day today, comes on the eve of a second round of wage talks between the South African Society of Journalists (SASJ) and the managements of Argus and South African Associated Newspapers (SAAN).

The first round of salary negotiations two weeks ago ended in deadlock.

The Cape Herald strike was called after management failed to respond positively to a memorandum detailing grievances about working conditions and asking for reviewed salary scales for all departments.

No Herald for first time in 15 years

Cpe. Times 28/10/80

195

Staff Reporter

FOR the first time in its 15-year history the Argus-owned newspaper, the Cape Herald, yesterday failed to appear.

It will not be published till further notice.

The non-appearance of the Cape Herald — which has a circulation of 69 000 — was the result of a strike after a breakdown in salary talks with the management.

The strike entered its fifth day today with no settlement in sight.

Yesterday, in the first response to the strike, the Argus management withheld salary cheques.

He said messages of support and solidarity had been received from editorial chapels of Argus and South African Associated Newspapers (SAAN) throughout the country.

The managing director of the Argus Group, Mr Hal Miller, said yesterday that management was ready to continue discussion of the staff's complaints as soon as they returned to work.

The strikers say they will not return to work until their salary demands have been met.

The Cape Herald staff spokesman said that the Argus-owned Post in Natal had given management an ultimatum to meet salary demands by midnight tonight or they would go on strike too.

Second round of talks

Staff on the Post in Johannesburg meet today to discuss management's response to the Cape Herald strikers.

Mr Miller said in a statement: "We regret that the staff of the Cape Herald have decided to strike. The newspaper is a signatory to the agreement with the South African Society of Journalists (SASJ) which is at the moment negotiating new salary scales to apply from January 1, 1981."

The SASJ and the managements of Argus and South African Associated Newspapers (SAAN) meet today in Johannesburg for a second round of wage talks.

Mr Miller said: "The staff are being paid up to the date they went on strike. Their employment will be resumed and their salaries paid from the moment they return to duty."

The management was given till last Friday to respond positively to a memorandum detailing grievances about working conditions and asking for reviewed salary scales for all departments.

o Sapa reported from Johannesburg last night that the Media Workers Association of South Africa (Mwasa) has declared its support for their striking Cape Herald colleagues.

Strike: Threat to boycott Argus papers

C. Times 29/10/80

(195)

Staff Reporter

THE striking workers at the Cape Herald are receiving mounting support not only from newspaper editorial chapels throughout the country, but also from advertisers, a spokesman for the staff action committee said yesterday.

And in a new development yesterday, the Argus Group newspapers throughout the country were threatened with a community boycott if the Cape Herald staff demands were not met.

The threat to take "appropriate action" against the Argus Company was made by the Western Cape regional council of the Media Workers Association of South Africa (Mwasa).

In a statement, the Western Cape Traders Association (WCTA) said it would recommend to the 2 000 businesses which belonged to the association, not to sell the Cape Herald and to refuse to place advertisements if the newspaper was produced before an early settlement was reached.

Pledging its unqualified support, the WCTA said it understood that the strikers who did similar jobs to their Argus counterparts, were paid less.

The Cape Herald staff action committee spokesman said messages of support had been received from advertisers and a clothing chain had cancelled its existing advertisment in solidarity with the strikers.

Mwasa said in a statement that it had noted "with dismay" the arbitary actions of the management against "our colleagues at the Cape Herald".

Journalists, classified staff, advertising, messenger and secretarial staff downed tools last Friday after the management failed to meet a deadline stipulated in a memorandum detailing the staff's dissatisfaction with salaries and working conditions.

'Hard-line attitude will be met in kind'

Mwasa said the management responded by ignoring the lines of communication opened by the Cape Herald staff and issued a press statement which showed complete insensitivity.

"The Argus management further took the deplorable step of deducting a week's pay without consulting our colleagues. This hard-line attitude can and will be met in kind," the Mwasa statement said.

The Cape Herald staff action committee spokesman said the workers who received their salary cheques yesterday, were angry that they had got them a day later than staff at the Argus.

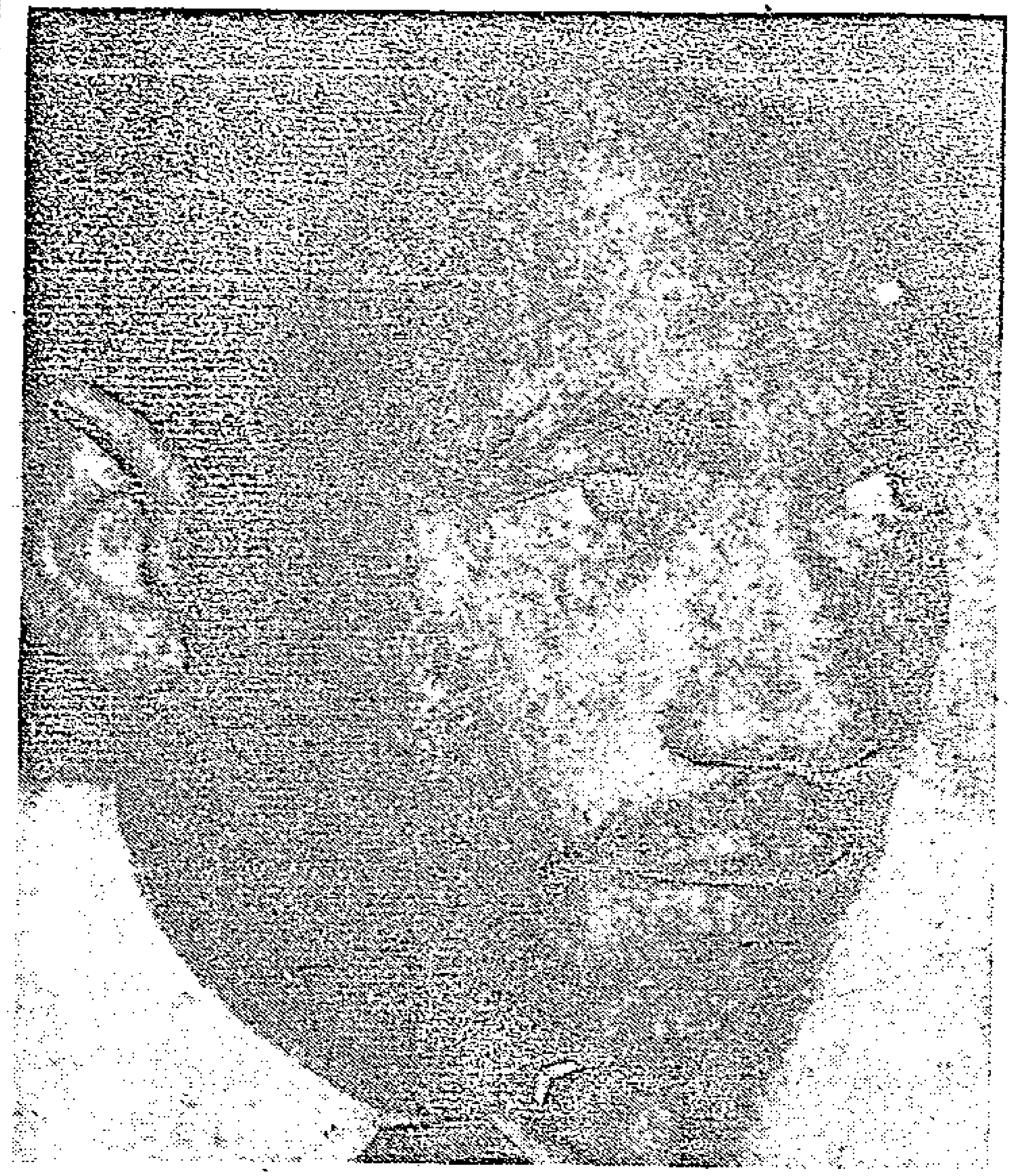
"We regard this to be a petty step taken by management in their efforts to stifle our fight for a better deal."

A lunchtime meeting yesterday between the staff action committee and the manager of the Argus, Mr L P Willis, ended in deadlock. Mr Willis said the company's attitude was clearly covered by the statement made in Johannesburg by the managing director, Mr Hal Miller, in which he said there would be no negotiations until the strikers returned to work.

Inter-union rivalry in media industry

POST 29/10/80

195



Mr Zwelakhe Sisulu, president of Mwasa.

INTER-UNION rivalry looms in the newspaper industry now that the black journalists' union has opened its ranks to printing workers.

The union concerned is the former Writers' Association of South Africa (WASA) which is known for its black consciousness.

It recently changed its name to Media Workers Association of South Africa (Mwasa) and amended its constitution to include all workers in the communications field.

This included drivers, messengers and printing staff, confirmed Mr Zwelakhe Sisulu, President of Mwasa.

But large numbers of black printing staff already belong to the South African Typographical Union (SATU) which recently obtained an exemption to enrol blacks into its previously white and coloured ranks.

Almost all of the black printing staff of South African Associated Newspapers (SAAN) belong to SATU, some of these workers attended a Mwasa meeting in a SAAN canteen during lunch time on Thursday.

Asked whether the printers were not best accommodated in the printing union, Mr Sisulu said: "Our point of view is that we are essentially in the same work situation and that whatever grievances we have are common."

He said the workers would decide what union they preferred.

Mr Sisulu confirmed that he and Mwasa's Regional Secretary for the Southern Transvaal, Mr Joe Thloloe, were initially prevented from attending the Mwasa meeting at SAAN.

"Management's idea was that the meeting should not take place, but the workers voted that it should go on," he said. "We were later allowed in."

SAAN's Group Personnel Manager, Mr L S Hall, denied that the workers had defied a management instruction not to hold the meeting.

"It was not a question of defiance," Mr Hall said. "They decided to proceed with the meeting in spite of a request to defer it."

Mr Hall said he had expected Mwasa to go through the courtesy of approaching management before holding a meeting on the company's premises.

Colleagues show solidarity with newsmen

POST 30/10/80

By CHRIS MORE

THE STRIKE by the Cape Herald journalists yesterday gained momentum as solidarity meetings were held in various newspaper units throughout the country in support of colleagues.

A supporting message was also received from the International Federation of Journalists (IFJ) to the Western Cape region of the Media Workers' Association of South Africa (Mwasa) and in particular, the Cape Herald unit.

DEMANDS

By late yesterday, the Action Committee representing the newsmen at the Cape Herald, had not reached an agreement with management on their pay demands. The talks resume this morning at 8 a m.

"After several rounds of intensive talks with management, we reached no agreement," a spokesman of the committee told POST. The talks began at 11,30 am and were only adjourned at 6 pm.

The Herald management has already taken punitive action against the strikers. A total of R2 174 was deducted from the pay of 28 workers in the October pay packets. This action was strongly criticised by newspaper workers at other establishments and they urged the management to repay the workers their money.

At a "solidarity" meeting held at POST, the unit sent urgent messages to the Managing Director of the Argus Company, Mr Hal Miller, urging the company to pay the striking newsmen for the time they have been on strike and also gave an ultimatum that the demands be met by 8,30 this morning.

WARNING

The POST unit also called on the Argus Company to improve the salary, wages and working conditions of all black workers throughout the company. Another meeting at POST is scheduled for this morning at 8,30.

At The Star, messages were sent to the Argus management warning of the action the unit would take if the demands of the Cape Herald workers were not met. The Star is also in the same group as the Cape Herald, under Argus management.

The South African Associated Newspapers (SAAN) held a meeting yesterday morning after which a letter was written to the Cape Herald management asking them to talk to the workers to avoid confrontation. The SAAN unit expressed solidarity with the striking workers and promised their support throughout their fight for a fair deal.

31/10/80 ARGUS

Argus position on Herald strike

(195)

MR Hal Miller, managing director of The Argus Company, confirmed yesterday that members of the staff of Cape Herald were still on strike and that the editorial staff of Post Transvaal had decided to strike in sympathy with them.

He added:

'As I expalined in a statement some days ago, Cape Herald has been a signatory to the SA Newspaper Press Editorial Conciliation Board for some time.'

It became a signatory at the request of its editorial staff who, at that stage wished to obtain the benefits of the SASJ (South African Society of Journalists) scales of pay. Both the newspaper and its staff have since been bound by the terms of the Conciliation Board agreement. The staff received the benefit of a recent arbitration award to all SASJ journalists and they will benefit from the new higher salary scales and the minimum general increase of 12 percent which will apply from January 1, 1981.

On October 17, while the Conciliation Board was itself preparing for a salary negotiation, the manager of Cape Herald received a letter from Cape Herald's staff demanding considerable improvement in salaries and working conditions. Arrangements were made to discuss the matter at head office with the Cape Herald's manager on October 27. Before that could happen the Herald staff went on strike on October 24.

'In essence, they are seeking salary adjustments similar to those made at Post Transvaal earlier this year after a strike at that newspaper.

'It is necessary to emphasise immediately that, in line with the wishes of its staff, Post Transvaal has never been a signatory to the Conciliation Board and no formal agreement has ever governed the salaries and working conditions of its editorial employees. The new scales negotiated for Post Transvaal in the middle of this year were based on salaries actually being paid in this expensive Transvaal labour market. They were somewhat higher than the existing basic SASJ scales but are a good deal less than the new levels which have been negotiated by the SASJ for next year.

'We have said clearly to the staff at Cape Herald that the new SASJ scales and the general increase will apply fully to the editorial staff from January 1 1981, that we are ready to adjust other salaries and wages at Cape Herald in that pattern from the same date and will discuss this in detail when they return to duty: and, finally, that we will not pay them while they are on strike. We have added that if they wish, their absence during the strike may be offset against the leave which they have due to them.

'The Herald staff are insisting on being paid while they are on strike and on an immediate increase in addition to the increase they will receive in January.

'We have said that we cannot do this.

'It is not for management to pay those who strike.

OBLIGATIONS

'We have emphasised to them and to MWASA (Media Workers Association of South Africa) members at Post Transvaal that the newspapers of the Argus Company other than Post Transvaal are at this moment governed by the Conciliation Board agreement and that we and the staff cannot escape the obligations of that contract while it is in operation. If a majority of the editorial staff of these newspapers wish to withdraw from the Conciliation Board agreement and replace it with some other sensible negotiating mechanism we would recognise their wishes but would need to give appropriate notice to the Board.

'In the meantime, the editorial staff on Cape Herald have received the benefit of the arbitration award and, most important, the salaries which have been fixed for January next year are a good deal higher than they are seeking at the moment.'

Post joins Herald strikers

SAPA Times 31/10/80

JOHANNESBURG. — Members of the Cape Herald staff were still on strike and the editorial staff of Post Transvaal had decided to strike in sympathy with them, the managing director of the Argus Publishing and Printing company, Mr Hal Miller, confirmed here yesterday.

He said in a press release that, as he had explained in a statement some days ago, the Cape Herald had been signatory to the SA Newspaper Press Editorial Conciliation Board for some time.

"It became a signatory at the request of its editorial staff who, at that stage, wished to obtain the benefit of the SASJ (SA Society of Journalists) scales of pay. Both the newspaper and its staff have since been bound by the terms of the conciliation board agreement.

"The staff received the benefit of a recent arbitration award to all SASJ journalists and they will benefit from the new higher salary scales and the minimum general increase of 12 percent which will apply from January 1, 1981."

Mr Miller said that on October 17, while the conciliation board was itself preparing for a salary negotiation, the manager of the Cape Herald received a letter from the Cape Herald staff demanding considerable improvement in salary and working conditions.

No pay

"Arrangements were made to discuss the matter with the Cape Herald's manager on October 27. Before that could happen, the Herald staff went on strike on October 24.

"We have said clearly to the staff at the Cape Herald that the new SASJ scales and the general increase will apply fully to the editorial staff from January 1, 1981, that we are ready to adjust other salaries and wages at the Cape Herald in that pattern from the same date and will discuss this in detail when they return to duty."

He said that the Herald staff had been told that they would not be paid while they were on strike. "We have added that if they wish, their absence during the strike may be offset against the leave which they have due to them." — Sapa

FM 31/10/80

STOP PRESS

195

Passers-by in Sauer Street on Tuesday morning were startled to see journalists picketing the entry to *The Star's* building. The normally passive white journalists were catching up with their black colleagues in trade union militancy.

And militancy obviously pays. Before the day was out, previously deadlocked pay talks between employers (basically Saan and Argus) and the Southern Africa Society of Journalists (SASJ) had been concluded — very much to the SASJ's satisfaction.

Management conceded across the board increases of 12%, plus an additional 4% in merit increases to be distributed at the discretion of editors. "I think this is the best agreement we have ever got out of management," a member of the SASJ negotiating team told the *FM*.

The SASJ is a relative newcomer to militancy. For years, it was noted more for panicky retreat under management pressure. But with a new and younger breed of leader the attitude has changed.

Black journalists led the way. The Argus group was faced with a strike at the *Cape Herald* this week (which is basically a black Media Workers Association of SA shop, though with some SASJ members) and there were strong strike rumblings from *Post* (Natal), where the SASJ has a strong presence.

Management obviously felt it was time to cool things down — and the balance sheets appear strong enough to stand it.

The danger for the journalists is that by insisting on high "across the board" increases as against merit increases they may be creating a structure which rewards mediocrity at the expense of excellence.

195 POST 31/10/80

Post strike

EDITORIAL AND other staff members of POST yesterday went on strike after demanding that the Argus Company management meet the demands of staff of the Cape Herald, who have been on strike since last Friday.

The staff at POST said that they would "wait" for management and "our colleagues" to inform them of a settlement.

The strike in Cape Town was sparked off by demands for increased salaries and improved working conditions.

Yesterday, a spokesman for the Herald staff said that they had received full support from the International Federation of Journalists.

"We believe, too, that Argus employees in Zimbabwe have noted our strike and have expressed sympathy and will issue a statement at a later stage," he said.

Yesterday, black journalists on The Star also went on strike in support of the Cape Herald staff.

The Editor of Cape Herald, Mr Ted Doman, said while he was not out on strike and did not support the strike, he did support some of the demands which were made by his staff.

"I have tried to get my staff back to work. But there is no change in the situation and negotiations are continuing," he said.

Strike by black journalists — statement by Argus MD

STAR 31/10/80

195

The strike by black journalists, members of the Media Workers' Association of SA (MWASA) continued today at the Cape Herald, which is not publishing, at Post (Tvl) and at The Star. Post appeared today but will not be published tomorrow. Sunday Post will not be published, nor will a Monday edition of Post.

Mr H W Miller, managing director of the Argus Company said today: "It seems that management is being accused — wrongly — of refusing to negotiate and thus 'causing the strike.' Yet management was never given time to negotiate — and is in fact offering more pay than the strikers are demanding."

Explaining the background to the strike he said:

"Cape Herald has been a signatory to the SA Newspaper Press Editorial Conciliation Board for some time. It became a signatory at the request of its editorial staff who, at that stage, wished to obtain the benefit of the SASJ scales of pay. Both the newspaper and its staff have since been bound by the terms of the Conciliation Board agreement.

"The staff received the benefit of a recent arbitration award to all SASJ journalists and they will benefit from the new higher salary scales and the minimum general increase of 12 percent which will apply from January 1, 1981.

"On October 17, while the Conciliation Board was itself preparing for a salary negotiation, the manager of Cape Herald received a letter from Cape Herald's staff demanding considerable improvement in salaries and working conditions. Arrangements were made to discuss the matter at Head Office with the Cape Herald's manager on October 27. Before that could happen the Herald staff went on strike on October 24.

"In essence, they are seeking salary adjustments similar to those made at Post Transvaal earlier this year after a strike at that newspaper. It is necessary to emphasise immediately that, in line with the wishes of its staff, Post Transvaal has never been a signatory to the Conciliation Board and no formal agreement has ever governed the salaries and working conditions of its editorial employees.

"The new scales negotiated for Post Transvaal in the middle of this year were based on salaries actually being paid in this expensive Transvaal labour market. They were somewhat higher than the existing basic SASJ scales but are a good deal less than the new levels which have been negotiated by the SASJ for next year.

"We have said clearly to the staff at Cape Herald that the new SASJ scales and the general increase will apply fully to the editorial staff from January 1 1981; that we are ready to adjust other salaries and wages at Cape Herald in that pattern from the same date and will discuss this in detail when they return to duty; and, finally, that we will not pay them while they are on strike. We have added that, if they wish, their absence during the strike may be offset against the leave which they have due to them.

"The Herald staff are insisting on being paid while they are on strike and on an immediate increase in addition to the increase they will receive in January. We have said that we cannot do this. It is not for management to pay those who strike.

"We have emphasised to them and to MWASA members at Post Transvaal that the newspapers of the Argus Company other than Post Transvaal are at this moment governed by the Conciliation Board agreement and that we and the staff cannot escape the obligations of that contract while it is in operation. If a majority of the editorial staff of these newspapers wish to withdraw from the Conciliation Board agreement and replace it with some other sensible negotiating mechanism we would recognise their wishes but would need to give appropriate notice to the Board.

"In the meantime, the editorial staff on Cape Herald have received the benefit of the arbitration award and, most important, the salaries which have been fixed for January next year are a good deal higher than they are seeking at the moment."

Press strike spreads

JOHANNESBURG. — The black journalists' strike today spread to another major newspaper company.

A spokesman for the Media Workers' Association of South Africa (Mwasa) said that journalists employed by SA Associated Newspapers would refuse to work when they reported to their offices today.

This followed a call by the Southern Transvaal region of Mwasa yesterday for a national black journalists' strike.

HERALD

As the Cape Herald strike entered its 10th day today, a memorandum, containing the demands made by the newspaper's staff, was issued.

The demands were made to The Argus management on October 17 but were not available to the public.

They include:

Salary scale for all secretaries, typists, clerks and switchboard operators to start at R225 a month. By their fifth year they should earn R425.

Scale for sales representatives to start at R355, by their fifth year they should earn R540.

Scale for tele-ad sales employees to start at R285. By the fifth year they should earn R500 a month.

LOWER

The demands made for their reporters were lower than those offered to the Southern African Society of Journalists recently.

The Cape Herald's demands were R320 for a first-year journalist, with a fifth year salary of R600.

The SASJ received R700 for fifth-year journalists.

In a statement issued today by the Western Cape Traders' Association, it was alleged that the black staff of The Cape Herald were lower paid than their white counterparts on The Argus.

The manager of The Argus, Mr L P Willis, declined to comment.

● The Argus Group's head office has said it was never given time to negotiate, that it is in fact offering more pay than the strikers are demanding and that as a signatory to the SA Newspaper Press Editorial Conciliation Board, the Herald is bound by the terms of an existing conciliation board agreement.

● A spokesman for the Cape Herald action committee said they had met the managing director of The Argus Company, Mr Hal Miller, today.

'Mr Miller repeated the company's attitude towards the strike, saying we would not be paid while on strike and that our demands would not be negotiated until we returned to work.'

The spokesman said the strikers would not go back to work until their demands for new wage scales had been accepted in principle.

Mr Miller was not available for comment. — Argus Correspondent and Staff Reporter.

3/11/80

Black journalists' strike hits SAAN

STAR 3/11/80 (195) (~~139~~) (~~139~~)

The black journalists' strike today spread to another major newspaper company.

A spokesman for the Media Workers' Association of South Africa (Mwasa) said journalists employed by SA Associated Newspapers would refuse to work when they reported to their offices today.

This followed a call by the Southern Transvaal region of Mwasa yesterday for a national strike by black journalists.

Natal members of (Mwasa) also joined fellow members in the decision to strike.

No details have been given on which newspapers were affected.

At the same time, newspapers of the Argus Printing and Publishing Company — where strike action started — were faced with a boycott threat.

Pamphlets urging a boycott of all Argus group newspapers, including The Star, Post (Transvaal) and Sunday Post, have been distributed at railway stations and at the Orlando Stadium, another Mwasa spokesman said.

Yesterday's Mwasa meeting called for the boycott and said it might be extended to other newspapers.

The meeting also resolved to seek the support of other black community organisations — which the spokesman would not name.

Striking journalists at The Star were today told to hand in their company security cards and to leave the building until the dispute had been settled.

The Mwasa demands, listed in a statement issued after yesterday's meeting, are that:

- Salaries, wages and working conditions of all black media workers be improved.
- The situation at the Cape Herald be resolved. Cape Herald workers have struck in support of a demand for the extension of wage scales negotiated at Post (Tvl) after a stoppage earlier this year.
- All salaries be paid for the time they have been on strike because management is responsible for the dispute.
- Management talks to Mwasa's elected representatives.

Argus management has said it was never given time to negotiate, and that it is, in fact, offering more pay than the strikers are demanding.

As a signatory to the SA Newspaper Press Editorial Conciliation Board, the Herald is bound by the terms of an existing Conciliation Board agreement, management holds.

Management has also stated that it will not pay strikers for the time they have been off work.

CAPE TIMES 3/11/80

[redacted]

195

Threat to boycott the Argus

Staff Reporter

THE Western Cape Traders' Association, which represents 2 000 shopkeepers and traders, has threatened to instruct its members to boycott the Argus in support of striking staff at the Argus-owned Cape Herald.

The strike enters its 10th day today.

The chairman of the WCTA, Mr Dawood Khan, said yesterday that he had met the manager of the Argus, Mr L P Willis, on the instructions of his working committee to discuss the strike last week.

Mr Willis had reassured him that a settlement was near and Mr Khan had agreed to wait till the matter was settled.

"But nothing has been done. We are concerned because this settlement has not been reached; but what concerns us more is that the black staff of the Cape Herald are being paid lower salaries than their white counterparts on the Argus. We feel this is morally wrong and discriminatory," he said.

Mr Khan will refer the strike developments to the full executive of the WCTA on Wednesday and, if no settlement has been reached by then, the executive will instruct its members to stop selling the Argus in sympathy with striking staff of the Cape Herald.

Mounting support for the strike has come from many quarters, including advertisers, some of whom have cancelled advertisements due to appear in the Herald.

Staff at the Post newspaper in Johannesburg and black journalists working on the Star have also gone on strike in support of their Cape Herald colleagues.

Journalists, messengers, and classified, advertising and secretarial staff at the Cape Herald downed tools on October 29 after the management failed to meet a deadline stipulated in a memorandum detailing the staff's dissatisfaction with salaries and working conditions.

● Sapa reported yesterday that the Media Workers Association of South Africa (Mwasa) has called on its members throughout the country to go on strike in solidarity with the striking Cape Herald staff.

In a statement issued after a meeting in Orlando, Soweto, yesterday, Mwasa said: "All our members throughout the country will go on strike this week and will not go back to work until management of all newspapers have met our demands.

"The demands we have made are that the salaries, wages and working conditions of black media workers be improved, that the situation at the Cape Herald be resolved, and that salaries are paid for the time that they have been on strike because management is responsible for the situation, and that management talk to our elected representatives."

vocabulary and grammatical construction of languages is sufficiently constant to obtain an absolute chronology within a margin of error. This technique, called glotto-chronology, so promising at first, has not stood up to empirical tests.

Mention /...

Strike: Call for pressure on Argus

A PUBLIC MEETING in support of striking staff at the Cape Herald last night called for a co-ordinated campaign to bring pressure to bear on The Argus Company to settle the strike.

The meeting, in Klip Road, Grassy Park, was organised by the Lotus River Residents' Association and attended by about 60 people. It was addressed by a member of the Cape Herald action committee.

The Western Cape region of the Media Workers' Association of South Africa (Mwasa) is holding a meeting today to decide on a course of action.

STRIKE CALL

Members of Mwasa in Johannesburg and Durban have gone on strike following a call by the Southern Transvaal region of Mwasa for a national black journalists' strike.

A meeting yesterday between the Herald's action committee and Mr Hal Miller, managing director of The Argus Group was inconclusive.

In Johannesburg, members of Mwasa had a 4½-hour meeting with the management of SA Associated Newspapers last night without reaching agreement.

The Mwasa chapel at SAAN decided on Sunday to refuse to work.

IN SUPPORT

Last week black journalists employed by Post (Transvaal) and the Star's Africa edition went on strike in support of the Cape Herald black staff's stand.

Natal members of Mwasa have joined in the strike decision. Both Argus Group newspapers in Durban — the Daily News and the Sunday Tribune — are affected.

A secret ballot supported by 123 of the 165 Star editorial staff in Johannesburg decided yesterday against any strike action or moves contrary to their conditions of employment.

Note time and date of STRICT EMBARGO

EMBARGO : 11h30 OP 5 NOVEMBER 1980

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REDE GELEWER DEUR SY EDELE DR S W VAN DER MERWE, VOORSITTER VAN DIE KOMITEE VIR EKONOMIESE SAKE VAN DIE PRESIDENTSRAAD, BY GELEENTHEID VAN DIE AMPTELIKE OPENING VAN DIE JAARLIKSE KONFERENSIE VAN DIE MOTOR-INDUSTRIEë-FEDERASIE EN DIE WERKGEWERSVERENIGING VAN DIE SUID-AFRIKAANSE MOTORNYWERHEID OP 5 NOVEMBER 1980 TE HOTEL HEERENGRACHT, KAAPSTAD OM 11h00

MENEER DIE PRESIDENT, KONFERENSIEGANGERS,

DAMES EN HERE

DIT IS VIR MY AANGENAAM OM VANDAG HIER BY U TEENWOORDIG TE WEES OM DIE OPENINGSREDE TE LEWER BY DIE JAARLIKSE KONFERENSIE VAN DIE MOTOR-INDUSTRIEë-FEDERASIE EN DIE WERKGEWERSVERENIGING VAN DIE SUID-AFRIKAANSE MOTORNYWERHEID. BAIE DANKIE DAN OOK VIR DIE VRIENDELIKE UITNODIGING ASOOK DIE GULHARTIGE EN GASVRYE ONTVANGS EN VERWELKOMING ALHIER.

BY HIERDIE GELEENTHEID WIL EK EGTER VOLSTAAN BY ENKELE OPMERKINGE OOR DIE HUIDIGE STAND VAN ONS EKONOMIE, BEPAALDE ONTWIKKELINGS IN DIE MOTOR- EN KOMPONENTENYWERHEID ASOOK DIE PAD VORENTOE.

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AS DIE GEWESE MINISTER VAN NYWERHEIDSWESE, HANDEL EN VERBRUIKERSAKE, BLY U AKTIWITEITE VIR MY ALTYD VAN KARDINALE BELANG EN DAAROM IS EK BESONDER BLY OM VANDAG IN U MIDDE TE WEES. EK Sê DIT OMREDE EK TERDEë BESEF DAT DIE MOTORBE= DRYF, ASOOK DIE VERTAKKING DAARVAN WAT U VER= TEENWOORDIG, 'N SLEUTELROL IN ONS VOLKSHUIS= HOUDING SPEEL.

VASTE BELEGGING BELOOP TANS ONGEVEER R500 MILJOEN IN MONTEERAANLEGTE, R350 MILJOEN IN DIE ONAF= HANKLIKE KOMPONENTENYWERHEID (UITGESONDERD DIE R260 MILJOEN IN DIE ATLANTIS DIESELENJIN-PROJEK) EN NAGENOEG R2 000 MILJOEN IN DIE HERSTEL EN DIENSSEKTOR WAARBY DIE AGENTSKAP HANDELAARS INGESLOTE IS. DIE GEMIDDELDE INDIENSNEMING VAN ALLE RASSEGROEPE IN DIE MOTOR-KOMPONENTE= NYWERHEID ASOOK IN DIE MOTOR-KLEINHANDEL KOM TE STAAN OP NAGENOEG 150 000 PERSONE TERWYL SALARISSE EN LONE OP R700 MILJOEN PER JAAR BERAAM WORD.

MENEER DIE PRESIDENT, EK NOEM HIERDIE STATISTIEKE OMDAT DIT AANDUIDEND IS VAN DIE RELATIEWE BELANG= RIKHEID VAN HIERDIE NYWERHEID IN DIE EKONOMIE VAN ONS LAND.

DAAR BESTAAN DUS BY MY NIE DIE MINSTE TWYFEL NIE DAT DIE MOTORBEDRYF IN SUID-AFRIKA BESTEM IS OM OOK IN DIE TOEKOMS STEEDS 'N KARDINALE ROL IN DIE SUID-AFRIKAANSE EKONOMIE TE VERVUL, ENERSYDS, AS 'N KATALISATOR BY DIE SKEPPING VAN EKONOMIESE WELVAART EN, ANDERSYDS, OM DIE TERGENDE PROBLEEM VAN WERKLOOSHEID TE HELP BEKAMP. BEIDE HIERDIE AANGELEENTHEDE IS LEWENSBELANGRIK VIR ONS LAND SE POLITIEKE EN EKONOMIESE TOEKOMS EN BEIDE IS NATUURLIK ONDERLING VERWANT.

WAAR DIE GROEI IN DIE MOTORBEDRYF TEN NOUSTE SAAMHANG MET DIE WELVAART VAN DIE EKONOMIE AS GEHEEL, HOU DIE REGERING DIE NEIGINGS EN ONT= WIKKELINGS IN DIE NYWERHEID NOUKEURIG DOP SODAT OPTREDE TOT WYSIGING EN HERSTEL ONDERNEEM KAN

WORD WAAR EN WANNEER NODIG. SO IS DAAR DAN OOK BY VERSKEIE GELEENTHEDE IN DIE VERLEDE MAAT= REëLS DEUR DIE REGERING AFGEKONDIG OM DIE BEDRYF TOT HULP TE KOM.

DIT IS ALGEMEEN BEKEND DAT DIE TEMPO VAN EKONO= MIESE GROEI GEDURENDE DIE ONLANGSE JARE NIE BEVREDIGEND WAS NIE. DIE MOTORBEDRYF HET DAN OOK MET MINDER GUNSTIGE TOESTANDE TE KAMPE GEHAD. SAKETOESTANDE HET IN DIE JONGSTE TYD EGTER HEELWAT VERBETER EN DAAR IS 'N HELE AANTAL POSITIEWE FAKTORE AANWESIG WAT GUNSTIGE OMSTAN= DIGHEDE VIR VERSNELDE EKONOMIESE GROEI SKEP EN DUS DIE VOORUITSIGTE VIR GROEI EN UITBREIDING IN DIE MOTORBEDRYF BEGUNSTIG.

MENEER DIE PRESIDENT, EK WIL NET KORTLIKS VERWYS NA DIE BESONDER GUNSTIGE VERLOOP WAT ONS EKONOMIE TANS NEEM. TE MIDDE VAN 'N VRY ERNSTIGE RESESSIETOESTAND WAT IN DIE VSA HEERS; 'N WANKELRIGE BRITSE EKONOMIE; EN 'N AANSIENLIKE

VERWAGTE DALING IN 1980 IN DIE GROEIKOERSE VAN LANDE SOOS JAPAN, DIE FEDERALE REPUBLIEK VAN WES-DUITSLAND, EN FRANKRYK, IS DIE VERLOOP VAN DIE SUID-AFRIKAANSE EKONOMIE OMGEKEERD EN BE= SONDER GUNSTIG IN VERGELYKING MET DIé VAN ONS BELANGRIKSTE HANDELSVENNOTE.

DIE EKONOMIESE HERSTEL WAT ONS NOU ONDERVIND IS OP GOEIE FONDAMENTE GEBOU. SOOS U BEWUS IS HET DIE REGERING MET DIE AFGELOPE PAAR BEGROTINGS STEEDS FINANSIëLE DISSIPLINE TEN OPSIGTE VAN STAATSBESTEDING TOEGEPAS, WAT ONS IN STAAT GESTEL HET OM ONS EKONOMIE OP 'N STANDVASTIGE WYSE UIT TE BOU. VANDAG KAN ONS DIE VRUGTE VAN HIERDIE BELEID PLUK. SEDERT 1978 KON DIE REGERING 'N BELEID VAN AANMOEDIGING EN GROEI VOLG, WAT IN DIE AFGELOPE BEGROTING TOT VOLLE UITING GEKOM HET.

DIE STYGING IN DIE PRYS VAN GOUD, WAT UITSLUITLIK AAN EKSTERNE FAKTORE TOEGESKRYF WORD, HET DIT OOK

VIR DIE REGERING MAKLIKER GEMAAK OM STAPPE TE DOEN OM GESONDE EKONOMIESE GROEI TE BESTENDIG. EK TWYFEL NIE DAARAAN NIE DAT GOUD VORENTOE STEEDS 'N BAIE BELANGRIKE ROL IN DIE INTERNA= SIONALE MONETêRE STELSEL SAL VERVUL, EN SAL MEEHELP OM EKONOMIESE GROEI IN SUID-AFRIKA REGSTREEKS EN ONREGSTREEKS AAN TE HELP.

ANDER EKSPANSIONISTIESE KRAGTE WAT TANS IN DIE EKONOMIE AANWESIG IS EN WAT HOëR EKONOMIESE GROEI SAL ONDERSTEUN, IS DIE VOLGENDE:

- DIE BETALINGSBALANSPOSISIE IS BAIE GESOND EN LAAT RUIMTE OM 'N AANSIENLIK HOëR GROEIKOERS TE AKKOMMODEER.

- PRIVATE VERBRUIKSBESTEDING HET IN DIE JONGSTE TYD HEELWAT GESTYG. DIT WORD VERAL MEEGE= BRING DEUR HOëR SALARISSE EN LONE EN 'N LAER BELASTINGKOERS OP DIE INKOMSTE VAN INDIVIDUE.

- DIE TOENAME IN VERBRUIKSBESTEDING SAL TOT

TOENEMENDE VOLLER BESETTING VAN FABRIEKS= KAPASITEIT AANLEIDING GEE, WAT 'N STYGING IN VASTE INVESTERING IN DIE PRIVATE SEKTOR MOET MEEBRING. GELUKKIG IS DAAR REEDS POSITIEWE TEKENS IN DIé VERBAND TE BESPEUR.

- DIE INTERING OP VOORRADE DUUR NOU REEDS VIR GERUIME TYD VOORT EN VOORRADE IN VERHOUDING TOT OMSET IS TANS OP 'N LAE VLAK. AANVUL= LING VAN HIERDIE VOORRADE SAL NOODWENDIG 'N GROTER VRAAG IN DIE EKONOMIE BEWERKSTELLIG.

- DIE GROOTSTE GEDEELTE VAN SUID-AFRIKA SE UITVOERE BESTAAN UIT GOUD, LANDBOUPRODUKTE, STEENKOOL, YSTERERTS EN STRATEGIESE METALE EN MINERALE. UIT DIE AARD VAN DIE SAAK IS DIE VRAAG NA HIERDIE PRODUKTE, HOEWEL GE= VOELIG, NIE UITERS GEVOELIG VIR RESESSIE- TOESTANDE OORSEE NIE.

DUS, SONDER OM DIEPER IN BESONDERHEDE IN TE GAAN, KAN EK Sê DAT ONS, ONVOORSIENE OMSTANDIGHEDE

UITGESLUIT, VOORUIT KAN SIEN NA 'N BELOWENDE 1981.

MR PRESIDENT, DURING THE LATTER PART OF LAST YEAR, BUT PARTICULARLY SINCE THE BEGINNING OF 1980, THE MOTOR INDUSTRY HAS EXPERIENCED A STRONG UPSURGE IN DEMAND. AN INCREASE IN ACTIVITY HAD BEEN WIDELY EXPECTED BUT IT APPEARS THAT EVERYBODY WAS SURPRISED BY THE INTENSITY OF THE UPWARD TREND.

LAST YEAR THE INDUSTRY RECORDED A MODERATE 3 PER CENT INCREASE IN NEW VEHICLE SALES OVER THE PRE= VIOUS YEAR TO JUST OVER 300 000 UNITS. SALES HAVE INCREASED MUCH MORE RAPIDLY THIS YEAR TO A LEVEL OF ABOUT 20 PER CENT HIGHER THAN THE YEAR BEFORE. CAR SALES TO THE EXTENT OF 260 000 UNITS AND COMMERCIAL VEHICLE SALES OF 120 000 UNITS FOR THIS YEAR ARE NOW WITHIN REACH AND IT IS EVEN POSSIBLE THAT WE MAY ATTAIN THE 400 000 TOTAL SALES MARK.

THIS FAVOURABLE PROSPECT HAS COME AFTER YEARS OF POOR SALES PERFORMANCE AND IS ATTRIBUTABLE TO CHANGES IN A NUMBER OF FACTORS WHICH IN= FLUENCED THE DEMAND, SUCH AS OVERCOMING THE NEGATIVE EFFECTS THAT ACCOMPANIED THE OIL CRISIS SPARKED OFF TWO YEARS AGO AND WHICH RESULTED IN TWO LARGE PETROL PRICE HIKES AND THE SEVERE TEMPORARY PHYSICAL RESTRICTIONS ON SPEED AND ON THE SELLING HOURS OF FUEL.

AS THE ECONOMY GAINED MOMENTUM IT LED TO IN= CREASED EMPLOYMENT, SALARY INCREASES AND THE GRANTING OF HOLIDAY BONUSES THIS YEAR TO THE PUBLIC SECTOR WHICH WERE QUITE SUBSTANTIAL. FURTHER, INCOME TAX REDUCTIONS AND LOAN LEVY REPAYMENTS HAVE ALSO INCREASED PRIVATE CONSUMP= TION EXPENDITURE. IN ADDITION TO THESE ECONOMIC FACTORS, A LARGE NUMBER OF VEHICLES BOUGHT DURING THE PEAK YEARS OF 1973 - 1975 HAD BECOME OVERDUE FOR REPLACEMENT. CREDIT CONDITIONS WERE ALSO VERY EASY AND HIRE PURCHASE PERIODS WERE EXTENDED.

BECAUSE OF THE UNDERESTIMATION OF THE ECONOMIC REVIVAL, THE MOTOR INDUSTRY HAS BEEN EXPERIENC= ING PROBLEMS IN CERTAIN AREAS. AMONGST THE SHORT TERM PROBLEMS ARE SHORTAGES OF BOTH IM= PORTED AND LOCAL RAW MATERIALS AND SHORTAGES OF SKILLED LABOUR. WHILST THE DOWNWARD TREND IN THE ECONOMIC ACTIVITIES OF MOST OVERSEAS MARKETS HAS BEEN A BLESSING IN HAVING EASED THE SUPPLY OF CKD MATERIAL, I CAN SAY THAT GENERALLY THE LOCAL SUPPLIERS OF COMPONENTS AND RAW MATERIALS, HAVE PERFORMED REMARKABLY WELL IN MEETING THE DEMANDS OF THE VEHICLE MANUFACTURERS. TO HAVE ACHIEVED THIS, MANY OF YOUR MEMBERS WORKED AT FULL CAPACITY AND INTRODUCED DOUBLE SHIFTS BUT, AS COULD BE EXPECTED, BOTTLENECKS HAD EMERGED ON THE SUPPLY SIDE IN AREAS SUCH AS THE FOUNDRY INDUSTRY, WIRING HARNASSES, PRESSINGS, ELECTRICAL EQUIPMENT AND SPECIAL STEELS, TO NAME BUT A FEW. A NUMBER OF THE SUPPLIERS CONCERNED WERE FORTUNATE ENOUGH TO OVERCOME THEIR PROBLEMS BUT THE INABILITY OF OTHERS TO DO SO HAS LED TO THE

MOTOR VEHICLE MANUFACTURERS APPROACHING THE GOVERNMENT FOR CONCESSIONS. AS I NO LONGER OCCUPY THE POSITION OF MINISTER OF INDUSTRIES, YOU ARE OF COURSE IN A BETTER POSITION TO TELL ME TO WHAT EXTENT THE REPRESENTATIONS HAVE BEEN SUCCESSFUL. THE STRIKES EARLIER THIS YEAR IN THE EASTERN CAPE HAVE AGGRAVATED THE SUPPLY PROBLEM BUT THEY, FORTUNATELY, DID NOT CAUSE MUCH HARM. I MUST CONGRATULATE THE MANUFACTUR= ERS CONCERNED FOR THE COMMENDABLE WAY IN WHICH THEY HAVE HANDLED A MOST DELICATE MATTER AND MANAGED TO SETTLE THEIR DISPUTES WITH THE LABOUR-UNIONS FAIRLY QUICKLY.

APART FROM THE SHORT-TERM PROBLEMS WHICH WERE BROUGHT ABOUT BY A SHARP INCREASE IN THE DEMAND, THERE WERE ALSO OTHERS. AMONG THEM ARE THE LOCAL CONTENT PROGRAMMES FOR LIGHT AND HEAVY GOODS VEHICLES WHICH COULD ALSO CONSTITUTE A CONSTRAINT. IN THE CASE OF LIGHT GOODS VEHICLES THE INDUSTRY HAS BEEN GRANTED A

FOR HAVING SANCTIONED A 'MONOPOLY' FOR THE MANUFACTURE OF TRUCK AXLES AND GEARBOXES IN CONFLICT WITH THE PRESERVATION OF THE FREE MARKET SYSTEM WHICH IS PART OF THE TWELVE-POINT PLAN, ANNOUNCED BY THE PRIME MINISTER LAST YEAR. I WANT TO MAKE IT VERY CLEAR THAT THERE HAS BEEN NO REAL DEVIATION FROM THE GOVERNMENT'S NEW POLICY DIRECTION IN THIS REGARD. THE REPUBLIC IS THE LAUGHING STOCK OF THE WORLD BECAUSE OF THE LARGE VARIETY OF DIFFERENT MODELS IN A SMALL MARKET. WHAT THE INDUSTRY NEEDS MORE THAN ANY=THING ELSE IS STANDARDISATION AND NOW IS THE APPROPRIATE TIME TO ACHIEVE THIS GOAL. THIS LESSON WE HAVE LEARNT FROM HARD EXPERIENCE AS WAS AGAIN RECENTLY EVIDENCED BY THE WITHDRAWAL OF A VEHICLE MANUFACTURER IN ROSSLYN FROM THE MARKET. THE PROCESS OF A DIMINISHING NUMBER OF MANUFACTURERS AND PLANTS ON THE PASSENGER VEHICLE SIDE IS CONTINUING.

VOICES HAVE ALSO BEEN RAISED TO THE EFFECT THAT THE COUNTRY COULD GET LEFT OUT IN THE TECHNICAL "COLD" AS A RESULT OF THE SINGLE SOURCE PHILO=SOPHY. I WOULD LIKE TO EXPLAIN THAT THE APPROVED LOCAL MANUFACTURERS OF DIESEL ENGINES, GEARBOXES AND REAR AXLES AND THE TECHNOLOGIES EMPLOYED, WERE CAREFULLY SELECTED. THE ADVANCED TECH=NOLOGIES OF THE OVERSEAS PARTNERS TO WHICH THE LOCAL MANUFACTURERS HAVE FULL ACCESS, ARE BEYOND DISPUTE. FURTHER, THE LICENSORS ARE MULTI-NATIONAL COMPANIES OF WORLD REPUTE WHICH CANNOT AFFORD TO DEPRIVE US OF THE ADVANTAGES OF THEIR RESEARCH WORK.

AS WAS READILY EXPECTED THE AFOREMENTIONED PROGRAMMES HAVE STIMULATED THE INTERESTS OF THE PRIVATE SECTOR IN THE MANUFACTURE OF THE REMAIN=ING COMPONENTS OF THE POWERTRAIN NAMELY, CLUTCHES, PROPELLER SHAFTS AND ANCILLARY ITEMS. IT APPEARS THAT THESE ITEMS WILL BECOME AVAILABLE LOCALLY IN THE NEAR FUTURE IN FULFILMENT OF THE

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TEMPORARY REPRIEVE IN THAT THE MINIMUM 66 PER CENT LOCAL CONTENT REQUIREMENT - DUE TO COINCIDE WITH THE INCEPTION OF PHASE 5 IN JANUARY 1980 - WAS POSTPONED FOR TWO YEARS THOUGH A MODERATE SCALE OF PENALTIES IN THE FORM OF EXCISE DUTY WILL ENCOURAGE VEHICLE MANUFACTURERS TO INCORP= ORATE A DOMESTIC CONTENT LEVEL IN EXCESS OF 50 PER CENT AS SOON AS POSSIBLE. LOOKING BACK AT THE NEGOTIATIONS WITH THE INDUSTRY DURING THE COURSE OF LAST YEAR CONCERNING PHASE 5, IT WAS PROBABLY A WISE DECISION OF THE GOVERNMENT TO HAVE ALLOWED THE PHASING-IN OF LOCAL CONTENT IN THESE VEHICLES OVER A LONGER PERIOD. THE REASON FOR MY SAYING SO IS THAT THE ADDITIONAL PRODUCTION CAPACITY WHICH WAS CREATED HAS BEEN UTILISED TO A LARGE EXTENT BY THE HIGHER VOLUME OF PASSENGER CARS. I AM CONFIDENT, HOWEVER, THAT THE SUPPLY INDUSTRY IN THE LONG TERM WILL BE ABLE TO COPE WITH THE INCREASED DEMAND BROUGHT ABOUT BY THE PROGRAMME FOR LIGHT GOODS VEHICLES ON THE 66 PER CENT LEVEL.

MR PRESIDENT, DUE TO A WELL DEVELOPED COMPONENT MANUFACTURING INDUSTRY, THE GOVERNMENT WAS ABLE TO TAKE A VERY IMPORTANT AND FAR-REACHING DECISION; AND I AM REFERRING TO THE ATLANTIS DIESEL ENGINE PROJECT WHICH HAS PARTLY ORIGINATED FROM THE COUNTRY'S ISOLATED POSITION IN THE WORLD IN MANY SPHERES OF LIFE AND THREATS OF TRADE AND BOYCOTTS, NOT ONLY BY OUR ENEMIES BUT ALSO COUNTRIES WHICH USED TO BE OUR TRADITIONAL FRIENDS. THE ADE PLANT WHICH IS SCHEDULED TO COME INTO PRODUCTION TOWARDS THE END OF NEXT YEAR, MAY PROBABLY NOT BE VERY POPULAR WITH A SMALL SECTION OF THE INDUSTRY BECAUSE OF ECONOMIC AND OTHER CONSIDERATIONS. CERTAIN TRUCK MANUFACTURERS CLAIM THAT THE R260 MILLION PLUS PROJECT WILL ADD ABOUT 30 PER CENT TO THE COST OF MANY TRUCKS, BUT MY INFORMATION IS THAT THE PREMIUM OF LOCAL MANUFACTURE WILL BE MUCH LESS THAN THIS ESTIMATED FIGURE. WHATEVER THE FACTUAL POSITION, SOUTH AFRICA CAN NO LONGER AFFORD TO BE DEPENDENT ON FOREIGN COUNTRIES FOR

THE SUPPLY OF SUCH A VITAL COMPONENT - THE HEART OF THE VEHICLE - TO KEEP OUR STOCKS ROLLING. ON THE POSITIVE SIDE THE MAJOR BEN=EFITS FOR SOUTH AFRICA ACCRUING FROM THE PROJECT ARE REALLY IMPRESSIVE.

THESE ARE THE KNOWN FACTS BUT I WISH TO REPEAT THEM:

- THE VALUABLE CONTRIBUTION TO LOCAL EXPERTISE AND TECHNOLOGY,
- THE CREATION OF SOME 4 000 JOB OPPORTUNITIES WITHIN ADE AND THE COMPONENT INDUSTRY,
- FOREIGN EXCHANGE SAVINGS OF THE ORDER OF R260 MILLION PER ANNUM WITHIN FOUR YEARS FROM START AND,
- POSSIBLY THE MOST IMPORTANT OF ALL, A RE=DUCTION OF THE PRESENT VARIETY OF MORE THAN 200 DIFFERENT DIESEL ENGINES TO 11 MODELS

FROM FIVE BASIC ENGINE FAMILIES. THIS RATIONALISATION PROGRAMME WILL GIVE RISE TO BETTER SERVICE, LOWER COST OF SPARE PARTS AS A RESULT OF INCREASED TURNOVER AND BETTER AVAILABILITY, REDUCED COSTS OF SERVICE TRAIN=ING AND IMPROVED STANDARDS OF MAINTENANCE.

GOOD PROGRESS HAS ALSO BEEN MADE IN RENDERING THE COUNTRY SELF-SUFFICIENT AS FAR AS THE OTHER COMPONENTS FOR THE POWER TRAIN FOR HEAVY GOODS VEHICLES ARE CONCERNED. THE GEARBOX AND REAR AXLE PROGRAMMES ARE PLANNED TO COINCIDE WITH THE DIESEL ENGINE PROJECT FROM OCTOBER 1981 WHEN THE LOCAL PRODUCTS SHOULD BE INCORPORATED INTO HEAVY GOODS VEHICLES AND TRACTORS (ONLY ENGINES) AND WHEN THE PROPOSED TARIFF PROTECTIVE MEASURES WILL BECOME EFFECTIVE. AS IN THE CASE OF ENGINES, IT IS ALSO ENVISAGED TO PROVIDE FOR REBATES OF THE APPLICABLE EXCISE DUTIES IF THE LOCAL PRODUCTS ARE NOT SUITABLE FOR A PARTICULAR APPLICATION. THE GOVERNMENT HAS BEEN CRITICISED

UNITED STATES OF AMERICA AND IN SOUTH AFRICA THE SHARE TAKEN BY THE MOTOR VEHICLE COULD BE EVEN HIGHER. MANY GENERATIONS WILL PASS BEFORE THESE RATIOS WILL CHANGE SIGNIFICANTLY. THE ANSWER TO THE FUEL CRISIS, THEREFORE, DOES NOT SO MUCH LIE IN REDUCING MOTOR CAR USAGE BUT IN ALTERNATIVE SOURCES OF AUTOMOTIVE ENERGY AND IN IMPROVING FUEL CONSUMPTION. REMARKABLE PROGRESS HAS ALREADY BEEN MADE IN THIS DIRECTION AND WITH THE FAST DEVELOPING TECHNOLOGY IN THIS FIELD, A MAJOR BREAKTHROUGH COULD COME QUICKER THAN WE EXPECT. THE DIESEL ENGINE WILL NO DOUBT CONTINUE TO PLAY AN IMPORTANT ROLE IN THIS REGARD. IN SOUTH AFRICA THE MAJOR PART OF LIQUID FUEL IS USED BY THE COMMERCIAL SECTOR WHERE THE POTENTIAL OF BIG SAVINGS LIES.

IT APPEARS THAT THE ELECTRIC VEHICLE PRESENTS NO IMMEDIATE THREAT TO CONVENTIONAL PETROL OR DIESEL ENGINED VEHICLES AND THAT THE FOCUS HAS TURNED AWAY, ALBEIT TEMPORARILY, FROM BATTERY

OPERATED MOTORING. AFTER EACH FUEL CRISIS PEOPLE GET CARRIED AWAY BY THE PROMISE OF QUIET, POLLUTION-FREE MOTORING AND TEND TO OVERLOOK THE REALITIES OF THE DEVELOPMENT OF THE ELECTRIC VEHICLE. THE BASIC DISADVANTAGES OF THESE VEHICLES HAVE NOT CHANGED AND THERE IS NOT MUCH PROSPECT OF THESE DRAWBACKS DISAPPEARING IN THE FORESEEABLE FUTURE. FIRSTLY, THEY ARE RE= LATIVELY EXPENSIVE AND THEREFORE, UNLIKELY TO PENETRATE DEEPLY INTO THE SECOND-CAR MARKET. ALSO ELECTRIC VANS AND CARS HAVE A LIMITED RANGE OF AROUND 120 KILOMETRES AND THE BATTERIES HAVE TO BE CHARGED EVERY NIGHT. FURTHER, THEY ARE FAIRLY SLOW AND CLUMSY DUE TO THE HEAVY WEIGHT OF THE BATTERIES. DISAPPOINTING TESTS AND SOBERING NEW FINDINGS FROM MANY YEARS OF STUDY HAVE TAKEN SOME OF THE ZIP OUT OF AMBITIOUS PLANS FOR MASS PRODUCTION OF ELECTRIC VEHICLES IN THE NEAR FUTURE.

22/....

ENGINEERING PROBLEMS ARE APPARENTLY ENCOUNTERED IN THE DEVELOPMENT OF LIGHTER AND MORE EFFICIENT NICKEL-ZINC AND NICKEL-IRON BATTERIES. THERE IS, HOWEVER, STILL A GOOD DEAL OF CONFIDENCE IN PAY-OFFS FROM RESEARCH AND DEVELOPMENT AS EVIDENCED BY A RECENT ANNOUNCEMENT BY THE WORLD'S LARGEST VEHICLE MANUFACTURER TO PRODUCE A TOWN ELECTRIC CAR BY 1985.

WORSENING OF THE ALREADY UNSTABLE SITUATION IN THE OIL PRODUCING COUNTRIES WILL NO DOUBT EN= COURAGE OTHER MANUFACTURERS IN THIS FIELD TO FOLLOW SUIT. WE CAN READILY ACCEPT THAT WITHIN 15 TO 20 YEARS FROM NOW AT LEAST THE ELECTRIC TOWN VEHICLE, AS IN THE CASE OF MILK DELIVERY VANS, WILL BECOME AN EVERY-DAY SIGHT, ALSO IN THIS COUNTRY. IT IS UNLIKELY HOWEVER, THAT THE CONVENTIONAL MOTOR VEHICLE WILL CEASE TO PLAY THE DOMINANT ROLE IN TRANSPORTATION FOR DECADES TO COME.

23/....

MR PRESIDENT, WE LIVE IN AN EVER CHANGING WORLD AND AS IN THE DAYS WHEN THE SLEDGE AND DONKEY CART WERE INVENTED, ANYTHING CAN HAPPEN IN A SOCIETY WHICH IS ON THE LOOK OUT FOR ALTERNATIVE METHODS OF TRANSPORT. WHEN IT COMES TO MOTOR CYCLES MY INFORMATION IS THAT FOREIGN COUNTRIES - EVEN THOSE BEHIND THE IRON CURTAIN - ARE ANXIOUS TO SELL THEIR PRODUCTS TO SOUTH AFRICA. THE GROWTH IN THE MOTOR CYCLE MARKET FROM 16 000 UNITS IN 1978 TO ABOUT 40 000 UNITS IN 1979 IS REALLY REMARKABLE. BUT WHO WOULD HAVE PREDICTED A DOUBLING OF THIS FIGURE FOR 1980 WHICH, IF THE 'BIKE BOOM' CONTINUES, IS MOST LIKELY TO BE ATTAINED? THIS RAPIDLY GROWING AND EXCITING MARKET WITHIN THE AUTOMOTIVE FIELD JUSTIFIES A CLOSER LOOK AT THE POSSIBILITIES OF LOCAL MANU= FACTURE OF COMPONENTS AND PARTS, IF NOT THE TOTAL PRODUCT. SINCE THE MOTOR CYCLE MARKET WILL NO DOUBT CONTINUE TO GROW IN VIEW OF THE RISING FUEL COSTS, WE WILL DO WELL - AND HEREBY I MEAN THE PRIVATE SECTOR, THE RESPONSIBLE AUTHORITIES,

AND ALSO THE USERS - TO EXPLORE ALL POSSIBLE WAYS AND MEANS TO RENDER MOTOR CYCLING SAFER. THE SAME APPLIES, OF COURSE, TO MOTOR VEHICLES AND OTHER MEANS OF TRANSPORT. A COUNTRY LIKE SOUTH AFRICA WHICH HAS A SHORTAGE OF SKILLED LABOUR CANNOT AFFORD TO LOOSE OUR HUMAN RESOURCES AS A RESULT OF VEHICLE ACCIDENTS WHICH COULD HAVE BEEN AVOIDED.

MENEER DIE PRESIDENT, DIE ALGEMENE GEVOEL BY EKONOME EN SAKEMANNE IS DAT DIE TAGTIGERJARE VIR SUID-AFRIKA OP EKONOMIESE GEBIED HEELWAT BETER SAL WEES AS DIE SEWENTIGERJARE WAT 'N AANSIENLIKE VERBETERING VAN LEWENSTANDAARDE VIR AL ONS BEVOLKINGSGROEPE SAL BETEKEN.

IN DIE JONGSTE JAARVERSLAG HET DIE PRESIDENT VAN DIE RESERWEBANK DAN OOK BEWYSE VOORGELê WAT DAAROP DUI DAT DIE GROEIKOERS VAN DIE REëLE BRUTO BINNELANDSE PRODUK OP MEER AS 7 PERSENT VIR 1980 TE STAAN SAL KOM, IN VERGELYKING MET

4 PERSENT IN 1979. MET SO 'N VERWAGTE REëLE GROEIKOERS SAL SUID-AFRIKA GOEIE VORDERING KAN MAAK OM DIE KWELLENDE WERKLOOSHEIDVRAAGSTUK TE VERLIG.

AS EK Sê DAT DIE EKONOMIESE VOORUITSIGTE VIR SUID-AFRIKA, IN DIE LIG VAN TOESTANDE ELDERS IN DIE WêRELD, BESONDER GOED IS, BETEKEN DIT NIE DAT ALLES NOU PLUIS IS MET DIE SUID-AFRIKAANSE EKONOMIE NIE. INFLASIE IS BESIG OM SY WURGGREEP TE VERSTEWIG EN DIé TENDENS SAL WAARSKYNLIK NIE IN DIE VOORSIENBARE TOEKOMS REGGESTEL KAN WORD NIE. DIE REGERING IS EGTER BESIG OM VAN SY KANT ALLES IN SY VERMOë TE DOEN OM DIE KOERS NA 'N MEER AANVAARBARE VLAK TE VERMINDER - DAAR BESTAAN EENVOUDIG NET NIE 'N KITSOPLOSSING VIR DIE PROBLEEM NIE.

DAAR IS PROBLEME IN SUID-AFRIKA - UNIEKE PROBLEME WAARVOOR DAAR NêRENS IN DIE WêRELD KITSOPLOSSINGS BESTAAN WAT MAAR NET INGEVOER KAN WORD NIE. MAAR

DIE UITDAGINGS WORD DIE HOOF GEBIED, EN DAAR IS 'N VASBESLOTENDHEID BY DIE REGERING OM VOORT TE GAAN OP DIE INGESLANE WEG OM OP 'N VREEDSAME WYSE EKONOMIESE VOORUITGANG EN POLITIEKE VOL= WASSENHEID VIR DIE HELE BEVOLKING TE VERKRY.

TERSELFDERTYD IS DIT EGTER OOK DUIDELIK DAT DIE SAKELUI VOOR GROOT UITDAGINGS STAAN EN DAT GROOT EN BELANGRIKE AANPASSINGS GEMAAK SAL MOET WORD. ONS LEEF VANDAG IN VINNIG VERANDERENDE OMSTAN= DIGHEDE EN GEBEURTENISSE VOLG MEKAAR SO SNEL OP DAT DIT MOEILIK GAAN OM TRED TE HOU. DIE SAKELEWE RAAK AL HOE MEER GEKOMPLISEERD.

OP INTERNASIONALE VLAK WORD GROOT DRUK OP ONS UITGEOEFEN OM ONS LAND SE INTERNE BELEID TE VERANDER. HIERDIE DRUK KAN ONS EKONOMIESE ONTWIKKELING EN GROEI NADELIG BEÏNVLOED, IETS WAT 'N LAND SOOS SUID-AFRIKA MET SY SNELGROEI= ENDE BEVOLKING ERNSTIG KAN RAAK. MAAR DIT SKEP OOK GROOT GELEENTHEDE. DAAR KAN MIN

27/

TWYFEL BESTAAN DAT HIERDIE VYANDIGE HOUDING VAN DIE BUITELAND TEENOOR ONS, BESONDERE UITDAGINGS AAN ONS LAND EN OOK DIE SAKEGEMEENSKAP GAAN STEL. ONS SAL IN 'N TOENEMENDE MATE OP ONSSELF AANGE= WESE WEES, ONS SAL MEER GOEDERE SELF MOET VER= VAARDIG EN ONS SAL MOET SORG DAT ONS ONS KAPITAAL EN ANDER HULPBRONNE DOELTREFFENDER AANWEND. DIT ALLES BRING MEE DAT ONS DOELGERIG EN GEKOÖRDI= NEERD VIR DIE TOEKOMS SAL MOET BEPLAN.

DIT DOEN MY GENOEë OM NOU HIERDIE KONFERENSIE AMPTELIK GEOPEN TE VERKLAAR. EK VERTROU DAT U BERAADSLAGINGS SUKSESVOL EN VRUGBAAR SAL WEES.

I HAVE GREAT PLEASURE IN NOW DECLARING THIS CON= FERENCE OFFICIALLY OPEN. I TRUST THAT YOUR DELIBERATIONS WILL BE SUCCESSFUL AND FRUITFUL.

UITGEREIK DEUR DIE DEPARTEMENT VAN BUITELANDSE SAKE EN INLIGTING OP VERSOEK VAN DR S W VAN DER MERWE VOORSITTER VAN DIE EKONOMIESE KOMITEE VAN DIE PRESIDENTSRAAD.
PRETORIA
5 NOVEMBER 1980.

Media strike is spreading

STAR 5/11/80

By Mike Derry

Representatives of striking black media workers and the Argus and South African Associated Newspapers groups met today for talks.

As the strike by members of the Media Workers' Association of South Africa (Mwasa) spread throughout the country, six members of the Argus staff in Cape Town stopped work today in sympathy with striking workers on the Cape Herald.

Three journalists, two reporters and a sub-editor said in a statement that they would be on strike until the dispute at the Cape Herald was satisfactorily settled.

Mwasa members at 12 newspapers, the Financial Mail magazine and the national news agency are now striking for higher salaries and better working conditions.

Scores of black journalists have been on strike for days, forcing the temporary closure of three newspapers. The strikes underline the rise of black journalists as a major force in the newspaper industry. PATRICK LAURENCE examines the background to the strike and traces the genesis of ~~Mwasa, the black trade union~~ at the forefront of the strikes

6 11 80 RDM ~~213~~ ~~152~~ ~~134~~ 195

Black journalists: A tough new force

IN LESS than two weeks a strike by black journalists and workers at the Cape Herald escalated into a nationwide dispute as black newsmen throughout the country launched solidarity strikes on major English-language newspapers.

Seen in broader context neither the extent of the strike nor the apparent swiftness with which it took root is surprising. As long ago as January 1973 black journalists gave notice of their intention to fight for their rights as they perceived them when they established the Union of Black Journalists (UBJ).

Black journalists were not isolated from the rising militancy of the black workers. They were part of it. The growth of black worker power was manifest in recurring strikes in major industrial centres, starting in 1972-73 but reaching new peaks in the past few months.

The UBJ, a black consciousness union which sought to mobilise black journalists and to synchronise their aspirations with those of the broader black community, was banned in the October 19, 1977 crackdown.

Within a year a new union arose, phoenix-like, to fill the vacuum created by the banning of UBJ. Like the UBJ, the new union, the Writers Association of South Africa (Wasa) subscribed to the black consciousness philosphy.

Wasa's constitution restricted its membership to black journalists and writers, black being used in the black consciousness sense to include Africans, coloureds and Indians.

The exclusion of whites led inevitably to the accusation that Wasa was "racist" in outlook and practice. Wasa replied, in part, that black newsmen faced unique problems which could only be overcome by the mobilisation and application of concerted black pressure.

Wasa's response reflected the black consciousness axiom that whites, even if they were fellow journalists subscribing to liberal values, could not solve black problems because they neither knew nor felt deeply enough about them.

Flowing from this black consiousness premise was an important and controversial corollary: Wasa expected black journalists to give their first loyalty to their community and then only to their profession — to be blacks first and journalists second.

Wasa's declaration led to criticism that it was abandoning the ideal of objectivity and exhorting its members to become propagandist for "black liberation" and polemicists for majority rule.

Wasa president, Mr Zwelakhe Sisulu, was unimpressed by these critics. He argued that South Africa's situation left black journalists no option but to be propagandists but gave them the choice of what cause to make propaganda for.

"In our situation the question is not whether one is a propagandist or not, but whether one is a collaborationist propagandist or a revolutionary propagandist," he said at Wasa's annual congress last month.

"Because we have expressed a desire for radical change in the scheme of things, we must be propagandists for change.

"If expressing the asipirations of the people is propaganda — if propaganda denotes one who opts for commitment as an alternative to non-commitment — then surely we are propagandists."

Given Wasa's perspective that black journalists have more in common with black workers than with white journalists, it seems inevitable in retrospect that they would try to broaden and strengthen their ranks by opening their membership to all black workers in the newspaper industry.

A decision to open their ranks to black newspaper workers from messengers to printers was taken in principle at Wasa's annual congress last year. In ideological terms it was justified as necessary to combat black elitism — and set the tone for the black consciousness movement to increasingly involve itself at grassroots level.

More important, at the practical level, it gave Wasa a new potential as a political force. But the prospect of "revolutionary propagandists" seeking recruits among black workers seemed designed to bring Wasa into conflict with newspaper managements.

At its most recent congress in Cape Town, Wasa took the decisive step of changing its constitution to open its ranks to "workers in the communications media" and, consequently, of formally changing its name to the Media Workers Association of South Africa (Mwasa).

At that stage Wasa had won the allegiance of about 90% of the roughly 260 black journalists. Mwasa, with its aim of recruiting black workers, confronted a challenge of different and more daunting order.

With the advantage of hindsight, the strike in August by journalists and workers at Post was a sign of the storm to come. More than 50 of Post's black employees went on strike, closing the newspaper for a few days.

The Post strike, the first serious strike by black workers in the newspaper industry, contained all elements of a volatile situation.

The Argus Company, which owns Post, reportedly threatened to close down Post and Sunday Post unless the strikers returned to work. Wasa, in turn, countered with the threat of calling on the black community to boycott all Argus Company newspapers.

In an observation of obvious relevance to SAAN, owners of the Rand Daily Mail and the second major newspaper company, Wasa noted that "SAAN and Argus are inter-linked" and that the grievances of black workers on Post and Sunday Post are "not confined to these newspapers but are indicative of the problems faced by black newspaper workers on all newspapers".

The dispute at Post and Sunday Post was settled, however. Black media workers there — and not merely black journalists — were given improved wage and salary scales.

But the settlement there transpired to be but a temporary peace on the newspaper front. On October 24 more than 25 media workers on the Cape Herald went on strike. Their demand was that the August salary scales granted to Post be extended to them.

Coincidentally, within days the largely white Southern African Society of Journalists won for their members a 12% across the board increase from Argus, SAAN and other English language newspaper managements which are signatories of the Newspaper Conciliation Board agreements.

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Within days [...] was exacerbated [...] strikes by blac[...] Starting at Pos[...] Post last week [...] the strike had [...] clear majority [...] nalists in South [...]

Negotiations [...] Mwasa executiv[...] members of th[...] SAAN managem[...] day way yester[...] to them is the [...] for recognition [...] speak for its me[...] newspaper indus[...]

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The Herald is a signatory and the increase was therefore applicable to journalists on the Cape Herald. But the Herald strike was on behalf of media workers and not only journalists and the strike was unresolved.

Within days the situation was exacerbated by solidarity strikes by black journalists. Starting at Post and Sunday Post last week, by Monday the strike had embraced a clear majority of black journalists in South Africa.

Negotiations between the Mwasa executive and senior members of the Argus and SAAN managements were under way yesterday. Cardinal to them is the Mwasa drive for recognition of its right to speak for its members in the newspaper industry.

As newspaper companies jealous of their international reputation as enlightened or liberal forces in South Africa, the companies are clearly under some pressure to resolve the issue, particularly as Mwasa has charged them with "exploiting" black journalists and denying them a fair deal. The companies deny these charges, but remain sensitive to being criticised for these reasons.

But the striking journalists are under pressure of a different but not lesser sort — they have been told they will not be paid while on strike, although they have been told they are welcome to return to work at any time.

Crucial but as yet unanswered questions lie ahead.

It remains to be seen whether management can reconcile itself to a union which aims at representing the apparently disparate interests of black journalists, messengers, cleaners, drivers, and works staff. A related question is whether Mwasa can hold these distinct interest groups together under the banner of black consciousness.

Another critical battle is in the offing. Mwasa's attempts to recruit black printers will be resisted by the South African Typographical Union, which has obtained permission to recruit black members and already has a considerable number.

But amid the uncertainties two points seem unequivocally clear.

Mwasa has posed white journalists with an agonising dilemma: how do they respond to a strike by a black journalists' union which had declared "whitey" to be irrelevant to their struggle and which aspires to speak for black workers with whom most "bourgeois white journalists" have little in common?

The second point has ramifications far beyond its apparent simplicity: the days of "docile" black journalists are gone forever.

Newspaper strike still a deadlock

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7/11/80

News

TALKS between representatives of striking employees on the Cape Herald and management broke down yesterday.

Mr. Hal Miller, managing director of the Argus group, met the Cape Herald action committee yesterday for the second time this week.

A spokesman for the committee said hopes had been high that a breakthrough would be achieved, but the meeting had ended in deadlock.

No meetings were planned for today, he said.

The strike by journalists and other staff on the weekly newspaper began two weeks ago.

Ngani barred at border

7/11/80

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UMTATA — Sunday Post reporter, Mr Marcus Ngani, who was detained last week and deported by the Transkei Government yesterday, was refused entry into South Africa by immigration officials at the Kei border post.

Mr Ngani, who was taken out of custody and driven by two security policemen across the Kei River yesterday, is believed to have been driven to Queenstown because the South African officials said they had not been authorised to accept Mr Ngani or advised of his deportation by Pretoria.

The two security policemen with Mr Ngani were also said to have been warned by the immigration officials not to bring deportees through the South African entry posts again without proper documents.

Mr Ngani, a Transkei citizen, said before leaving Umtata that security police had told him his Transkei citizenship had been withdrawn.

The Secretary for Interior, Mr M. Titus, said: "There might have been a mistake. We have informed the police, and they are working on this."

Foreign Affairs Minister, Mr G. T. Vika, said it was the first time he had heard of a Transkeian citizen being deported. "I don't know what the implications are."

Mr Ngani, 48, was detained last Tuesday after being taken from the press gallery in Parliament. He took out Transkeian citizenship last year.

He came to Umtata in 1963 and has been working as a journalist there since.

The head of the security police, Major-General Martin Ngceba could not be reached yesterday. His deputy declined to comment. — SAPA-DDR.

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ANNUAL REPORT TO THE BOARD OF DIRECTORS OF PERSKOR

The past year was a record year for Perskor in most respects. Net income after depreciation but before tax and extraordinary write-offs, increased by about 50% to R8 888 000. Group income tax and extraordinary expenses and after deduction of minority interests increased from R3 290 000 to R5 566 000, or by 69%.

Your Board has decided to increase dividends by 50%. This has enabled the Boards of our controlling companies to increase the dividends of their respective companies. The dividend payable in respect of ordinary shares of Afrikaanse Pers and "A" Ordinary shares of Dagbreekrust, has been increased from 12,5c to 18,75c per share. The dividend payable in respect of ordinary shares of Vaderland Beleggings has been increased from 3,75c to 5,75c per share. These dividends are approximately five times covered by tax profits.

The results in all our departments have, as you will see when I deal with the respective groups in detail, been appreciably better than last year. These better results are the results of the general growth in the economy which the country is now experiencing. Turnovers were substantially higher, our factories could obtain a reasonable margin of profits due to near full capacity and to a reduction in the very keen competition which was generally experienced over the last few years.

With the general increase in the growth rate in the economy, the problems which are generally experienced under such circumstances, have again appeared. There was a serious shortage of skilled labour during the year under review and consequently a substantial turnover of experienced personnel. The flow of apprentices into the printing industry causes concern for an industry which is bound to show substantial growth as the South African economy becomes more and more sophisticated.

Apart from a sharp increase in salary and wages, the company also had to contend with a sharp increase in the price of paper, especially newsprint, where the prices of the second half of 1980 have been fixed at more than R500 per ton. Increases of this order meant that substantial increases in the cover price of newspapers and advertisments rates, became unavoidable. The danger exists that the cheap newspaper, which has been an accepted feature of the Western worlds, for several generations, may become too expensive for the ordinary man, a result with dangerous implications for a literate and democratic community.

The favourable ecomonic conditions however, also resulted in substantial increases in advertisment income for the publishing business in spite of the greater amounts that have been spent on television.

The magazine industry is experiencing a boom period. The economic upswing has resulted in substantial increases in circulations and there has also been a big increase in advertising income.

Your company is the largest organisation in the field of magazines and seven of the eleven largest magazines in South Africa are published by Republican Press, our magazine subsidiary. The magazine Bona, which is aimed at the Black reader is published in 4 languages and is by now the magazine with by far the largest circulation. Sales for the past six months was 311 000, an increase of more than 100 000 in 18 months.

Your company is the biggest printer in the country; the contract for the telephone directories for the Transvaal and Natal has been again allocated for 10 years from 1981. Although a part of the directories will be printed by another printer, we expect that due to normal expansion our share of the total contract will already, in the first year, be as large as the total contract of last year.

Your company has made some important new acquisitions and investments.

* In the old established business of O. H. Frewin of Middelburg, Transvaal, we acquired a controlling interest. The Frewin family retained a minority interest and will continue to manage the company.
* The well-known bi-weekly paper of Welkom, Vista, has been purchased. The paper's owner, Messr. H. L. Steyl and P. G. Gouws, remain in our service and will manage our Free State interest, which apart from Vista will also include the Northern Times of Kroonstad and the printing establishment in that town.
* The old established and well-known printers of Cape Town namely Galvin & Sales, has been taken over, one of the previous owners, Mr. A. Montgomery, will continue to manage the business.
* An interest of 25% has been obtained in Maister Directories'(1980) Limited, which is responsible for the sales of advertisments in the Yellow Pages.

PRINTING

With the upswing in the economy our printing works are fully occupied. We have, to meet the demand and for future expansion, acquired some substantial new equipment.

The printing of telephone directories will shortly be moved to our new factory which is being built on ground adjacent to the factory of Republican Press in Prospecton near Durban. A new Albert Frankenthal rotary press will be installed in the factory, the total capital investment, including ground, buildings and equipment will be approximately R3 000 000.

A new Gravure rotary press with 10 units has already been ordered for the Durban factory to meet the increasing requirements of our magazine undertaking.

Further, we are busy with an investigation to convert three existing letterpress machines to lithographic machines. The work on the changeover is expected to start shortly and increase the capacity of our printing works very considerably.

Technically the printing industry is undergoing very rapid developments and your company will shortly be installing the newest electronic equipment for the typesetting of newspapers.

In our stationery and envelope factories we have also installed new machines and some new machines are on order which will enable us to increase our production considerably to meet the greater demand of our products in these divisions. With the purchase of the printing works in Middelburg and Cape Town, we now have 15 printing works and factories in our four provinces, covering virtually the whole country. Profits in the printing departments were very good but a substantial improvement is expected in the new year in all these departments.

MAGAZINES

Your Group's magazine department in Durban again made a substantial contribution to group results in the past year. At the moment 12 consumer magazines, 20 photo story magazines and 4 comic strip magazines are published. The 12 consumer magazines issued 476 editions for the year and their total circulations at the end of the financial year amounted to 1 832 749 per publication.

The following are the most important of these magazines and against each magazine we indicate the section of the market they serve:

BONA AND THANDI	General monthly magazine for blacks, published in Zulu, Xhosa, Sotho and English.
DARLING	Popular fortnightly magazine for the younger woman.
FARMERS WEEKLY	Weekly agricultural magazine.

TEN YEAR SURVEY — In R000's except for data per share.

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Turnover (Including Inter-group Transactions)	24 357	31 995	39 142	41 969	85 206	109 065	114 115	134 470	140 512	163 856
Net Income before taxation	1 363	2 456	2 602	3 151	4 285	3 810	4 452	6 113	6 009	8 888
Less Tax	301	644	682	969	1 351	541	759	2 276	1 503	2 609
Profit after Tax	1 062	1 812	1 920	2 182	2 934	3 269	3 693	3 837	4 506	6 279
Profit per A.P share (after allowance to outside interests) (cent)	26,10	36,30	31,70	29,60	38,20	47,90	50,70	55,02	66,46	92,33
Dividend per share (cent)	12,50	12,50	13,50	14,00	14,00	10,00	10,00	11,00	12,5	18,75
Dividend Cover	2,09	2,91	2,35	2,11	2,73	4,79	5,07	5,00	5,31	4,92

BY THE CHAIRMAN M. V. JOOSTE ON 31 OCTOBER 1980.

GARDEN & HOME	Monthly magazine on homes and gardens.
KEUR	General weekly magazine with a high readership amongst whites and coloureds.
LIVING & LOVING	Popular monthly magazine appealing to all female readers.
ROOI ROSE	Fortnighly magazine with the highest readership amongst all magazines in Afrikaans.
SCOPE	General weekly magazine.
YOUR FAMILY	General monthly magazine appealing to most women, particulary the housewife.
RADIO & TV DAGBOEK	Widely read weekly TV magazine in Afrikaans.
FAMILY RADIO & TV	Weekly TV magazine in English with the highest readership amongst all English magazines.

Apart from the company's own magazines which it publishes, several other publications, including catalogues with big print orders, are printed for outside organisations. This general commercial printing department showed a particular improvement last year and prospects for the coming year at particularly promising.

In the advertisment field RP maintained its leading position during the last year in spite of heavy competition and continuing pressure of commercial television on the advertising market. The gross advertisement income showed an increase of 23% on last year. There are indications however that more competitors are entering the consumer magazine market in the new year and several new magazines, particularly aimed at the Black market, will be established. Naturally everything will be done to meet this new competitive onslaught with all the resources the company has.

Your company is continually experiencing increased prices, especially of raw materials such as paper, ink and films and to meet this increase in costs, advertising rates and cover prices will necessarily again be adjusted in the new year.

Present indications are that the magazine department will again do well in the current year and that in spite of heavy competition and increasing costs, record sales are expected.

PERSKOR BOOKS

This department had a good increase of 24% in profits. Improved results was obtained in nearly all the departments. The results are the more gratifying because very many new titles were published which will only show profits in future years.

Several works of high quality were published. I want to mention two: Matoli by Mr Entienne van Heerden for which he was awarded the Perskor Prize for Youth Literature and the new expanded "Handwoordeboek van die Afrikaanse Taal," under the editorship of Prof. F. F. Odendal, which is the recognised authority in its field and has been expended to a volume of 1378 pages.

Our book clubs showed continued growth. Here we succeeded, not only to achieve popularity but also in several cases in publishing books of goods quality. One title has been prescribed for school use, one translated into English, two have been serially read on the radio and no less than three films are being based on books of the book clubs. Ten titles have been taken up on tape for the blind.

Lex Patria, publishers serving the legal profession contributed towards the good profits.

With the high quality of our books, both in regard to contents and appearance, we expect in the new year a good improvement in the financial results.

SERVICES AIMED AT THE BLACK PUBLIC

Our publishing department specialising in books for Black schools again experienced a record year in spite of problems arising out of strikes and financial problems of the national states.

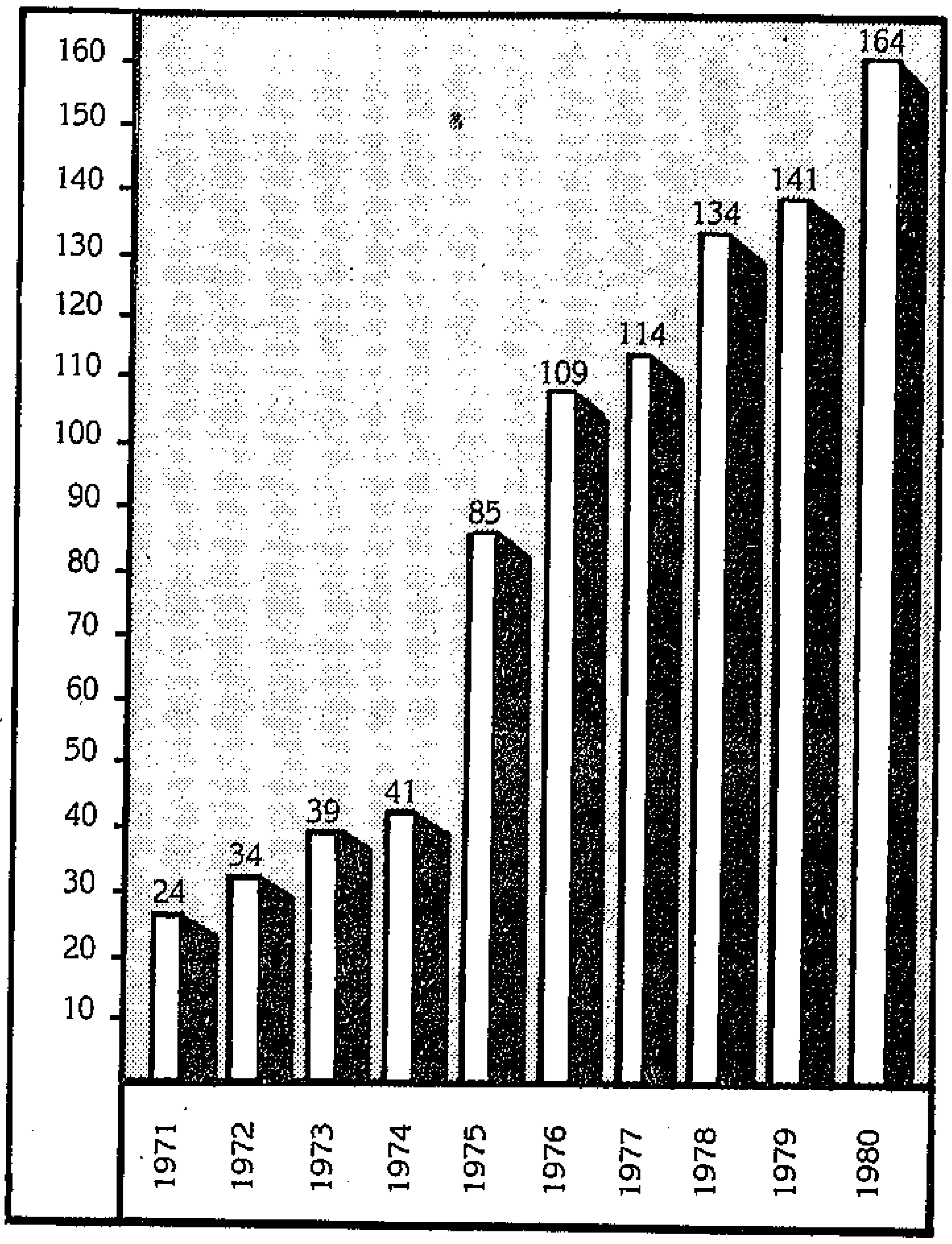
Our subsidiaries in the national states: Ukhozi Press (Umtata) and Bovenga Press (Pietersburg) had results that were better than expected and we envisage extensions in this divison.

An important development was to issue our weekly newspaper, Imvo, which is aimed at the Black market in 3 languages: English, Xhosa and Zulu. As expected the initial result of this was to reduce the paper's profitability. We expect however that in the long run, Imvo will become an important and profitable newspaper.

Our printing works at King William's Town and Umtata, which is virtually entirely manned by Blacks, produced work of good quality and made a substantial contribution to profits. The management of this department was taken over by Mr. P. H. Horne on 1 February 1980.

NEWSPAPERS

From the 1st July 1980 we were again obliged to increase the price of certain of our newspapers from 15c to 20c. The Board of the Citizen has however decided to leave the price of their newspapers unaltered. It was also possible to leave the price of Oggendblad unchanged.



Our Company newspapers achieved new records and with the acquisition of Vista, the Middelburg Observer and the Witbank News, your board is fully confident that profits in this department will be substantially improved. Rapport in which we have a 50% interest paid a record dividend of R1 000 000.

In trying to improve financial results, good journalistic qualities were also aimed at and serveral of our journalists obtained prizes in their field.

CONCLUSION AND THANKS

During the financial year Prof. G. van N. Viljoen was appointed as Administrator-General of South-West Africa and was obliged to resign as a Trustee. Since then he has become Minister of Education. I would like to congratulate him on these distinctions and would like to pay tribute to the valuable contribution he made as a Trustee.

The following alternate Trustees were promoted to full Trustees: Prof. D. M. Joubert, Mr. A. J. Marais and Prof. J. D. V. Terblanche to whom we extend a cordial welcome. On promotion in the Department of Education, Prof. Terblanche resigned and I would also like to thank him for his particular services. On 28 April 1980 Dr. J. Hurter, previous Chairman of Volkskas Limited, was elected a Trustee, and I would like to express the hope that co-operation will be long and fruitful.

I would also like to thank the Trustees and Directors for their contribution to the Group's activities. In these times of uncertainty and many changes it is good to have the support of such loyal collegues.

It has also become customary to give a word of thanks to our many readers, who are also our friends; they who make our books and publications their own.

Also now, as in the past, a word of thanks to advertisers, clients, school children and their parents who help with the distribution of our newspapers.

Finally, a real word of thanks to all our staff who have pulled their weight. They are responsible for the aims achieved and it is trully appreciated.

M. V. JOOSTE
CHAIRMAN

Johannesburg 31 October 1980

Die Transvaler

Opgerig 1937. By die Pos as nuusblad ingeskryf

Posteparade vandag binne

WOENSDAG 5 NOVEMBER 1980

Posbus 5474
Johannesburg
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19c + 1c

Afpers . . . strange reporting principles.

its newspapers are very often loss leaders. So theoretically, the group should be able to achieve much higher return on equity than either Argus or SAAN, which rely more heavily on their newspapers. But there is no marked difference in returns--Afpers showed a net return on equity of 14,2%, only marginally higher than Argus' 12,9% and lower than SAAN's 14,9%.

Because of the recent adverse publicity received by the group, shares both of Afpers and holding company Vaderland have been dumped by investors who are more interested in sustained performance than politics in building their portfolios. Despite the 50%-odd dividend hike, both shares are on far higher historic yields than the market average — Afpers yields an historic 8,5% on a payout of 18,75c (12,5c), and Vaderland 8,5% on 5,75c (3,75c). There is no point in re-rating either of them until the circulation question, particularly losses which might arise from it, is resolved and until the group gets its reporting act together.

Competitor **Argus** looks somewhat undervalued at the half-way stage, even on fairly conservative estimates. On a 42,8% first-half earnings growth to R4,4m (R3,1m), the interim dividend was raised 36% to 75c (55c). Chairman Layton Slater predicts that if current buoyant conditions continue throughout this year, earnings should remain at a satisfactory level despite rising costs in the newspaper industry.

Assuming that second-half earnings and dividend do no more than equal those of the second half of 1979 the group could expect total earnings of 550c (484c) for the year. But as earnings had already reached 310c (217c) by the half-way stage, and with a bumper Christmas expected to boost advertising and CNA sales, this looks somewhat conservative.

CNA's interim results certainly affirm that consumer spending is buoyant. It has announced a 56% increase in earnings to 29,5c (18,9c) per share, which meant a contribution of around R508 000 (R325 000) to Argus profits. This represented about 11,5% of Argus' total earnings against 10,5% in 1979, and there is no prospect of either sales or profit growth slowing down substantially in the near term.

While CNA raised its interim payment to 7,5c (5c), management warns shareholders not to expect a comparable 50% rise in the final dividend for the year. And the same warning is implicit for Argus, which plans capex of R55,49m to replace and update newspaper production equipment. This heavy programme will be financed from profits as well as short and long-term loans. It therefore seems safe to assume that the final dividend will not be too far off last year's 95c, to total 170c (150c).

The share thus yields a prospective 8,4% on its current price of 2 025c. And until the group's CNA interests become large enough to counter the volatility of the newspaper business and the heavy capex programme is completed, it may well remain on a higher yield than the market average.

Fiona Halse

AFPERS/ARGUS FM 7/11/80

No comparison (195)

One would have thought that Afrikaanse Pers, whose main asset is its 84,85% interest in Perskor, would be particularly careful in the calculation of its earnings figures after the circulation debacle. Instead, the preliminary profit announcement contains careless mistakes as well as questionable accounting procedures.

Firstly, results cannot be both "provisional" and "audited" as stated in the official annoucement. Secondly, the earnings per share figure stated as "profit per share before tax and abnormal items" is in fact after-tax but before abnormal items. And thirdly, as the *FM* has previously pointed out (*Companies*, November 30 1979), what the company terms abnormal and extraordinary items — obsolescence of stocks, promotion expenses and periodical title write-offs — are part of normal trading expenses, particularly in the printing industry.

On this basis, the amount of R1,3m allowed for extraordinary items should be deducted from the R5m (R3,6m) attributable profits, giving earnings per share of 69,6c (43,2c similarly adjusted).

Despite this 61% profit growth for the year, the group still appears to be underperforming in relation to its competitors. Subsidiary Perskor receives most of its income from its printing activities, while

Dispatch newsmen join strike

8/11/80 ARGUS

WITH the dispute at the Cape Herald newspaper unresolved after two weeks, black journalists on the Daily Dispatch in East London have joined the strike by members of the Media Workers' Association of South Africa (Mwasa).

The Daily Dispatch unit of Mwasa said there was no dispute between its members and their employer.

The members were answering a call from the Mwasa national executive to support striking Herald employees.

REGRETTED

Mr G A Farr, editor of the Daily Dispatch, said the extension of the strike to newspapers not involved in the dispute was regrettable.

On Monday an urgent meeting of the SA Newspaper Editorial Conciliation Board will be held in Johannesburg to discuss the strike by black journalists of the Argus Company and SA Associated Newspapers (SAAN).

Mr Raymond Louw, general manager of SAAN, said the meeting would discuss the refusal of white journalists to do the work of striking members of Mwasa.

Bid to resolve Press dispute

Star 10/11/80

By Kevin Murray

The standing committee of the South African Newspaper Editorial Conciliation Board met today to discuss the strike by black journalists — which spread still further at the weekend.

In East London, the Daily Dispatch's black chapel came out in support of colleagues on the Cape Herald — where the strike began more than a fortnight ago.

Black journalists of the Argus Company, and SA Associated Newspapers in Durban, Cape Town and Johannesburg are continuing their sympathy strike.

The Dispatch chapel stated that it had no dispute with its management but would strike until Herald grievances had been settled.

The editor of the Dispatch, Mr George Farr, regretted the extension of the strike to newspapers not involved in the original dispute.

Today's conciliation board meeting was requested urgently by the national council of the SA Society of Journalists, a non-racial but mainly white organisation.

In Natal, 13 black organisations have expressed support for the Media Workers' Association of South Africa whose members are on strike.

The 13 organisations formed a media workers' support committee on Friday night. A spokesman said they would call on the "community as a whole" to take action against the newspapers if they did not negotiate with MWASA without prior conditions.

4 Cape Herald workers go back

STAR 11/11/80 (195) (~~243~~) (~~138~~) (152) (~~139~~)

By Kevin Murray

Four Cape Herald workers returned to their jobs yesterday and today as their black colleagues in other newspapers countrywide continued their stayaway. 13 of the Herald's staff of 37 are still on strike.

Those who returned to work in the past 48 hours are two members of the editorial department, one from the advertising department and a telephonist.

The managements of newspapers which are signatories to the SA Newspaper Press (Editorial) Conciliation Board were warned yesterday that there could be international repercussions if they were seen to be forcing white journalists to do the work of black colleagues on strike.

At a four-hour meeting with a delegation from the Southern African Society of Journalists, the managements were also warned that if their current dispute with black journalists was not speedily resolved, the long-term damage to the newspaper industry could be irreparable.

Mr John Marquard, manager of The Star, and one of the Conciliation Board signatories, said today the meeting had been "worthwhile."

11/11/80

195

Six Cape Herald workers return

CAPE TOWN — Senior Argus company staff meet today to decide whether to resume production of the Cape Herald this week, following a decision by six of the striking staff members to return to work.

The manager of the Herald, Mr L. P. Willis, confirmed last night that a number of the strikers were back at work, and indicated they would not be paid for the time they had been on strike.

Asked whether the Cape Herald would be back on the streets again next Monday, Mr Willis said: "We will decide what to do about that tomorrow".

The six who decided to break ranks with the rest of the striking journalists, advertising staff, tele-ad personnel and clerical staff include sub-editors, reporters and commercial staff.

Fourteen of the newspaper's staff are still on strike, a spokesman for the Cape Herald staff action committee confirmed yesterday.

In Johannesburg, a delegation of the Southern African Society of Journalists (Sasj) and newspaper managements which are signatories to the South African Newspaper Press (editorial) Conciliation Board failed to reach agreement on the strike of black journalists after a four-hour emergency meeting yesterday.

In a statement after the meeting, the Sasj delegation said they had warned managements that if their current dispute with black journalists of the Media Workers Association of South Africa (Mwasa) was not "speedily resolved" there could be "irreparable long-term damage to the newspaper industry."

The society also urged managements to "take far-reaching and imaginative steps to come to terms with Mwasa" and placed on record its strong opposition to members being required to do the work of striking journalists.

Mr Raymond Louw, general manager at South African Association Newspapers and one of the conciliation board signatories at the meeting, said yesterday that "each one expressed viewpoints and the others were considering them."

"We met to discuss the situation in the industry. I do not think we were called upon to reach agreement on anything," he said. — DDC.

13 Herald staff still on strike

STRIKING workers on the Argus Company publication, Cape Herald, have begun to trickle back to work. Thirteen of the newspaper's staff complement of 37 are still on strike.

Strikers on SAAN and Argus publications elsewhere are continuing their stayaway in sympathy with the demands of the Cape Herald staff.

Three Cape Herald staffers returned to work yesterday and a fourth today, Argus management confirmed.

With the strike entering its third week, 24 of the 37 staff members are at work.

However, no confirmation could be received of reports which said that senior management staff would meet today to decide whether to start producing the newspaper again.

The managements of newspapers which are signatories to the SA Newspaper Press (Editorial) Conciliation Board were warned in Johannesburg yesterday that there could be international repercussions if they were seen to be forcing white journalists to do the work of their striking black colleagues.

At a four-hour meeting with a delegation from the Southern African Society of Journalists, the managements were also warned that if their current dispute with black journalists was not speedily resolved, the long-term damage to the newspaper industry could be irreparable.

The black journalists on strike are members of the Media Workers' Association of South Africa (Mwasa) and work for Argus Company and SA Associated Newspapers Publications throughout the country.

A statement issued by the SASJ after the meeting with the conciliation board yesterday urged managements to take far-reaching and imaginative steps to come to terms with Mwasa.

The society also placed on record its strong opposition to members being required to do the work of striking journalists.

Mr J Marquard, manager of the Star, and one of the conciliation board signatories, said today the meeting had 'been worthwhile.'

'As a result of the meeting we both came away with an understanding of each other's points of view. But I don't think we were required to reach any agreement at the meeting.'

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NM 4/11/80

Media men join strike

Mercury Reporter

THE Natal branch of the Media Workers Association of South Africa yesterday decided to join the black journalists' strike, according to branch chairman Mr George Luse.

'This is in line with the national executive's call for all members of the association working for the Argus or South African Associated Newspapers groups to strike,' he said in a statement to the Press.

According to Mr Luse the strike will involve Tribune Herald journalists and a Daily News journalist.

Strike may end today

DD 12/11/80 152 195 245

CAPE TOWN — There is a possibility that the two-week old strike by members of the Cape Herald newspaper may be called off today.

The staff association of the Cape Herald said in a statement released here last night that the action committee met the manager of the newspaper, Mr L. P. Willis, yesterday afternoon. Certain proposals were put to Mr Willis and if these are accepted it is hoped to be able to call off the strike, not only in Cape Town, but nationally.

The association said the action committee had conceded to two of the stumbling blocks standing in the way of a settlement and had asked management to concede to the others.

It added that the staff were eager to return to work. — SAPA.

ERAL NEWS

STAR 12/11/80 195

Two papers to come out again

Own Correspondent

CAPE TOWN — Most of the Cape Herald staff has told the Argus Company management of a wish to return to work. Production of next week's issues of the newspaper and The Plainsman is to resume immediately, manager of the Argus and Cape Herald, Mr L P Willis, said today.

In the same statement, the managing director of the Argus Company, Mr Hal Miller confirmed that he had conducted extensive discussions with the Cape Herald Action Committee last week.

He reiterated that the wage and salary scales which would apply to non-editorial staff would follow the pattern of the editorial salary increases recently negotiated at the Editorial Conciliation Board.

A schedule of the proposed salary scales was handed to the committee, who found them acceptable, subject to the following three conditions.

- Employees would be paid for the period of the strike.
- New pay scales would apply from November 1.
- Messenger scales would be extended from five years to 13 years.

Mr Miller said these conditions were unacceptable.

"We said we would not pay people who are on strike, although we are prepared to regard the period of absence as leave, if the staff so wish."

Secondly, whatever increases are negotiated will take effect from January 1 1981.

- The National Union of Journalists in Britain has sent a telegram of support to striking black journalists in South Africa, reports Sapa.

Herald strike could end today

C.T. 12/11/80

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Staff Reporter

THE Cape Herald strike could end today if proposals put forward by the staff association after a meeting yesterday with the manager of the Argus which owns the Herald, Mr L P Willis, are accepted by the Argus management.

This was contained in a statement released by the staff association after a 35-minute meeting with the Cape Herald manager. Mr Willis could not be contacted last night.

The strikers said in the statement they believed they were close to reaching a settlement.

The strikers had already "conceded to two of the three stumbling blocks standing in the way of a settlement and have asked management to concede to one."

It is understood that the "stumbling blocks" referred to include the date for the implementation of new salary scales and pay for the time they have been on strike.

Black support

The Herald strike has subsequently been supported by the Media Workers Association of South Africa (Mwasa), which aims to represent all black, coloured and Asian media workers, including non-journalists.

The strike by black journalists at other newspapers throughout the country continued yesterday.

Meanwhile, the managements of newspapers which are signatories to the SA Newspaper Press (Editorial) Conciliation Board were warned that if the current dispute with black journalists was not speedily resolved the long-term damage could be "irreparable".

At a four-hour meeting with a delegation from the Southern African Society of Journalists in Johannesburg the managements were told there could be "international repercussions" if they were seen to be forcing white journalists to do the work of their striking black colleagues.

A statement released by the SASJ after the meeting urged managements to take "far-reaching and imaginative steps" to come to terms with Mwasa.

Cape Herald strikers willing to return

6 RDM 13.11.80 (195)

CAPE TOWN. — The majority of Cape Herald staff have said they are willing to return to work and production of next week's issue of the newspaper would resume immediately, the manager of the Argus and Cape Herald, Mr L P Willins, said yesterday.

The Plainsman, a section of the Cape Herald, would also resume publication, he said.

In the same statement, the managing director of the Argus company, Mr Hal Miller, said he had conducted extensive discussions with the Cape Herald action committee last week in an attempt to settle the strike.

During the course of the discussions he had reiterated that the wage and salary scales of non-editorial staff would follow the pattern of the editorial salary increases recently negotiated at the Editorial Conciliation Board.

A schedule of the proposed salary scales was handed to the committee which found them acceptable, subject to the following three conditions:

- That the employees would be paid for the period they were on strike;
- That they would apply from November 1; and,
- That messenger scales be extended from five years to 13 years.

Mr Miller said these conditions were unacceptable to management.

"We said that we will not pay people who are on strike although we are prepared to regard the period of absence as leave if the staff so wish.

"Second, whatever increases are negotiated for the staff — editorial and non-editorial — will take effect from January 1, 1981.

This was the date on which all other employees of the Argus group would receive their normal annual increases.

He said that salary scales offered by management to the Herald committee were "considerably higher than those which they demanded".

"For example, the starting salary demanded for clerks/typists/ secretaries/switchboard operators was R225.

"Management have offered R275. The scales offered for other categories of employees follow the same pattern," he said.

The staff committee presented a memorandum to management in which they proposed, inter alia, that if management would pay the strikers they would concede the remaining two conditions.

But the management of the Cape Herald has said it "regrets that it cannot agree to pay those on strike for work which they are not doing".

- Two black reporters on the Eastern Province Herald in Port Elizabeth have decided to strike in sympathy with other members of the Media Workers' Association of South Africa.

The editor of the newspaper, Mr Harry O'Connor, said the reporters told him they had no complaints about salaries or working conditions but were striking in support of their colleagues.

FOOTNOTE: Britain's National Union of Journalists has sent a telegram of support to striking black journalists in South Africa. Mr Francis Beckett, president of the union, said further action was planned on behalf of the journalists, but declined to elaborate. — Sapa.

CURRICULUM VITAE

Klaas van der Poel

Has a degree in Operations Research from Tilburg, Holland. He has been with Shell International for 10 years and worked for that company as an international consultant in several countries around the world. His experience includes the design and development of systems for financial management, manufacturing control and production optimisation.

He has taught courses in Management Information Systems and Operations Research at the Business Schools of the Universities of Cape Town and Stellenbosch.

He is recognised as a member of the consultants group of the Computer Society of South Africa and specialises in requirement definition and design of industrial systems.

(182) (195) (243)

Bid to end press strike hits snag

CAPE TOWN — The prospect that yesterday would have seen the end of the three-week long strike at the Cape Herald disappeared when the Argus management rejected a proposal that the striking workers be given strike pay.

The Argus management also informed the Cape Herald workers that it had decided to proceed with the production of next week's issue of the newspaper.

The payment of salaries for the 14 striking Cape Herald members was the last remaining issue in dispute.

In a statement yesterday the Cape Herald Staff Association said the 14 striking staff members had asked that they be paid for the duration of the strike and were in turn willing to concede their two other demands.

These were that the new salary scales be implemented from November 1 and that the messenger scales should go up to the 13th year instead of the present five years.

"Management acceptance of the proposal could have ended the strike locally as well as nationally," the staff association statement said.

The management letter containing the rejection of the staff association proposals was signed by the manager of the Argus and the Cape Herald, Mr L. P. Willis.

It read: "We have studied your memorandum on the question of strike pay but we regret that it does not change our minds on the issue. As we have said on numerous occasions in the past we are totally opposed to paying salaries to people who are on strike although we are prepared to regard their period of absence as leave if this is their wish.

"We hope it will not be too long before the 13 staff members who are on strike see their way clear to resuming their duties," the letter concluded.

A staff association spokesman denied yesterday that the majority of Cape Herald workers had indicated they wanted to return to work.

Turning to the refusal by management to accept the staff's proposal, the spokesman said this was an example of management's intransigence and management now forced the staff to take "appropriate action."

"We asked them to compromise on the strike-pay issue. Their acceptance of the proposal was the only way in which the strike could have been called off nationally," the spokesman said.

Meanwhile, two black reporters working for the Eastern Province Herald in Port Elizabeth have decided to go on strike in sympathy with other members of the Media Workers' Association of South Africa.

The Editor of the newspaper, Mr Harry O'Connor, said the reporters told him yesterday they had no complaints about salaries or working conditions, but had been pressurised by Mwasa to strike in support of their colleagues.

The Acting Editor of the other daily English-language newspaper in Port Elizabeth, Mr T. Bisseker, said the Evening Post employed only one full-time black reporter and he was not on strike.

In London, Britain's National Union of Journalists (Nuj) has decided to support the strike.

Members of the Nuj are to picket the London offices of Argus Newspapers and the South African Morning Group today. They will distribute pamphlets and parade with placards condemning aspects of "the white press".

"We want to bring public attention to the unjust way in which black journalists are being treated and the discriminatory wage scales," said an Nuj executive spokesman, Mr Ron Knowles. — DDC-SAPA.

STAR 13/11/80

Eastern Province black newsmen strike

(195) (2455) (482) (462)

Own Correspondent

PORT ELIZABETH — The strike of black journalists at several newspapers has spread to Port Elizabeth where the only two black journalists on the staff of a morning daily are on strike.

A spokesman for the Eastern Province Herald said that the two black journalists informed the company this week they intended to strike in solidarity with those on strike elsewhere.

The only black journalist of an afternoon daily, The Evening Post, has said he would be on strike as of tomorrow. Mr Jimmy Matyu said he had been asked by Media Workers' Association of South Africa officials to strike.

- Four students' organisations of the University of the Witwatersrand have expressed support for the striking black media workers.

Argus 'no' to call for strike pay

Staff Reporter

THE PROSPECT that yesterday would have seen the end of the three-week long strike at the Cape Herald disappeared when the Argus management rejected a proposal that the striking workers be given strike pay.

The Argus management also informed the Cape Herald workers that it had decided to proceed with the production of next week's issue of the newspaper, as well as the Mitchell's Plain supplement, the Plainsman.

The payment of salaries for the 14 striking Cape Herald members was the last remaining issue in dispute.

In a statement yesterday, the Cape Herald staff association said the 14 striking staff members had asked that they be paid for the duration of the strike and were in turn willing to concede their two other demands — that the new salary scales be implemented from November 1 and that the messenger scales go up to the 13th year instead of the present five years.

"Management acceptance of the proposal could have ended the strike locally as well as nationally," the statement said.

The management letter containing the rejection of the staff association proposals was signed by the manager of the Argus and the Cape Herald, Mr L P Willis.

It read: "We have studied your memorandum on the question of strike pay but we regret that it does not change our minds on the issue. As we have said on numerous occasions in the past we are totally opposed to paying salaries to people who are on strike although we are prepared to regard their period of absence as leave if this is their wish."

The letter said this view was firmly supported by the managing director of the Argus Company, Mr Hal Miller, and added that production of the newspaper would proceed "now that the majority of Cape Herald staff have indicated that they wish to work".

"We hope it will not be too long before the 13 staff members who are on strike see their way clear to resuming their duties," the letter concluded.

A staff association spokesman denied that most Cape Herald workers had indicated they wanted to return to work and said 14 members were on strike and not management's figure of 13.

The spokesman attacked the way in which he said the Argus newspaper had been reporting on the strike and said it had been publishing "distorted reports".

Strikers' plea for a compromise

"We asked them (management) to compromise on the strike-pay issue. Their acceptance of the proposal was the only way in which the strike could have been called off nationally," the spokesman said.

Responding to the claims of "distorted" reporting, the editor of the Argus, Mr J O'Malley, said last night: "We merely reported the statements by the manager and managing director accurately and fully. Nothing has been distorted."

The manager of the Argus, Mr L P Willis, could not be contacted last night.

● The Athlone Business and Professional Association, the president of the South African Council on Sport (Sacos), Mr Hassan Howa, and the Islamic Council of South Africa (ICSA), expressed their support for the Cape Herald strike.

● Two black reporters working for the Eastern Province Herald in Port Elizabeth have decided to go on strike in sympathy with other members of the Media Workers' Association of South Africa.

The editor of the newspaper, Mr Harry O'Connor, said the reporters had told him yesterday they had no complaints about salaries or working conditions, but had been pressurized by Mwasa to strike in support of their colleagues.

● Britain's National Union of Journalists (NUJ) decided yesterday to support the strike by South Africa's black journalists.

Members of the NUJ are to picket the London offices of Argus newspapers and the South African morning group today. They will distribute pamphlets and parade with placards condemning aspects of "the white press".

● The chairman of the Western Cape Traders' Association (WCTA), Mr Dawood Khan, said late last night that the association's 2 300 members would refuse to sell the Cape Herald if it was published on Monday.

Cape Herald pay talks carry on

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DD

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14/11/80

CAPE TOWN — The Cape Herald staff association and Argus management met briefly yesterday to discuss the still unresolved pay dispute and will meet again this morning.

A spokesman for the association said that after meeting for about an hour yesterday both parties apparently agreed "to sleep on the matter" and resume discussions today.

Further particulars of the meeting were not made available.

The key issues which still remain unresolved are the date for the implementation of new salary scales, the extension of messenger scales from five to 18 years and the payment of "strike wages".

The strikers have indicated that they are prepared to compromise on the first two demands, but Argus management has rejected the "pay while on strike" demand.

Student organisations yesterday came out in support of striking media workers.

In a statement issued only to foreign correspondents and withheld from the local press, the Congress of South African Students (Cosas), the National Union of South African Students (Nusas), the University of the Witwatersrand black Students' Society and the South African Student Press Union (Saspu) said: "We, as organisations committed to a non-racial and democratic workers' struggle, support the demands of striking media workers for better wages, improved conditions and the right of workers to organise and be represented by organisations of their own choice." — DDC.

Herald strike: New talks today

19/11/80 ARGUS

195

THE Cape Herald staff association and The Argus management met twice yesterday in attempts to break the Herald strike deadlock.

Another meeting will be held today.

In London, six journalists belonging to the National Union of Journalists (NUJ) picketed the offices of The Argus Bureau and South African Associated Newspapers yesterday in support of black journalists.

Afpers' Jooste . . . avoiding the issue

AFPERS/VADERLAND (195)
FM 14/11/80

Creative accounting

Activities: *Diversified printing and publishing group with interests in newspapers, magazines, books, stationery and general printing. Owns 25% of Maister Directories, which handles Yellow Pages advertising. Afrikaanse Pers owns 84,85% of Perskor; Vaderland-Beleggings owns 44,44% of Afpers.*

Chairman: *M V Jooste.*

AFRIKAANSE PERS

Capital structure: *5,5m ordinaries of 50c. Market capitalisation: R11,6m.*

Financial: *Year to June 30 1980. Borrowings: long- and medium-term, R1,4m. Net cash: R296 000. Debt:equity ratio: 22,7%. Current ratio: 1,3. Group cash flow: R6,7m. Capital commitments: R1,7m.*

Share market: *Price: 210c (1979-80: high, 255c; low, 100c; trading volume last quarter, 167 000 shares). Yields: 35,6% on earnings; 8,9% on dividend. Cover: 4,0. PE ratio: 2,8.*

VADERLAND

Capital structure: *7,7m ordinaries of 50c; 33 000 extraordinary shares of R2. Market capitalisation: R4,7m.*

Share market: *Price: 61c (1979-80: high, 71c; low, 25c; trading volume last quarter, 1m shares). Yields: 9,5% on earnings; 9,5% on dividend. Cover: 1,0. PE ratio: 10,5. Earnings per share: 5,79c; dividend: 5,75c; net asset value: 57c.*

I must admit to a degree of admiration for Perskor chairman Marius Jooste, who has managed to write his annual statement without a single reference to the circulation scandal. In fact, the only mention in the whole annual report is in a note to the accounts which informs that "there is a commitment to advertisers as a result of incorrect circulation figures of *Die Transvaler* and *Die Vaderland*. Negotiations are being conducted with advertisers on this matter. An estimated amount of what the liability could be has been provided for in the accounts."

	'77	'78	'79	'80
Return on cap %	11,9	15,7	12,4	16,8
Turnover (Rm)	114,1	134,5	140,5	163,9
Pre-tax profit (R'000)	3 582	4 928	4 158	6 651
Gross margin %	3,1	3,7	3,0	4,1
Earnings (c)	39,9	45,9	49,6	74,7
Dividends (c)	10	11	12,5	18,75
Net asset value (c)	410	424	456	529

Given the company's attitude to this episode, it is not surprising that the amount is not specified. Instead, as far as the income statement is concerned, it is simply included in the mish-mash of general admin costs, while in the balance sheet it presumably forms part of "creditors and provisions" which have risen almost 40% over the year — considerably more than is justified by the 17% rise in turnover.

This attempt to brush the whole thing under the carpet is simply irritating to anyone trying to assess the group's trading performance. But it does have a lighter side. The imputation is that such occurrences are not taken as seriously by Perskor as things like stock obsolescence, promotion and the write-off of periodical titles, which are not only separately itemised, but are also classified (wrongly, in the *FM*'s view) as abnormal or extraordinary. They are, accordingly, not taken into account in the company's calculation of earnings per share, whereas the provision relating to the circulation fiddle is.

Under these circumstances, there is no way a realistic earnings figure can be calculated for Afrikaanse Pers, the listed company whose sole source of income is its 84,85% interest in unlisted Perskor.

The *FM*'s results table has been adjusted so as to include the items which the company classifies either as abnormal or extraordinary on the basis that none of them are unusual in the printing industry. Our earnings calculation for 1980, at 74,7c, is 19% below that of the company, at 92,3c, which is about average for what we believe the over-statement of earnings to have been over the past four years.

An interesting aspect here is that, after the adjustment, a far more constant dividend cover is obtained. On the company's earnings, dividend cover last year dropped from 5,3 to 4,9; on our calculation it was constant at 4. This suggests that distribution policy in fact takes into account the abnormal/extraordinary items which, alone, is sufficient reason to include them in any earnings calculation.

One benefit of the circulation affair is that shareholders are spared Jooste's annual tirade on the allocation of advertising which, he claims, favours English publications. Also missing is the equally traditional roll-call of achievements of the group's string of newspapers. These, instead, receive only scant mention. The effect is to reduce the length of his statement by almost half compared with last year.

According to Jooste, all divisions performed well and all are expected to improve in the current year. Magazines scored from the economic upswing, both in terms of circulation and advertising, while the printing works remained fully occupied. The book clubs showed continued growth. Here, the group succeeded "in not only achieving popularity but also in several cases publishing books of good quality."

Country newspapers achieved new records and, with three acquisitions, are expected to further improve their contribution to group results. *The Citizen* is not mentioned, except to the extent that the board decided not to follow the cover price increases of other publications. This company is not consolidated — Perskor's interest is given as 20 000 ordinary shares, and none of the voting prefs — but as the group has complete management control, it is probable that the group is bankrolling *The Citizen*'s losses. Any such loans are not disclosed, but it may be that the group is less liquid than is indicated by the R6,4m cash in the balance sheet.

The share at 210c yields an historic 8,9% on last year's 18,75c dividend, while Vaderland-Beleggings, which owns 44,44% of

ACS 4 (Continued)

Parents Limited and its Subsidiary Company:

Income Statement for the Year Ended 30 June 1979:

Net Income before items below (140 000+40 000+35 000)		215 000
Profit on change in holding	587,5	
Transfer to Non-distributable Reserve	(587,5)	
Depreciation (35 000-1 500-1 500)		32 000
Net Income before taxation		183 000
Taxation		90 000
Net Income after tax		93 000
Outside shareholders' interests (2 875+2 300)		5 175
Net Income attributable to Parents Ltd members		87 825
Dividend		36 000
Retained Income for the year		51 825
Retained Income at beginning of the year (360 000+30 187,5)		390 187,5
Retained Income at end of the year		R442 012,5

3. Depreciation Adjustme

Depreciation p.a.

i.e.

Therefore need to red p.a. for 3 years

i.e. R9 000

and original increase 8 000

Depreciation in 4th y R17 000

3.1 Depreciation adjustme

1.10.76 to 30.6.77 = R2 250

1. 7.77 to 30.6.78 = 3 000

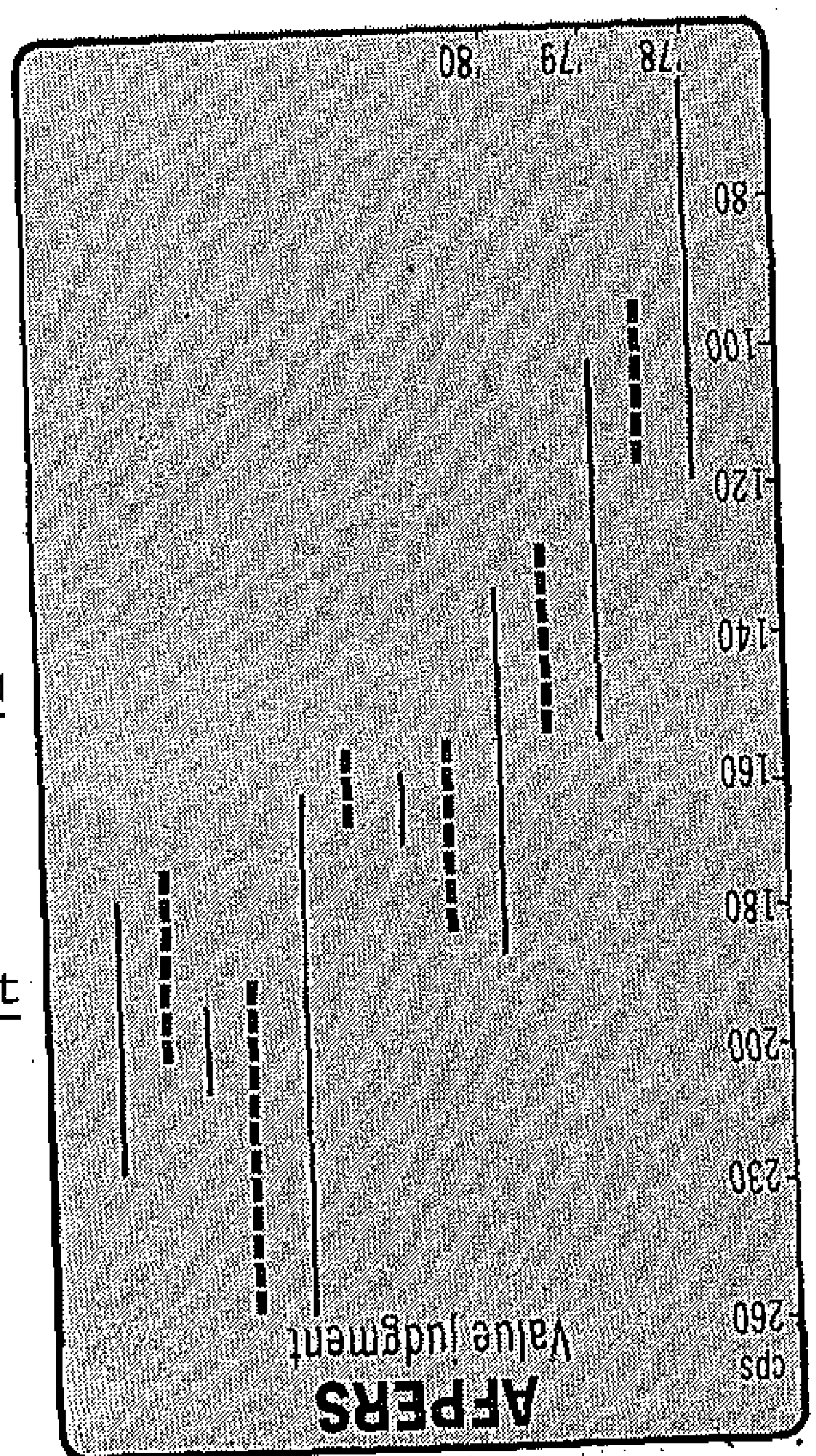
R5 250

3.2 Depreciation adjustmen

= R1 500

3.3 Depreciation adjustment

= R1 500



Afpers, is on a 9,5% yield at 61c after its 5,75c payment. Last year, the *FM* commented that both shares are best suited to the politically faithful, a view which unfortunately still holds true.

However, the day will no doubt come when the group feels sufficiently secure that management decisions can be taken on straight business, rather than political, considerations. When that happens, and investors are able to judge the shares on normal investment criteria, market rating is likely to improve in recognition of the group's broad spread of activities and its financial strength.

Jim Jones

PRINTING (195) FM 14/11/80

Prices press up

Printing prices will rise in January 1981 — a reflection of across the board wage increases and increased staffing in the industry, as well as expected increases in the price of paper.

Director of the SA Printing and Allied Industries Federation, Chris van der Linde, says it is difficult to predict exactly what the price increases will be. "It will depend entirely on labour content and paper content of each job." Increased printing prices will be commensurate with increases in these costs.

Says Van der Linde: "Printing prices have not increased in line with most other industries. There are about 1 600 printing firms in SA and they are all competing.

"However, from January 1 we'll be faced with wage increases and a rise in labour and the industry is in no condition at all to absorb these costs. We'll have to pass them on," he says.

Of these firms, 1 100 belong to the federation and, according to closed-shop practices, only employ workers who belong to the SA Typographical Union (Satu).

There are close on 42 000 workers in the industry, which last year had a total turnover of R913,8m — a 12% increase on 1978 and a 27% increase on 1977.

The turnover increase relates directly to the upswing in the industry, following a general upswing in the economy. Says Van der Linde: "The unexpected rapid economic growth really caught us unawares and, like other industries in similar positions, we are experiencing bottleneck situations."

He says a great deal of overtime is being worked in the industry which is, at present, running on an approximate 3% skilled labour shortage. "But this shortage is growing," he concedes.

Lief van Tonder, general secretary of the Typographical Union, says the union warned employers two years ago, when the recession resulted in a glut of trained workers in the industry, that they could have shortages in the future. Says Van Tonder: "The shortage of lithographers is rather serious at the moment." These are employees at the upper end of the skills level within the printing industry.

Of the 25 different trades within the printing industry, machine minding and photo-lithography are the most popular and fastest growing, according to Van der Linde. They are also the highest paid, eventually.

To counteract labour shortages, the federation has launched a campaign to attract school leavers into the printing industry. It also sent a recent mission to the UK to find journeymen to fill more than 200 vacancies that still exist.

"Some printers are immigrating permanently and others are coming on short term contracts. It is largely up to the printing firms, on whose behalf we are recruiting," notes Van der Linde.

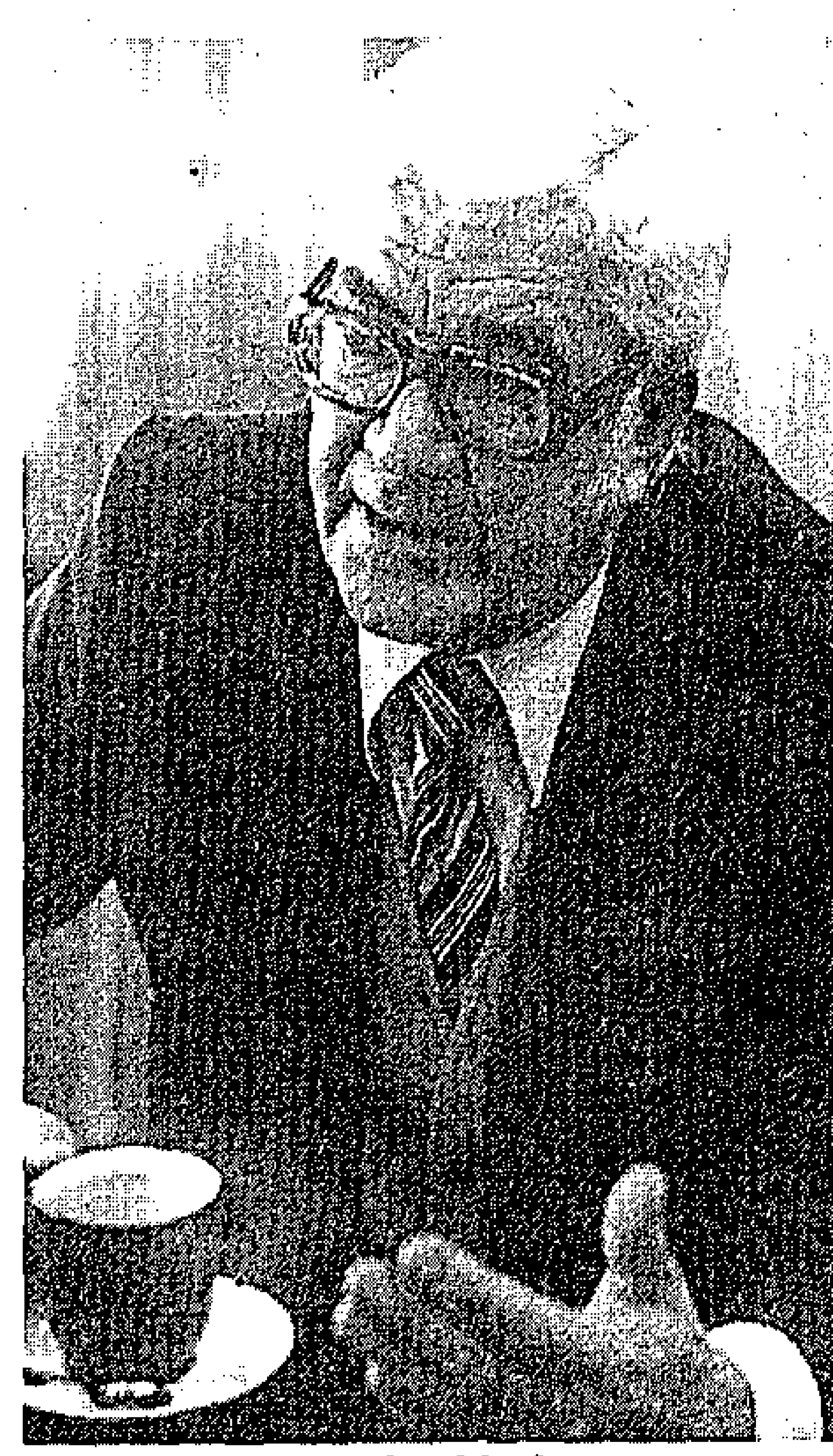
Difficulty in filling skilled positions has placed a high premium on increasing the apprentice intake and, says Van der Linde, this year's intake is expected to be higher than it has been in the past three years. In 1977, 332 apprentices were taken on. Numbers dropped to 240 new apprentices last year.

On January 1, there will be a 15% increase in minimum wages — from R46,16 to R53,09 a week — for skilled and semi-skilled workers, and a 17,5% increase for unskilled workers.

However, as John Pepper, president of the Southern Transvaal Chamber of Printers, says: "There is a certain stigma attached to being a printer. Blacks with the educational standards needed do not want blue-collar jobs and whites feel it is a low status job. The pay is extremely good, but it's not just the pay — it's the status that goes with it."

According to Pepper it costs employers about R20 000 to train every apprentice over four years. And, with "a very high turnover in the industry compared to what it should be," this means a considerable loss on labour investment.

Regarding the skills shortage, he feels



Van der Linde . . . passing on costs

that in the long term trained blacks will be able to fill the higher echelon jobs. He gives a lead time of 10 years.

In March this year, Satu obtained government exemption to enrol blacks as union members, and says Van der Linde, "there is no longer any bar on skills progression in the industry."

Non-racial selection and a steady increase in the number of apprentices should, in time, obviate skills shortages, but not the intense competition that exists in the industry. Clients will have to bear cost increases, they have no choice. But when it comes to product quality and delivery time, they'll still be shopping around for printing firms that can produce the goods.

CT. 14/11/80

Press strike talks continue

Staff Reporter

THE Cape Herald staff association and Argus management met briefly yesterday to discuss the unresolved pay dispute and will meet again this morning.

A spokesman for the association said that after meeting for about an hour yesterday both parties had apparently agreed "to sleep on the matter" and resume discussions today. Further particulars of the meeting were not available.

The key issues which still remain unresolved are the date for the implementation of new salary scales, the extension of messenger scales from five to 13 years and the payment of "strike wages".

The strikers have indicated their readiness to compromise on the first two demands, but Argus management has rejected the "pay while on strike" demand.

Meanwhile, the Western Cape Traders' Association said yesterday that it would appeal to traders today to boycott the selling of the Argus and Cape Herald newspapers in view of the fact that a settlement had not been reached. The WCTA offered to mediate between the striking Cape Herald workers and the Argus management.

It said that the manager of the Cape Herald, Mr L P Willis, had been urged to reach a settlement with the striking staff. "Instead," the statement said, "the Argus chose to reject the demands of their employees for payment while on strike."

The WCTA said that in view of the failure by the Argus group to accede to the strikers' "watered-down demands", it would today call on all traders not to sell the Cape Herald and Argus newspapers and also not to advertise in those publications.

"For the Argus to settle a dispute is one thing, but to settle a boycott is another."

Mr Dawood Khan, chairman of the WCTA, yesterday called on the community to support financially the Cape Herald strikers.

● Student organizations yesterday came out in support of striking black media workers. The Congress of South African Students (Cosas), the National Union of South African Students (Nusas), the University of the Witwatersrand Black Students' Society and the South African Student Press Union (Saspu) said:

"We, as organizations committed to a non-racial and democratic workers' struggle, support the demands of striking media-workers for better wages, improved conditions and the right of workers to organize and be represented by organizations of their own choice."

Argus 16/11/80

6 Herald strikers return to work

SIX Cape Herald staff members who were on strike last week have gone back to work. This was confirmed today by the editor of the newspaper, Mr Ted Doman.

He said the six included sub-editors, reporters and commercial staff.

This means that 12 of the newspaper's 26 staffers are working.

One of the six, who does not wish to be named, said he had sent an urgent letter to the Cape Herald Staff Association last week but they had refused to read it to their members.

He said that in view of the latest developments he believed a new approach should be taken to solve the deadlock.

PURPOSE

The letter said: 'I don't believe our hardline attitude is going to bring us victory in the end — whenever that may be. What we should look at immediately is the purpose of the strike.'

He asked if its purpose was to cripple the company or to get more money for workers.

There was an alternative. 'If we do not like the deal we are getting from the Argus Company, why do we not resign and find other jobs?

He proposed that the action committee ask for an emergency meeting with management.

A SIGN

'I believe that if it means going back to work to achieve out aims, then that is not a sign of defeat but of victory.

'Management have given us the assurance that they are prepared to be generous in their offers.'

A spokesman for the Cape Herald action committee said the strike was still on. 'The demands made to management on Thursday still stand.'

The demands were that workers be paid for the period they had been on strike, that the new scales be introduced from November 1, and the messengers' scales be pushed up to their 13th year and not their fifth.

Meanwhile the standing committee of the South African Newspaper Editorial Conciliation Board met in Johannesburg today to discuss the strike by black journalists.

DD 17/11/80

Dispatch Mwasa staff end stayaway

(195)

EAST LONDON — The Daily Dispatch chapel of the Media Workers Association of South Africa (Mwasa) decided at a special meeting yesterday to return to work today following their ten-day stay-away in response to the national call to show solidarity with the Cape Herald striking workers.

"Our decision to return to work followed an evaluation of the situation in our region and the Eastern Cape and we feel we have contributed to the national effort to the best of our ability," the chapel said in a statement.

"We wish to thank the community for their understanding and support of our stand," the statement said. — DDR

RAL NEWS

STAR 17/11/80

152 195 134 243

Press strikers back at work

The Daily Dispatch, East London, chapel of the Media Workers' Association of South Africa (Mwasa) today ended a 10-day stayaway in solidarity with Cape Herald strikers.

They went back to work after saying they felt they had contributed to the national effort of striking black journalists.

The Cape Herald is today preparing to produce its first issue since the strike began on October 24. Thirteen of the total staff of 37 are still on strike.

A spokesman for the strikers said they were still deadlocked with the management over certain issues, but would hold further meetings to try to resolve the dispute.

When members of Mwasa came out on strike in support of colleagues on the Cape Herald they demanded that the strike there be settled before they would return to work. They also demanded payment for all strikers for the time they were away and recognition of Mwasa.

"Management says all staff know they will be given substantially higher increases on January 1 than the strikers asked for.

It has been pointed out that strikers are in breach of their legal contracts, but that they may return to work at any time.

"We have told Mwasa and explained carefully to the Cape Herald Action Committee that we cannot pay those who are not at work; that it is not for management to pay employees on strike," said Mr Hal Miller, managing director of the Argus Company.

"We believe this to be an absolutely vital principle in our industrial negotiation, not only for the newspaper and printing industry, but for all industry in South Africa," he said.

"We have told the Cape Herald committee that either the period of the strike may be written off against their leave entitlement, or that we will be prepared to let them meet the liability over a period of six months."

He emphasised that Argus management was prepared to discuss the recognition of Mwasa with the association. This was made clear in a meeting with Mwasa's head executive in Johannesburg two weeks ago.

DD 18/11/80

Strike continues but paper back on streets

(195) (152) (139)

CAPE TOWN — After an absence of three weeks the Cape Herald resumed publication yesterday with one third of its staff still on strike.

A brief statement yesterday by the Cape Herald Staff Association said there was still a deadlock between the strikers and the Argus management. Another meeting between the two parties will be held today.

In Johannesburg, Mr Hal Miller, managing director of the Argus Company, reiterated yesterday management could not pay workers on strike — the only outstanding demand blocking a settlement of the strike.

"We believe this to be an absolutely vital principle in our industrial negotiations, not only for the newspaper and printing industry, but for all industry in South Africa," he said.

"However, we have no wish to make its application more burdensome than it need be and we have therefore told the Cape Herald committee that either the period of the strike may be written off against their leave entitlement or that we would be preapred to let them meet the liability over a period of six months.

"In the latter event, if the strike lasted, say, till the end of November, a man earning R600 a month would receive R500 a month over the next six months and would be paying back strike pay of R100 a month. By this means the burden would be spread to avoid serious difficulty in any one month but the principle would be held intact.

"Finally I must emphasise that we are, of course, prepared to discuss the Media Workers' Association of South Africa (Mwasa) our recognition of them in a properly structured industrial agreement. We and the SA Associated Newspapers made this clear in a meeting with Mwasa's head executive in Johannesburg two weeks ago," Mr Miller said. — DDC.

GENER

STAR 18/11/80

Herald back on streets but facing boycott

By Kevin Murray

The Cape Herald is back on the streets today facing community boycotts by supporters of the newspaper's striking employees.

The newspaper was produced yesterday after an absence of four weeks.

Only 13 of its staff of 37 are still on strike.

Members of the Media Workers' Association of South Africa at Argus and South African Associated Newspapers offices throughout the country are still on strike.

The editor of the Cape Herald, Mr Ted Doman, said: "The paper was produced under pressure and with less staff, but in my opinion it is still the normal Cape Herald."

BOYCOTT CALL

About 10 000 pamphlets calling on the public to boycott both the Herald and The Argus were distributed at the weekend.

Traders' organisations in the Cape have stated they will not sell, advertise in, or buy, the two newspapers until the dispute has been settled.

A spokesman for the Herald's staff association said today the strikers were still deadlocked with management over the issue of strike pay, but would hold further meetings this week.

The strikers want to be paid for the period they have been away from work, but management has refused on the grounds that this was an issue vital to industrial negotiations.

Herald back on the streets

CAPE TIMES 18/11/80

(195)

Staff Reporter

AFTER an absence of three weeks the Cape Herald resumed publication yesterday with one third of its staff still on strike.

Approached for comment yesterday the editor of the Cape Herald, Mr Ted Doman, said:

"The paper was produced under pressure and with less staff, but in my opinion it is still the normal Cape Herald. There is nothing extraordinary about it."

He said that the Mitchell's Plain supplement of the Cape Herald, the Plainsman, would appear on Wednesday.

At the weekend 10 000 pamphlets calling on the public to boycott both the Cape Herald and the Argus were distributed by the Media Workers Association of South Africa (Mwasa). The pamphlets outlined the reasons for the strike and said that the public could support the strikers by not buying the Argus and Cape Herald, not advertising and not buying at the Central News Agency (CNA), "another Argus firm."

A statement yesterday by the Cape Herald staff association said there was still a deadlock between the strikers and the Argus management, which owns the Cape Herald. It said the Western Cape Traders Association had instructed its 2 000 members not to sell the Argus and Cape Herald and not to advertise in the publications.

Threats to boycott the Cape Herald and Argus have come from the Grassy Park Traders Association and the residents and ratepayers associations in Mitchell's Plain.

A spokesman for the strikers said that another meeting with the Argus management would be held today.

For the first time in its 15-year history, the Cape Herald failed to appear after workers went on strike on October 24.

In a statement in Johannesburg yesterday Mr Hal Miller, managing director of the Argus company, said that management felt it was necessary "to put the dispute into perspective by succinctly stating again the demands made by Mwasa and the action that had been taken to meet them.

"In the November issue of its bulletin Kwasa, Mwasa records these demands as settlement of the Cape Herald strike, payment for all strikers for the time spent away from work and recognition of Mwasa," Mr Miller said.

"At the Cape Herald, only 13 of the total staff of 37 are on strike at this moment. The staff know that from January 1, 1981, all the editorial and non-editorial members will be given pay increases substantially higher than those increases they themselves have demanded.

Vital principle

"We have pointed out that by refusing to take up their duties, the strikers are in breach of their legal contracts with us, but we have said that they may return to duty at any time. We have told Mwasa and explained carefully to the Cape Herald action committee that we cannot pay those who are not at work, that it is not for management to pay employees on strike.

"We believe this to be an absolutely vital principle in our industrial negotiations, not only for the newspaper and printing industry but for all industry in South Africa.

"However, we have no wish to make its application more burdensome than it need be and we have therefore told the Cape Herald committee that either the period of the strike may be written off against their leave entitlement or that we would be prepared to let them meet the liability over a period of six months.

"In the latter event, if the strike lasted, say, till the end of November, a man earning R600 a month would receive R500 per month over the next six months and would be paying back strike pay of R100 per month. By this means the burden would be spread to avoid serious difficulty in any one month but the principle would be held intact.

"Finally, I must emphasize that we are, of course, prepared to discuss with Mwasa our recognition of them in a properly structured industrial agreement. We and SAAN (SA Associated Newspapers) made this clear in a meeting with Mwasa's head executive in Johannesburg some two weeks ago," Mr Miller said.

Strike-hit Herald is back on the streets

(195) (245) (155) EPM 18/11/80

By ROB MEINTJES

THE Argus Company yesterday brought out the Cape Herald for the first time since a strike by media workers brought publication to a halt on October 24.

And in the Eastern Cape, 14 black journalists at the Daily Dispatch and the Eastern Province Herald ended the strike they started as a gesture of solidarity with the Herald staff.

A 20-page issue of Cape Herald came out last night in the face of calls for a boycott of the bi-weekly.

The Western Cape Traders' Association is reported to have urged its members not to stock Cape Herald.

And pamphlets calling for a boycott were circulated in the Cape Peninsula by the Media Workers Association of South Africa (Mwasa).

Mwasa represents black media workers still on strike at newspapers throughout the country as an expression of solidarity with the Cape Herald workers.

The pamphlets also called for "an end to cheap labour" and recognition for worker representatives.

The editor of Cape Herald, Mr Ted Doman, said it should be clear by tonight whether the call for a boycott had succeeded.

Yesterday 13 Herald workers continued their strike — now into its fourth week. Mr Doman said seven strikers had "filtered" back to work over the last 10 days.

In the Eastern Cape, 12 journalists at the Daily Dispatch and two at the Eastern Province Herald ended their strike.

"We feel we have contributed to the national effort to the best of our ability," the Daily Dispatch members said in a statement after ending their 10-day stayaway.

Mr Hal Miller, managing director of Argus, has reiterated that the company refuses to pay media workers while they are on strike.

"We believe this to be a vital principle in our industrial negotiations, not only for the newspaper and printing industry, but for all industries in South Africa," Mr Miller said.

The Cape Herald strikers have been told that the period of their strike would be written off against their leave entitlement or that they would be able to "meet the liability over a period of six months".

The demand for strike pay has emerged as the key issue in the current deadlock between newspaper managements and Mwasa.

CT 19/11/80

Herald back on the streets

(195)

Staff Reporter

THE Cape Herald was back on the streets yesterday while discussions between Cape Herald strikers and the Argus management on new messenger scales were under way.

Even before the publication of yesterday's edition — brought out while one-third of the staff are still on strike — it was branded by community leaders last week as a "scab edition".

In an editorial headlined "Why you are reading this", the Cape Herald said: "The duty of professional journalists is to keep the public informed. In this, the Cape Herald staff has failed the public for the past three weeks.

"This week, even though some Cape Herald employees are still on strike, those of us who are at work intend to carry out our duty to the public.

"We do so not with the intention of undermining the efforts of our striking colleagues, but we do believe that they have made their point, even won their battle.

"Our colleagues are entitled to their opinions. We to ours. Ours is that the Cape Herald should appear and, as it has done faithfully since it first saw the light of day, keep the public informed.

"Here we are."

No discrimination

The newspaper placed a chronology of the three-week strike and a statement by the managing director of the Argus Company, Mr Hal Miller, on its front page.

It was learnt that yesterday's edition was produced by the editor, Mr Ted Doman, two sports writers, a features writer and three sub-editors.

A spokesman for the staff association said that management had assured the strikers that they would not be fired or discriminated against for promotion, and that merit or discretional increases would not be affected. Another meeting would be held today.

The spokesman reiterated the strikers' view that the strike had been caused by "the blunders of management".

The chairman of the 2 000-member Western Cape Traders' Association (WCTA), Mr Dawood Khan, reported a "successful" boycott of the newspaper by members. He said that shopkeepers were accepting the newspaper and then throwing it under the counter.

Copies would not be sold and would be returned when the next edition was delivered.

STAR 19/11/80

195 ~~203~~ ~~188~~ 18~~3~~

Strike by Mwasa enters 20th day

The strike by black journalists at newspapers throughout the country continued for the 20th day today as negotiations w[illegible] management re[illegible] deadlocked.

[illegible] Johannesburg several journalists who tried to return to work have been intimidated.

They received threats from supporters of the Media Workers' Asociation of South Africa, (Mwasa), even though they themselves are not members of the association.

The journalists who are on strike work for Argus and SAAN publications in Cape Town, Durban and Johannesburg.

They went on strike at the end of last month calling for a settlement of the Cape Herald strike, which began a week earlier, pay for the strikers while off work, and recognition of Mwasa.

The Cape Herald newspaper returned to the streets yesterday after an absence of four weeks, and management reports that sales appear to be normal in spite of threats of community boycotts in support of the strikers.

Certain traders have said they will not buy, sell or advertise in the Herald.

DD 20/11/80 (195)

Cape Herald 3-week strike ends today

CAPE TOWN — The Cape Herald strike is over.

After a three-week long pay dispute with the management of the Argus, the strikers said in a statement yesterday they would return to work today.

Their decision came after yesterday's negotiations with management on messenger scales.

The Staff Association statement said that after initially agreeing to salary scales for messengers up to five years, management yesterday conceded to scales up to 14 years. The staff had asked for scales up to 13 years.

The association said it found the scales to be low but nevertheless they believed that the scales "could form the basis for future negotiations."

The dispute over messenger scales was one of three stumbling blocks. The two were strike pay and implementation of the new salary scales for all Cape Herald staff from November 1. Management did not accede to the two demands.

The statement said management was prepared to compromise on strike pay by letting the strikers take the strike period as leave or to have the pay lost as the result of the strike deducted over a period of six months, or a combination of both.

"The Staff Association rejected these alternatives in principle although we feel that some people, because of personal circumstances, would be forced to make use of the offer," the statement said.

The Argus management had also given the undertaking that no strikers would be victimised by being dismissed or by having their chances of promotion affected.

Management had also agreed to recognise the Staff Association as the legitimate representatives of the Cape Herald staff and a meeting had been set up for November 25 to discuss improved working conditions.

The association believed the decision to call off the strike had "in no way negated any of the number of victories gained."

The association said their action precipitated a tremendous union awareness among all workers in the newspaper industry and they were deeply indebted to colleagues on other newspapers who came out in support of them. — DDC.

Herald strikers return to work

STAR 20/11/80

By Kevin Murray

The entire staff of the Cape Herald newspaper is back at work today after discussions with management yesterday — but black journalists at other newspapers throughout the country are still out on strike.

The Herald workers decided to return to work today after reaching agreement with management on one of three issues they have been disputing — that of pay scales for messengers.

But they rejected in principle having their pay docked while away from work, even though some would be forced to accept a management compromise on the issue.

Management said strikers could take the strike period as leave, or have lost pay deducted over six months, or a combination of both.

A spokesman for the Media Workers' Association of South Africa — whose members are still out on strike — refused to comment on the decision by Herald employees to return to work.

Members of Mwasa at South African Associated Newspapers and Argus Company publications in Durban, Cape Town and Johannesburg are now in their fourth week on strike.

When they went out on strike they demanded settlement of the Herald workers' grievances, that workers should be paid for the time they were on strike, and that Mwasa be recognised as the negotiating body for black newspaper workers.

Herald strikers return

CT, 20/11/80 (195)

Staff Reporter

THE Cape Herald strike is over. After a three-week pay dispute with the management of the Argus, which owns the newspaper, the strikers announced yesterday that they would return to work today.

Their decision came after negotiations yesterday with management on messenger scales. The two parties met for 1½ hours.

A statement by the Staff Association said that after initially agreeing to salary scales for messengers of up to five years, management had conceded to scales of up to 14 years. The staff had asked for scales of up to 13 years.

Adding that it found the scales to be low, the association said that it believed that the scales "could form the basis for future negotiations between management and the democratically-elected representatives of the messengers".

The dispute over messenger scales was one of three stumbling blocks to a settlement. The other issues were payment of salaries for the period of the strike and the implementation of salary scales for all Cape Herald staff on November 1. Management did not accede to those demands.

The statement said that on the question of strike pay, management was prepared to compromise by letting the strikers take the strike period as leave or to lose the pay deducted over a period of six months, or a combination of both.

"The Staff Association rejected these alternatives in principle, although we feel that some people, because of personal circumstances, would be forced to make use of the offer."

The Argus management gave the association the undertaking that no staff members who had struck would be victimized by being dismissed, by not being considered for increases, or by having their chances of promotion affected.

Decision 'does not negate victories'

Management had agreed to recognize the Staff Association as the legitimate representatives of the Cape Herald staff and a meeting had been set up for November 25 to discuss improved conditions.

The association believed that the decision to end the strike had "in no way negated any of the number of victories gained". These included:

- "Salary scales with significant salary increases for all Cape Herald staff including non-editorial staff — a departure from previous newspaper practice in the Western Cape, where only editorial staff had salary scales;
- "Recognition of the association as the legitimate negotiating voice of the Cape Herald staff;
- "Negotiation with newspaper workers who were out on strike (the Argus management initially refused to negotiate with the strikers unless they returned to work);
- "The Cape Herald strike precipitated awareness among all

To page 2 A

A From page 1

workers in the newspaper industry in the Western Cape and in other parts of the country, and workers in Cape Town and all other areas are now organizing themselves into democratic unions and associations;

- "The Media Workers' Association of South Africa (Mwasa) was recognized by the managements of both SA Associated Newspapers (SAAN) and the Argus and is a new force to be reckoned with in the newspaper industry. On November 5, at a top-level meeting between Mwasa and the two managements, *de facto* recognition was given to Mwasa."

The association said that it was indebted to colleagues at Post (Transvaal) and other newspapers who had expressed support.

The Cape Herald staff went on strike on October 24 when pay talks with management were unsuccessful.

Herald strike over

pom (195/ 2/ /152)

Own Correspondent 20/11/80

CAPE TOWN. — The Cape Herald strike is over. After a three-week pay dispute with the management of the Argus company, owners of the newspaper, the strikers said yesterday they would return to work today.

Two issues were payment of salaries for the period of the strike and the implementation of salary scales for all Herald staff on November 1.

Management was prepared to let strikers take the strike period as leave, have lost pay deducted over a six-month period or a combination of both.

The Argus management had also given the association the undertaking that no staff members who went out on strike would be victimised. The Herald staff went on strike on October 24 when pay talks with management broke down.

Yesterday some black journalists employed by SAAN and Argus newspapers in Johannesburg were still on strike.

Negotiation needed

RDM 21/11/80 (195)

THREE weeks ago, most black journalists went on strike in support of grievances among colleagues on the Cape Herald newspaper. They also demanded recognition of their union — the Media Workers Association of South Africa — and raised other grievances.

Managements of SA Associated Newspapers — owners of the Rand Daily Mail — and the Argus company accepted in principle that they would recognise Mwasa and agreed to negotiate, but laid down the condition that strikers would not be paid during their period of absence.

This week, however, the Cape Herald staff ended their strike and the newspaper resumed normal publication. Despite this, the strike by black journalists on the other newspapers is continuing, with Mwasa still demanding strike-pay and managements replying that strikers can take their period of absence as leave.

As in most disputes of this nature, feelings have run high on both sides — but the Cape Herald episode has shown that the most delicate and emotional situations can be resolved. We hope our colleagues still out on strike will now reassess their positions and negotiate a settlement.

STAR 21/11/80

Newspapers hit by distribution strike

195

By Kevin Murray, and Drew Forrest

The distribution of several Johannesburg and Pretoria newspapers, including The Star, was seriously disrupted today because of a strike by drivers, street-sellers and deliverymen.

The workers, who are employed by Allied Publishing Ltd, have taken action in support of striking black journalists throughout the country and over a number of grievances with their own management.

At an urgent meeting with management this morning, several hundred workers decided not to return to work until the strike issues were discussed at a further meeting this afternoon.

Shop stewards of the Commercial Catering and Allied Workers' Union of South Africa — of which the strikers are members — are being assembled

To Page 3, Col 7

Newspapers hit by distribution strike

STAR 21/11/80

195

from page 1

from Allied Publishing depots throughout the Transvaal for the meeting.

The union said yesterday that workers had decided to act in concert with the Media Workers' Association of South Africa.

Members of Mwasa, whose members include black journalists from Argus Company and SA Associated Newspapers publications throughout the country, have been on strike for three weeks.

This strike was partially resolved yesterday when workers at the Cape Herald, where the strike originated, returned to their desks.

Allied workers are also concerned about the dismissal of two colleagues this week and have demanded for the transfer of an area manager of the company.

Mr RC Alport, Transvaal provincial manager of Allied, said the two workers at the centre of the dispute would be suspended on full pay pending an investigation into their dismissal.

He also stressed that by undertaking a sympathy strike, the workers were acting in breach of an agreement with the union.

The action has meant that the distribution of several Johannesburg and Pretoria newspapers has been seriously disrupted.

The distribution of The Star was affected and management could not find an alternative means of selling newspapers on streets or making home deliveries at short notice.

JOURNALISTS' STRIKE 1986

No resolution [redacted]

FM 21/11/86

The strike by SA black journalists is stretching into its fourth week with no end in sight. The Media Workers' Association of SA (Mwasa) and managements of Argus and Saan basically reached agreement on the demands made by the union two weeks ago — but the issue of strike pay remains unresolved.

Managements of the two companies are refusing to budge on this issue. They insist that a decision to pay strikers for the time they were out would "have major ramifications for future industrial relations disputes." But the union contends that management caused the strike by not resolving grievances and is therefore responsible for lost pay.

In a letter to Mwasa members this week, Argus warned them they were in breach of their contracts and would take action accordingly. Saan, on the other hand, said journalists could return to work and "the period of your absence, if you so choose, will be treated as annual leave." Neither company set a deadline. Mwasa has not yet responded to the letters, but its members are expected to stay out.

The strike, which was sparked off by a walkout of *Cape Herald* journalists who insisted that management was not dealing with their grievances, was followed by boycott moves aimed at all Argus and Saan publications; as well as a call for all black community, business and sports leaders not to talk to tyhese papers.

But the strike lost some of its impetus this week when Mwasa members from the *Daily Dispatch*, the *Cape Herald* and the *FM* returned to work. The *Cape Herald* appeared on the streets again, although 13 journalists are still out.

(1015) (243) (138) (139) (152)

Workers still on strike

23/11/80

Sunday Express Reporter

THE strike at Allied Publishing Company, in which several hundred workers walked out of their jobs earlier this week, was still fully effective at the weekend and is expected to continue into the coming week, according to management sources.

The strike has affected distribution of newpapers owned by South African Associated Newspapers and the Argus Printing and Publishing Company and will affect the street sales of Johannesburg's two English-speaking Sunday newspapers, the Sunday Express and the Sunday Times.

A meeting on Friday afternoon between Allied management and the Commercial Catering and Allied Workers' Union of South Africa, which represents the striking workers, ended in deadlock.

Strikers demands include:

- The immediate and unconditional reinstatement of two workers dismissed earlier in the week;
- The removal of an Allied distribution manager, who, the union contends, dismissed the two workers and "also assaulted some workers";
- The resolution of the present Mwasa strike.

Mr Nigel Twidale, a SAAN general manager, told the Sunday Express after the meeting with Argus and Allied management that: "Allied workers have no grounds for striking because of conditions at Allied. Their strike appears to be one of solidarity with striking Mwasa journalists."

Mr R J Mitchell, managing director of Allied, told the Sunday Express: "The issue which sparked the strike was the speed at which the two workers were fired. It didn't allow them the chance to lodge an appeal. We have agreed with this view.

"We recognise that these men weren't given that chance. But now we have reinstated them."

It appears, however, that the union are still not satisfied because the men, although reinstated, have been suspended pending an investigation of alleged theft.

No home deliveries

MR Nigel Twidale, a SAAN general manager, said there would be no home deliveries of his company's Sunday papers — the Sunday Express and the Sunday Times.

However, he said the papers would be be available from all cafes and booksellers which opened on Sundays.

He said SAAN regretted the inconvenience. If the strike continued into next week he invited "anyone who would like to assist us as a seller or an agent to phone the newspaper offices. We will happily employ them".

STAR 24/11/80

Allied workers may be fired

By Kevin Murray

The employers of the striking newspaper deliverymen said today if the workers did not return to duty by tomorrow morning they would lose their jobs.

Street-sellers, deliverymen and truck drivers of Allied Publishing Ltd have been on strike since Thursday night.

The distribution of several Johannesburg newspapers, including The Star, has been seriously disrupted by the strike.

Mr R J Mitchell, managing director of Allied, said today the workers were on strike in breach of their contracts with the firm. They had, in effect, terminated their own employment.

"We are bitterly disappointed the agreement reached with the Commercial Catering and Allied Workers' Union of South Africa has not met the first test and instead we face a strike by all of Allied's black employees," he said.

Students have been recruited to sell The Star and other newspapers as a holiday job during the strike by Allied workers.

The students will be helping deliver the newspapers to cafes and will sell them at selected street corners in Johannesburg.

Subscribers to The Star have been urged to buy their copies at their local cafes, as home deliveries are still affected.

They will be compensated for the period of the strike.

This also applies to subscribers of the Rand Daily Mail.

'Mail' back on Reef but strike goes on

RDM 24/11/80

Staff Reporter

STREET sales of the Rand Daily Mail will resume throughout central Johannesburg and at selected points in the suburbs today.

Mr Nigel Twidale, a general manager of South African Associated Newspapers, said last night the strike by employees of Allied Publishing Pty Ltd, which publishes the Rand Daily Mail and most other Johannesburg newspapers, was still continuing.

Mr Twidale said subscribers would have their subscriptions extended for the period of the strike as there would be no home deliveries. He apologised for any inconvenience to readers.

The "Mail" will be on sale at all bookshops, cafes and at the offices of the Rand Daily Mail throughout the Reef.

The strike by members of the Catering and Allied Workers Union of South Africa (Cawusa) began on Thursday. Street sellers, drivers and distributors are refusing to work although negotiations between the union and Allied Publishing were held on Friday.

A spokesman for Allied Publishing said the company would make a statement on the strike today.

Newspaper workers report back

RDM 25/11/83

Staff Reporter

STREET sales and home deliveries of the Rand Daily Mail are expected to return to normal today, after striking Allied Publishing workers trickled back to work yesterday.

The workers began returning after the company issued an ultimatum to its workers: return by this morning or be dismissed.

Allied's managing director, Mr R J Mitchell, warned the workers that if they failed to turn up the company would employ outside labour.

"The employees on strike are in breach of their contract with Allied and they have, in effect, terminated their employment with us," he said. "Nevertheless we are ready to re-employ them without any break in service if they return to duty today.

"It looks as if the strike is over," he said. But he warned that normal distribution depended on the return of workers who were due to go on shift early today.

Mr Mitchell said Allied was "bitterly disappointed" the recent agreement reached with the Commercial and Allied Workers' Union had not met its first test.

FOOTNOTE: Striking black journalists at SAAN and Argus publications in Johannesburg were still on strike yesterday.

Striking workers may lose their jobs

STAR 26/11/80

By Kevin Murray

The Argus Company has told striking employees of the black newspaper Post (Transvaal) they will forfeit their jobs if they do not return to work by tomorrow.

The strikers are all members of the Media Workers' Association of South Africa, and have been away from work for more than three weeks.

Members of the association from Argus and South African Associated Newspaper publications in many parts of the country are on strike.

Their negotiations with management are deadlocked over the issue of strike pay — Mwasa demands members be paid for the period they have been away from work, management refuses.

In a statement released today, Mr Hal Miller, managing director of the Argus Company, said the workers from Post had been reminded they were in breach of their legal contract and had, in effect, dismissed themselves.

He added that the Argus was ready to re-employ them because it wished to resume its service to the community and the advertisers by publishing Post again.

If the 70 striking members of Post — out of a total staff of 260 — did not return to work by tomorrow the Argus would take the view that they themselves had terminated their employment from the date they ceased to work.

Argus and SAAN said they were ready to finalise arrangements for recognition of Mwasa among employees who they represent, but claimed Mwasa refused even to discuss recognition until the companies agreed to strike pay.

Striking newsmen given ultimatum

C.T. [illegible] JUL 80 (195)

Own Correspondent

JOHANNESBURG. — Seventy striking employees of Post newspaper here will be sacked today if they do not return to work.

The ultimatum was issued yesterday by the managing director of the Argus Company, Mr Hal Miller.

The three-week-old strike was called by the Media Workers' Association of South Africa, (Mwasa), of which most of the strikers are members.

The stayaway is affecting newspapers owned by the South African Associated Newspapers (SAAN) group as well as other Argus-owned papers.

The ultimatum follows deadlock between Mwasa and managements over the issue of strike pay.

It is unclear whether the ultimatum will be extended to strikers on other newspapers.

Mr Clive Kinsley, managing director of SAAN, said the company "has not considered" issuing its Mwasa strikers with a similar threat.

Mr John Marquard, the managing director of the Star, refused to comment on whether there was a possibility of striking Star reporters being given an ultimatum to return.

In a statement yesterday, Mr Miller told the Post strikers that if they did not return to work today, they would be dismissing themselves because they were in breach of contract.

He also told them they would not be paid for the time they had been on strike, although the Argus Company was prepared to treat the absence as leave or, as in the case of the Cape Herald dispute which has been settled, to spread the liability over six months.

Mr Miller said the Argus Company was ready to re-employ any workers who wished to return.

Papers still hit by strike

Staff Reporter

THE strike by distribution workers at the Allied Publishing Company, which affects newspapers of the South African Associated Newspapers and the Argus Publishing Company, is continuing.

Negotiations between Allied management and the Commercial, Catering and Allied Workers Union of South Africa ended in deadlock yesterday.

Allied's managing director, Mr R J Mitchell, said both sides had agreed to continue negotiations.

Workers have raised a number of grievances and also demanded the resolution of the dispute between striking members of the Media Workers Association of SA (Mwasa) and newspaper managements at SAAN and Argus.

The union said strikers' demands were:

- The immediate removal "by dismissal, transfer, suspension, demotion or promotion" of an Allied distribution manager "who summarily dismissed and also assaulted some workers";
- The "immediate and unconditional reinstatement" of the dismissed workers;
- The immediate suspension of a grievance procedure agreed between the two parties recently and the negotiation of a new one "because the present procedure has failed to stop problems arising", and
- The resolution of the Mwasa strike "because Allied workers are being seen by the community as strike-breakers and also because workers want to express solidarity with media workers."

Mr Mitchell said Allied had agreed to scrap the grievance procedure recently negotiated with the union.

The workers who had been dismissed had been reinstated, but were at present suspended from duty — apparently pending full investigation.

It was not intended, however, to remove the area manager concerned from his post.

Post strikers get sacking ultimatum

RDM 27/11/80

195 152 159

By MARIKA SBOROS

SEVENTY striking employees of Post (Transvaal) will be sacked today if they do not return to work.

The ultimatum was issued yesterday by the managing director of the Argus Company, Mr Hal Miller.

The three-week-old strike was called by the Media Workers Association of South Africa (Mwasa), of which most of the strikers are members.

The stayaway is affecting newspapers owned by the South African Associated Newspaper group as well as other Argus-owned papers.

The ultimatum follows deadlock between Mwasa and managements over strikepay.

It is unclear whether the ultimatum will be extended to strikers on other newspapers.

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He also told them they would not be paid for the time they had been on strike, although the Argus company was prepared to treat the absence as leave or, as in the case of the Cape Herald dispute which has been settled, to spread the liability over six months.

Mr Miller said the Argus company was ready to take back any workers who wished to return.

Meanwhile, two temporary news vendors employed by the Allied Publishing Company who were allegedly assaulted by company strikers for scabbing, have laid charges with the police.

Police arrested the driver of a car with false numberplates after receiving reports that the car had been used by people intimidating and assaulting newspaper sellers.

The sellers claimed they were forced into the car, had their money taken and told to stop selling the papers.

The incident allegedly took place during the recent Allied strike which was resolved on Monday.

Striking Post men fail to turn up

STAR 27/11/80

195

243

By Kevin Murray

A total of 70 striking employees of the Argus Company failed to meet a management deadline to return to work today.

They were told yesterday to return to work today or forfeit their jobs.

The strikers are all journalists of the black newspaper Post (Transvaal).

At the time of going to Press, a spokesman for Post said: "None of the workers has returned. We are waiting to see what happens."

There are 190 non-editorial employees of Post still at work.

Argus management said yesterday the strikers were in breach of their contracts with the company and had, in effect, dismissed themselves.

If the workers had returned to duty today they would have been re-employed because the Argus Company was anxious to resume its service to readers and advertisers by once again publishing Post.

Mr Hal Miller, managing director of the Argus Company, said yesterday if the 70 striking members of Post did not return to work today management would take the view that they had ended their employment from the date they stopped work.

Mr Miller would not comment on what would happen to black journalists from other Argus publications who are also on strike.

71 lose jobs after strike

STAR 28/11/80

By Kevin Murray
and Mike Cohen

Seventy-one striking employees of the Argus Company have lost their jobs after defying a management ultimatum to return to work.

Argus management said the strikers were in breach of the contracts and had, in effect, dismissed themselves. A total of 68 strikers from the black newspaper Post (Transvaal) were yesterday formally told they had terminated their employment from the date they left work four weeks ago.

In Durban, three striking members of the Sunday Tribune also lost their jobs today.

Mr J Nuttall, manager of the Tribune, said the three strikers had been told they should be back on duty by this morning or lose their jobs.

At the time of going to press the three had not turned up and were deemed to have fired themselves, said Mr Nuttall.

Two journalists from Post returned to work yesterday and were also re-employed. There are now 192 people on duty at the newspaper.

Mr Hal Miller, managing director of the Argus Company, said today the Post was not being closed down.

"The workers are being paid and will continue to be paid," said Mr John Gittins, manager of Post.

All the strikers are members of the Media Workers' Association of South Africa.

Employees of SAAN picketed The Star building today in protest at the Argus Company's decision to terminate the employment of 68 striking Post Transvaal journalists.

About 20 employees of South African Associated Newspapers picketed The Star building today in protest at "the sacking of 68 members of Post."

Argus sacks 68 Post strikers

28/1/80 RDM

195 134 152 2065

By MARIKA SBOROS

THE ARGUS Company yesterday sacked 68 striking Post (Transvaal) workers.

Late yesterday afternoon Mr Hal Miller, managing director of the Argus company, said the Post employees had "dismissed themselves" by not returning to work after an ultimatum was issued.

"We are sorry to say that only two of the striking Post workers returned to work. Those who are still on strike are in breach of their legal contract with us and have dismissed themselves as from the date they went on strike," he said.

A radio report yesterday said strikers on the Durban-based Argus newspapers, the Sunday Tribune and the Daily News, now face a threat of sacking if they do not return to work today.

Argus management refused to confirm or deny the report.

Last-ditch attempts to avert the Post firings failed yesterday as deadlines for the dismissal were extended from 10.30am to 3pm.

Most of the sacked workers are members of the Media Workers' Association of South Africa (Mwasa).

Mwasa reached deadlock with managements over the issue of pay for workers during the three-week-old strike.

In another development yesterday a meeting of the SAAN editorial chapel of the SASJ voted 55-20 against a motion proposing a one-day strike in sympathy with the sacked journalists.

Instead a motion was passed condemning the Argus company "in the strongest terms for this provocative and unnecessary action" and welcoming "SAAN's more conciliatory attitude". The chapel urged SAAN management to continue to explore every possible opportunity to achieve a settlement with the striking SAAN journalists "irrespective of the action taken by the Argus company".

The chapel sent Mr Miller a telex in which they expressed a "widespread belief" that the dismissal would have grave and irreparable consequences for the entire newspaper industry.

However 18 white journalists from three South African Associated Newspapers decided to stage a one-day strike in sympathy with the sacked workers.

A statement by the 18 journalists said: "Our loyalty to our newspapers and their readership remains paramount. We feel the gravity and tragedy of the situation has forced us to adopt this position."

Earlier yesterday, Mr Miller refused to meet a deputation from the editorial chapel of SAAN, which intended to urge Argus management to withdraw the sacking threat.

Mr Miller said the SAAN chapel had no standing in the dispute and he would not see the deputation.

FOOTNOTE: Mr John Gittins, the manager of Post, refused to comment on the future of the newspaper.

68 Post strikers lose their jobs

C.T. 28/11/80

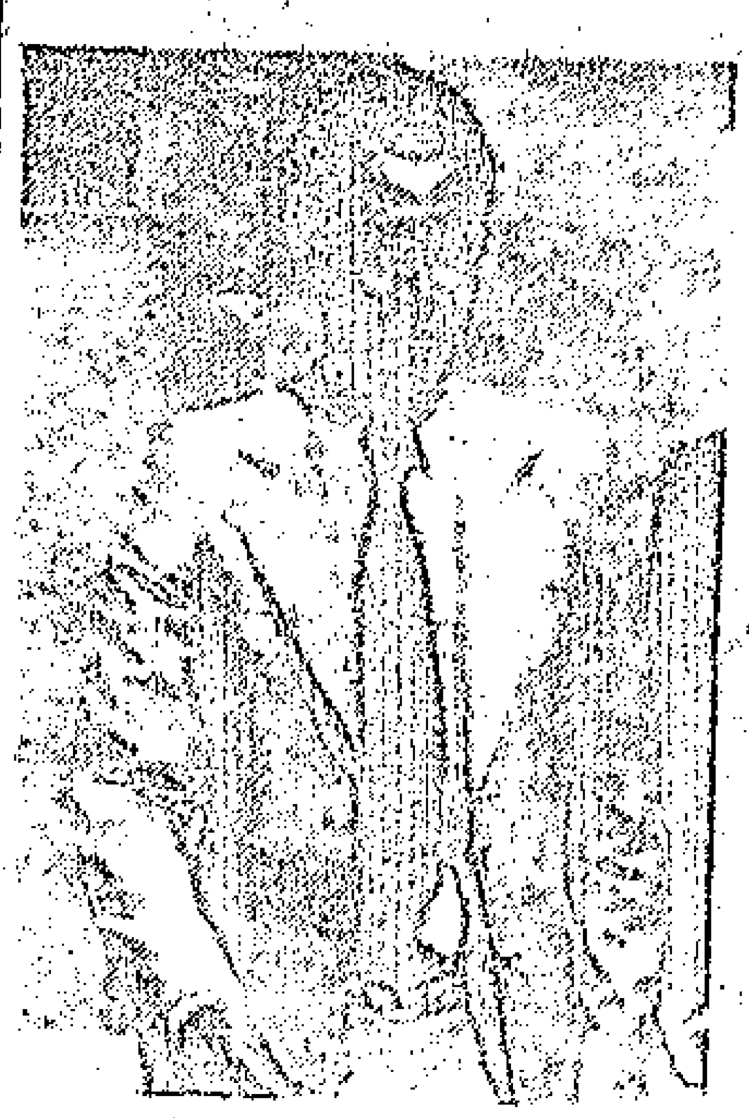
195

Own Correspondent

JOHANNESBURG. — The Argus Company yesterday sacked 68 striking Post (Transvaal) workers.

Late yesterday afternoon, Mr Hal Miller, managing director of the Argus Company, said the Post employees had "dismissed themselves" by not returning to work after an ultimatum was issued.

"We are sorry to say that only two of the striking Post workers returned to work. Those who are still on strike are in breach of their legal contract with us and have dismissed themselves as from the date they went on strike," he said.



Mr Zwelakhe Sisulu, president of Mwasa.

Eighteen white journalists from the Rand Daily Mail, the Sunday Times and the Sunday Express decided yesterday to go on a one-day strike in sympathy with the sacked Post workers who include about 50 journalists.

The journalists' action was also taken in protest against threats by the Argus management to dismiss Mwasa strikers at the Daily News and Sunday Tribune.

Radio 702 reported yesterday as deadlines for the dismissal were extended from 10.30 am to 3 pm.

Most of the sacked workers are members of the Media Workers' Association of South Africa (Mwasa) that reached deadlock with managements over the issue of pay for workers during the three-week-old strike.

Mr John Gittins, the manager of Post, yesterday refused to comment on the future of Post.

In another development yesterday, a meeting of the SAAN editorial chapel of the SASJ voted 55-20 against a motion proposing a one-day strike in sympathy with the sacked journalists.

Instead a motion was passed condemning the Argus company "in the strongest terms for this provocative and unnecessary action" and welcoming "SAAN's more conciliatory attitude".

The chapel urged SAAN management to continue to explore every possible opportunity to achieve a settlement with the striking SAAN journalists "irrespective of the action taken by the Argus company".

However 18 white journalists from three SAAN newspapers decided to go on a one-day strike in sympathy with the sacked workers.

Picket

The 18 journalists also decided to join a picket by journalists who had earlier rejected strike action in favour of a picket outside the Star offices.

The motion calling for strike action read:

"Despite repeated requests to management that the Mwasa dispute be resolved in the long-term interests of the newspaper industry and the opposition press and that it should

From page 1

SAAN, and to that extent it is impossible to distance ourselves from the high-handed decision to fire the 68 Post workers.

"Our only means of action is to strike. This resolution calls for all SAAN employees to strike for one day — tomorrow Friday — in protest against the sackings.

"This resolution decision has not been taken lightly. Our loyalty to our newspapers and their readership remains paramount.

"We feel the gravity and tragedy of the situation has forced us to adopt this position."

Deputation

Earlier yesterday, Mr Miller refused to meet a deputation from the editorial chapel of SAAN, which intended to urge Argus management to withdraw the sacking threat.

Mr Miller said the SAAN chapel had no standing in the dispute and he would not see the deputation.

The chapel sent Mr Miller a telex in which they expressed a "widespread belief" that the dismissal would have grave and irreparable consequences for the entire newspaper industry.

o John Matisson reports from Washington that friends of the editor of Post (Transvaal), Mr Percy Qoboza, have said he may return from Washington earlier than planned.

Mr Qoboza, who is editor in residence at the Washington Star, could not be contacted but friends said he was "terribly concerned about developments" on his newspaper. He told an interviewer two weeks ago that he intended to be back in Soweto by Christmas.

"He could come home earlier if circumstances warrant," friends said yesterday.

Black journalists' strikes have lessons for newspapers

C.T. 28/11/80

Black journalists have been on strike in many parts of South Africa, raising questions for their white colleagues and disrupting black editions. The Editor of the Cape Times looks at the situation.

THE CURRENT industrial unrest in the newspaper world is noteworthy not because it happened but because it did not happen sooner.

This is because newspapers are in no way exempt from the powerful new pressures, racial, political and industrial, at play in South African society. A country that used to boast to strike-ridden Western nations that strikes were virtually unknown now has a major strike problem. A National Development and Management Foundation study recorded 36 reported strikes in 1979, involving 21 000 workers, yet by the end of August this year there had been 61 strikes involving 95 000 workers. Almost every strike was illegal, and in many cases police involvement complicated matters.

Exposed position

The newspaper industry is in a particularly delicate and exposed position. It employs people who are trained to observe things shrewdly and to think. The new forces at play in South Africa are not missed by journalists, particularly blacks who suffer under apartheid and who understandably want a totally new society. The liberal-inclined English-language newspapers, moreover, offer advice and criticism on how South Africa should be run, and how businesses should put their houses in order. This places a heavy onus on newspapers to see that their own is shipshape. If not, they are sitting ducks. Newspapers are also part of a world-wide community, which has quick communications and great sensitivity to what happens in the South African press. Newspapering in South Africa is a high-profile activity. And a hostile government is waiting to pounce on any weakness in the English-language press.

Perhaps the most important point, however, is that the English-language newspapers are basically white-owned but blacks form half their readership. In some cases, such as the Argus Company's Cape Herald and Post, readership is virtually exclusively black. Many English-language newspapers run separate black pages or editions. Such operations are potential albatrosses for managements in the case of industrial unrest. Newspaper groups are increasingly reliant on black custom and black journalists. And if black workers or consumers are to be organized against newspapers, for whatever reason, the damage is obvious. With this will come damage to the cause of free expression because there should be no mistake about it: the only beneficiaries of weakened English-language newspapers are the Nationalists who would rather rule without these troublesome priests.

Bearing all this in mind, what approach should newspapers adopt when industrial troubles threaten? Some thoughts:

- Managements should be extremely sensitive to black demands, and move quickly and helpfully in cases of grievance. In the Cape Herald affair, there was evidence of tardiness in handling the stikers' original complaints, though this was later remedied. Black sensitivity is acute in South Africa, because of the nature of the society. It must be taken fully into account.
- The status of the profession must be raised. Journalists are not well paid, considering the burdens they bear, the risks they run, the people they meet and the hours they work. Modern technological advances — such as electronic editing — place critical new responsibilities on their shoulders. They must be looked after properly. Some considerable distance toward improving the situation was covered in the recent negotiations between proprietors and the South African Society of Journalists, with an effective 16 percent salary increase in prospect. But there are still problems in the profession, exacerbated by the polarizing effect of the strike by black journalists.
- Blacks must be advanced, not just in "black journalism" but to influential and responsible positions in the mainstream. Why, it might be asked, do the big newspaper groups not, like Anglo-American, appoint blacks to their boards? Since more than half their readers are black, the question is apt. Why are there not more blacks in influential editorial — not to mention managerial — posts? To say that such people are chosen strictly on merit is, in present South African conditions, not realistic nor probably even accurate. There are numbers of blacks capable of holding down such positions. And the corps is growing every year. When industrial trouble comes, such people act as bridges. And in the on-going running of newspapers, their specialized knowledge of black opinion and vast areas closed to white South Africa, is at a premium.
- Employees must appreciate the hard fact that if they withdraw their labour they will not be paid. It is axiomatic. Nowhere in the civilized world is it different. And they should also appreciate that those in senior executive positions such as editors and deputy editors — whatever their feelings about pay and conditions in the industry — will automatically produce newspapers in the event of a strike, because of their overriding commitment to the free flow of information.

Black consciousness

- Employers must appreciate that when they deal with black strikers they are dealing to a very large extent with the potent force of black consciousness, which — in spite of Mr Jimmy Kruger's enthusiastic efforts — is alive and well. This means: handle with great care. The charge made by the (black) Media Workers' Association of SA in the recent unrest that the white liberal press preached about change but was inflexible when it came to introducing change within its own structures must not stick.

There is no ready handbook for employer or employee in South Africa's wave of industrial unrest. But tact and an understanding of what it is like to be black in South Africa, are a good start.

FM 28/11/80

POST ULTIMATUM

(195)

Strikers at *Post* and *Sunday Post* were issued an ultimatum by Argus Printing & Publishing to return to work. In a statement issued to the strikers on Wednesday, the company said it would take the view "that they themselves had terminated their employment from the date they ceased to work."

The 70 strikers at the two papers are members of the Media Workers Association of SA (Mwasa). A national Mwasa strike was called a month ago in solidarity with *Cape Herald* employees, who have resumed work.

By the time the *FM* went to press Mwasa had not responded to the ultimatum.

Negotiations between Mwasa and Saan and Argus managements resumed on Tuesday after a two-week lapse but no agreement was reached. There was no promise that negotiations would continue.

Saan MD Clive Kinsley says the company's position remains unchanged — that strikers may return to work and claim leave for the time they have been on strike.

The Star's manager, John Marquard, refused to comment on the company's position.

Strike threat over sacked journalists

29/11/80

CAPE TOWN — The Argus, Cape Herald and Cape Times units of the Media Workers' Association of South Africa (Mwasa) yesterday decided to go on strike if 71 employees dismissed by the Argus Company are not reinstated on Monday.

Sixty-eight workers at Post (Transvaal) and three at the Sunday Tribune in Durban were dismissed on Thursday after the company issued an ultimatum to them to end their four-week strike.

The Western Cape Mwasa units yesterday addressed the following letter to the managing director of the Argus Company, Mr Hal Miller: "A meeting of the Argus, Cape Herald and Cape Times units of Mwasa was held today in response to the dismissal of 71 colleagues at Post Transvaal and the Sunday Tribune. It was decided to demand the reinstatement of our colleagues by 8 am on Monday, failing which we will go on strike."

The Argus (Cape Town) and Star (Johannesburg) chapels of the Southern African Society of Journalists (Sasj) resolved yesterday to support a call for negotiations between the Argus Company and Mwasa, with a view to the reinstatement of the sacked workers.

According to Argus Company management, the strikers were in breach of their contracts and had, in effect, dismissed themselves.

They were told on Thursday they had terminated their employment from the date they left work four weeks ago.

And in Durban, three striking members of the Sunday Tribune have also lost their jobs.

About 20 employees of South African Associated Newspapers picketed the Star building yesterday in protest at "the sacking of 68 members of Post." — DDC-SAPA.

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He is recognised as a member of the consultants group of the Computer Society of South Africa and specialises in requirement definition and design of industrial systems.

STAR 29/11/80 (195)

Way open for Post strikers

The Post newspaper is ready and willing to re-engage all striking staff immediately, with no loss of service privileges. The manager confirmed this morning, however, that the paper could not concede the principle of paying strikers.

Mr John Gittins, Post manager, said: "We are very ready to re-engage, immediately, all staff who wish to take up their duties again. I know the staff are aware of this.

"While we cannot agree to pay the strikers while they have been away from work there will be no break in service. We have maintained the company's contributions to the pension and medical aid funds while staff have been away, and they are therefore fully protected by the funds although they have not been at work.

"We are ready, and happy, to have them back.

"We cannot move on the principle of strike pay. On everything else, we will do what we can to help. We know and understand the pressures, but we simply cannot let up on the principle of paying staff on strike.

"We are prepared to regard the period away from work as part of annual leave; or, as in the case of the Cape Herald, spread the loss of pay over six months and so lessen the burden, particularly at this time of the year."

He stressed that 192 people — mostly black works staff — were still at work and had never gone on strike. "Those at work are black, white, Indian and coloured people.

"They have stayed at their posts throughout the strike of journalists, and continue to receive their pay."

Page 3: Mwasa's new threat.

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Protests over the Post sackings

195 (265) (152) RDM 29/11/80

Staff Reporter

ABOUT 50 journalists employed by South African Associated Newspapers yesterday staged a six-hour picket of the Argus Publishing Company in Johannesburg in support of 68 Post newspaper employees who have been sacked by Argus management.

And 13 of the 23 SAAN journalists who had unsuccessfully called for a one-day strike, yesterday stayed away from work.

The journalists — including some cadets — have been suspended pending internal hearings early next week.

In Cape Town, members of the Media Workers Association of South Africa (Mwasa) employed by The Argus, Cape Times and Cape Herald (where the strike which led to the present troubles ended last week) decided to go on strike if the dismissed Post employees were not reinstated on Monday morning.

The Mwasa strike started at the Cape Herald. Strikes in support spread to other newspapers of the Argus and SAAN companies. On Thursday 68 Post (Transvaal) workers were dismissed after the Argus company had issued an ultimatum to them to end the four-week strike. Two others returned to work. Three workers have been dismissed at the Sunday Tribune

From 8am to 2pm yesterday journalists carrying placards picketed the Sauer Street entrance of the Star on a rotation basis.

Picture — Page 2

Journalists picket Argus building

CT 29/11/80

(175) ~~(213)~~ ~~(134)~~

Own Correspondent

JOHANNESBURG. — About 50 SAAN journalists yesterday staged a six-hour picket of the Argus Printing and Publishing Company building here in support of 68 employees of the Post newspaper who have been sacked.

Sixty-eight workers at Post Transvaal and three at the Sunday Tribune in Durban were dismissed on Thursday after the company issued an ultimatum to them to end the four-week strike by Mwasa.

The Mwasa strike began with the Cape Herald, where Mwasa members went on strike last month. The Post employees decided to strike in sympathy with the Cape Herald workers, who later returned to work.

From 8 am to 2 pm yesterday, groups of journalists carrying placards picketed the the Sauer Street entrance of the Argus building.

The three striking Sunday Tribune journalists — Ticks Chetty, Marlan Padayachee and Shami Harichunder — were informed by telegram that they should return to work yesterday.

Mr David Wightman, assistant editor of the Tribune, confirmed that the three striking journalists had not returned to work before the deadline.

"It means they have dismissed themselves from November 4 — the date they went on strike," said Mr Wightman.

Meanwhile, 12 of the 23 SAAN journalists who unsucessfully called for a one-day stayaway, stayed away from work yesterday.

They have all been suspended pending an internal inquiry early next week.

A spokesman for the 12 journalists said last night: "Reaffirming our strongest protest against the Argus Company's sacking of 71 striking workers and noting SAAN managements' threat to sack us and our Mwasa colleagues in the event of our proposed one-day strike, we resolve to go ahead with the strike".

Those on strike are Arnold Geyer, Justin George, David Cohen, Allison Gillwald, Marion Sparg, Bruce Cohen, Sue Denny, Marika Sboros, Marian Whitehead, Barry Levy, Damian de Lange and Lauren Smith-Brear.

The Argus chapel of the South African Society of Journalists (SASJ) resolved yesterday to support a call for negotiations between the Argus company and Mwasa, with a view to the reinstatement of the sacked workers.

Sapa reports that three members of South African Associated Newspapers' editorial staff have denied that they decided yesterday to join other journalists in a one-day stayaway yesterday.

They are Mr John Michell and Miss Cheryl van Eyssen, both of the Rand Daily Mail, and Miss Angela Hammersley of the Sunday Express.

Their names were included in a list of SAAN journalists appended to a statement issued yesterday by a group of 18 after a chapel meeting at which it was decided by a 50-20 vote not to stage a one-day "strike".

Of the 18, 12 decided to go ahead with the stayaway, but Mr Michell, Miss Van Eyssen and Miss Hammersley took no part in it.

Miss Hammersley said yesterday she had been among a few journalists who had remained behind when asked to do so by those who had decided to go on strike.

She had merely wanted to discuss the matter further as she had disagreed with their decision, but her name and those of Mr Michell and Miss Van Eyssen had inadvertently been added to the list of journalists in favour of a stayaway.

City papers threatened with strike

Staff Reporter

THE Argus, Cape Herald and Cape Times units of the Media Workers' Association of South Africa (Mwasa) yesterday decided to go on strike if 71 employees dismissed by the Argus company are not reinstated on Monday morning.

Sixty-eight workers at Post Transvaal and three at the Sunday Tribune in Durban were dismissed on Thursday after the company issued an ultimatum to them to end their four-week strike.

The Western Cape Mwasa units yesterday addressed the following letter to the managing director of the Argus company, Mr Hal Miller: "A meeting of the Argus, Cape Herald and Cape Times units of the Media Workers' Association of South Africa (Mwasa) was held today in response to the dismissal of 71 colleagues at Post Transvaal and the Sunday Tribune. It was decided to demand the reinstatement of our colleagues by 8 am on Monday December 1, failing which we will go on strike."

A copy of the letter was also addressed to the managements of the Herald and Cape Times.

● The Argus chapel of the South African Society of Journalists (SASJ) resolved yesterday to support a call for negotiations between the Argus company and Mwasa, with a view to the reinstatement of the sacked workers.

END OF PAPER

END OF PAPER

More strikes loom as Argus fires 77

29/11/80 (195) (129)

Mercury Reporter

THREE striking Sunday Tribune journalists were yesterday 'sacked' when they failed to return to work after an ultimatum had been issued.

The men — Mr Ticks Chetty, Mr Marlan Padyachee and Mr Shami Harichunder — had been informed by telegram that they should return to work by yesterday.

Mr David Wightman, assistant editor of the Tribune, confirmed last night that the three men had not returned to work before yesterday's deadline.

'It means that they have dismissed themselves from November 4 — the date they went on strike,' he said. The Argus Company dismissed 68 striking Post (Transvaal) journalists on Thursday.

All are members of the Media Workers' Association of South Africa and have been on strike for about four weeks.

Cape Town

In Cape Town, the Argus, Cape Herald and Cape Times units of the media association decided yesterday to go on strike if the people dismissed by the Argus Company are not reinstated by Monday morning.

A striking Daily News reporter, Mr Devan Maistry, and two from Post (Transvaal) returned to work yesterday and have been re-employed.

It is learned that Sunday Tribune freelance reporters and a photograher who were striking in sympathy with the full-time journalists have decided not to offer their services to the newspaper until the 'sacked' journalists are re-employed.

In Johannesburg, journalists at the Star yesterday called for an arbitration committee to seek ways of re-opening negotiations between the Argus Company and the association.

The Star chapel of the Society of Journalists passed a resolution 'regretting' the sackings.

THE THREE EMPTY DESKS AT THE TRIBUNE

TRIBUNE
5. 30/11/80

175

DEON DU PLESSIS

This quiet corner

FIGHTING soldiers, in the nature of their job, never see the grand order of battle, the nice maps so prized by generals depicting the lines of advance and retreat.

No, the view from the battlefront is of the next few metres of ground, the next hiding hole, the next bush where snipers may lurk, the sweating neck of the man in front.

So it is too in the conflict between top management of South Africa's English language Press and the black Media Workers' Association of South Africa (MWASA). MWASA has been on strike for a considerable time. Today a good portion of its members are without jobs.

Far from corporate boardrooms and MWASA meeting halls where great strategies are no doubt debated, the view of the battle from This Quiet Corner is of three empty desks.

They are the desks of Ticks, Shami and Marlan, the Tribune's three Indian staffers, MWASA members, who, like most of their union colleagues, have been on strike since early November.

Because they did not return to work last Friday they are today deemed to have resigned their jobs. With a stalemate in negotiations firm action became more or less inevitable.

Just as a front line trooper must sometimes pause to reflect just why the party on the other side is straining every sinew to blast him away, so perhaps should the Corner today look further than the three empty desks and ask what the hell this is all about.

Ticks, Shami and Marlan were colleagues on this newspaper. They still are fellow journalists: a part of the brotherhood which, it is said, will be the only one to find jobs in Heaven where everything is perfect so there's no need for doctors or rat-catchers but there will be for journalists because one part of Heaven will always want to know what the rest is up to.

This touches on the Western (including white South African) attitude to the job. We are seekers after truth (wherever that may lurk) presenting the same, fearing or favouring nobody, in the best possible way in the shortest possible time to the widest possible audience.

So high minded an attitude is not shared by many black South African journalists, on the receiving end of apartheid's injustices, who contend that the existing order must first radically change.

Until then, so powerful a medium as journalism must serve the revolution's cause. The task of watchdogging it — which is inherent in the Western approach — can wait until afterwards.

Logical management responses to the situation (and this doesn't refer to the agitation over pay earlier this year for that issue has been settled) are under strain for this is not a logical industrial dispute.

MWASA is committed to the cause of the black workers. Black worker power is burgeoning, it is the most powerful weapon in the black arsenal. Hob-nailed boots are on the march and industrious hands, cracked finger nails and all, are bunching into the fist of resistance.

Whether you agree that black journalists should identify with this cause or not, it must be agonising for black journalists to have to decide between the traditions of their profession and their own circumstances in the peculiar South African situation.

IT'S no use hooting with glee over the discomfiture of English language newspapers, traditionally mostly liberal and in opposition to the Nat Government, even though it looks like a case, as a Johannesburg editor said, "the biter being bit."

What's happened to us seems set to happen increasingly to others all over the country. The fact that our negotiations failed is an unhappy omen. It's no laughing matter.

And so back to the three empty desks. However one may feel about the issues, Ticks, Shami and Marlan stuck with their original position. The fact that they are now without jobs in this, the happy season, is a damn tough bullet to chew.

BLACK worker power may be burgeoning, but its organisers are bound to find it's a wild tiger to ride. A replacing of an old order doesn't necessarily mean everything becomes rosy.

Who among the millions who voted for Robert Mugabe earlier this year and thought everything would be good and clean and fresh from now on would have even considered they'd still be striking for a better deal in six months time?

So, a line or two of warning. The story is lifted from Die Transvaler's columnist, Piet Snuffelaar who, it must be said, used it to illustrate quite another point.

A motor-bike nut bought himself a Honda 1100 and, as riders of such mean machines will, took it to a quiet road to test the top speed.

At 150 km/h a Mercedes Benz 450 Sport flashed past. The bike caught up at 190 km/h and the rider bellowed: "Do you know a Honda?". "No" shouted the Mercedes driver and the Honda dropped a gear and flashed away leaving the Merc behind.

At 220 km/h a Maserati thundered past the bike. "Oy" bellowed the rider, "Do you know a Honda?"

"Sure," sneered the Maserati maniac shifting down to fourth.

"Great" screamed the rider, "How do you switch the thing off?"

IT'S good to see compulsory education for blacks starting up in part of the country. It must become national policy. So:

This Week's Unsolicited Advice:

Heed the wise university principal Prime Minister, who said earlier this year that if South Africa had education bonds there would be no need for defence bonds.

Ticks, Shami and Marlan . . . stuck to their original positions

ACS 4

Parents Limited and/...

No sign of an end to black newsmen's strike

Staff Reporter

THE STRIKE by members of the Media Workers Association of South Africa (Mwasa) entered its second month today with no immediate signs of it coming to an end.

Negotiations between the strikers and newspaper employers are deadlocked over a demand by Mwasa, which represents black journalists and other media workers, that their members be paid for the time they have been on strike.

About 20 Mwasa members at the Cape Times, the Argus and the Cape Herald have threatened to join the strike today if the Argus Company fails to reinstate 68 strikers at Post (Transvaal) who were sacked on Thursday.

On Friday 13 white journalists were suspended by South African Associated Newspapers, pending internal hearings, when they staged a one-day strike in protest against the Post sackings.

Mr Hal Miller, managing director of the Argus Company, said last week the Post workers had "dismissed themselves" by not returning to work after they had been given an ultimatum.

Management at Post has offered to reinstate the 68 workers immediately with no loss of service privileges, but has refused to back down on its stand against the strike pay demanded by Mwasa.

"We are prepared to regard the period away from work as part of annual leave, or as in the case of the Cape Herald, spread the loss of pay over six months and so lessen the burden, particularly at this time of year," said Post manager Mr John Gittins.

He said 192 Post workers — mostly black works staff — were still at work.

Mr Gittins said he did not expect any response to his offer of reinstatement until this morning.

Cape Mwasa staff strike in solidarity

By Mike Derry

About 20 black journalists at the Cape Times, the Argus and the Cape Herald began a two-day strike this morning in sympathy with their sacked colleagues on Post (Transvaal).

The 71 workers, members of the Media Workers' Association of South Africa (Mwasa) were sacked when they ignored an ultimatum to return to work and end their month-long strike.

Although the Argus company has offered to reinstate the Post workers, none has returned to work so far.

Mr Hal Miller, managing director of the Argus Company, would not comment today on possible action against the strikers in Cape Town.

Mr Miller also said he had no knowledge of reported talks between Mr Harry Oppenheimer, chairman of Anglo American, and Dr Nthato Motlana, chairman of the Committee of Ten, or of involvement by Mr Oppenheimer in moves to resolve the strike.

The 12 white journalists at South African Associated Newspapers who were suspended after staging a one-day sympathy strike on Friday are still under suspension.

5 Nov 1980

8 journalists suspended for five days

Cape Times
2/6/80

(195) ~~159~~ ~~263~~ 182

Staff Reporter

THE management of The Cape Times yesterday suspended eight Mwasa journalists for five days following their two-day strike to protest against the firing by the Argus company of 71 Mwasa journalists in Johannesburg and Durban.

The eight — two photographers and six reporters — have also been told that they will forfeit seven days' pay, the period of their strike and suspension.

The fourteen Argus and Herald strikers, who have also been on a two-day sympathy strike, intend to be back at work today, according to a Mwasa spokesman.

A spokesman for the Cape Times Mwasa unit said last night he and the seven other striking Mwasa Cape Times employees had also intended to return to their desks today.

However, they had received letters from the managing director of the Cape Times, Mr W Judge, telling them of their suspension and docked pay. The spokesman viewed this as regrettable.

"We would have thought there were alternative courses of action open to management," he said.

● The 12 SAAN journalists who went on a wildcat strike on Friday, have been suspended without pay for seven days, following disciplinary hearings by management.

A SAAN spokesman also said yesterday that one person had been given notice for "unauthorized use of the Rand Daily Mail communications system".

The hearings, conducted by the editors of the three SAAN newspapers concerned — the Rand Daily Mail, the Sunday Times and the Sunday Express — were concluded yesterday.

The journalists, including some cadet-journalists, went on a one-day strike in to protest against the sacking of 71 workers from Post and the Sunday Tribune by the Argus Printing and Publishing Company.

They decided to strike after a motion put forward by them at a meeting of the SAAN chapel of the South African Society of Journalists (SASJ) last Thursday, was defeated by 55 votes to 23.

The Post and Sunday Tribune workers were sacked after a strike by members of Mwasa, which lasted more than a month.

Late last night, the editor of the Rand Daily Mail, Mr A Sparks, said he would be prepared to hear representations on behalf of the journalist who had been given notice.

A Johannesburg newspaper yesterday reported that Mr Harry Oppenheimer, head of the Anglo American Corporation and Dr Ntatho Motlana, chairman of the Soweto Committee of Ten, had intervened in the Mwasa dispute in an effort to end the strike.

When asked to comment on the report, Dr Motlana said yesterday: "In view of the Mwasa situation and the general reaction of the press, I have no comment to make on the matter."

Mr Oppenheimer could not be contacted for comment.

23 striking newspaper staff suspended

134 ~~155~~ 243

Argus 3/12/80

195

Labour Reporter

THE management of The Argus and the Cape Herald today suspended 15 employees, bringing to 23 the number of Cape Town newspaper workers under suspension for going on strike.

The Argus has suspended the 15 for five days following their two-day protest strike against the dismissal of 71 Mwasa journalists in Johannesburg and Durban.

Letters of suspension were handed to three Argus journalists, 11 Cape Herald staff and one Rhodes University student doing vacation work on the Cape Herald.

The staff members were told they would not be paid for the period they were on strike or the period they were under suspension.

Yesterday the management of the Cape Times suspended eight of its employees — all Mwasa journalists — for five days following their two-day strike.

FORFEIT PAY

The eight have also been told that they will forfeit their pay during the perid of their suspension.

The managing director of the Cape Times, Mr Wally Judge, was not prepared to comment today on the suspension.

A Mwasa spokesman said a statement would be issued later today.

In Johannesburg, 12 South African Associated Newspaper (SAAN) journalists have been suspended without pay for seven days for going on a wildcat strike last week.

The suspensions come after internal disciplinary hearings by the editors of the Rand Daily Mail, the Sunday Times and the Sunday Express.

The journalists, including some cadets, went on a one-day strike to protest against the dismissal of the 71 Mwasa workers last week.

Their action followed the defeat, by 55 votes to 23, of a motion proposed by them at a meeting of the SAAN chapel of the South African Society of Journalists last Thursday.

The 71 Mwasa workers, from the Post and the Sunday Tribune, were sacked after a strike lasting more than a month.

CONDEMNED

The Western Cape Region of the South African Society of Journalists has condemned the suspension of the 23 black journalists.

Instead of suspending people who are willing to return to work and deducting seven days' pay from their salaries, the managements should be seeking areas of dialogue and agreement with black journalists,' the statement concluded.

SAAN suspends strikers

By JAYNE LA MONT

THE 12 SAAN journalists who went on a wildcat strike on Friday and have undergone internal disciplinary hearings, have been suspended without pay for seven days.

A SAAN spokesman also said yesterday that one person had been given notice for "unauthorised use of the Rand Daily Mail communications system".

The internal hearings, conducted by the editors of the three SAAN newspapers concerned — the Rand Daily Mail, the Sunday Times and the Sunday Express — were concluded yesterday.

The journalists, including some cadets, went on a one-day strike to protest about the sacking of 71 workers from Post Transvaal and the Sunday Tribune by the management of Argus Printing and Publishing Company.

They decided to strike after a motion put forward by them at a meeting of the SAAN Chapel of the South African Society of Journalists (SASJ) last Thursday, was defeated by 23 votes to 55.

The Post and Sunday Tribune workers were sacked after a strike, lasting more than a month, by members of the Media Workers' Association of South Africa (MWASA).

A Johannesburg newspaper yesterday reported that Mr Harry Oppenheimer, head of the giant Anglo American Corporation and Dr Ntatho Motlana, Chairman of the Soweto Committee of Ten, had intervened in the Mwasa dispute in an effort to end the strike.

When asked to comment on the report, Dr Motlana said yesterday: "In view of the Mwasa situation and the general reaction of the Press, I have no comment to make on the matter."

Mr Oppenheimer, who owns 30% of the shares in the Argus, could not be contacted for comment.

And in Cape Town, members of the Western Cape branch of Mwasa are still on a two-day sympathy strike.

Later last night after further discussions Mr Sparks said he would be prepared to hear representations on behalf of the journalist who had been given notice.

GENERAL NEWS

S/MC 245 152 195 139

14/12/80

Post out soon, pledges Miller

Post (Transvaal), the black-oriented newspaper that has been crippled by strikes for more than a month, will be on the streets again as soon as possible.

Mr Hal Miller, managing director of the Argus Company, which owns Post, said today it was the company's firm intention to produce the newspaper again "as soon as possible."

Post ceased publication more than a month ago when 71 workers — all members of the Media Workers' Association of South Africa (Mwasa) — went on strike.

The workers ignored an ultimatum to return to work, and were later sacked.

Mr Miller would not comment on the possibility of the Argus Company recruiting workers to replace those fired from Post.

A total of 36 journalists in Johannesburg and Cape Town have been suspended without pay for staging strikes in protest at the dismissal of the Post employees.

A Rand Daily Mail journalist who was dismissed for unauthorised use of the newspaper's communication facilities has been reinstated after "representations, explanations and apologies," a Mail spokesman has announced.

The journalist, who also went on strike on Friday, has also been suspended for seven days.

Mwasa strike now in second month

Cape Times 1/12/80

195

Own Correspondent

JOHANNESBURG. — The strike by members of the Media Workers' Association of South Africa (MWASA) enters its second month today with no immediate signs of it coming to an end.

Negotiations between the strikers and newspaper employers are deadlocked over a demand by MWASA — which represents black journalists and other media workers — that their members be paid for the time they have been on strike.

About 20 MWASA members at the Cape Times, the Argus and the Cape Herald have threatened to join the strike today if the Argus Company fails to reinstate 68 strikers at Post (Transvaal), who were sacked on Thursday.

White journalists suspended

On Friday 13 white journalists were suspended by South African Associated Newspapers, pending internal hearings, when they staged a one-day strike in protest against the Post sackings.

The managing director of the Argus Company, Mr Hal Miller, said last week the Post workers had "dismissed themselves" by not returning to work after they had been given an ultimatum.

Management at Post has offered to reinstate the 68 workers immediately with no loss of service privileges, but has refused to back down on its stand against the strike pay demanded by MWASA.

- Members of the Cape Western Branch of MWASA which includes workers on the Argus, Cape Times and Cape Herald newspapers, have issued an ultimatum to Mr Miller that unless the 68 sacked staff members at Post newspaper are reinstated, they will go on strike.

Yesterday, the chairman of the branch, Mr Moegsien Williams, said that about 20 MWASA members would go on strike if their ultimatum was not met.

CAXTON (195)

Stronger base

FM 12/12/80

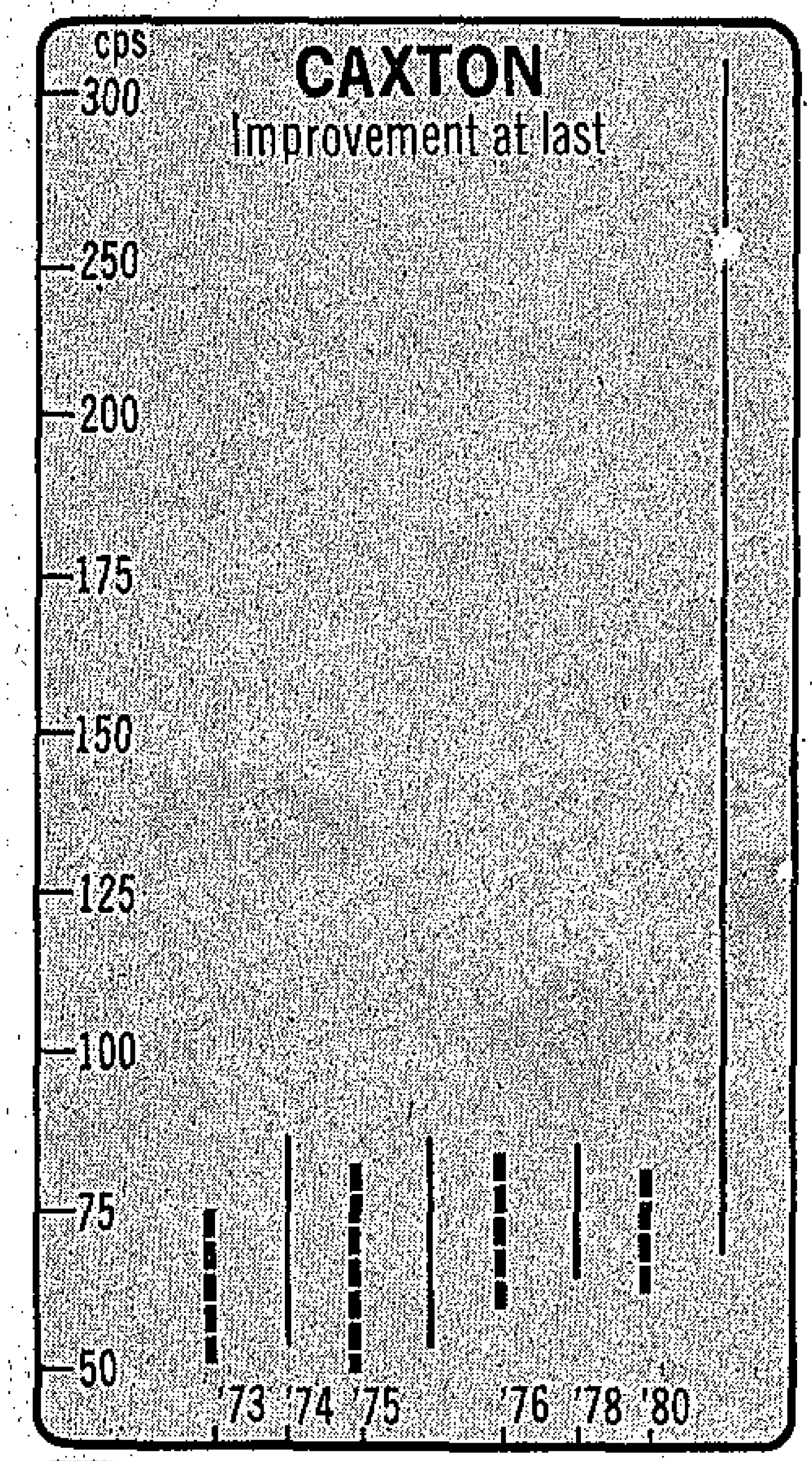
Activities: *Printer and publisher of newspapers, magazines, books and advertising materials. Has a 25% interest in* Pace *magazine and holds some 3% of Hortors. Controlled by Afmed (Pty). Argus owns 30%.*

Chairman: *M D W Short; joint managing directors: T D Moolman, N M Coburn.*

Capital structure: *520 000 ordinaries of 50c. Market capitalisation: R1,6m.*

Financial: *Year to August 31 1980. Borrowings: long-and medium-term, R324 000; net short-term, R846 000. Debt:equity ratio: 107,1%. Current ratio: 0,9. Net cash flow: R440 000. Capital commitments: R511 000.*

Share market: *Price: 300c (1979-80: high, 305c; low, 170c; trading volume last quarter, 2 000 shares.) Yields: 20,5% on earnings; 6,0% on dividend. Cover 3,3. PE ratio: 4,9.*



	'77	'78	'79	'80
Return on cap %	[illegible]	[illegible]	3,5	22,0
Turnover (Rm)	2,1	[illegible]	5,1	4,8
Pre-tax profit (R'000)	112	[illegible]	[illegible]	452
Profit margin %	6,7	[illegible]	1,2	11,6
Earnings (c)	[illegible]	[illegible]	5,5	61,6
Dividends (c)		8	4	18
Net asset value (c)	132	155	160	213

Since Afmed gained control in July 1979, Caxton has changed for the better. Though the group was involved in a circulation row, this does not detract from what has been a sound revitalisation of a previously dull performer.

The end-August balance sheet, on top of a sharp profit recovery last year, speaks of sound expansion and diversification in a market Caxton had, until recently, all to itself.

In addition, the tie-up with Argus, which now owns 30% of the company, has given Caxton access to financial and marketing muscle. This first manifested itself in the acquisition from David Lewis of a 25% stake in the company controlling *Pace* magazine, and the launch last month of a new publication *Style*.

Though turnover last year dipped to R4,8m (R5,1m), the group's fortunes reversed with a pre-tax profit of R452 000 compared with a R2 600 loss in 1979. With a favourable 30% tax rate arising from previous losses, earnings before extraordinary items rose to a near record 61,6c (5,1c).

The directors attribute the improvement, and the group's ability to pay an 18c dividend total to solid demand for advertising space and "corrective actions to cut waste and inefficiency and boost production." In addition, Caxton's diversification of its newspaper and magazine business has created a wider advertising base in both the "knock and drop" and paid circulation sectors.

Though the newly-formed magazine division has yet to make any major profit contribution, the directors are optimistic that once start-up costs are absorbed it will be a material income source. Expansion funds of R500 000 for this division have been arranged for 1981, of which R225 000 has already been drawn.

Last year's expansion resulted in increased capital employed of R2,3m (R1,9m) financed as to R1,2m (R1m) by borrowings and R1m (R829 000) by equity. Creditors financed a larger slice of the business, rising to R596 000 (R498 000). This resulted in a reduced current ratio of 0,9 (1,1). But even with a 107% debt: equity ratio, Caxton's gearing is not unsatisfactory, provided profits keep growing.

Annual interest and lease commitments are covered a comfortable 5,3 times by gross earnings, while total debt is only 2,2 times group cash flow. To what extent the additional gearing since end-August will influence these figures will depend on how soon the magazine division becomes a material profit contributor.

No forecast for the current year is given in the annual report, but it would appear that medium-term prospects are sound. In contrast to most other printing and publishing groups Caxton, at 300c, is a low yielder. The sector average is 7,9%, while Caxton stands at 6%. That seems to have discounted near-term advances in this thinly traded share.

Des Kilalea

039 195 ~~243~~ 152

RDM 18/12/80

Mwasa strikers see newspaper bosses

Staff Reporter

THE strike by black journalists went into its seventh week as South African Associated Newspapers and Argus Group managements met representatives of the strikers yesterday.

Mr Clive Kinsley, managing director of SAAN, declined to disclose any details about negotiations aimed at resolving the deadlock between management and the strikers, who are mostly members of the Media Workers' Association of South Africa.

But he confirmed that yesterday's meeting was called by the Argus managing director, Mr Hal Miller, and was attended by representatives of Mwasa's executive.

Another meeting is scheduled for Friday.

The countrywide Mwasa strike began at the end of October in sympathy with the staff of the Cape Herald, who struck on October 25.

The Cape Herald strike ended in November when the strikers returned to work after a three-week pay dispute with Argus management had been resolved.

Mwasa workers on the Herald then went on a two-day protest strike after the Argus company sacked strikers on Post (Transvaal) last month.

How you can write a book like this

Writing a book is not as difficult as it might seem. It is very exciting writing about the place you live in. From the biggest city to the smallest township, each has its own history and its own kind of people who live there.

The best way to start is to get a group of people together to help you on such a project. You can work with the help of your History Society or through your Cultural Society. This is the reason such bodies exist at your school. If there isn't such a society, then start one. This could be part of an awareness programme at your school.

The group working on such a project need not be large. A group of five or six people is enough. It would also be a good idea to establish contact with your typing teacher or typing students, as what you publish would look better typed.

First you should go to a library and ask the librarian if there is anything written about your area. There will probably be very little, which is often the result of a change from a single class teacher to many teachers. The Education Authorities are unlikely to change this, because the teaching system is aimed at producing specialists. And from standard 6, schooling is by specialists. But the younger kids need older people to identify with, and standard 9 and 10 pupils should organise teach-ins with the younger pupils. These could be informal, they could discuss anything that was of interest to most of the people there, and it would not be necessary to stick only to school subjects. It could be a sharing of experiences. The best way of organising this would be through your Students Representative Council. If there is no SRC you should try to form one.

This informal teaching would be of benefit to both older and younger students. And they could take it out of the schools to people in the community. Many people in the community cannot read or write. Many of these are the gangsters too. SRC programmes could teach these people to discuss things that are important to them, then they would become interested. They must be shown that much of what they are doing fits in with the needs of the rich and that they are harming working class communities. It's a big thing to do, but no action can come out of a community that is divided against itself.

RDM 20/12/80

Mwasa, managements meet

243 195 152 137

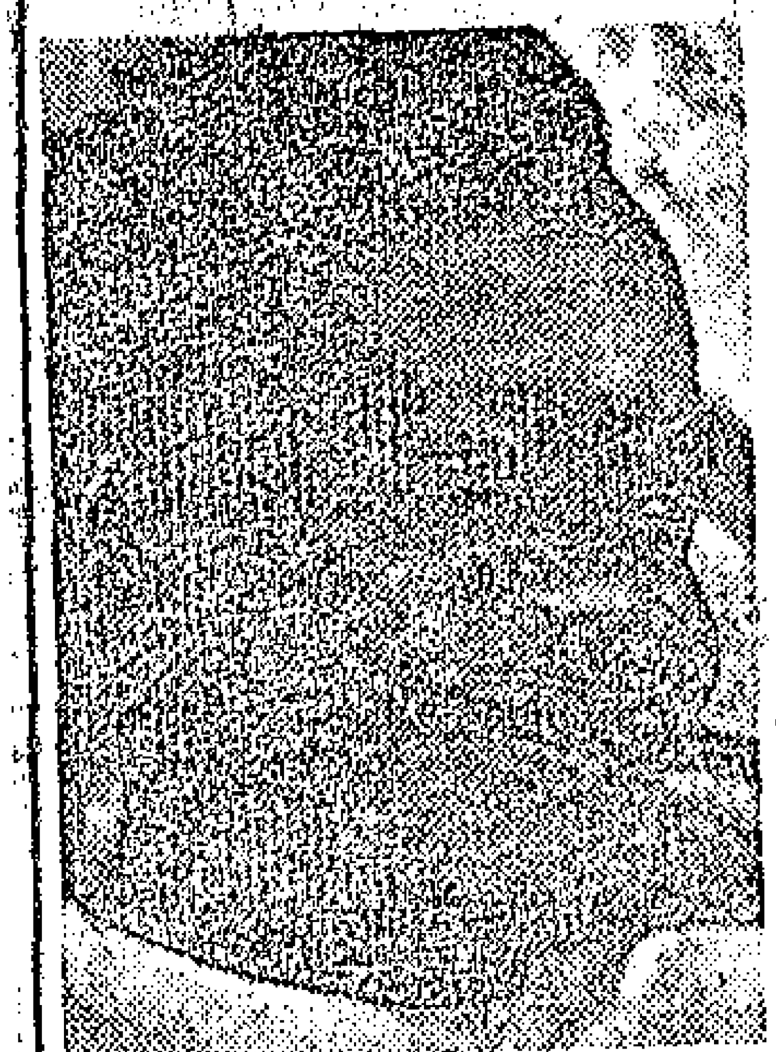
Staff Reporter

REPRESENTATIVES of the black journalists who went on strike seven weeks ago, last night met with the managements of South African Associated Newspapers and the Argus Group for the second time this week. Mr Clive Kinsley, managing director of SAAN, declined to comment on the negotiations, aimed at resolving the deadlock between management and the strikers, who are mainly members of the Media Workers' Association of SA.

Mwasa strike: more talks

RDM. 22/12/80

139 152 243 195



MR QOBOZA
. . . I am involved

Staff Reporter

AS THE strike by black journalists enters its eighth week, further negotiations will be held today between the strikers, mostly members of the Media Workers' Association of South Africa (Mwasa), and the managements of the Argus group and South African Associated Newspapers.

Today's talks follow two meetings last week between managements and members of Mwasa's executive in an attempt to resolve the deadlock.

Meanwhile, Mr Percy Qoboza, the editor of Post, the black newspaper crippled by the strike, is hoping his newspaper will be back in production by Christmas.

"It will be the greatest Christmas present I could have," he said in an interview at his Soweto home yesterday.

Mr Qoboza said he had had talks with "both sides" in the dispute.

"I believe there is a genuine desire on the part of the reporters to go back to work and on the part of managements to break the deadlock.

"My hope is that both realise this is not the time to score points," he said.

Mr Qoboza said he had been asked by his journalists not to get involved in the dispute.

"I am involved. It is my paper," he said.

He said he was not in a position to comment on the issues involved in the strike because he had been in the United States when the dispute began.

61. Radiological changes after withdrawal from Asbestos exposure. Becklake et.al. BJIM 1979 36 p.23-28.

62. Asbestos related disease in Barrow-in-Furness. J. Edge. Environmental Research 11(2) 1976 p.244-247.

63. See (18) page 13.

64. Report of the Medical Bureau for Occupational Diseases. RP 14/1979.

65. Type of asbestos and respiratory cancer in the asbestos industry. Enterline P.E. et.al. AEH 27(5) p.313-317.

66. Mesothelioma and Asbestos in the Province of Quebec 1969-1972. G. Thériault. AEH Jan/Feb 1978 p.15.

67. The Geographical pathology of mesotheliomal tunours. M. Newhouse. Journal of Occupational Medicine Vol. 18 No. 7 July 1977.

68. Insulation Workers in Belfast: 2 Morbidity in men still at work. J.H. Langlands et.al. BJIM 28: 1971 p.217-225.

69. Pitfalls in epidemiological research. P. Enterline. JOM

Strike: Talks to be held today

Own Correspondent

JOHANNESBURG. — As the strike by black journalists enters its eighth week, further negotiations will be held today between the strikers, mostly members of the Media Workers' Association of South Africa, and managements of the Argus group and South African Associated Newspapers.

Today's talks follow two meetings last week between managements and members of MWASA's executive in an attempt to resolve the deadlock.

Meanwhile, Mr Percy Qoboza, editor of Post, the black newspaper crippled by the strike, is hopeful that his newspaper will be back in production by Christmas.

"It will be the greatest Christmas present I could have," Mr Qoboza said.

Both sides

Mr Qoboza said he had had talks with "both sides" in the dispute between MWASA and SAAN and Argus managements.

"I believe there is a genuine desire on the part of the reporters to go back to work, and on the part of managements to break the deadlock.

"My hope is that both realize this is not the time to score points," he said.

Mr Qoboza said he had been asked by his journalists not to become involved in the dispute.

"I am involved. It is my paper," he said.

Not race

He said he was not in a position to comment on the issues involved in the strike because he had been in the United States when the dispute began.

Mr Qoboza said he felt the Mwasa strike should not be seen in terms of race.

"I would hope that we can develop from here and see the whole problem as a residue of misdemeanours of the English-language press.

He said he hoped the close alliance between the English-language press and black nationalism would not be endangered by the strike.

"I don't think we have reached the point of no return just yet," he said.

An effect of the strike could be a renewed call for a black-owned and run press.

"If that happens, polarization may have in fact reached a very advanced stage," he said.

LIST OF TABLES

Newsmen end the strike

RDM 24/12/80 ~~139~~ ~~132~~ ~~243~~ 195

Staff Reporter

THE two-month-old strike by black journalists and media workers ended yesterday.

The strike was called off "with immediate effect" by the Media Workers Association of South Africa (Mwasa) after a four-hour meeting of its members in Soweto yesterday.

A brief joint statement announcing the end of the strike was issued yesterday by Mwasa and the managements of the Argus group and South African Associated Newspapers.

It said an interim agreement had been reached on the "remaining items of dispute".

Strikers and management had remained deadlocked for weeks on the issue of strike pay but neither the strikers nor management spokesmen would comment on the issue yesterday.

Mwasa is due to issue its own statement today.

Mr Clive Kinsley, managing director of SAAN, said he had nothing to add to the joint statement except to say that he was "very relieved" that the dispute was over and that he looked forward to a "fruitful association" with black staff.

MANUFACTURING – PRINTING

10 JAN. 1981 — 27 NOV. 1981

Banning of Mwasa official condemned

243 175 STAR 10/11/81
129 152 328

The banning yesterday of Mr Mathata Tsedu, the Northern Transvaal chairman of the Media Workers Association of South Africa (Mwasa), has been condemned by the Mwasa executive and the SASJ.

Mr Tsedu, a reporter on Post (Transvaal) based in Pietersburg, was handed a three-year banning order by the Security Police yesterday and placed under house arrest.

The Mwasa statement, issued by the organisation's national executive, said the banning left no doubt about the Government's intentions.

Mr Tsedu is the third senior Mwasa official to be banned.

"The intention is to destroy Mwasa by picking at the leadership. Mr Tsedu's contribution both as a journalist and as senior member of Mwasa obviously did not go unnoticed by the Security Police," the statement said.

Mr John Allen, president of the South African Society of Journalists (SASJ), said to ban a journalist such as Mr Tsedu was a demonstration of weakness for it required strength to face up to and respond to the challenges raised by such men.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

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P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.
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For the best final year student.
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Osbourn Prize
For the best work in fourth year.
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John Perry Prize
For the best work in third year.
R A van Rosenveld.

ORGANISATION OF SOUTH AFRICAN TRADE UNIONS

CONFEDERATION OF LABOUR — 17 unions: 137640 members

- ULTRA-RIGHT WING UNIONS
- WHITE UNIONS ONLY ADMITTED
- STRONGLY SUPPORTS JOB RESERVATION – PROTECTION FOR WHITE WORKER
- NOT AFFILIATED TO INTERNATIO
- DIVIDED ON SUPPORT FOR NEW ...N-DISCRIMINATORY LAWS.

FOSATU — ...ons : 22030 members

- MAINLY OPPOSED TO GOVERNMEN
- PREDOMINANTLY COLOURED AND
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- SOME AFFILIATION WITH INTERNA
- DO NOT SUPPORT THE NEW LEGISL
- CONDEMN "PARALLEL" UNION PO

TUCSA — ...s : 260650 members

- OLDEST FEDERATION OF UNIONS
- MODERATE, MIDDLE-OF-ROAD PO
- SUPPORT REGULATIONS FOR REG
- MANY MIXED AND SINGLE RACE U ...ED
- AFFILIATED TO INTERNATIONAL
- SUPPORT "PARALLEL" UNION POL
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NON-ALIGNED UNIONS — ...ns : 276025 members

- POLICIES SET BY EACH UNION ON

DD 10/1/81

(195)

Mwasa man banned

JOHANNESBURG — Another executive member of the Media Workers' Association of South Africa (Mwasa) was banned yesterday for three years and house arrested.

He is Mr Mathata Tsedu, secretary of Mwasa's northern Transvaal region. His banning follows closely on the bans imposed last week on the Mwasa president, Mr Zwelakhe Sisulu, and Mr Marimuthu Subramoney a vice-president.

Mr Tsedu, a reporter on Post, is restricted to Seshego, near Pietersburg, on weekdays and will be under house arrest over weekends.

Mwasa condemned the banning, saying it left them in no doubt about the intentions of the government.

"The intention is to destroy Mwasa by picking at the leadership." — DDC.

Korchnoi wins

MERANO — Soviet exile Victor Korchnoi won the world chess candidates final yesterday when West Germany's Robert Heubner gave up after eight completed games.

Huebner pulled out because he was exhausted from the strains of the three-week-old tournament. — SAPA-AP.

STAR (13) 15/1/81 195

Crushed by lime mill

Crime Staff

A young father of three daughters has died in an accident at a cement factory in Slurry, near Mafikeng.

Mr Stephanus Petrus Schutte (37) was checking a machine fault at the Portland Cement factory, when he signalled for the machine to be switched on.

This threw him into a lime mill, which crushed him.

Rustenburg police are investigating.

Mr Schutte leaves his wife Susan (35) and daughters Susan (13), Lettie (9) and Stephanie (3).

NEWSPAPERS FM 23/1/81

Worker worries

195

Johannesburg's newspaper scene resembled Fleet Street this week with 260 media workers — 58 of them journalists — wondering if they have jobs after the closure of the Argus group's *Post* (Transvaal) and *Sunday Post* newspapers.

Although the Southern African Society of Journalists and the Media Workers Association of SA — journalists' unions — have called on Argus to find places for the workers, or to ensure generous redundancy payments, the company will not say what it intends doing. Argus MD, Hal Miller, says only: "We are busy planning for the future."

Whether the printing industry can absorb extra workers is a moot point. As it is, Saan and Argus have had to rationalise works staffs since the introduction of electronic editing technology.

Argus has also indicated it will absorb journalists who are fired after the takeover of its Zimbabwian newspapers by a state consortium.

There is speculation that the group's "knock-and-drop" tabloid, *The Sowetan*, could be expanded and beefed up to fill the hole created by *Post's* demise — which would at least mean continued employment for some. No doubt Saan would then do likewise with its counterpart — *Soweto News*. But whether the small papers can fill the political vacuum left by the shut-down is another question altogether.

STAR 26/1/81

Rapport tells why paper was silenced

(195) (245) (327)

By David Breier
Pretoria Bureau

The Pretoria Office of Post had been used as a base for terrorist recruitment, according to evidence at a terrorism trial last year.

This had been part of the reason for the effective banning of the newspaper, the Sunday paper Rapport claimed yesterday.

Post's telephone in Pretoria had been tapped by police, who had monitored a conversation between reporter Thami Mkhwanazi and another man who had discussed "guys crossing" the South African border to "help liberate their brothers," according to evidence at the trial.

Mkhwanazi and eight other men were found guilty of contravening the Terrorism Act and jailed for terms of between five and seven years.

In addition the Pretoria Regional Court had heard that Post's Pretoria office had been used to take photographs of some of the men who were to have undergone terrorist training.

The photographs had showed the men giving black power salutes.

The then News editor of the Sunday Post Mr Zwelakhe Sisulu, was last year convicted of refusing to answer questions relating to the telephone conversation with Mkhawanazi.

Mr Sisulu was later acquitted on appeal.

The telephone conversation allegedly involved discussion of a Press statement on seven recruits.

Students also hit by Post gag

By Carol Mathiane

The closure of Sunday Post newspaper will affect thousands of blacks who have been using the educational supplement that was carried by that paper, says Mrs Sheilah Sisulu of Learning Post.

In 1977, when Weekend World was banned, so was People's College. The ban also meant that the material which had appeared in People's College had to be re-written, if it was to be re-published.

Later, Sunday Post came up with Learning Post which carried courses on accountancy, history, mathematics and English.

"Since we then embarked on mass media education we have been convinced by the response from the people that education does not end in the classroom," said Mrs Sisulu, editor of Learning Post and the educational project head.

"The banning of newspapers does not only deprive people of general information but it is also a disservice to those who have been benefiting from our courses.

1 000 STUDENTS

"We are now thinking of ways to produce Learning Post. We had 1 000 students doing the Elementary Pitmans Accountancy Course which is the equivalent of the State's Junior Certificate.

"There are about 33 black teachers who use our algebra series. We also have students following our African, English and history series. All these students are now left out in the cold," said Mrs Sisulu.

STAR 28/1/81

263 327 439 162 195

Argus disputes Post inference

"The Argus Company applied urgently in writing either for condonation of the lapse in registration of its Post newspapers or for their registration," Mr Hal Miller, managing director of the Argus Company, said today.

The Company withdrew its application only when the Government made clear its absolute determination to ban the newspapers forthwith if they were registered and this was confirmed in a statement later.

The Argus Company did not proceed with registration because it saw no point in making a futile gesture by insisting on registration and submitting to the injustice of actual banning.

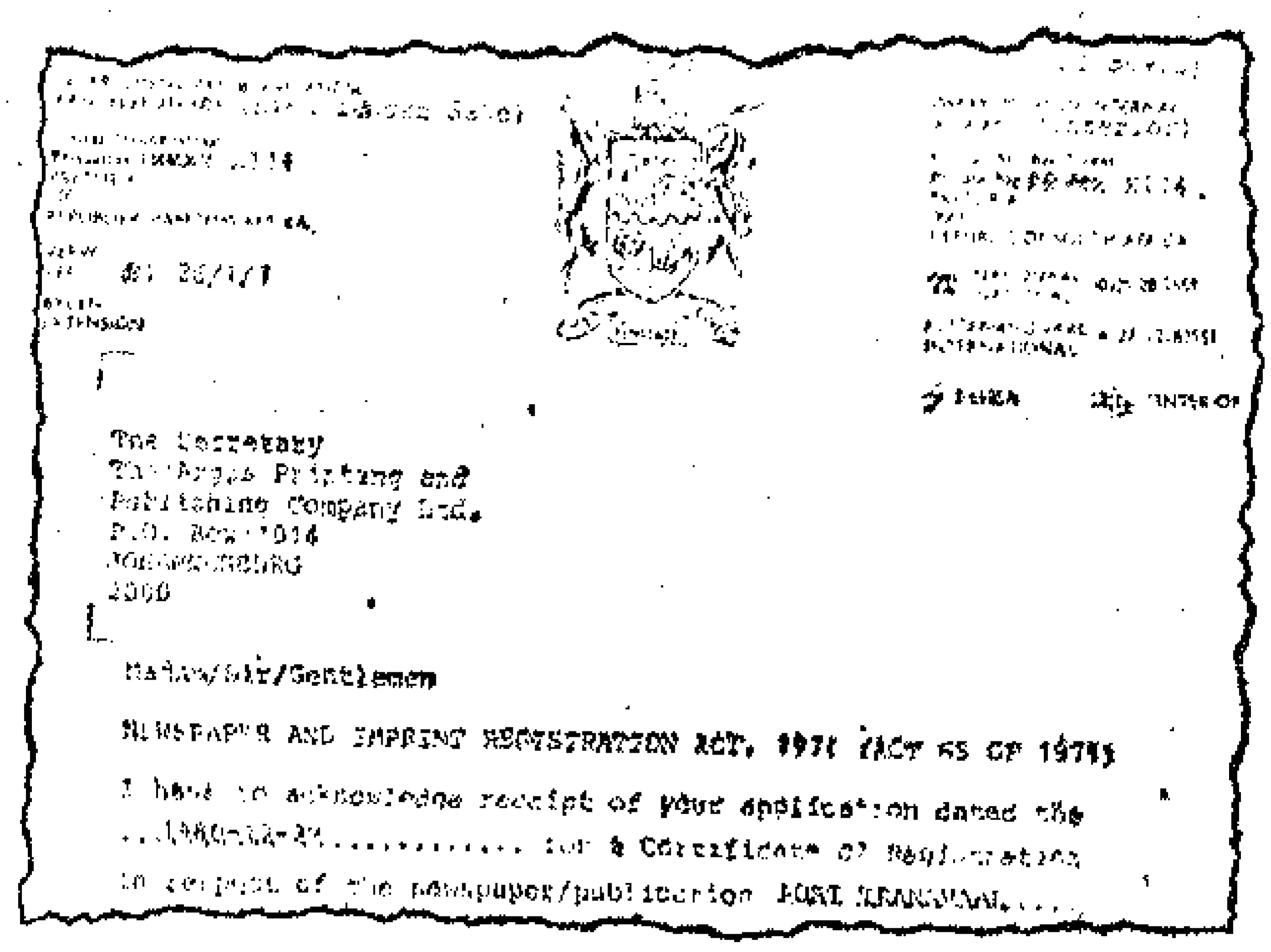
"There is an inference in the Minister's statement in Parliament yesterday, and in some Press reports, that we were fully in the picture and accepted both the substance of the case against us and the necessity for banning.

"Nothing could be further from the facts. We were not given the information which the Minister has now described.

"We were then, and are now, utterly opposed to banning in principle and to its application to the Post newspapers. We believe that if the Government had a valid case against us it should have tested it in the courts.

"We said at the time that we had no power to prevent the Government's action; no redress against the course it had chosen to follow. We added that by its action it had diminished us all; that another bar had been added to the cage that is beginning to circumscribe our freedom.

"There was another very valid and important reason for withdrawing our application for registration which we did not announce at the time.


The Secretary
The Argus Printing and Publishing Company Ltd.
P.O. Box 1014
Johannesburg
2000

Madam/Sir/Gentlemen

NEWSPAPER AND IMPRINT REGISTRATION ACT, 1971 (ACT 63 OF 1971)

I have to acknowledge receipt of your application dated the ... for a Certificate of Registration in respect of the newspaper/publication POST TRANSVAAL...

Government acknowledgement of the Argus application to re-register Post — the application that, according to Minister of Justice Mr Kobie Coetsee, was never made.

STAFF

"We wished to avoid another two newspapers being banned and so losing the titles inevitably and irrevocably in the limbo of time — as we have lost World and Weekend World. Once banned they would stay banned.

"We hoped then, and still do, that in time saner counsels will prevail and one or both papers will appear again. In the meantime, we have applied to have the titles registered in terms of the Copyright Act so that no one else can use them.

"One further point needs to be made. It would appear from the Minister's statements that the weight of his case is against individual members of the staff of Post newspapers rather than the newspapers or their proprietors. If so, those individuals should be charged in court. We have no details of what they are supposed to have done. We did not discuss them with the Minister."

'Terrorists briefed at Post'

Sapa and Political Staff

THE ASSEMBLY — The editorial offices of the two banned Argus newspapers — Post Transvaal and Sunday Post — were used as a venue for the final briefing of prospective terrorists before they left South Africa, the Minister of Justice, Mr Coetsee has told Parliament.

Although it had sufficient evidence to act, the Government had realised that closure of the newspapers would be counter-productive and would provide South Africa's critics with ammunition.

"But towards the end of last year it became clear that action against the newspapers would be unavoidable," Mr Coetsee said in the No-Confidence Debate yesterday.

The Post had published the freedom charter of the banned African National Congress in its entirety and had devoted much space to ANC propaganda.

The Post newspapers had become vehicles for activism, militancy, far-left radicalism and subversion.

Mr Coetsee said the owner of the newspapers, the Argus Company, had received the Government's message that it would close the two papers should they appear again, "like adult people."

The Argus Company had known what it was all about and had dropped its application for re-registration of the newspapers.

In a sharp clash with the Minister, Mr Dave Dalling (PFP, Sandton) asked: "Was the management of the Argus Company or the editorial staff of Post given any opportunity to rebut the allegations prior to the banning?"

Mr Coetsee replied that under relevant sections of the law it was "not necessary to do so."

Clandestine radio broadcasts — subsequently transcribed in overseas Communist publications — had been disseminated almost word-perfect by a Post reporter.

The newspapers had become unmistakably media for communistic viewpoints and the fermentation of hatred, not only against whites but also moderate blacks.

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S TAR 28/1/81 (129) (195) (243)

Dalling sounds the last Post . . .

Graham Linscott

Debating Points

Should we sound the last post? Parliament yesterday got round to discussing the closure of the two black Johannesburg newspapers which coincided so inconveniently with the installation of the Reagan administration in America and which so greatly dismayed the Nationalist Press.

The Minister of Justice, Mr Coetsee was quick to point out that the closure of Post (Transvaal) and Sunday Post was not the Government's doing — they were closed by their owners.

And nobody could fault him on the technical correctness of this (though there were gasps and groans from the Opposition) because the owners did indeed close down the newspapers — after being told by the Government that they would be banned if they re-registered after a lapse caused by a strike.

But it did not begin with Mr Coetsee, it began with Mr David Dalling (PFP, Sandton) who worked up a pretty good head of steam over the Post bannings.

Such a good head of steam in fact that he seemed to want to scald Mr Coetsee, and was irked that the latter did not react.

Why, Mr Dalling wanted to know, did this "usually rude" Minister refuse to answer questions across the floor?

Mr Speaker pulled him up on the "usually rude" bit, and Mr Dalling did not get way with "unusually rude" either.

But he did have some very hard things to say about the bannings, and drew an interesting analogy with the Nationalist newspaper, Die Transvaler, which he said, had been virulently anti - Government during World War 2, had favoured the Nazis and hindered the war effort in every way possible.

Had the Government of the day banned it, Afrikaners would have been alienated from English-speakers and the Government of the day, there would have been further polarisation and many otherwise peaceful people would doubtless have been driven to radical action, he said.

Yet today's Nationalist Government was doing precisely the same to the blacks of Soweto by banning their newspapers. Deprived people, their only safety valve had now been removed.

It seemed a neat point.

Mr Dalling was in pretty good fettle, he had the grace to say that he did not regard the National Party as neo-nazi or anything like it — but warned that the tools of nazism, communism and the rest of the pestilences did not leave much behind that was worth preserving.

And just for good measure he committed the ultimate solecism in National terms — he doubted whether there was such a thing as a "total onslaught" on South Africa.

It was nonsense — just a Nat strategy to condition people to local obedience, he said.

And that's like saying the emperor has no clothes.

Mr Coetsee's silence was explained when he got to his feet to speak next. But his tone was subdued and he hardly set the place aflame with excitement.

It was not a case of killing the messenger with bad news, Mr Coetsee said. It was a case of putting the diseased messenger in quarantine so that a healthy one could take oveer. His tone was one of regret.

But it did not impress Mr Andrew Pyper (NRP, Durban Central).

If the Government had discovered this nest of revolutionaries, why, he asked with devastating logic, did it close two newspapers but allow the culprits to go free?

Perhaps we should sound the last Post.

ITECTURE

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NM 28/1/81

Deadline today for sacked factory men

Mercury Reporter

FIFTY-NINE workers sacked from Coates Brothers (South Africa) Ltd at Isipingo on Tuesday have been given until early this morning to return to work.

Mr D P Jordan, general manager of the printing ink factory, said yesterday the workers had been dismissed after downing tools in support of a colleague who had been fired for 'refusing to do a particular job of work and for threatening his supervisor with physical violence if he were fired'.

Mr Jordan said the 59 workers' reluctance to return to their posts appeared to be organised by the South African Allied Workers' Union, which is not registered and not recognised by Coates.

He said the walk-out appeared to have stemmed from the union attempting to test its strength at the factory.

'I am not against unionism but I feel that a union must have at least the support of 50 percent of the work force and must be representative of the industry before it can have the power to negotiate.'

He was not aware of any dues being paid by any of his workers to the SAAWU.

He said he had intended speaking to Mr K B Kikine, general secretary of the union, but had been told that Mr Kikine was 'unavailable for a meeting'.

Mr Jordan said it was likely that all the 'dismissed' workers who applied for reinstatement would be returned to work without prejudice.

'If they don't come back we will merely employ other workers to take their place,' he said.

Mr Kikine said no attempts would be made to picket the factory to prevent workers returning to work or to stop new workers for applying for the vacant jobs.

FINE ART & ARCHITECTURE

ARCHITECTURE

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Molly Gohl Memorial Prize
For the best woman student in third year.
Miss C Tredgold

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D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.
S A Read

RDM 29/1/81 (328) (243) (439) (195)

Bannings a grave setback for Mwasa

By AMEEN AKHALWAYA
Political Reporter

WHO's next? That was the question posed by the Media Workers' Association of South Africa's newsletter, Kwasa, in an article late last year outlining the Government's actions against black journalists.

The answer was not long in coming: Zwelakhe Sisulu, Marimuthu Subramoney, and Mathata Tsedu. Then came the effective banning of Post and Sunday Post.

Now it is the turn of two more Post journalists and trade unionists, Phil Mtimkulu and Joe Thloloe. They too have been put out of circulation for three years on orders signed by the Minister of Justice, Mr Kobie Coetsee.

After Mr Sisulu's banning at the end of December, Mr Mtimkulu, a vice-president, succeeded him as Mwasa acting president. Mr Thloloe, southern Transvaal secretary, took over Mr Mtimkulu's post in the national executive.

If Mr Sisulu was the inspirational leader of black journalists in recent years, Mr Mtimkulu and Mr Thloloe were among the major figures who first started organising black journalists into a unified body.

They were founder members of the Union of Black Journalists, formed in the early 1970s as part of the emergence of black consciousness. Mr Thloloe was president and Mr Mtimkulu general secretary when the UBJ was banned in 1977.

They are two contrasting characters with one thing in common — both are passionately committed to the black struggle.

Lanky, Sophiatown-born Mr Mtimkulu, 32, attended Meadowlands Primary School. On matriculating from Morris Isaacson High in Soweto, he freelanced for the old Golden City Post, then joined the staff of The World in 1968.

When The World was banned, he joined the black ecumenical newspaper, The Voice, as news editor, before joining Post in 1979. He represented the UBJ at the Newspaper Guild conference in Hawaii in 1977, and the Writers' Association of South Africa at the conference of the International Federation of Journalists in Nice in 1979 when Wasa was accepted on the IFJ executive.

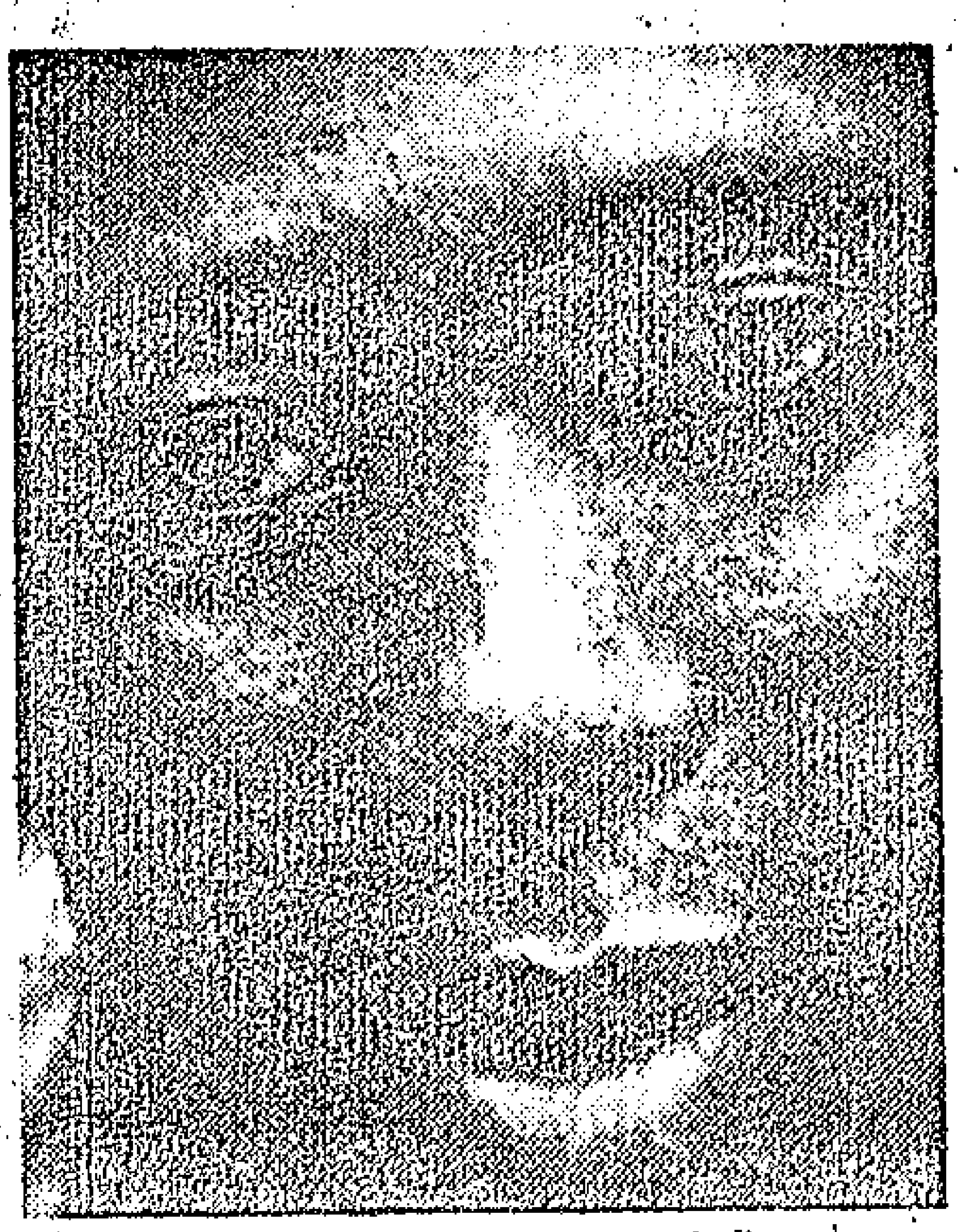
Mr Mtimkulu, who lives in Soweto with his health attendant wife Nomsa and their 18-month-old daughter Kutloano, was convicted in 1977 under the Riotous Aseemblies Act when black journalists staged a march in Johannesburg to protest against the banning of The World and other organisations.

He and another banned journalist, Ms Juby Mayet, were acquitted of illegally withdrawing funds from the UBJ account without the consent of the liquidator after the union was banned.

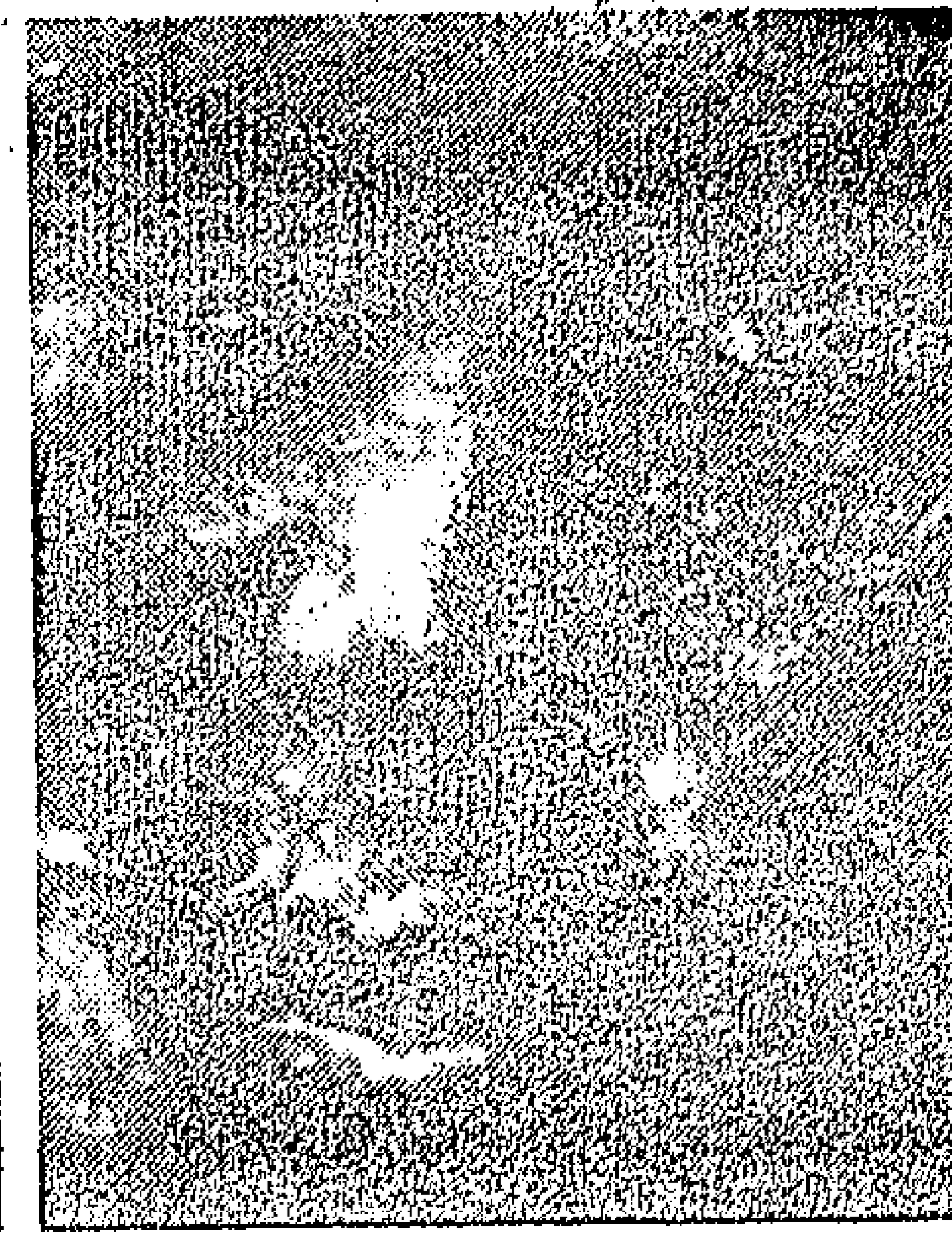
Mr Mtimkulu often played a conciliatory role in Mwasa, exerting a moderating influence in potentially inflammable situations.

Mr Thloloe, 38, is a slightly-built, shy person who came to be regarded as a respected labour writer and unionist.

He has a reputation as a fire-eating radical, although those who know him say it is undeserved. He might have earned it when, as a youth, he was jailed for nine months in 1960 for taking part in the anti-pass campaign with the then leader of the Pan-Africanist Congress, Mr Robert Sobukwe.



Mr Mtimkulu . . . moderating influence.



Mr Thloloe . ... Mwasa's labour expert.

It may also have had something to do with his position as president of the UBJ when its formation and its black exclusivist standpoint shocked many white journalists.

Orlando-born Mr Thloloe lives in Soweto with his wife Joyce and their two children, Letebele, 8, and Nokuthula. He matriculated from Orlando High in 1961 and joined the then Bantu World. He also worked for the Golden City Post, Drum and the Rand Daily Mail.

In 1976, he was detained for six months under the Internal Security Act, and then spent another 18 months in detention in 1977 under Section Six of the Terrorism Act.

Perhaps, more even than the banning of Mr Sisulu and the others, Mr Thloloe's banning represents a grave setback for Mwasa in particular and the black consciousness movement in general. He was a practical, hard-working unionist, Mwasa's labour expert, and highly influential in black consciousness circles.

C. Herald 31/1/81

Congress go-ahead despite bannings

139

242

195

THE SOUTHERN Transvaal regional congress of the Media Workers Association of South Africa (Mwasa) will take place as scheduled, despite the banning on Wednesday of two key officials.

'We will not be intimidated by the Government,' a Mwasa spokesman said.

Shortly after midnight on Wednesday, the acting president of the organisation, Mr Phil Mtimkulu, and the Transvaal regional secretary, and national executive member Mr Joe Thloloe, were banned for three years.

In terms of the banning order Mr Mtimkulu and Mr Thloloe may not pursue their careers as journalists. They are house-arrested in the evenings, on weekends and on public holidays. They may not enter any factories, schools or trade union premises. They may also not be quoted and may not attend any gatherings.

This is the third time within a month that the Government has acted against leaders of the organisation.

First to be banned last month was Mwasa national president Mr Zwelakhe Sisulu, together with Natal vice-president Mr Marimuthu Subramoney.

FINE ART & ARCHITECTURE

ARCHITECTURE

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John Perry Prize

For the best work in third year.

R A van Rosenveld.

STAR 2/2/81

Tutu warns Mwasa on more action

(137) (195)
(520) (263)

Political Staff

Members of the Media Workers' Association of South Africa (Mwasa) were warned at their first annual congress at the weekend that the Government would move against them unless they applied self-censorship.

The warning was given by the general secretary of the South African Council of Churches, Bishop Desmond Tutu, when he addressed the congress on Saturday morning.

He said: "You journalists have only two options. You can write what pleases the Government or write the truth about the plight of blacks as you see it.

"The second option will definitely put you in trouble because the Government will take exception and will act against you as they have acted against your colleagues.

"There will be more detentions, bannings and trials," he said.

Bishop Tutu said Mwasa members had, in the past, represented the truth with regard to black issues.

STAR 2/2/81

Sowetan: 'mirror of our society'

195

"Without fear or favour" — the great rallying cry of the British Press — was evoked in a front-page editorial of the Sowetan today, out on the streets to replace Post.

The Sowetan, which will circulate throughout Pretoria, the Witwatersrand and Vereeniging, starts off with an unequivocal statement of intent.

Says the editorial: "We are a newspaper that will serve YOU, the black majority of this country.

"Our objective is to give you honest, independent and responsible reporting. We will not pander to personal or sectional interests, but will be concerned solely with the public interest.

"We will serve as the mirror of our society. We will reflect our aspirations — political, educational, economic and social.

". . . to that end we will fight injustices wherever they may occur. We will expose exploitation of our people. We will expose social, political and economic ills in our country without fear or favour."

18 Post journalists are retrenched

A total of 18 editorial employees of the now-defunct Post and Sunday Post newspapers have been retrenched.

Mr John Gittins, manager of the Sowetan, said the retrenchments were made necessary because of the closure of Post, and the way the Sowetan, Post's replacement, would be run.

Retrenchments started last Monday and 18 editorial staff members were affected, he said.

The retrenched members included reporters, sub-editors, and photographers. Mr Gittins said no members of the editorial staff were transferred to other Argus newspapers.

A report read at the annual congress of the Media Workers' Association of South Africa (Mwasa) said the Government was trying to cripple the union by banning its elected leadership.

However, the union would continue to show the Government that it "might ban the people, ban organisations, but they could not ban their ideas."

Five members of Mwasa, the black journalists' union, have been banned.

FACULTY OF ENGINEERING

Corporation Medals

For the best student in each of the 2nd, 3rd and final years.

Second Year (Bronze Medal)

Miss G C Littlewort

Third Year (Silver Medal)

Miss N C Davidson

Fourth Year (Gold Medal)

P M Salmon
T J Cuming
D P Weeks
J H Rens
B F McClelland

Professor George Menzies Prize

Awarded on results of final examinations to the best male student in Land Surveying or Civil Engineering.

J H Rens

Sammy Sacks Memorial Prize

Awarded to the student with the best classwork in Engineering Drawing.

L Menegaldo

CHEMICAL

195 FM 6/2/81

ABC — AVERAGE SALES PER ISSUE

	July-Dec 1980	Jan-June 1980	July-Dec 1979
Newspapers — daily:			
The Argus	211 921	228 515	222 940
Beeld	62 395	64 901	65 042
Die Burger	150 276	158 030	152 513
The Cape Times	145 368	159 557	155 621
The Chronicle	38 662	38 268	35 377
Daily Dispatch	31 430	31 217	31 421
The Daily News	108 769	118 619	120 411
Diamond Fields Advertiser	7 327	7 362	7 263
Eastern Province Herald	26 892	28 296	27 224
Evening Post	22 403	23 310	23 585
The Friend	6 633	6 901	6 888
The Herald	92 081	95 295	82 331
The Natal Mercury	56 464	63 498	64 987
The Natal Witness	18 772	18 915	18 308
Oosterlig	10 085	10 452	10 927
Post Natal	33 773	39 040	45 423
Post Transvaal	120 595	112 354	113 932
Pretoria News	36 882	40 156	38 096
Rand Daily Mail	107 709	131 944	131 770
The Star	247 017	269 789	256 821
Die Volksblad	40 263	44 038	42 792
Newspapers — biweekly:			
Ilanga	98 394	105 455	100 123
Vaalweekblad	25 772	10 751	25 322
Newspapers — weekly:			
Cape Herald	65 177	68 118	70 457
Edenvale News	5 469	6 548	5 441
The Estcourt Gazette	1 682	2 008	1 682
The Graphic	8 295	8 562	8 832
Goudveld	7 469	8 035	7 981
Mercury	2 680	3 185	2 678
Rapport	402 736	417 146	414 634
Saturday Post	43 096	47 726	36 448
Sunday Express	85 587	90 322	91 977
The Sunday Mail	102 944	103 977	94 617
The Sunday News	33 889	32 602	30 693
Sunday Post	118 212	118 271	130 267
Sunday Times	445 259	461 980	468 975
Sunday Tribune	124 126	127 806	128 827
The Umtali Post	4 648	3 744	4 032
Weekend Post	44 908	44 883	46 034
Worcester Standard & Advertiser	5 435	5 375	6 431
Periodicals — weekly:			
Family Radio & TV	160 550	154 161	142 153
Farmers Weekly	36 572	35 195	34 754
Huisgenoot	287 391	254 345	222 157
Die Kerkbode	17 345	15 022	16 476
Keur	167 766	159 788	145 718
Kyk	18 678	17 340	16 189
Landbouweekblad	79 157	78 657	77 039
Radio & TV Dagboek	111 811	109 754	108 062
Sarie Marais	206 729	200 628	192 248
Scope	191 667	176 501	170 503
See	21 322	21 493	21 109
Periodicals — fortnightly:			
Darling	88 994	90 431	85 056
Fair Lady	208 249	202 869	182 043
Rooi Roos	217 473	211 993	190 256
Periodicals — monthly:			
Bona	350 047	313 164	268 234
Car	93 381	82 809	78 269
Charmaine	40 027	39 642	35 932
Drum	139 189	145 640	107 225
Living & Loving	224 885	195 376	195 561
Parade & Foto-Action	26 177	24 128	22 615
Patrys	42 762	40 547	40 063
SA Garden & Home	117 990	103 637	91 306
True Love & Family	97 683	91 803	68 989
Die Voorligter	165 883	159 110	156 149
Woman's Value	131 777	121 761	104 665
Your Family	280 073	243 107	243 903

CIRCULATION GAME

Newspapers are losing the circulation battle with magazines, almost all of which are gaining sales. Sales of *Bona*, the biggest circulation magazine, have declined, probably because they have been checked by *Pace*, a more recent entry into the black magazine market.

Sales of almost all newspapers have slumped. The biggest circulation papers, *Sunday Times* and *Rapport* are at their sales levels of ten years ago after hitting peaks in 1974. Sales of *Sunday Tribune* are the lowest since 1964.

Sales of *Rand Daily Mail* are 18% down on the same period last year, partly a reflection of its 5c price premium over other dailies. Sales of *The Star* are 4% down over the same period.

Circulation figures for *The Citizen*, *Die Vaderland* and *Die Transvaler* are not included due to the withdrawal of these publications from the Audit Bureau of Circulation.

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L Menegaldo

A E & C I Prize
For the first year student obtaining the highest average mark.

G L Cragg

Journalist body plans to broaden its base

Labour Reporter

The Media Workers' Association of South Africa meets in Soweto this weekend to decide how to change from a craft to an industrial union.

Mwasa members said that its national executive committee is largely composed of journalists but that it wished to give the association a broader base to include members from all sides of the newspaper industry including drivers, messengers and printing staff.

Mwasa came into being in October last year in Cape Town after members agreed to change their association's name and guidelines from Wasa (Writers' Association of South Africa).

Before Wasa was founded the Union of Black Journalists represented journalists before its banning in October, 1977.

UNABLE

The meeting also has to deal with a leadership problem. Three Mwasa executive members, including its president, have recently been banned.

They are: Mr Zwelake Sisulu, Mr Phil Mtimkulu and Mr Joe Thloloe.

The general congress of the Southern Transvaal branch of Mwasa is meeting again because the earlier congress held two weeks ago in Dube was unable to complete all its reports.

AMENDED ABC FIGURES

195 FM 13/2/81

	Average sales per issue July/Dec 80	% change on July/Dec 79	% change on Jan/June 80
Dailies			
The Argus	97 549	—5,3	—8,2
Beeld	62 395	—4,1	—3,9
Die Burger	67 807	—2,1	—6,1
The Cape Times	60 768	—5,2	—10,2
The Chronicle	38 662	+9,3	+1,0
Daily Dispatch	31 430	0,0	+0,7
The Daily News	85 277	—7,8	—7,5
Diamond Flds Adv	7 327	+0,9	—0,5
EP Herald	26 892	—1,2	—5,0
Evening Post	22 403	—5,0	—3,9
The Friend	6 633	—3,7	—3,9
The Herald	92 081	+11,8	—3,4
The Natal Mercury	56 464	—13,1	—11,1
The Natal Witness	18 772	+2,5	—0,8
Oosterlig	10 085	—7,7	—3,5
Post Natal	33 773	—25,7	—13,5
Post Transvaal	120 595	+5,8	+7,3
Pretoria News	24 344	—7,7	—10,9
Rand Daily Mail	107 709	—18,3	—18,4
The Star	165 751	—5,2	—10,3
Die Volksblad	23 729	—4,2	—7,7
Weeklies			
Argus	114 372	—4,7	—6,5
Die Burger	82 469	—1,0	—3,9
Cape Herald	65 177	—7,5	—4,3
The Cape Times	84 600	—7,6	—7,9
The Daily News	23 492	—15,8	—11,2
The Graphic	8 295	—6,1	—3,1
Goudveld	7 469	—6,4	—7,0
Pretoria News	12 538	+6,9	—2,2
Rapport	402 736	—2,9	—3,5
Saturday Post	43 096	+18,2	—9,7
The Star	81 266	—0,8	—5,0
Sunday Express	85 587	—7,0	—5,2
The Sunday Mail	102 944	+8,8	—1,0
The Sunday News	33 889	+10,4	+3,9
Sunday Post	118 212	—9,3	—0,1
Sunday Times	445 259	—5,1	—3,6
Sunday Tribune	124 126	—3,7	—2,9
The Umtali Post	4 648	+24,1	+15,3
The Volksblad	16 534	—8,3	—9,8
Weekend Post	44 908	—2,5	+0,1
Newspapers — bi-weekly			
Ilanga	98 394	—1,7	—6,7
Periodicals — weekly			
Family Radio & TV	160 550	+12,9	+4,1
Farmers Weekly	36 572	+5,2	+3,9
Huisgenoot	287 391	+29,4	+13,0
Die Kerkbode	17 345	+5,3	+15,5
Keur	167 766	+15,1	+5,0
Kyk	18 678	+15,4	+7,7
Landbouweekblad	79 157	+2,7	+0,6
Radio & TV Dagboek	111 811	+3,5	+1,9
Scope	191 667	+12,4	+8,6
See	21 322	+1,0	—0,8
Periodicals — fortnightly			
Darling	88 994	+4,6	—1,6
Fair Lady	208 249	+14,4	+2,7
Rooi Rose	217 473	+14,3	+2,6
Sarie Marais	206 729	+7,5	+3,0
Periodicals — monthly			
Bona	350 047	+30,5	+11,8
Car	93 381	+19,3	+12,8
Charmaine	40 027	+11,4	+1,0
Drum	139 189	+29,8	—4,4
Living & Loving	224 885	+15,0	+15,1
Parade & Foto Action	26 177	+15,8	+8,5
Patrys	42 762	+6,7	+5,5
SA Garden & Home	117 990	+29,2	+13,8
True Love & Family	97 683	+41,6	+6,4
Die Voorligter	165 883	+6,2	+4,3
Woman's Value	131 777	+25,9	+8,2
Your Family	280 073	+14,8	+15,2
Financial Weeklies			
Financial Mail	26 227	+8,0	+3,8
Finance Week	6 434	+60,0	+28,0

CIRCULATION GAME

In contrast to magazines, nearly all newspapers increased their cover prices from June last year. As a result, most newspapers have suffered depressed circulations.

Of the biggest circulation newspapers, sales of *Rapport* are the lowest since it first began publishing, and *Sunday Times* sales are the lowest since 1970. Sales of *Sunday Tribune* are the lowest since 1964.

Sales of *Rand Daily Mail* are 18% down on the period before price increases. Sales of *The Star* are 10% down since it increased its cover price.

Circulation figures for *The Citizen*, *Die Vaderland* and *Die Transvaler* are not included due to the withdrawal of these publications from the Audit Bureau of Circulations.

Despite a price increase in the second half of 1980, the circulation of the *FM* is up by almost 4%.

□ The circulation figures published last week contained a number of errors. The *FM* regrets these errors and any inconvenience they might have caused.

'Caretaker' leaders for Mwasa

16/4/81 STAR

Faced by a leadership crisis, the Media Workers' Association of South Africa (Mwasa) has decided to use Southern Transvaal branch executive members as "caretaker" leaders.

After the banning of Mr Z Sisulu, Mwasa's national president, and Mr P Mtimkulu, its acting president, the organisation elected Mr Goba Ndhlovu and Mr Q Patel to the national leadership without spelling out their roles.

Mr Ndhlovu is a trained trade unionist and was earlier regarded by Mwasa members as a moderate.

His inclusion in the national executive is seen as an attempt to ward off the Government's attempts to crush the Mwasa leadership.

TRAVELLED

Mr Ndhlovu, information officer of the SACC, is widely travelled.

His last trip was to the United States, where he studied trade unionism.

Other officials of the Southern Transvaal region elected yesterday are: Mr M Phalatse, treasurer, and Mr J Masokwemeng.

Mwasa is to hold a national convention at the Wilgespruit Fellowship Centre on the May 31 long weekend.

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For the first year student obtaining the highest average mark.

G L Cragg

FINANCE

DRG set to expand

Argus 9/3/81 195

THE Cape Town-based printing and packaging company, DRG (SA), is planning for substantial expansion, the chairman, Mr D E C Vieler, indicates in his annual statement to shareholders.

He reports that capital expenditure will double this year, to more than R10-million from last year's R4,35-million.

About half of the R10-million or so will be spent on replacing plant and the remainder on items offering a growth opportunity.

In addition he reports that the company would consider expanding through take-overs — but only if the take-overs met its financial criteria. In the case of capital expenditure, these would secure a discounted cash flow of 30 percent.

He reports that DRG made greater use of borrowings to finance its activities in 1980 and is planning to do so again this year.

Borrowings at present amount to 33 percent of shareholders' funds. They are likely to reach 40 percent by the end of 1981.

In 1980 the group adopted the last in-first out (Lifo) method of valuing stock. This reduced the pre-taxed profit by R1,5-million, but will improve a cash flow in 1981 by R1,3-million.

Mr Vieler says earnings a share this year will show real growth over the rate of inflation.

In 1980 earnings a share, based on normal stock valuation, increased by 38,8 percent to 50,8c a share. But the introduction of Lifo reduced earnings to 44,0c a share.

Dividends totalling 23c (17c) have been declared for 1980.

Emma Mashinini

25/3/81 SOWETAN

Stop paying men starvation wages - unionist

A TRADE union leader has attacked the South African Associated Newspaper (SAAN) group for paying "starvation wages" and putting men out of work.

Mrs Emma Mashinini, General Secretary of the Commercial, Catering and Allied Workers Union which represents many newspaper delivery men, said the SAAN group was depriving union members of their jobs.

In a letter yesterday to the editor of the Rand Daily Mail, Mrs Mashinini said SAAN would prefer not to employ delivery men "if it means paying them anything more than the starvation wages they used to receive.

"SAAN is attempting to deprive adult men of work and to replace them with cheaper child labour," Mrs Mashinini said.

She was referring to newspaper advertisements which offered delivery jobs to white youths in Johannesburg suburbs.

REDUCE HOURS

In reply, the managing director of SAAN, Mr Clive Kinsley, said the new delivery campaign had not deprived any workers of any jobs and that the employment of youths to deliver newspapers in their own neighbourhoods was a practice used throughout the world.

The employment of suburban youths in fact would lead to the reduction in the number of working hours for employees each week which was a major area for concern, Mr Kinsley said.

Wage talks between the Commercial and Catering Union and Allied Publishing continued yesterday following last Friday's opening talks.

In wage talks last year the newspaper delivery men received increases of more than 50 percent.

Last year also saw a brief strike by Allied workers in November.

More pay for news vendors

CT 25/3/81 ~~243~~ ~~145~~ 195

Own Correspondent

JOHANNESBURG. — News vendors and other employees of Allied Publishing are to receive wage increases ranging from 17,5 percent to 33 percent in terms of new wage scales negotiated between the company and the black Commercial, Catering and Allied Workers' Union (CCAWUSA) yesterday.

The increases will affect more than 1 600 workers.

Allied distributes all major English-language newspapers including newspapers published by SA Associated Newspapers (Saan).

New weekly allowances have also been introduced and all existing allowances increased. Hours of work have been reduced from 48 to 46 hours in some cases and 46 to 44 hours in others.

Notices

Although the parties agreed on wage increases, no agreement was signed as they continue to differ about proposed revisions to their recognition and procedure agreement.

Negotiations on these issues will be continued on Friday. However, this will not affect the wage increases and notices informing workers of pay hikes are to be sent out soon.

Union spokesman said yesterday that employees who had joined Allied before the beginning of the year would receive minimum increases of 19,5 percent. In addition, some employees would receive Sunday allowances adding an average of 10 percent to pay packets.

Those who received no Sunday allowances would get a minimum pay increase of 20 percent.

Lowest category

Workers in the lowest category who joined before the beginning of the year would receive a 33 percent increase, and the minimum increase in wages for workers joining since then would be 17.5 percent plus allowances.

A union spokesman said the lowest wage now paid by Allied would be R42.50 a week, as compared to R22 a week in January last year before the union started negotiating on behalf of workers.

The new wage scales are to remain in force for a year.

Mr R J Mitchell, Allied's managing director, said yesterday the negotiations had been "very amicable" and added: "We believe we now have sound new wage scales."

SAAN (195) FM 10/4/81

Cost worries

Activities: *Printer and publisher. Owns* Cape Times, Financial Mail, Rand Daily Mail, Sunday Express *and* Sunday Times. *Has a controlling interest in Eastern Province Newspapers. Other interests include Pretoria News (45,5%); Robinson & Co (36,7%); Allied Publishing (28,6%) and Argus (7%).*

Chairman: *I G MacPherson; deputy chairman and managing director: C H Kinsley.*

Capital structure: *1,9m ordinaries of 50c. Market capitalisation: R20,9m.*

Financial: *Year to December 31 1980. Borrowings: long- and medium-term, R780 000. Net cash: R393 000. Debt: equity ratio: 3,8%. Current ratio: 1,9 Net cash flow: R5,6m. Capital commitments: R1,3m.*

Share market: *Price: 1 100c. (1980-81: high, 1 100c; low, 500c; trading volume last quarter, 1 350 shares). Yields: 27,8% on earnings; 10,9% on dividend. Cover: 2,6. PE ratio: 3,6.*

Last year was worth waiting for, though it gives SAAN an exceptionally difficult act to follow. However, Chairman Ian MacPherson is confident another successful year is in prospect. Even so, the market, in putting the share on a high 10,9% historic dividend yield, does not seem altogether convinced.

	'77	'78	'79	'80
Return on cap %	16,4	14,8	18,1	26,9
Net Revenue (Rm)	39,9	40,2	46,0	60,2
Operating costs (Rm)	36,8	36,8	41,5	51,3
Net profit (Rm)	2,1	2,2	2,8	5,8
Earnings (c)	107	111	149	306
Dividends (c)	33	33	45	120
Net asset value (c)	1 154	1 246	1 345	1 687

MacPherson warns that although the newsprint price increase during the first half of financial 1981 is not expected to be excessive, the current cost structure is gloomy. This view, combined with the levelling off of advertising growth and the unmarketable nature of the share, probably accounts for its apparent undervaluation.

With increased demand for advertising space and higher rates, advertising revenue climbed 31,9% to R47,4m. Circulation revenue rose 22,7% to R11,2m as a result of higher cover prices.

Operating costs were 23,6% higher due to newsprint costs and salaries and wages. According to the directors, the average purchase price per ton of newsprint was up 22% and, to carry the higher volume of advertising, newsprint usage increased.

Management does not provide a complete breakdown of contributions by the group's major publications. However, that the attributable profit of *E P Newspapers* increased marginally to R456 000 while the combined contribution of the *Financial Mail* and *Cape Times* was 65,9% up at R1,4m.

The *FM*, in fact, doubled taxed profit due to higher advertising revenue and cost containment. The *Cape Times'* taxed profit increase was 25,6%.

The high level of trading was used by the group to strengthen an already strong balance sheet. R1,2m went in repayment of medium-term loans and the group moved into a positive interest situation, earning a relatively small net R11 000 on its cash. At balance sheet date, with an exceptionally low gearing ratio, the group had cash holdings and loans outstanding of R5,6m.

The changeover to electronic editing and production is virtually complete.

Capex commitments of R1,3m were, consequently, half the amount spent in 1978 and marginally down on expenditure in 1979.

The fairly conservative dividend policy seems ultra-cautious in the light of present capex requirements. Even if newsprint usage rises and costs escalate, stock holding costs — which required an extra R1m in 1980 — should easily be covered by cash flow.

But while there is room to relax cover, the directors are probably hoping to increase dividends in bad times as well as good. The 1980 dividend increase makes up for pedestrian years, when profits were weak and capex high. It could, therefore, be the start of more regular increases.

The group's recent history of an erratic return on capital does, however, offer some justification for a high retention policy. Last year, when the price was about half its present level, the share yielded an historic 7,8%, on prospects of substantially higher earnings. If, at this year's half-way stage, a further earnings advance is recorded and a more generous payout made, the share could see a further re-rating.

Ian Muil

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SOUTH AFRICAN ASSOCIATED NEWSPAPERS LIMITED

(Incorporated in the Republic of South Africa)

FM 10/4/81

Report of the Directors

The Directors present the forty-second Annual Report and Financial Statements for the year ended 31st December 1980.

Nature of business

The main business of the Group is the printing and publishing of newspapers and magazines.

Profit and Appropriations

	Group 1980 R	Group 1979 R
Net profit for the year after charging taxation	6 200 000	3 056 000
Less: attributable to minority interests	355 000	272 000
Attributable to: South African Associated Newspapers Ltd.	5 845 000	2 784 000
Dealt with as follows: Dividends for the year of holding Company	2 327 000	872 000
Interim: 20c (1979: 8c) Declared 28th July 1980 .... R388 000		
Final: 100c (1979: 37c) Declared 16th March 1981 .... R1 939 000		
Added to retained profits	3 225 000	1 974 000
Adjustment to non-distributable reserves — retained profits of associated companies....................	(+) 293 000	( ) 62 000

Review of the Group's Operations

The operating profit of R8 913 000 achieved in 1980 was R4 407 000, 97,8%, higher than that earned in 1979.

Advertising revenue (net) showed a gain of R11 526 000, 31,9%, due to an increased volume of space sold at a higher average rate per column centimetre.

Circulation revenue (net) showed an improvement of R2 064 000, 22,7%, compared with that earned in 1979. Higher cover prices for the Group's publications introduced in the second half of 1979 meant additional revenue being earned for a full year in 1980. Cover prices of the dailies, Rand Daily Mail, Eastern Province Herald and Evening Post, were again raised in July 1980 to meet their higher production and distribution costs. The increases in cover prices brought about lower circulations but gross circulation revenue was nevertheless well above that earned in 1979. The gain was, however, halved by substantially higher distribution expenses particularly wages and fuel costs.

Sundry income was R602 000 above that for 1979 due, mainly, to additional revenue from commercial printing and agency commission on sales of electronic production equipment.

Operating costs increased by R9 785 000, 23,6%. Higher levels of expenditure on newsprint and salaries and wages accounted for most of the overall increase. The average purchase price per ton of newsprint rose by 22% and extra pages required to carry the higher volume of advertisements caused additional newsprint usage. Other expense items showed an average increase over the previous year of approximately 21%.

Report of the Directors

Investment income amounted to R847 000, some R480 000 above that earned in 1979. The increase is mainly attributable to the additional contributions made by the associated companies, The Pretoria News (Pty.) Limited and Robinson & Company (Pty.) Limited. The Pretoria News (Pty.) Limited achieved excellent results and Robinson & Company (Pty.) Limited not only reversed their 1979 adverse trading results but earned a satisfactory profit. Higher dividends were received from the Argus Printing & Publishing Company Limited and Sappi Limited.

Interest received on short-term deposits in 1980 closely approximated that earned in 1979 but the repayment of medium-term loans led to a marked reduction in interest payments. For 1980 there was a net receipt of R11 000 compared with a net payment of R119 000 in 1979 — an improvement of R130 000.

Taxation of R3 624 000 against the trading profit was R1 864 000, 105,9% more than the charge in 1979. Tax relief arising from investment allowances on capital expenditure amounted to R178 000.

The charge of R125 000 shown in the income statement under "non-trading items" was the net loss incurred on the disposal of fixed assets, principally by the scrapping of obsolete plant and equipment by Eastern Province Newspapers Limited consequent upon the introduction of modern production facilities.

The Group's net trading profit, after tax, of R6 147 000 represents 7,7% of the turnover of R79 619 000 (1979: 4,8%); in relation to capital employed (net current and fixed assets) of R29 834 000 at 1st January 1980 the return is 20,6% (1979: 10,6%).

Subsidiary Companies

A list of subsidiaries and relevant information is shown on page 15.

	1980 R
The aggregate amount of profits attributable to the Company was	1 816 000

The attributable profit of Eastern Province Newspapers Limited was R456 000 (1979: R413 000) and the balance of R1 360 000 (1979: R820 000) was contributed by Cape Times Limited and The Financial Mail (Pty.) Limited.

During the year the Company increased its holding in the ordinary share capital of Eastern Province Newspapers Limited from 62,8% to 66,8% and acquired the outstanding preference shares in The Financial Mail (Pty.) Limited.

Eastern Province Newspapers Limited

The net trading profit, after tax, was R743 000, R226 000, 43,7% more than the R517 000 earned in 1979. Revenue increased by R2 044 000, 27,7%, and operating costs rose by R1 665 000, 25,6%.

Tax relief from investment allowances on capital expenditure amounted to R59 000; a net loss of R107 000 was incurred on the disposal of fixed assets, mainly plant and equipment scrapped. After taking these items into account the net profit, after tax, for 1980 was R695 000, or R26 000 above the R669 000 earned in 1979.

A copy of the Annual Financial Statements of Eastern Province Newspapers Limited is included with this report.

Cape Times Limited

Compared with the results for 1979 the net trading profit, after tax, for 1980 increased by 25,6%. Revenue improvement was 18,5% and operating costs increased by 17,9%. Both advertising and circulation revenues showed significant increases while newsprint and salary and wages accounted for 78,4% of the increase in operating costs.

The Financial Mail (Pty.) Limited

The net trading profit, after tax, was double that earned in 1979. The profit improvement was due, mainly, to advertising revenue which increased by 44,2%. Operating costs increased by 18,4% — more than half of the increase being caused by higher printing charges incurred outside the Group for the printing of advertisement art pages and supplement covers.

Associated Companies

Attributable income from the investments in The Pretoria News (Pty.) Limited and Robinson & Company (Pty.) Limited amounted to R618 000 compared with R173 000 in 1979, an increase of R445 000.

The Pretoria News (Pty.) Limited

For the 12 months to 31st December 1980 the net profit, after tax, was 82,4% above that earned for the corresponding period in 1979. The increase in profit was due to the higher advertising revenue earned which exceeded the increase in operating costs.

Robinson & Co. (Pty.) Limited

With the elimination of exceptional bad debts and the substantial loss suffered by a printing and packaging subsidiary in 1979 the company achieved a satisfactory profit in 1980.

Awards

Mr Harry O'Connor, editor of the Eastern Province Herald, was honoured by the Southern African Society of Journalists who conferred upon him their Pringle Press Award for 1980. The gold medal award made annually "is, simply and proudly, what it is: an award given for the defence of the freedom of the Press and for outstanding services to the profession. Harry O'Connor more than qualifies on both scores."

Group journalists won two of the categories in the 1980 Stellenbosch Farmers' Winery National Awards for Enterprising Journalism. Mr Stanley Uys, London editor of the South African Morning Group of Newspapers, won the award for the best investigative reporting under pressure of time or circumstances, for his coverage of the Lancaster House conference on Rhodesia — Zimbabwe. Ms Gail Irwin, graphic artist of the Rand Daily Mail, won the category for the best creative reporting and feature journalism for her series of graphics covering the news of the day.

The 1980 Checkers Award for Consumer Journalism was won by Ms Vita Palestrant, consumer editor of the Rand Daily Mail. Ms Palestrant also won the 1978 competition.

The Standard Bank Cartoonist of the Year Award for 1980 was won by Mr Richard Smith, cartoonist of the Sunday Express and Financial Mail.

Mr Raymond Preston, a photographer on the Rand Daily Mail, was named "South African Press Photographer of the Year — 1979" for winning the main award in the Shell Press Pictures of the Year competition — he also won the sport category.

Mr Tony Robinson of the Cape Times won the 1980 Settlers' Prize established in Cape Town in 1975 to commemorate the 150th anniversary of the free Press in South Africa.

Mr Graham Brown, formerly Rand Daily Mail city editor, won one of the South African Railways awards for transport journalism.

Mr Gordon Kling, industrial reporter of the Cape Times, won the daily newspaper section of the Sanlam Financial Reporter of the Year Award — 1980.

Prospects for 1981

The recent decline in the gold price if not restored to a higher level, will, in the long term, curb the Republic's growth rate. At present there are, however, no positive indications that favourable trading conditions should not continue in 1981 and compare very favourably with those enjoyed in 1980. Our advertising revenues earned thus far in the current year support this optimistic outlook. The purchase price of newsprint for the first half this year is not expected to increase at the same rate as in the past but salaries and wages, which are a major component of distribution and production costs, continue to escalate in line with the excessive inflationary spiral. Materials and other production expenses are also expected to increase significantly. Notwithstanding the gloomy cost structure, our budgets have been set in anticipation of another successful year.

Appreciation

The record results achieved are in large measure due to the outstanding contribution made by a dedicated and efficient staff to whom the Board express their sincere appreciation.

Directorate

Messrs J. R. A. Bailey, C. Cilliers and L. E. A. Slater retire from office by rotation in terms of the Company's Articles of Association but are eligible and offer themselves for re-election.

Directors' Interests

The total number of shares in the Company held beneficially or non-beneficially by directors and alternate directors at 31st December 1980 are set out below:

	1980 Shares	1979 Shares
Beneficially held	13 850	13 850
Non-beneficially held	300	300

This report and the Annual Financial Statements which appear on pages 5 to 16 were approved by the Board on 20th March 1981 and are signed on its behalf by:

I. G. MacPherson, Chairman
C. H. Kinsley, Deputy Chairman

171 Main Street, Johannesburg 2001.

HORTORS

Changes

FM 24/4/81

195

Activities: *Operates in the graphics, printing and packaging, and business systems markets. Argus holds 40,5% of the equity.*

Chairman: *J M Parrington.*
Capital structure: *6,1m ordinaries of 50c. Market capitalisation: R9,9m.*
Financial: *Year to December 31 1980. Borrowings: long- and medium-term, R5m; net short-term, R5,4m. Debt: equity ratio: 155,9%. Current ratio: 1,5. Group cash flow: R2,7m. Capital commitments: R3,6m.*
Share market: *Price: 165c (1980-81: high, 185c; low, 105c; trading volume last quarter, 650 000 shares). Yields: 21,1% on earnings; 7,9% on dividend. Cover: 2,7. PE ratio: 4,7.*

	'79	*'80
Return on cap %	15,0	17,1
Turnover (Rm)	4,7	39,1
Pre-tax profit (Rm)	0,4	2,4
Gross margin %	11,3	9,7
Earnings (c)	14,5	34,8
Dividends (c)	10	13
Net asset value (c)	88	111

* New assets acquired 1/1/80.

The only consistent feature of recent annual reports from Hortors is that, by the time they reach shareholders, the numbers have little medium-term relevance. In 1979, the report was published while the reconstruction into the old Hortors group was in progress, while this time around negotiations are taking place for a reverse takeover of Trio-Rand, which should have a material impact on earnings prospects.

Be that as it may, 1980 was an important year for the reconstructed group. With the exception of the original stationery interests, Hortors Graphics was transformed into the pre-1976 Hortors group, which offers a more broadly based, if somewhat more highly geared, investment opportunity.

Results last year were largely satisfactory, though certain balance sheet ratios still need some attention if the investment rating of the share is to be enhanced. Among these is gearing, which was affected by a substantial rise in borrowings as the new group was put together, coupled with investments in more modern processing equipment.

Any benefit to shareholders of this investment may not, however, be reflected in sharply rising dividends. Chairman Maurice Parrington says the group's high 156% debt:equity ratio, which resulted in a low 2,6 times gross profit cover on interest and leasing payments, is no worry short-term. But he admits that, in terms of the group's longer term plans, gearing will have to be reduced.

To this end, Hortors raised its dividend cover to 2,4 times, and advances to the three level are on the cards. Thus, while shareholders will no doubt share in the projected earnings growth via increasing dividends, distribution is likely to increase more slowly than profits.

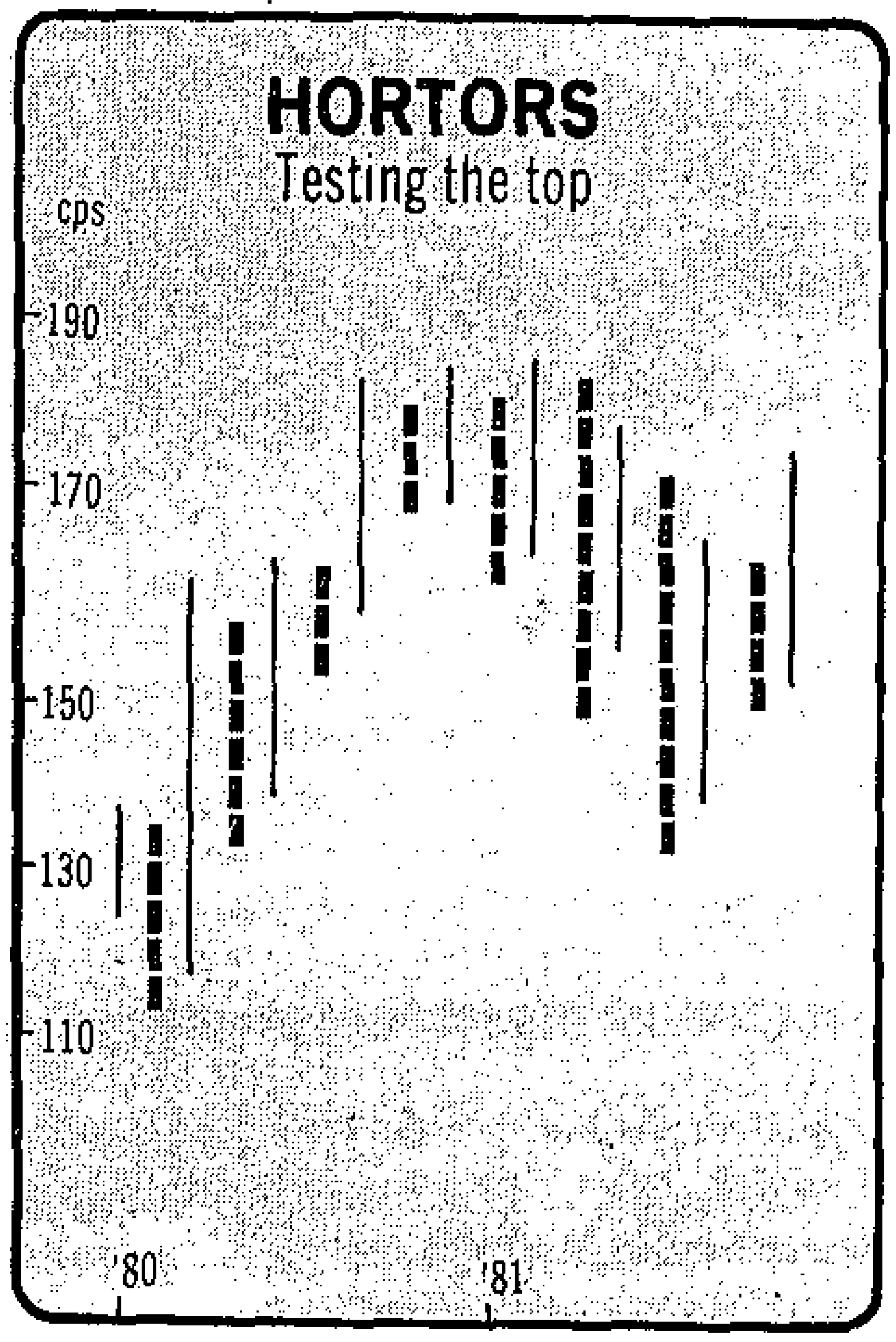
Because of the change in the structure of the group there are no really comparable figures other than earnings per share. After taking into account the increase in the issued capital to 6m (2,3m) ords, earnings amounted to 34,8c (14,5c). This is well ahead of the 22c forecast at the time of the acquisition of Hortors (Pty) with effect from January 1 last year. At that time Hortors badly needed new growth areas in view of the problems related to the then fairly narrow sphere of activities, and certain marketing hassles when a previous director resigned.

The improvement on the forecast earnings suggests the expansion was well conceived, having given the group a more continuous work load compared with the jobbing nature of its previous structure. To meet this new direction, Hortors is using HP finance to buy new equipment for the graphics and print and packaging divisions which are planned to be merged with Trio-Rand. In addition, the 85%-held Kalamazoo business systems division is now marketing the Commodore mini computer as part of its small business systems product range. Initial results are encouraging, says Parrington.

No details have been released on the talks with Trio-Rand, but it seems the deal will involve the purchase by Trio Rand of Hortors' graphics and print and packaging interests for shares. This will presumably result in Trio-Rand becoming a subsidiary of Hortors.

From Hortors' viewpoint, the rationale for the deal is obviously an expanded base in these sectors, particularly as Trio-Rand is one of its major competitors.

On the basis of the Hortors group at end-December, Parrington expected "satisfactory" results in 1981. As there is no breakdown of the value of the assets in the three divisions, putting figures on the graphics and print and packaging operations is difficult. In 1980, however, Kalamazoo earned some R245 000, of which Hortors' share was R208 000. On this basis the other two divisions contributed some R1,7m. A five times PE would value these assets at around R8,5m. With Trio-Rand shares trading in a 315c-325c range, the deal could therefore involve the issue of



around 2,8m Trio-Rand ords, giving Hortors some 50% of the enlarged equity.

Ahead of details on the negotiations, however, forecasting earnings effects is hazardous. Trio-Rand reported strong interim profit growth, and full year's earnings should be a record. As any deal would presumably be effective January 1, whatever happens with these talks is vital to an appraisal of Hortors' investment merits.

Des Kilalea

Hortors deal with Trio Rand forms printing giant

28/4/81

~~235~~ 195

S Jan

By Ann Crotty

An agreement has been reached in principle between Hortors and Trio Rand which will result in the formation of the largest web off-set printers in the country.

Trio Rand is to acquire all Hortors' printing, packaging and graphics interests with effect from January 1.

The acquisition will be by the issue to Hortors of 3 185 143 ordinary shares in Trio Rand amounting to 50,4 percent of the issued voting share capital of Trio Rand, and making the enlarged Trio Rand group a subsidiary of Hortors.

The merger is not expected to have an immediate impact on the earnings, dividend distributions or net asset values of either Hortors or Trio Rand but the directors of both companies believe that in the longer term the rationalisation of the printing and packaging activities of Hortors and Trio Rand will yield substantial benefits to Hortors-Trio Rand.

The new company will have a turnover of approximately R70-million. Mr D Zanberg, who was chairman of Trio Rand, will remain a director and a substantial shareholder of the new company.

Commenting on the merger Hortors' chairman Mr Maurice Parrington, said that the new company would be more than twice as good by having a much larger capacity to draw on. This he said was important in an industry which was becoming increasingly capital intensive.

Mr L E A Slater, chairman of the Argus Group, which is now the largest shareholder in Hortors, said that he was delighted that Hortors and Trio Rand were able to reach an agreement which has enhanced the value of the group's holding in Hortors.

The Argus Group has established a 46 percent shareholding in Hortors through open market dealings since March 1980.

CNA FM 1/5/81

Strong gains

(195)

As long as it is on the right side, a margin of error in earnings and dividend forecasts can make a board of directors look good. The secret, of course, is to under-estimate what shareholders are likely to get.

Last October, CNA Investments' directors warned: "We cannot promise shareholders a comparable 50% rise in the final dividend for the year." The interim payout had been increased from 5c to 7,5c a share, but the Zimbabwe subsidiary was to be deconsolidated and only dividends, possibly on a restricted basis, would in future be brought to account. Also, expansion of store space increased ploughback demands. So the directors' caution appeared well founded.

The market showed no foresight in anticipating the good profit growth experienced in the second half to end-February. In early March, the shares were trading at 490c but ran up to 550c ahead of this week's profit announcement. The results have added another 85c to bring the price to 635c — 30% up in the past two months.

The share price's knee-jerk reaction is well founded. In financial 1981, sales gained 29,3% to R90,5m. Gross profit improved by 66,3% to R9,7m and the interest charge was 17,8% down to R1m, leaving pre-tax profit 89,8% higher at R8,6m. The tax charge increased from 30,7% to 34,9%. One of the contributing factors for this appears to have been the deconsolidation of the Zimbabwe operation where CNA's effective tax rate had been lowered.

Attributable income was 79,6% up to 165,6c a share. The surprise for shareholders is that the final dividend has been increased by a greater margin than the interim. The final of 42,5c (28c) brings the annual distribution up to 50c for an increase of 51,5%.

Cover has been increased from 2,8 to 3,3 times. A company spokesman says, however, the target cover remains three. The higher cover provided now is to help fund not only an increase in floor space, but also a possible increase in stock holding costs. Management expects demand to slow down and this uncertainty calls for caution in budgets.

The retail division, of which household stationery is the largest profit centre, remains the major earnings contributor. The division improved market share and the profit contribution increased marginally. The computer marketing arm, Central Data Systems, was sold to Lucem late last year. CNA now has an equity stake in Lucem and a marketing agreement has been entered into with the Wardal computer division. This year could see the start of a sales programme for these products throughout the main CNA outlets.

The joint ownership, with Waltons, of stationery manufacturer Pirie Appleton means CNA has a fairly protected supply source. A company spokesman tells me the abolition of retail price maintenance has not affected margins in the book division.

For the short term the concern of the directors over the trend of consumer sales must be translated into a projection of earnings growth of the order of 30%. That would give a prospective yield of 10,2%, which makes the share one of the more attractive industrials.

Ian Muil

Anglo Alpha plan to spend R358-m

(193)

STAR 6/5/81

By Frank Jeans

Anglo Alpha, the cement, stone and industrial mineral group, is spending R358-million in a five-year expansion programme, and of this, the cement division is to get a R150-million injection aimed at increasing production capacity.

The lime division of Anglo Alpha has the next largest budget of R100,6-million, while the stone division has an allocation of R84,3-million.

More than R18-million will be spent on industrial minerals expansion, while the textiles sector and other areas of the group will account for more than R14-million.

The cement division's klinker production this year is expected to be 2,3-million tons, which will be boosted by 250 000 tons when the company's Roodepoort kilns are re-commissioned.

Two Anglo Alpha buildings are due for completion by the end of the year — the R5,5-million group headquarters at Sandton, and a R1,4-million technical training centre.

RDH 13/5/81 (95)

Argus earnings lifted 54%

By DAVID CARTE
Deputy Financial Editor

ARGUS Printing and Publishing, publisher of the major afternoon dailies and the Sunday Tribune and owner of 51% of CNA, 39% of SAAN, 25% of Hortors and 30% of Caxtons, accelerated in its second half to lift earnings 53,6% in the year to end February.

Earnings at the interim were 45% ahead.

Trading income for the year rose 62% to R20 153 000. This was supplemented by 52%-higher income from investments, mainly from SAAN and Hortors, of R1 307 000. Pre-tax profit was thus 62% better at R21 667 000.

The tax rate rose from 35% to 38% and the minorities' slice rose 61% to R3 346 000, with the result that taxed attributable profit was 53,6% ahead at R9 997 000. Earnings a share were 703c (1980: 457c).

A final dividend of 150c has been declared, making 225c for the year, a 50% improvement on the 150c paid last year.

The directors report that advertising demand remains firm and consumer spending continues at a high level. They therefore expect a further increase in earnings this year. But the rate of growth, they warn, is unlikely to match this.

Advertising revenue last year rose 28% and circulation revenue 21%. CNA pushed up sales 28% and earnings 79%.

The group had capital commitments of R52 185 000 at the year end, mainly for electronic editing and printing machines.

COMMENT: Argus seems to have erred in releasing its results to its own newspapers on May 7 and to the world at large only yesterday.

The directors do not explain how the capital expenditure is to be financed. Total capital employed last balance sheet was R73-million, so planned capex certainly amounts to a mouthful.

One does not know the depreciation provision in 1981 but, with retentions of R6 700 000, net cash flow was unlikely to have been much higher than R11-million. The group has traditionally been low geared. Either this must change or a pref or rights issue is indicated. Cover could escalate over time.

'Mwasa is dedicated to the liberation struggle'

THE first congress of the Media Workers Association of South Africa (Mwasa) last night rededicated the organisation "to the struggle for the total liberation of this country". Mr Charles Ngqakula, the Mwasa vice-president who stood in for banned president Mr Zwelakhe Sisulu, opened the four-day congress. This is the text of his speech.

WE have again come together to reaffirm our loyalty to our organisation and our commitment to the struggle for the total liberation of the black man in this country.

This is the second time I have to fill in for one of our presidents.

The first time was 1977 at Durban when president of the Union of Black Journalists (UBJ) Joe Thloloe, was in detention. As you will remember Joe spent more than a year in detention but he has never been brought before a court of law. I am now filling for Zwelakhe Sisulu who was arbitrarily banned without facing a formal accusation and getting a chance to defend himself in a competent court of law.

These are deliberate acts of aggression by the South African minority regime on our people's liberty which is the right of all human beings on earth. Despite these acts of aggression by the present oligarchy, SA continues to make friends amongst the world's most avowed advocates of human liberty.

America could not continue playing a game of camaraderie behind the scenes with SA and had to declare openly its tilt towards the minority regime in this country. Hence the unholy alliance between the two governments.

I say it is an unholy alliance because it is based on a big lie with America motivated by that country's capitalistic tendencies and its phobia for the 'big communist fear' while SA which also sees communists behind every bush, is an ideal shipmate for the Reagan administration.

To accept a polecat like SA as an ally, Reagan was forced to use a big lie and therefore risk being condemned by history.

Ironically he used history for the big lie but distorted history to accommodate the distorted values of the SA community.

He said America could not forsake a country like SA which fought on America's side on the last world wars and SA also took up the tune to sing the rather discordant note that it had fought on the side of the allies.

But who fought on the side of the allies? Was it John Vorster, Hendrik van den Bergh and the members of the Ossewa Brandwag? The history I know recorded in all history books except maybe the one Reagan used, tells me the Ossewa Brandwag fought against the Allies and perpetrated sabotage in SA in favour of Hitler and Nazism.

If Smuts was alive today he would probably have told Reagan that his government lost in the 1949 election to the antiwar element whose base was the Ossewa Brandwag and what followed Smuts' election flop resembled Nazism.

Consider the Nazi's superrace syndrome and apartheid and consider the evils of detention without trial of the Nazi regime and what happens now. There are so many similarities between the two regimes.

Bishop Desmond Tutu, general secretary of the SACC, who opened the first Media Workers Association of South Africa (Mwasa) congress at Wilgespruit near Roodepoort last night.

VICTIMS

But the question is, who fought on the side of the allies — your fathers and my father did, your grandfathers and mine did. And what did they get?

They were victims of the Mendi disaster and those who were fortunate got bicycles and boots from the wars and others entertained hopes of the promise of better things until their lives were snuffed out.

The better things have not come even for their grandchildren and people like Zwelakhe, Joe, Phil Mtimkulu and others keep on finding themselves on the bitter end of the stick of repression.

Maybe Reagan does not know this history. Our congress has come at a time when the political cauldron is bubbling over as illustrated by events locally and internationally.

This also places a premium on our loyalty, not only to this organisation, but also to the entire liberation effort which demands that we take our place in realigment of forces that is taking place in the resurgence and re-intensification of the battle to attain our freedom.

When we speak about complete freedom for the black man in this country, we talk about unfettered participation in the socio-politico-economic structure and for the worker to be recognised as an appropriate vehicle for change it is necessary that all workers must be fully engaged in efforts to change the status quo in SA.

FREEDOM

No worker will enjoy complete freedom and recognition of his rights at the workplace if he is denied this freedom elsewhere in the South African socio-politico-economic structure.

No worker in his right mind, therefore, can want to stay out of a trade union because he believes that union is politically motivated.

The fight for one's right either in the work place or in the community within the context of the South African situation must be pervaded by a political atmosphere and whether he likes it or not, the worker in SA has got to swim through the political stream to get to the work place.

The political stream is the plethora of racial laws, which declare that only certain races can be employed in certain areas.

While socalled new thinking in white circles is using change as a theme for the present era, there are no moves to change the political structure and white people continue to believe they are the only architects of change in terms of format and pace.

When we met here for the congress of Wasa in 1975, we were unhappy about the fact that Wasa was an elitist organisation and to make it a people's organisation, we dissolved its structure to come up with this new organisation.

I would be unhappy if we were to elevate the struggle to a state where we would be engaged in defining class and capitalism and also in engaging in other intellectual terms. We need a simple philosophy for a mass movement which would appeal to all our people and that philosophy should merely talk about black and white.

Even in the early years of black consciousness, the existence of whites well-disposed to the black political endeavour in this country was never denied, and such whites will still be given their rightful place in liberated Azania.

Those white friends, at the moment, are necessarily caught up in a situation where they are subjects of white laws.

In contrast, we are now involved in the writing of our own rule book, in our own particular circumstances. This saw us being criticised by some white members of the media because of our strike last year. They argued that we did not conduct our strike in terms of standard procedure.

The procedure is prescribed in the white law book, but as I say, we now live our own rule book which the white community have to be conversant with to be able to deal with the black effort.

The stipulation in our new rule book is simple, *if you injure one of us, in our own particular trade, you injure is all in the trade.*

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IMPORT DUTIES (194)

Paper tiger (195)

FM 29/5/81

Publishers are up in arms over the imposition of a 20% duty on imported coated papers.

The protective duty was gazetted on April 16, 27 months after it had been applied for by Sappi, the country's sole manufacturer of this grade of paper.

Pieter Struik, production editor of C Struik, the Cape Town publishers, says the duty will jeopardise SA book exporters' hard-won position in foreign markets. He believes there is no provision for a rebate of duty on imported paper used for the production of books for export (although he would certainly qualify for export assistance under one or more of the four categories of assistance recently announced by the Minister of Commerce).

Sappi says that it applied for tariff protection because the domestic market had become a target for dumped paper from the Nordic countries. There had been a protracted period of international oversupply because of the recession and it had not been possible to apply countervailing duties because no tariff structure had been in existence for coated paper. The duty affects heavy grade paper in the range R265/t-R900/t and is favoured for the production of so-called coffee-table books, in which Struik seems to specialise.

In a statement to the *FM*, Struik says "government has constantly urged the small businessman to seek export markets. We have also been urged to fight inflation. As far as the publishing industry is concerned, the new duty will negate both these exhortations. Some publishing houses may even have to close down."

He gave the following example of how the duty will affect costing of a book about to be published: "Paper forms a very large part of a publisher's costs and the 20% duty has meant that the unit cost of this particular book increased by 40c a copy. With the royalty situation and booksellers' discounts this means an increase in the shelf price of R1,60 a copy."

To which a Sappi spokesman responds: "With that kind of value added, the book trade must be very lucrative."

Struik says his company relies heavily on exports (nearly R600 000 last year) to stay alive. Foreign buyers do not like Sappi's Dukuza fine papers.

Says Struik: "There is no way we will consider using the Sappi paper for our quality export books. Even with the increased cost of imported Danish paper arising from the duty we will continue to use it for export books. There is still very little difference in the price of Danish with comparable weight but poorer quality local paper. Danish is in fact still cheaper."

A Sappi spokesman said he failed to see what the fuss was about. If anything, Struik's statement confirmed that the protection given by government was not excessive.

Struik, however, says it is incongruous that Sappi should be trying to break into export markets with offerings of coated paper at $800/t, compared with a domestic selling price of R1 075/t. "This means that Sappi is either dumping its production on foreign markets, or it is making inordinately high profits on domestic sales." He understands Sappi made R396 000 from export sales last year, a figure Sappi will neither confirm nor deny.

SA books . . . will some publishing houses have to close down?

C Herald 30/5/81 (273) (39)(95)

New news workers union

THE forthcoming inaugural congress of the Media Workers' Association of South Africa (Mwasa) will be a 'milestone' in the newspaper industry says the chairman of the organisation's Western Cape region, Mr Moegsien Williams.

Media workers, other than journalists, will for the first time attend as delegates and all categories of employees will be involved in shaping the new, independent union.

'This congress will lay the constitutional foundations for a new, fully-fledged trade union for all black workers in the media and will mark the commitment the organisation has to true worker representation,' said Mr Williams.

REJECTED

Mwasa's predecessor, the Writers' Association of South Africa represented only journalists but this was rejected in favour of one union for ALL workers in the industry.

The congress is to be held at the Wilgespruit Fellowship Centre, Roodepoort (outside Johannesburg) from May 28 to June 1.

Delegates from throughout the country, among them 12 from the Western Cape, are expected to attend.

The secretary-general of the South African Council of Churches, Bishop Desmond Tutu will open the congress.

CT 1/6/81 (195)

Cape man elected Mwasa president

ROODEPOORT. — The Media Workers Association of South Africa yesterday elected an Eastern Cape journalist as president of the organization when they ended their four-day national convention at the Wilgespruit Fellowship Centre near Johannesburg.

The new Mwasa president, Mr Charles Neakula, a reporter on the East London Daily Dispatch, will take over from Mr Zwelakhe Sisulu, wo was recently served with a three-year banning order.

However, the convention decided that since it has not recognized the banning of Mr Sisulu and others, the newly-elected officials would not replace them but only act for them.

The convention also elected Mr Qoba Ndlhovu as senior vice-president. Mr Ndlovu, an expert in labour matters, is an information officer of the South African Council of Churches, and also chairman of the Southern Transvaal region of Mwasa.

Other officials who were elected are Mrs Maud Motanvane (treasurer); Mr Thami Mazwi (secretary); and Mr Rashid Seria, vice-president for the Western Cape region.

During the convention, a black consciousness exponent presented a paper in which he explained Mwasa as an organization that wanted to be involved with all workers in the newspaper industry.

Mwasa was moving away from being a elitist organization and hoped that it was doing so for the "total liberation of the people."

He was the Rev Buti Thlagale, an executive member of the Black Priests' Solidarity Group.

The association resolved to ask the Azanian Peoples' Organization (Azapo) to hold a symposium of black and black-orientated trade unions "with a view to exploring common ground and common interests".

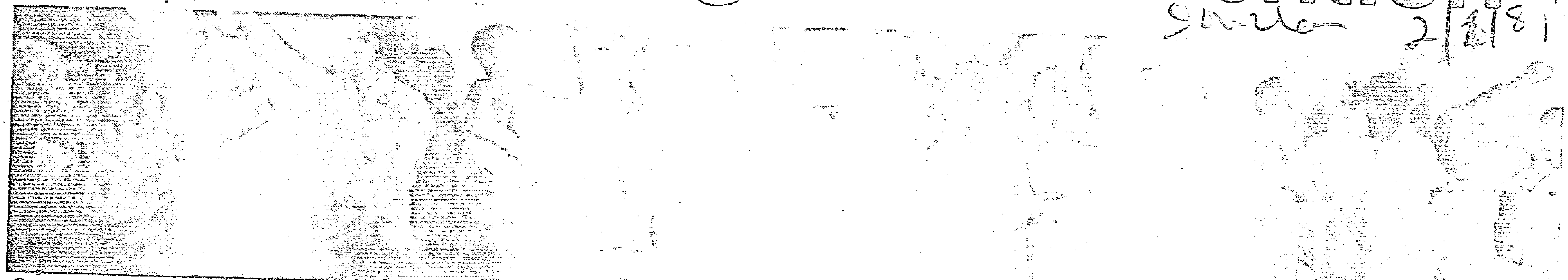
A statement issued to Sapa by Mwasa said Azapo had been asked to call the symposium because "it (Azapo) is not directly involved with trade union activity".

Mwasa hoped the symposium would eventually lead to the formation of a national umbrella body.

All black, or predominantly black, unions would be invited to the symposium, whether registered or not.

195

Mwasa's inaugural convention



Some of the Mwasa delegates from all over South Africa who attended the inaugural convention at the weekend chanting a freedom song.

MR CHARLES NQAKULA, a reporter on the East London Daily Dispatch, was elected president of the Media Workers' Association of South Africa (Mwasa) at the end of a four-day inaugural convention held at Wilgespruit Fellowship Centre near Roodepoort at the weekend.

By SAM MABE

The new president takes over from Mr Zwelakhe Sisulu, who was served with a three-year banning order only about $2^{1}/_{2}$ months after his term of office as president was renewed during a congress held in Cape Town last October.

Mr Goba Ndlovu, chairman of the Southern Transvaal region of Mwasa, was elected as senior vice-president, and Mrs Maud Motanyane, formerly the organisation's national secretary, was elected treasurer, Mr Thami Mazwai, news editor of SOWETAN, was elected national secretary.

Mr Rashid Seria was elected vice-president of the Western Cape Region.

The convention decided that since it did not recognise Mr Sisulu's banning, the newly-elected officials would act for those who are banned, but not replace them.

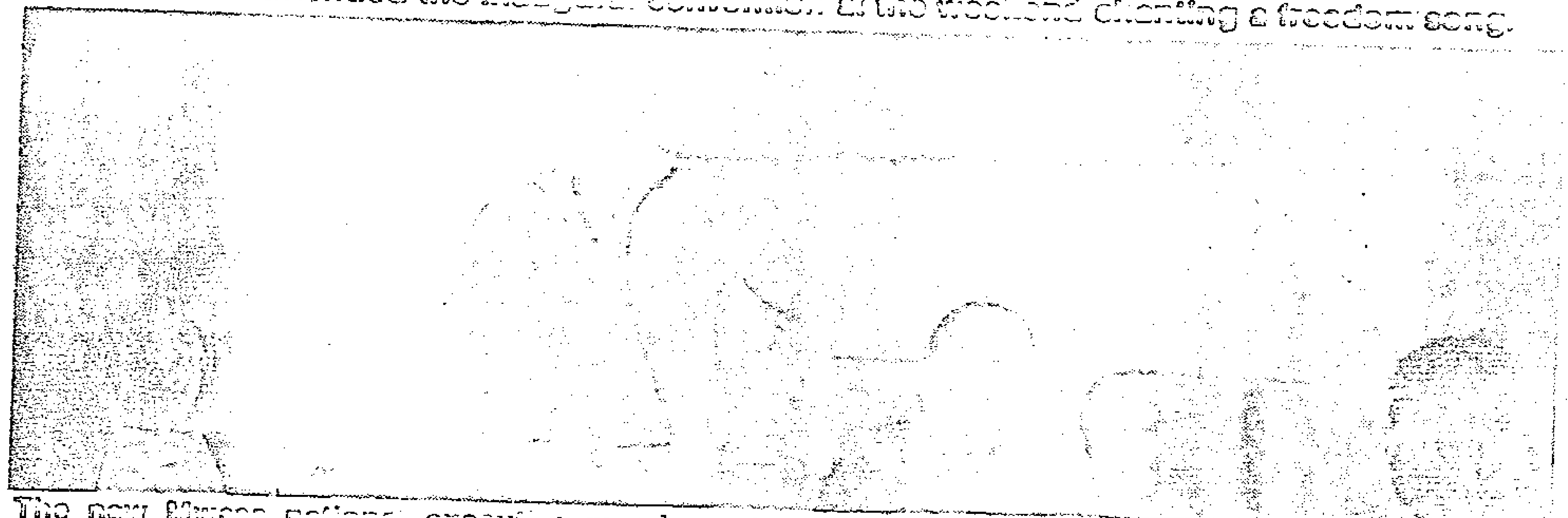
The weekend's convention was to inaugurate the organisation as a trade union whose membership is now open to all workers in the media, and to drop what was described by one speaker as an "elitist" image from the days when the organisation was the Writers' Association of South Africa (Wasa), which was only open to journalists, writers and Press photographers.

The convention was opened on Thursday evening, by Bishop Desmond Tutu, general secretary of the South African Council of Churches, who condemned the role played by certain English newspapers reputed to be on the side of the oppressed blacks.

He named four such newspapers and said they could not be on the side of blacks if they used the term "terrorist" to refer to blacks who have been involved in political acts of violence, like in Silverton and elsewhere.

"Why can't they refer to them as guerillas or insurgents?" Bishop Tutu asked.

He condemned the stance the English Press took following the SADF's raid on ANC bases in Maputo only this year. He said the newspapers did not take cognisance of the fact that the raid involved South Africans against South



The new Mwasa national executive members, from left, Mr Thami Mazwai (secretary), Mrs Maud Motanyane (treasurer), Mr Charles Nqakula (president), Mr Goba Ndlovu (Senior vice-president) Mr John Simelane (vice-president) and Mr Rashid Seria (vice-president).

break into a laughter that would be joined by the handclapping audience.

Bishop Tutu said he imagined that the Afrikaners wanted to celebrate the 25th anniversary.

"They chose to celebrate the 20th anniversary because they know that they may not stay in power long enough to see their republic turning 25 years old. Because, as I have predicted before, in the

right to honour their obligations to inform the public.

In the opening presidential address during which he represented Mr Sisulu, Mr Charles Nqakula said it was the second time that he was called upon to represent presidents who were either in detention or banned.

In 1977, he represented Mr Joe Thloloe, then president of the Union of Black

Africans and that not all the information relating to the raid was released to the general public.

He said the newpapers, though wanting to project themselves as siding with the oppressed, did not seem to care much for the feelings of blacks. In their editorials, they expressed only the white man's point of view of events in the country.

In his condemnation of the Republic festivities, Bishop Tutu would raise the emotions of the 200 people who filled the conference hall, then all of a sudden, next five to 10 years we will be having a black prime minister in this country.

"The opposition of the National Party to power-sharing cannot stop this country from being liberated. Liberation is a must for South Africa and it will certainly come," said Bishop Tutu.

He added that it was laughable for the Government to expect blacks to celebrate the fact that black newspapers and journalists, including Mwasa's president, Mr Zwelakhe Sisulu, have been banned, and denied the Journalists (UBJ), who was detained for more than a year. Both the UBJ and Mr Thloloe are now banned.

He said Mr Thloloe was released from detention without being charged and he and Mr Sisulu have been banned without being given the opportunity to face trial, where they could defend themselves.

He encouraged all black workers to belong to trade unions which would enable them to flex their muscles. The worker had to "swim through a political stream to get to the work place".

'BC counters white racism'

BLACK consciousness is not a philosophy of racist hatred, but a device to combat and eradicate false concepts of the "super race" as manifested by Afrikaner Nationalism.

This was said by Mr Mongezi Radebe, secretary-organiser of the Commercial, Catering and Allied Workers' Union of SA in addressing a symposium on the black consciousness philosophy during the inaugural congress of the Media Workers' Association of SA, held at Wilgespruit, near Roodepoort, at the weekend.

Mr Radebe said strong sentiments expressed by the philosophy have been misinterpreted by the BC's critics as overtones of hatred.

Cognisance should be taken of the fact that it is only natural for one to develop strong sentiments against that which diminishes one's existence, he said.

The intervention of the black consciousness philosophy in the lives of blacks is to save them from the tentacles of white racism, which appears to be all-out to "diminish our existence as a black entity.

"The black man's pride has been eroded and his mind conditioned to a semi-human state. His identity has been destroyed and he is referred to as the white man's negative, a non-white and no longer an African." Mr Radebe said.

He added that black consciousness was a philosophy of hope, inspiration and liberation to a nation in need of courage to assert a self that is human, in spite of all that which would declare it to be less human.

"It is only rational and most expedient to adopt a rather aggressive character in order to effect genuine and fundamental changes in cases of irrationally obstinate intransigence," said Mr Radebe.

He also said the oppressed and exploited black worker needed the dynamic philosophy of black consciousness to tell him that "not all lost yet".

195

2/2/81.

Introduction

This paper has two main aims - firstly to study the principles underlying cost benefit and cost effectiveness analysis and to consider the contribution that economic analysis can make towards improved resource allocation in the health sector, a sector in which market forces to promote efficiency, are lacking; and secondly to analyse the decentralised system of primary contact medical care that exists in the Cape Peninsula.

(1.1) Economic Analysis for health service efficiency

Cost benefit analysis was first applied to studies of water resource and transport projects. A more recent development has been its application to education and health. There has been extensive debate on the theoretical foundations of the approach and on the problems involved in applying the theory in practice. The main aim of health programmes and projects is to improve the level of health in individuals and defined communities. As yet there is no objective way of measuring health, resulting in controversy as to whether these analytical techniques can be usefully applied in the health sector.

In the western world, one of the notable features of the post-war economy has been the growth of total expenditure on health. Advances in medical science and technology have increased the scope as well as the cost of medicine and health services. The share of public expenditure in total health expenditure has also been increasing. In the United States in 1940, total expenditure on health was 4,1% of GNP, in 1976, 8,6% of GNP. In 1966, 21,8% of total health expenditure was by the public sector, in 1974, 37,6% in Britain, in 1951, 3,87% of GNP was spent on the National Health Service, in 1974, 5,30%. In South Africa, the share of public health expenditure in total health care expenditure has similarly been increasing. (see Table 1.1)

Table 1.1

Share of public health expenditure in total health care expenditure (S.A.)

Year	Public %	Private	
1960	42,81	57,19	) (1)
1970	56,64	43,36	
1976	60,96	39,04	(2)

(1) Trengrove Jones p76 Table 4.

(2) Steenkamp Commission of Inquiry into the Pharmaceutical Industry, RP38, 1978.

In the Cape Province, in 1951, 18,83% of the total Provincial Appropriation was spent on hospital services and public health, in 1977, 32,51%. (1) Of an amount of R240 million to be spent on health services in the Cape Province in the 1978/79 financial year, 57,5% is to be

The Cape Times, Wednesday, June 3, 1981 11

Mwasa in move to forge unity of unions

CT 3/6/81 195

Labour Reporter

A NEW move to forge unity in the country's growing black and non-racial union movement is under way.

The all-black Media Workers Association of South Africa has called for a meeting of all independent unions with predominantly black membership, including those which have opted for Government registration.

Mwasa hopes that the meeting will lead to the formation of an umbrella body, encompassing the entire independent union movement and it has called on the Azanian People's Organisation (Azapo) to convene the meeting.

It was not clear yesterday how Azapo and the unions would respond to the call.

Mwasa supports the black consciousness philosophy and it is seen as significant that it hopes to see non-racial, although predominantly black, unions at the meeting.

The move, which has been prompted by a decision taken by the Mwasa conference at the weekend, has been prompted by a belief that predominantly black unions need to exchange ideas and isolate points of agreement, whatever their differences.

The unity move is a sign of growing interest in trade unionism among the black consciousness movement, which has said that it sees black workers as the key force for change in the country.

At the same time, Chief Gatsha Buthelezi's Inkatha has also shown an interest in the growing trade union movement.

Mwasa sources stress, however, that unions who agree to participate in the move would not have to subscribe to the black consciousness philosophy.

Union spokesmen could not be reached for comment yesterday. However, it is understood that informal talks between the unions, aimed at hammering out a common stance on issues like registration, have been under way for some time.

At the same time, many predominantly black unions have been wary of being identified with political organisations because they fear this would split their membership, who have divergent political views.

This could be a factor if Azapo decides to host the meeting, which it could well decide to do. At an Azapo symposium on black consciousness recently, speakers argued that black workers could not be rejected by the organisation because they belonged to unions which did not subscribe to black consciousness.

There are two levels at which economic analysis can be applied - to tactical problems and to longer terms strategic issues. It is at the tactical level that studies have been conducted previously in South Africa although not in large numbers. (3) Ferster has suggested that it is at this tactical level that economic analysis can be most

Black news workers launch new union

C. Herald 6/6/81 1249 195 2443

THE first trade union for black media, printing and allied workers was formally launched at the inaugural congress of the Media Workers' Association of South Africa (Mwasa) held at Wilgespruit, Johannesburg, at the weekend.

This follows last year's decision by the journalists-only Writers' Association of South Africa (Wasa) to broaden the organisation to become a union.

At the end of the four-day congress, delegates from all over South Africa gave power salutes and sang Senzeni na (What have we done) as a tribute to Mwasa members who have been 'victims of state harassment' over the past few years.

BANNED

Five prominent members of Mwasa were banned at the end of last year after a national strike. They are Marimuthu Subramoney, Mathatha Tsedu, Phil Mtimkulu, Joe Thloloe and national president Zwelakhe Sisulu.

The new national president of Mwasa, Mr Charles Nqakula, said he would not have stood for election if Mr Sisulu had not been banned.

'I see myself as having been elected to a caretaker position because our banned colleagues always will be part and parcel of the organisation,' he said.

Mwasa declared solidarity and support for all striking and dismissed workers throughout the country and for the boycott of all products of the Wilson Rowntree sweet factory in East London where 500 workers were dismissed.

RESOLUTION

Mwasa said in a resolution that the Republic Festival was 'a celebration of our people's subjugation.'

The organisation noted 'with contempt' statements by Government ministers that blacks who did not celebrate the Republic festival were unpatriotic.

Speakers at the congress included Bishop Desmond Tutu, general secretary of the South African Council of Churches, The Rev Buti Thlagale, a member of the Black Priests solidarity group, and Mr Khela Mthembu, the president of the Azanian People's Organisation.

UNIVERSITY OF CAPE TOWN

ANSWER BOO

ARGUS (195)

Broadening the base

FM 12/6/81

Activities: *Newspaper publisher. Also owns 51% of CNA, 39% of Saan, 49,3% of Hortors and 30% of Caxton. Major shareholders are JCI (including its pension funds) (24,5%) and Argus (16,5%) pension and provident funds.*
Chairman: *L E A Slater; managing director: H W Miller.*
Capital structure: *1,4m ordinaries of R2. Market capitalisation: R34,4m.*
Financial: *Year to February 28 1981. Borrowings: long- and medium-term, R12,3m; net short-term, R2,5m. Debt:equity ratio: 33,2%. Current ratio: 1,4. Group cash flow: R16,7m. Capital commitments: R52,2m.*
Share market: *Price: 2 450c (1980-81: high, 2 550c; low, 1 600c; trading volume last quarter, 10 000 shares). Yields: 29,5% on earnings; 9,2% on dividend. Cover: 3,2. PE ratio: 3,4.*

	'78	'79	'80	'81
Return on cap %	15,3	20,3	17,9	22,4
Turnover (Rm)	139	147	171	208
Pre-tax profit (Rm)	8,7	13,5	13,0	21,7
Gross margin %	8,2	10,7	8,6	11,3
Earnings (c)	298	484	484	723
Dividends (c)	125	130	150	225
Net asset value (c)	3190	3637	4226	4676

The Argus group could be in for some interesting structural changes in the near future. After building up its investment in Hortors from an initial 25% at the beginning of last year to 49.3% now, through open market purchases, it is a foregone conclusion that this accumulation of shares will continue and that Hortors will become a subsidiary.

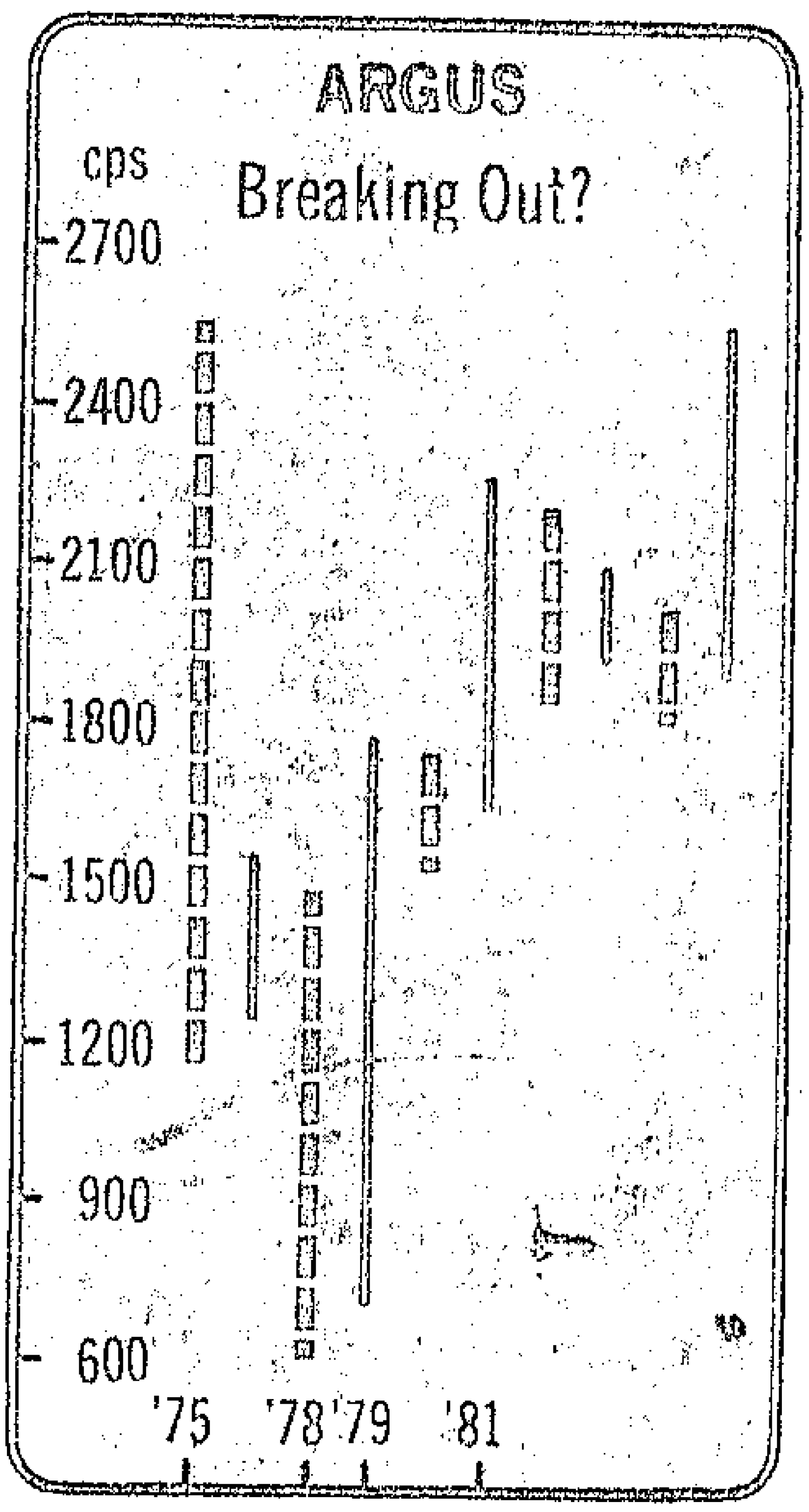
This is the same method Argus used when it acquired control of CNA in 1976.

Based on Hortors' present issued capital of just over 6m shares, the group would have to buy only another 50 000 or so shares — an additional investment of R82 500 — to achieve this goal. And because purchases would be made through the market, there would be no need to extend an offer to minorities.

By acquiring Hortors, Argus would also get Trio-Rand which, after merging its printing interests with those of Hortors, will be a 50.4% Hortors subsidiary.

Together, the two companies would add more than R40m (30%) to the present total asset base of the group.

More importantly, however, the newcomers should also enhance Argus's profit ability. Hortors, for example, showed a 28% net return on shareholders' funds in the year to end-December, while the same ratio for Trio-Rand in the year to June 30 1980 was 39% — both significantly higher than the 15.6% returned by Argus last year. And this still disregards any benefits of the Hortors Trio-Rand merger, as well as the latter company's six-fold interim profit surge.



The significance here is that Argus is in the midst of a R50m capex programme, which will probably involve a further increase in borrowings over and above the R11.4m added to outside finance last year. Existing profitability is not particularly strong, and chairman Layton Slater comments in his annual review that, to safeguard the interests of both shareholders and employees, it is essential that future profitability at least be maintained.

Given that the newspaper industry is known for its low returns, the obvious way to achieve this is to continue the diversification programme which started with the acquisition of CNA.

There is also the possibility that Caxton will be another target in time. Argus already owns 30% of this company and the two have a number of partnership ventures, including acquisition of two regional papers in Natal, and *Pace*, *Style* and *Top Twenty* magazines.

Despite last year's increase in borrowings, the balance sheet remains sound. The debt:equity ratio remains on the low side at 33.2% and this, coupled with a gross profit cover of over seven on interest/leasing charges, would indicate further gearing capacity.

It should be noted, however, that 1981's additional borrowings, mainly occasioned by pre-payment on plant and equipment ordered, were apparently brought to account late in the year. This is indicated by the fact that interest charges were hardly affected, and that the average interest rate for the year was very low at 6.8% (11.3%). A more realistic interest cover might therefore be around five.

Liquidity was somewhat tighter, with a drop in the current ratio from 1.6 to 1.4. But as cash resources increased by over R9m, this is of little significance.

Slater expects further profit growth this year, although probably not at the rate achieved last year, when earnings (after *FM* adjustment) rose 49%. Despite this improvement, however, return on equity, at 15.6%, is unsatisfactory and does not compare favourably with the very much less diversified Saan group, which returned over 20% for the year to end-December.

The share has hardly budged since the prelim and, at 2 450c, is trading at an historic yield of 9.2%. This is higher than the prospective yield of many industrial companies and this, coupled with the changes which can be expected within the next year or so, could well see the price move to new heights.

Brian Thompson

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which pencil may also be used.

3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

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

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

Made in South Africa TRIO-RAND/S.P.C.T. PSL/UPD 100 000 1978 PD UCT AM7a Vervaardig in Suid-Afrika

NEW MAN IN 'THE HOT SEAT'

C. Herald 13/6/81

139

243

195

By Matthew Moonieya

NO apology need be made for the use of the cliché 'a man of many parts' when it is applied to Charles Nqakula.

The new man in the hot seat of the Media Workers' Association of South Africa is as much at home in the bright lights of Johannesburg as he is at his humble wood and iron shack at Mount Coke near King William's Town, where he runs a generator which supplies the electricity for the two loves of his life: reading and music.

Music-lover, sports-lover and political analyst, with an incisive perception, are all the ingredients which make Nqakula a journalist to the bone.

Cradock-born Nqakula entered the profession in 1966 on a Cradock weekly before moving to Imvo in King William's Town.

He is now a senior journalist in the King William's Town Bureau of the Daily Dispatch. He covers a wide field from Ciskei politics to sport and entertainment.

Ebullient, unassuming, Nqakul laughs easily, gyrates uninhibitedly as soon as his ear picks up a tune, waxes lyrical on poetry and adopts a cold, calm and deep perception at the sound of the phrase 'liberation struggle.'

'I see the struggle's main fronts, at moment, in the labour and sports fields.

'In sport I naturally back Sacos says Nqakula, one of the most knowledgeable black boxing writers in the country, who himself indulged in the sport in his youth in Cradock.

'I was once deeply involved in sport administration too and rose to be secretary of the South African African Rugby Board. That was, of course, before we saw the sport as a weapon in the struggle.'

But it is mainly to the worker Nqakula will address himself in his new role.

'No worker, in his right mind can want to stay out of a trade union because he believes that the union is politically motivated.

POLITICAL

'The fight for one's rights, either at the workplace or in the community, within the context of the South African situation, must be pervaded by a political atmosphere.

'The white media criticised our strike last year because we did not conduct it in terms of standard procedure.

'The procedure is pr scribed in the white la book. I say we now hav our own law book, whic the white community ha to be conversant with t be able to deal with th black effort.

'The striking Fireston workers are using this nev rule book which has th stipulation: "If you injur one of us, you injure al of us in our trade".'

Nqakula also has hi own views on the pace o change and white contri butions to the 'liberatio struggle.'

'Firstly, I do not agre that time is running ou for meaningful change. It has run out already and what the Government must do now is to negotiate a new democratic regime based on complete equalitarianism.

Nqakula rejects the argument about his organisation being racist by barring whites.

'I mean only people who lack insight will argue like that. Well disposed, thinking whites understand.

'Look at Zimbabwe today. White and black are joined together in the period of reconstruction.

'The same will happen in a democratic Azania.'

11 fired after mourning

ELEVEN workers, the entire black work-force at the Standard Press in Johannesburg, were yesterday dismissed for not reporting to work on Tuesday as a result of a stay-away call to mark the June 16, 1976 upheavals.

A spokesman for the dismissed workers, seven men and four women, said, "Last week pamphlets were distributed in the townships calling on people not to go to work on Tuesday. One of these pamphlets was given to our manager by an employee.

"On Tuesday we all stayed at home and came to work yesterday," he said.

The spokesman said that when they reported for duty yesterday they were given one weeks' notice. They were fired for having stayed away on Tuesday.

When they told the manager why they had not reported for work and reminded him of the pamphlets they had earlier given him, he only told them that they were fired.

Mr Tino Cianfanelli, manager at Standard Press, confirmed the dismissals and said, "I have not fired these people for political reasons, but when I phoned other companies on Tuesday they told me that all their staff were in.

"If they had told me that they had to stay at home I would have let them do so. I was amazed when they did not come to work," he said.

Mr Gianfanelli refused to have his picture taken saying he did not want to be famous.

Star 24/6/81

Hortors and Trio-Rand merge

(223) (195)

The printing, packaging and graphics interests of Hortors are to be merged with Trio-Rand (SA) which will result in Trio-Rand being controlled by the present shareholders of Hortors, with retrospective effect to January 1.

A circular to shareholders, issued yesterday, states that at present the printing, packaging and graphics activities of Hortors operate as divisions and not as subsidiaries of the company.

To facilitate the implementation of the merger and to reduce costs, a new holding company is to be formed to acquire the shares in Hortors in consideration for the issue of an equal number of shares in the new holding company.

The new holding company will be identical to Hortors and the present shareholders of Hortors will hold exactly the same number of shares in the new holding company as they now hold in Hortors.

The formation of the new holding company will not affect the shareholders of Hortors in any way.

After the new holding company has been formed, certain assets of Hortors which are unrelated to printing, packaging and graphics will be transferred to the new holding company.

It will also assume certain of Hortors present liabilities. Hortors will then be engaged solely in printing, packaging and graphics.

The directors of Hortors and Trio-Rand do not expect that the merger will have an immediate impact on the earnings of dividend distributions of the new holding company of Hortors or Trio-Rand.

However, they believe that, in the longer term, efficiences resulting from the rationalisation of the operations of Hortors and Trio-Rand, which will stem particularly from the more productive use of existing resources, will yield substantial benefits to the enlarged Hortors-Trio-Rand group. — Sapa.

QUANTITY SURVEYING
(Continued)

Bell-John Prize
For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes
For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

t student in the
g Construction.

URBAN & REGIONAL PLANNING

ward
o has shown
t the end

Firm hit by fourth strike

RDM 9/7/81

Labour Reporter

A SMALL Cape Town company, H Blackman, which manufactures concrete products, was hit by a strike yesterday — its third in six months and the fourth in a year, union sources said.

A spokesman for the General Workers Union said all 65 workers walked out over the dismissal of a colleague and claimed workers were "angered" by the firm's decision to "call in Department of Manpower Utilisation officials instead of dealing with worker representatives".

Management spokesmen could not be contacted yesterday. The Rand Daily Mail was told they would only be available this morning.

According to the union, which says it represents H Blackman workers, the firm was unwilling to discuss the dismissal with a worker committee elected under union auspices, or with union officials.

The spokesman claimed the firm had called in the department during each stoppage, increasing workers' anger.

Mondi to build pulp mill

NM 17/7/81 195

Financial Editor

MONDI is to build a 'large' bleached kraft pulp mill at Richards Bay and it is negotiating with the Town Board to buy a site.

The land purchase was confirmed yesterday by Mr J F. Truter, the Town Clerk, who said that the board would keep it confidential until Mondi announced its plans.

Mr Harry Oppenheimer, chairman of Anglo American, disclosed in an unpublished part of his chairman's report yesterday that Mondi was going ahead.

Yesterday, Anglo American would not add to Mr Oppenheimer's statement and said that further details would be disclosed soon.

The mill could cost upwards of R300-million and would probably involve building the controversial R34-million effluent pipeline.

It would use the 'kraft' chemical process that recycles most of the chemicals and avoids the production of large volumes of effluent.

Mr Oppenheimer said in his statement that 'the company is negotiating the acquisition of a site at Richards Bay, where it intends to establish a large mill for the production of bleached kraft pulp.

The planning of this development will provide for expansion, the rate of which will be determined by the availability of timber and local and international market opportunities'.

Black media workers president is banned

STAR 1/8/84

(195)

The president of the Media Workers Association of SA (Mwasa), Mr Charles Nqakula, was yesterday served with a three-year banning order and placed under house arrest by the Security Police.

And the ban on Mrs Albertina Sisulu expired yesterday while that of Mrs Fatima Meer was extended for five years.

Mr Nqakula, a senior reporter on East London's Daily Dispatch, was elected first president of Mwasa on June 1.

His banning means that six executive members of the organisation have been banned since the beginning of this year.

Altogether 13 black journalists have been banned, two are in detention and several are in exile.

According to a statement released by the national executive of Mwasa, the banning has been described as "an act of cowardice by the Pretoria regime."

Mr Nquakula is a founder member of the banned Union of Black Journalists. He was that organisation's vice-president until 1977 when the Writers' Association of SA was established.

Mrs Sisulu is the wife of African National Congress leader and Robben Island prisoner Mr Walter Sisulu.

Action condemned

KING WILLIAM'S TOWN — The national executive of the Media Workers' Association of South Africa, the Border branch of the organisation and the Progressive Federal Party's spokesman on the media, Mr David Dalling, yesterday condemned the banning of Mr Charles Nqakula, acting president of Mwasa.

In a statement Mwasa's national executive said the "cowardly and vicious Pretoria regime has once again demonstrated its utter contempt for justice and the rule of law by banning another leader of the black media workers".

"Thirteen of our members are now under banning orders, two are in jail, two are being detained without trial and several have been forced into exile.

"The disgraceful banning of Mr Nqakula adds to the long list of repressive action against our organisation and our people. Mr Nqakula epitomised the spirit of Mwasa, being a true son of the soil who has endured continual attention at the hands of the authorities in his courageous fight against the racists."

The executive said it pledged its solidarity with Mr Nqakula "and all other victims of the vicious regime".

"We must emphasise that this latest action by an obviously panicky clique will not deter us from our fight for the liberation of our people and for true justice.

"In fact, the banning will serve to strengthen our resolve against racism and the oppression and exploitation of our people," the statement read.

A statement issued by the Border branch of Mwasa said: "We note with extreme horror the callous action taken against our colleague.

"A law which entitles authorities to take such drastic action on a man who is head of a family and has dependants has no place in a democracy."

The Border branch said it had been stated "ad nauseum" that people who were banned should be brought to court.

"If the natural course of justice is circumvented we can only conclude that a banned victim is innocent.

"Such is the feeling about our colleague whom we admire and respect," the statement said.

Mr Dalling said the banning of Mr Nqakula showed the country was "sliding into violent confrontation."

"Banning orders and detentions without trials are acts of violence against individuals and will promote further violence by individuals."

Mr Dalling also accused the government, "in its desperation to maintain control," of trying to intimidate and neutralise the democratic press. The banning was evidence of two stark tragedies being played on the South African scene, he said.

The one tragedy was the attempt to intimidate the press, and the other was that the Nationalist government had thrown overboard the democratic process by using weapons of oppression in the face of the growing opposition to government bigotry and lack of reform, Mr Dalling said.

"Mr P. W. Botha and his Minister of Justice are shown to be incompetent in the face of pressure and know only the tactics of the jackboot.

"This latest banning will augur yet further more bitterness, stronger opposition and, no doubt, more desperate measures by an embittered National Party," he said.

The Editor of the Daily Dispatch, Mr George Farr, said last night he knew of no reason why Mr Nqakula should now be prevented from working as a journalist.

"He is a good reporter whose services were valued by my newspaper.

"I was, in fact, disappointed when he wrote me a letter of resignation two days ago — presumably having decided to take up another appointment.

"His resignation was accepted with regret." — DDR

Mwasa president banned

195

DD 1/8/81

KING WILLIAM'S TOWN — The acting president of the Media Workers' Association of South Africa, Mr Charles Nqakula, was served with a two and a half year restriction order here yesterday.

Two members of the local security police, Captain J. Nel and Mr Conrad Williams, served the notice under Sections 9 (1) and 10 (1) (a) of the Internal Security Act on Mr Nqakula at the security police offices after they had fetched him from the Daily Dispatch offices here, where he has worked as a reporter covering Ciskei affairs.

The order restricts Mr Nqakula to the magisterial districts of Zwelitsha and King William's Town until December 31, 1983.

Mr Nqakula was elected acting president of Mwasa in June this year after the previous acting president, Mr Phil Mtimkulu, was banned only two weeks after he had been elected to replace Mr Zwelakhe Sisulu, who was banned late last year.

Under Section 10 Mr Nqakula is prevented from leaving his home at Mount Coke on Saturdays, Sundays, public holidays and between 7 pm and 6 am each day.

He is also banned from entering land belonging to the South African Development Trust, any compound, any area set aside for the occupation of coloured or Indian peoples, or any township except Zwelitsha.

Mr Nqakula may also not enter any factory, any educational institution, or any building where a publication is being prepared or published.

He is banned from preparing, compiling, printing, publishing, disseminating or transmitting any material designed for publication. He may not assist in the preparation of any material designed for publication either.

This effectively interrupts his career in journalism which began on a Cradock newspaper nearly 15 years ago.

He is prohibited from entering any premises of a Supreme Court or any court which falls under the Magistrates' Court Act except if he is applying to a magistrate for an exception to any prohibition enforced against him, or if he has to attend either criminal or civil court proceedings.

Mr Nqakula may not give educational instruction to anyone except his own children and may receive only a medical practitioner for medical attendance and his father-in-law, Mr Edmund Sixaba, at his home.

He may not attend any gathering which may be deemed to endanger the security of the state or any social gathering where the persons present have social intercourse with each other.

He may not address a gathering of students or pupils or a political gathering where any form of state or any principle or policy of the government is propagated, defended, attacked criticised or discussed.

Mr Nqakula resigned from the Daily Dispatch two days before the restriction order was served on him. It is believed he had intended taking up a new appointment in September.—DDR

UGUST 2, 1981

...a chief's ban will be invalid when Ciskei gets independence

1 243 328 439 195 166

..."It is quite clear ... when the Ciskei ...nes independent the ...ng order will lose its ...ty.

...e have precedents of ... when Transkei ...e independent in ...I cannot recall names ...nd but I think ad-vocate Fikile Bam was one such case. He had been banned to the Transkei district before independence.

"Constitutionally this is correct. The ban will definitely fall away and can only be reimposed by the Ciskei government. It will then have to issue a new banning order."

Chief Minister of the Ciskei, Lennox Sebe, has reacted angrily to the banning. He said he was not prepared to leave matters there.

Chief Sebe said he had not been consulted about a matter affecting a Ciskeian.

Mr Nqakula, acting head of the Media Workers' Association of South Africa was served with a 2½-year banning order this week.

Asked what would happen about such a ban when Ciskei becomes independent on December 4, Chief Sebe said: "I can assure you we won't leave such talent dormant: they have banned a brilliant and fair-minded journalist and I am not prepared to leave matters there.

"Nqakula reported truthfully and fairly. This was especially true during the Biko affair and the 1976 riots, which of course no black man condoned.

"He contributed to that situation by reporting correcty and factually with balanced views."

Nqakula was elected acting president of Mwasa in June after acting president, Phil Mtimkulu was banned. He was served with thet order under Sections 9 (1) and 10 (1) (A) of the Internal Security Act when he was taken from his office in King Willam's Town by two members of the security police.

The order restricts him to the magisterial districts of King William's Town and Zwelitsha until December 31, 1985. It also puts an end to his journalistic career, which began on a Cradock newspaper nearly 15 years ago.

Charles Nqakula is the third head of Mwasa to be banned in the past eight months. Zwelakhe Sisulu was banned late last year and is in detention under security legislation.

Phil Mtimkulu was banned January, only weeks after he had been elected acting president.

Other members of Mwasa who have been banned are Joe Thloloe, Marimuthu Subramoney and Mathata Tsakudu.

• There was hope and despair yesterday in the two households of the Governments political opponents.

In the Orlando West, Soweto home of Alberthina Sisulu, wife of Robben Island political prisoner, and ANC leader Walter Sisulu, there was a ray of hope when Mrs Sisulu's fourth banning expired without renewal.

"Its the first time I am free after 17 years and I will be visiting my husband on Robben Island on Christmas and New Year Day. But I would have been a happier day if my son Zwelakhe was released from detention to share this moment with us, the 63-year-old nursing sister said.

And there was deapair at the Burnwood Road, Clare Estate home of Durban sociologist, Fatima Meer who has been banned for the second time for five years.

Her daughter, Shamim Marie, wife of the banned Bobby Marie, said:

"It is a blow to us which means five more years of restriction and police harassment for my mother.

One of the 24 people whose banning orders were lifted is a veteran Transvaal Congress figure, Amina Suliman Nagdee Desai of Lenasia.

Statjob Manuals
Statjob CROSTAB2 Manual
Hardware/Software Summary Chapter 1
CTS Summary
Introduction to CTS
CTS Programmer Reference
STN Quick Reference
IBM Flowchart Template
UNIVAC Flowchart Template
BMDP (selected chapters)
DRIVER Manual
Modelling with DRIVER

@@@@@@@

GRIPES

During the six months 7th February to 6th August
Analysis of these gripes shows that once again "te
top scorer. About one quarter of gripes fell unde
fifth was about other malfunctions (Open Shop,
Another fifth was about batching of printouts, an
receiving continuous attention.

The remainder of the gripes were about a wide va
wants a clock in the User Area. We did have one
Another user objected to a class booking of the
This objection cannot be considered seriously as t
facility primarily for use by classes. Another
SMOKING rule in the STN was not being observed. U
the manpower to police the STN all the time.
circumstances it is up to the users to police it
individual bookings of STN terminals.)

Another user complained about the fact that printou
(e.g. by the RESUME,P command) enjoy priority in th
printouts generated by batch runs even though
shorter. Batch-generated printouts can stay in the
busy times because the demand-generated printout
priorities are controlled by the operating syste
considered but are not imminent. However the
improve markedly as a result of the installation of
printer in the STN on 13th August.

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PDD 3/8/81 ~~205~~ ~~184~~ 195 ~~228~~ ~~243~~

Sebe condemns Nqakula banning

EAST LONDON — The Chief Minister of the Ciskei, Chief Lennox Sebe, has reacted sharply to the two and a half year banning order served on Daily Dispatch reporter Mr Charles Nqakula.

Mr Nqakula, acting head of the Media Workers' Association of South Africa (Mwasa) was served with a banning order on Friday restricting him to the magisterial district of King William's Town and Zwelitsha.

Chief Sebe said: "Mr Nqakula is a Ciskeian and we were not consulted. I am not prepared to leave matters there."

Asked for his view on the director of the Centre for Legal Aid Studies, Professor John Dugard's opinion that the ban would become invalid when Ciskei became independent, Chief Sebe said: "I don't want to comment on that now but I can assure you we will not leave such brilliant talent lying dormant in an independent Ciskei."

Prof Dugard said at the weekend there was a precedent in Transkei with bans losing their validity at independence.

"I am not sure about names but I have a feeling that Advocate Fikile Bam was a case in point. He was banned to some district in Transkei and the ban became invalid at independence.

"It can be reimposed, but only of course if the Ciskei issues a new banning order," Prof Dugard said.

Chief Sebe said: "Mr Nqakula has contributed to the Ciskei through his excellent, responsible and balanced reporting.

"His handling of the Biko affair and the 1976 riots — which of course no black man condones — showed this clearly. His ability was also shown by his reporting of the Quail Commission. His reports went further than Jan Smuts Airport and resulted in several inquiries from overseas."

Hitting at the ban which has interrupted Mr Nqakula's work as a journalist, Chief Sebe said: "You don't do this to people like Nqakula whom you can reason with. He has his own opinions and is a good strategist. You rather talk to people like that.

"What many people don't know is that we are sitting on a tinder box as far as labour relations are concerned. We cannot ignore the fact that organisations such as the South African Allied Workers' Union have gained momentum here.

"Even in this field Mr Nqakula was balanced and factual in his reporting and it is ironical that just after he had tendered his resignation to his newspaper, such action should be taken against him.

"This ban is a real pity. We acknowledge Mr Nqakula's contribution during this exciting and challenging time of our history before independence. We certainly won't leave matters there," Chief Sebe said.

The president of the South African Society of Journalists, Mr John Allen, said the banning could be viewed as government recognition of Mwasa's strength reports Sapa.

He said that for the third time in eight months the government had banned a Mwasa president.

"What does the government think it is doing? by becoming the head of Mwasa, Mr Nqakula has apparently automatically qualified himself for a banning order". — DDR.

DD 5/8/81

195

Nqakula: man of conviction

By LESLIE XINWA, Daily Dispatch staff reporter.

There are many tragic tones in the banning of Charles Nqakula but I believe the worst is the sad loss of such a capable man to journalism.

In a profession bugged by many controls, Charles had stood out as a shining example among his colleagues for his professional ability in separating self convictions from professional practice.

His success in the Ciskei is but one of many proofs that the man put his professional duties above self interest.

The average black journalist knows only too well that writing about homelands in South Africa at present is like walking a minefield.

Problem No.1 is that in Africa rulers do not take kindly to any reports that show the men at the head of affairs in an unpleasant light.

The second is that black journalists are in the firing line of what many do not realise to be a growing problem — the fact that in South Africa there are two divergent views, one black and one white.

Compounding this problem is the fact that these views seem to be moving further apart.

What is fact to black in his ghetto might be regarded as fiction to whites. The unfortunate aspect of it all is that this permeates newspaper columns in a manner the less informed may find hard to believe.

Charles Nqakula's success in his decade of

Charles Nqakula packs his belongings at the Daily Dispatch office, King William's Town, after being served with a two-and-a-half-year restriction order.

journalism in the Ciskei shows more than average merit when one considers these obstacles. A lesser man would have been got rid of long ago.

What made him successful? I believe the answer lies in the man's personality.

Charles is a strange mixture of hard work and an uncanny desire to enjoy life to its fullest. Tied close to this is a calculating mind which cuts out subjective analysis of facts even to the extent of doubting his personal stand.

But when you get down to him you will find he stands out as a man of conviction whose incisive mind cuts out all dubiousness about what he believes in.

It is hard to describe where he was most successful in the many fields in which he was involved.

In rugby administration he rose to be the national secretary of the South African African Rugby Board and I cannot recall a time when we journalists had a better working understanding with the top administrative official of this now defunct body.

As a writer — something many will know covers a field wider than most journalists' — Charles could sit over-night to produce several short stories or even a short novel.

Sometimes information was gleaned from minor conversations he had in the field of journalism. More will be known about his work when writing in South Africa gets out of the strictures of our divided society.

It's hard to put a finger on what his main hobbies are. For a man whose outlook on life is one of full enjoyment, having a special interest is just not part of his make-up.

But his love for music — from pop to classics — and reading stands out above all others.

Charles lives in Mount Coke and for many years he has not been able to find accommodation in Zwelitsha in spite of efforts to assist, even from the Ciskei Government.

Once he was offered a flat in Zwelitsha but he preferred his Mount Coke wood and iron shack where he has a generator which supplies electricity — and I suspect the main reason for this is that he should have the best contraptions for his music and light for reading.

In spite of everything, the Ciskei Government would certainly want Charles unbanned because he had come to be the man they could turn to at any moment.

There were times when he was called to the Chief Minister's office late at night and one of the reasons for efforts to get him accommodation in Zwelitsha was that it was costly to send a driver to Mount Coke every time there was an urgent report government wanted to get to the press.

But Charles' other achievement was his involvement in journalist organisations — something that obviously earned him the banning order.

It all happened by chance. When Joe Thloloe was detained during his term as national president of the now banned Union of Black Journalists, Charles as vice president, had to fill in.

I remember one night in September, 1977, when we booked into a Durban hotel for the national congress of UBJ.

We spent a good part of the night moaning about the conditions we found ourselves in after paying a fair amount for our accommodation.

But in between Charles was preparing his presidential addresss for the next day. And what an address it was! From that day I thought some of our colleagues from up north realised the Cape could produce some leadership.

He fell into a similar position when the president of the Media Workers Association, Zwelakhe Sisulu, was banned last year.

Which brings one to another point about the order served on Charles and restricting him until December, 1983.

It is unusual that orders are not made to run for two, three or five years and the fact that his runs for two years five months is an indication that the decision to ban him was taken last year — at the same time as other leaders of Mwasa were banned. Somehow it was held over until last week.

And the fact that a highly-placed Ciskei Government politician told me last December he had asked the South African security police to lay off Charles, leads me to this deduction.

It's sad that Charles is cut off from writing but there is always the consolation that great minds cannot be destroyed this way.

DD 6/8/81

I'm attending to ban on Nqakula says Sebe

KING WILLIAM'S TOWN — The banning of the Ciskei-based acting president of the Media Workers Association of SA, Mr Charles Nqakula, is receiving the attention of the Ciskei's Chief Minister, Chief Lennox Sebe.

Mr Nqakula, a Daily Dispatch reporter, was served with a two and a half year banning order by two members of the local security police last week. Chief Sebe said he might discuss the banning with the Minister of Justice, Mr H. J. Coetsee. He also indicated that the order would not be reimposed when the Ciskei attained independence on December 4.

The banning of Mr Nqakula without consultation with the Ciskei was "a slap in the face" for the Ciskei nation.

"It would have been just ordinary courtesy to inform our men but they did not know anything about it," Chief Sebe said.

"The Ciskei nation feels that if the Republican government felt it necessary to take such drastic steps against this man something serious must be happening.

"This would affect the Ciskei as well as South Africa. We would be the first to suffer. Yet our intelligence knew nothing of this and were not informed.

"I will raise the matter with higher authorities in no uncertain terms. Nobody who is decent can let this go."

Brigadier Charles Sebe, head of the Ciskei Central Intelligence Services, said the Ciskei would have no alternative but to lift the ban.

"If this man is dangerous we are not aware of his danger. If liaison between the Ciskei and S uth African security forces had been professional and we had been told of the reason for the banning, we would be aware of his dangers.

"The Ciskei will have no alternative but to lift the ban after independence," Brig Sebe said. — DDR.

Editorial opinion, page 10.

Union talks prove to be fruitful

Star 6/8/81

Labour Reporter

The Allied Publishing Company yesterday signed a recognition agreement with the Commercial, Catering and Allied Workers' Union (CCAWUSA) after almost six months of talks.

The agreement includes grievance and negotiation procedures between management and the union.

Negotiations will be held at plant level and shop stewards will be allowed time off at full pay for union duties.

The agreement applies to all Allied Publishing Company offices in the Transvaal and the Free State.

CCAWUSA took part in this year's wage talks although the agreement had not been finalised. Wage increases of up to 33 percent were given to some workers.

Mwasa is recognised

Labour Reporter

THE managements of South African Associated Newspapers and the Argus Printing and Publishing company have agreed to formally recognise the Media Workers' Association of South Africa.

Mwasa, whose members last year were involved in a strike, represents black journalists and other media workers.

The agreement provides for bargaining on wages and an "affirmative action" programme dealing with black advancement issues.

CHAPTER EIGHT SAMPLING

In this chapter we shall outline some important points in connection with sample surveys and look at the basic theory behind some sampling techniques. These are relevant to any kind of information gathering, whether it be through a scientific experiment, opinion poll or market research. We shall first look at a number of different sampling techniques and then consider other equally important aspects of survey sampling

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CT 7/8/81 (151) (242) (159) (124)

Saan, Argus recognize union

Own Correspondent

JOHANNESBURG. — The managements of South African Associated Newspapers and the Argus Printing and Publishing Company — which publish almost all English-language newspapers — have agreed to formally recognize the Media Workers' Association of South Africa.

Mwasa, whose members were involved in a strike at Argus and Saan newspapers last year, represents black journalists and other media workers.

Recognition negotiations began after Mwasa called off the strike late last year.

The agreement provides for bargaining on wages, and an "affirmative action" programme, dealing with black advancement issues, will be negotiated between the parties.

A joint statement by the two managements and Mwasa issued yesterday says that a formal recognition agreement has been signed.

The statement says this is the first in a three-part agreement and that negotiations will continue on a grievance procedure and an affirmative action programme. Wage and salary negotiations will take place on August 20.

"In terms of the agreement, management recognizes Mwasa as the sole representative and bargaining agent for all its members in the employ of management," the statement says.

This would apply in all cases "except where there are legal restraints to such sole representation and bargaining, in which case management will merely recognize Mwasa as a representative and bargaining agent for such members".

In an additional statement issued last night Mwasa said it was satisfied with the agreement but said it would challenge the "legality and morality" of a closed shop agreement negotiated by the South African Typographical Union which meant that workers in certain work categories had to belong to Satu.

Mwasa said it had "strong reservations" about this agreement because it believed that "black media workers must be allowed free choice in as far as trade union membership is concerned".

It said it hoped to negotiate similar agreements with newspapers not owned by Saan or Argus.

"The agreement signifies a triumph for black media workers after a ten-year battle for recognition starting with the Union of Black Journalists.

"However, we note that black media workers have suffered many casualties along the way, with 13 of our members banned and others forced into exile", Mwasa said.

"We see this agreement as a culmination of the tremendous sacrifices they have made on behalf of black workers in general and media workers in particular," it added.

HLH in timber deal with Mondi

NM 7/8/81

195 232 42

Financial Editor

HUNT, Leuchars & Hepburn is to sell 49 percent of its R100m-a-year timber division to Mondi, S A's second biggest paper maker. It will be one of the major steps in assuring a timber supply for the R520m Mondi pulp mill at Richards Bay.

In the first move towards a timber partnership between giants, Mondi is to acquire 10 percent of HLH Timber on September 1 and another 39 percent over the next three years.

No price has been disclosed but timber industry sources speculate that the initial 10 percent will have been priced at about R11m, which would put a price tag of roughly R55m on the deal.

HLH's timber division expects sales of R100m this year, while the annual report effectively forecasts a gross profit of about R14m for its timber division.

Mr Chris Perry, managing director of HLH, said the deal held substantial benefits for both parties.

Mondi is 63 percent owned by Anglo American Industrial Corporation, so the deal gives HLH's mining timber division improved marketing access to Anglo mines.

Resources

It also gives HLH access to greater timber resources, which, Mr Perry said, would benefit all mining timber customers.

It would also enable whole tree utilisation and increase volumes, therefore reducing unit costs, at HLH's depots.

In the past, the mining timber division often discarded offcuts and the top third of trees. These can now be used in pulpmaking.

Another benefit for HLH is that cash received over the next three years will reduce debt at a time of soaring interest rates.

The main benefits for Mondi, which is to spend over R500m building a new pulp and paper mill, will be access to HLH's pulp timber as well as its expertise in hardwood exploitation.

Sawmills

HLH recently sold Jessievale sawmills, its only softwood operation, to Mondi. Now HLH is to concentrate purely on growing, sawing and distributing hardwood, which is used mainly in mining and pulp.

It seems likely it will acquire certain Mondi or Amic hardwood sawmills and plantations, so that Mondi will no longer be involved in hardwood.

The reason for specialisation is that hardwoods and softwoods are distinct industries. Hardwoods, mainly wattle and gum, have a growing cycle of only eight years, while softwoods, mainly pine, have an 27-year cycle.

The two types of timber go to different markets — hardwoods to mines and paper makers and softwoods to the building industry. But the Mondi mill is being designed, with its sawmills, to handle both.

Mr Perry said the deal would be effective for only six months of the current financial year, so would have little effect on HLH's earnings this year.

Earnings

But next year he expected earnings to benefit. Mr Perry said there would be a capital profit in the transaction for HLH.

To facilitate its plan, HLH will restructure its timber division through formation of a new divisional holding company, to be known as HL & H Timber Holdings, in which Mondi will eventually hold 49 percent.

Management of the company stays with HLH, with Mr Chris Perry as chairman, and Mr Neil Morris, as managing director.

Other HLH representatives on the board will be Messrs N Hancock, A Hepburn and G S Crossman, while Mondi's men on the board will be Mr Chris Griffith, Mondi chairman, and Mr R K Donner, Mondi managing director.

Asked it the present deal did not presage a bid by Anglo American Industrial Corporation for all of HLH — which nearly merged with Blue Circle last year — Mr Perry said this was a question for the major shareholders.

He thought they were set on independence for HLH for the foreseeable future.

SW 19/5/81

195 D43

Mwasa gets recognition

The managements of South Africa's two largest English language newspaper groups yesterday officially recognised the black writers' association, the Media Workers' Association of South Africa.

Mwasa and the management of the Argus Company and SAAN issued a joint statement that the companies recognised Mwasa as the "sole representative and bargaining agent for all its members."

Wage and salary negotiations will begin on August 20. — Sapa.

C. Herald 8/8/81 (195)

Tutu slams banning of union boss

SERIOUS black journalists dealing with that dangerous commodity called 'truth' should brace themselves for an onslaught from the authorities and should realise bannings were an occupational hazard in South Africa.

This warning was given by the secretary-general of the South African Council of Churches (SACC), Bishop Desmond Tutu who was reacting to the two-and-a-half year banning order served on the first president of the Media Workers Association of South Africa (MWASA) Mr Charles Nqakula.

One would have thought these people would have learnt one thing by now and that is you can ban a person, but you cannot ban thoughts. All they are doing is increasing the credibility of those who are opposed to the system, because people say, 'Well, there is something in what they are saying.'

'It is unbelievable that the authorites can remain so consistently stubborn.'

'Where is the change they are always talking about? As I told Mr P W Botha, we are really back to the dark ages of Verwoerd and Kruger.'

Bishop Tutu said the actions against the MWASA leadership made a mockery of the declarations of the freedom of the Press.

Mr Nqakula, a King William's Town based senior reporter for a morning newspaper, is the fourteenth MWASA person to be banned and its third head in 10 months.

MWASA said the order which confines him to the Zwelitsha area, bars him from entering any black area and educational institution, effectively prevented him from working as a journalist.

'The cowardly and vicious Pretoria regime has again demonstrated its utter contempt for justice and the rule of law.'

See Page 2.

Information showing:

1 How much is on order.

2 How much is on hand.

3 The current status of production.

4 The workload ahead.

5 Old and new estimated customer delivery dates.

6 Quality problems and other facts of this nature

must be as accurate as possible and be readily and freely available be accomplished with *'Periodic Status Reports.'*

Boomtown crisis

NM 10/8/81 195

Mercury Reporter

THE proposed multi-million rand Mondi development at Richards Bay has been welcomed by industrialists, contractors and established businesses, but for the small entrepeneur, eager to be part of the industrial boom, the prospect of owning a home at the town is bleak.

In spite of the availability of stands, it is believed that housing and the shortage of bricks will become critical once contractors move into the area.

Small three bedroomed, one garage houses, which last year were selling for less than R35 000, are now fetching anything up to R70 000 with rentals for similar housing already exceeding R500 a month.

Although large contractors, industrialists and the Railways are in a position to supply or subsidise housing for their staff, prospective entrepeneurs are experiencing extreme difficulty in buying or building homes in Richards Bay.

Building societies cannot offer bonds and the prices of existing houses, when they have not been bought up by companies like Triomf, Alusaf and recently, Mondi, are beyond the reach of the would-be private resident or businessman.

Local businessman and property owner, Mr Chris Loizides, who was delighted that Mondi had decided to build at the port, said: 'The spin-off will be quite incredible for established businesses. But unless something is done to provide funds for private housing, the development of the town will be inhibited.

'Lack of accommodation might scare people off Richards Bay for the time being,' he warned.

'Already there appears to be a shortage of mechanics, motorspares, and plumbers. Residents have to travel as far as Durban for some services. The service industry will have to be developed pretty fast,' he said.

Mr Johan Fischer, an estate agent said unless the Government did something to alleviate the problem he could not see how the private entrepeneur could be accommodated at the port.

'Perhaps the Government might announce some form of assistance in the next Budget, but until the building societies are given assistance, I can't see how private people can become houseowners here,' he said.

Although there were about 300 stands available and a further 500 stands being developed, the problem was that only large companies would have the capital to buy or build homes for their staff, he said.

According to a town board spokesman, more stands were sold during the first six months of 1981 than during the whole of last year.

Fifty-seven residential and two service industry lots were sold from January to July last year, but during the same period this year, 189 residential and 23 service lots were sold, eight of which were finalised immediately after the announcement by Mondi to go ahead with its R520 million development at the port.

The Richards Bay Town Board has space available for park homes but prefers to let these sites 'en bloc' to a contractor in preference to individuals.

At Richards Bay airport, where scheduled flights to and from Johannesburg and Durban are usually fully-booked, additional parking for vehicles and large aircraft would have to be provided to handle increased air traffic.

South African Airways is also expected to increase the number of flights between the centres to keep pace with Richards Bay development.

'providing a false sense of se… …de to tackle a given position withou… …ed in such a position in spite of me…
• teachers will no longer b… …visers, masters of ceremonies, guides…
• continual watchful guidan… …ses of negative selection, and the … …as an institutionalized verdict;[12]
• studies will be individuall… …rs and backed by the gradually increasing use of computerized, electronic and audio-visual methods;
• studies will no longer be carried out in a specially characterized place known as 'school'. They will be linked to guidance centres, documentary and information centres, mass media broadcasts, didactic advice and working groups;
• the content of subjects and training dispensed to adults can no longer be imposed from above but must be determined as a function of analyses of needs within a particular milieu or environment.[13]

In the last resort, criticism is aimed at the traditional forms of 'school classes', 'schools' and 'diplomas', the uniform and rigid structures for studies and the principle of training or educating man only during his youth.[14]

The classical schematic division of life into three stages will rapidly break down under the influence of such factors; these stages are still typified as:
• school life, in which man, while young, must provide periodical proof that he has memorized, understood and assimilated a certain store of knowledge and techniques which will serve as a basis for all his later activities;
• professional life, divided into two phases: one during which man puts his knowledge to advantageous use, to foster his personal career and be of functional use to society, and the other, after the age of 40, when many men feel a renewed need to learn and add to their knowledge, but with the aim rather of complementing or rounding it out;
• and finally, retirement, when man is called on to cease all professional activity, in the usual sense, to live a more or less organized life of leisure, to the needs of which society's response is less rather than more satisfactory.

This, then, is what lifelong education centres on. These, of course, are the tendencies in that direction, for all kinds of obstacles and difficulties, as we have shown, are acting as a powerful brake on an evolution which, however, remains an imperative requirement of the fundamental factors in social development.

In this light, tomorrow's education must form a co-ordinated totality in which all sectors of society are structurally integrated. It will be universalized and continual. From the point of view of individual people, it will be total and creative, and consequently individualized and self-directed. It will be the bulwark and the driving force in culture, as well as in promoting professional activity. This movement is irresistible and irreversible. It is the cultural revolution of our time.

HENRI JANNE AND M.L. BOGGEMANS (SERIES B:3)

Restriction order: Charles Ngakula

14/8/81 Col 99

8. Mrs. H. SUZMAN asked the Minister of Justice:

Whether he consulted Chief Sebe or the Ciskeian Government before serving a restriction order on Charles Ngakula; if not, why not?

The MINISTER OF AGRICULTURE AND FISHERIES (for the Minister of Justice):

I do not consider it in the public interest to make known whom I did or did not consult in such cases.

Printing industry hits at controls

CT 25/8/81 195

Industrial Reporter

THE printing industry in the Cape has hit out against the drive for economic self-sufficiency in South Africa as largely unnecessary and inflationary.

In his annual report the chairman of the Cape Chamber of Printing and Allied Industries, Mr A Grande, said efforts towards protection of local industry were counter-productive.

The chamber did not believe that self-sufficiency should be obtained at all costs or that it was a prerequisite for a healthy economy. Nor did it agree that local manufacturing prosperity should be secured by customs duties.

"We are of the opinion that too much or unecessary protection of locally-manufactured products could be a major contributor to a higher rate of inflation."

Local prices were often uncompetitive and the printing industry was hamstrung by import permits, which were hard to get.

Despite the government's promises that import control would be dismantled, it still existed.

The printers had shared in the economic boom of the past year, said Mr Grande, but this had put a tremendous strain on both capital and labour resources.

Supplies of skilled labour were completely inadequate, pushing up apprentice intake and wages at record rates.

PERSKOR

of Perskor's operations in the territory, nipped the scheme in the bud.

At the same time he unilaterally terminated a 10-year government printing contract held by Perskor after it had been in operation for about only three years.

Records at the Registrar of Companies in Pretoria showed that both concerns were profitable and had rising levels of turnover.

Ukhozi Press, trading in the Ciskei and Transkei, recorded a pre-tax profit of R55 000 in 1978 and a turnover in sales of R1,3 million.

That year it paid a dividend of R30 000 to shareholders, R6 000 more than in the previous two years. It acquired a printing works, Elata Handelsdrukkery, from a fellow subsidiary in 1976.

No financial statements for the two companies were available from 1978 onwards, but Bovenga Press showed a similar pattern in its operations.

Now it will be hard to compete

Trading operations such as those of Perskor involving companies in which members of homeland governments are invited to participate, at no cost to themselves, work against normal free market competition in the publishing world.

According to publishers, the homeland markets have been cornered by companies such as Perskor which not only have close traditional links with the top South African politicians, but through this stronger contact with those in power in the homelands.

"Overseas companies simply don't bother to compete in these markets where companies are set up with heavy homeland government participation," one publisher said.

"And can you imagine the chances of any homeland entrepreneur who tries to set up in opposition to such a company? Remember that it is government policy to offer those living in the homelands what is called equal opportunity," he said.

The list of members of homeland governments holding shares in Ukhozi Press Ltd and Bovenga Press Ltd is formidable.

In Transkei shareholders in Ukhozi Press include President Kaizer Mantanzima, his brother and Prime Minister, Mr George Matanzima, and up until his death the former president, Chief Botha Sicgau.

Virtually the entire cabinet became holders of shares offered in 1975. Numerous officials in government departments, including that of the president and the prime minister, were also shareholders.

In the Ciskei the pattern of government participation was less pronounced. The initial shareholders included only Chief Minister, Mr Lennox Sebe, and one ... The

THE HOMELANDS

Star 26/8/81

195

How officials got publishing shares

By Tony Stirling

Perskor — the Johannesburg-based Afrikaans publishing giant—penetrated the black educational book market in the homelands through the establishment of two companies in which homeland ministers, government officials and school principals were offered shares they did not have to pay for.

The two companies are Ukhozi Press Ltd and Bovenga Press Ltd, unlisted public concerns which operate in the Transkei and Ciskei and Venda, Gazankulu and Lebowa respectively.

Four homeland leaders, 17 ministers, numerous officials, school principals and teachers became shareholders.

The Transkei Minister of Education, Mr S W Mbanga is a director of Ukhozi Press. Homeland government officials, including the Lebowa Secretary for Education, Mr Derek Kobe, are on the board of Bovenga Press.

A director of one of the companies has confirmed that Perskor offered those unable to pay for the shares, which have a par value of R1 each, the opportunity to pay for the shares out of future dividends of the company.

This backs information obtained from other sources on Perskor's homeland operation in the field of educational books and materials.

Dr Cedric Phatudi, Chief Minister of Lebowa, told me that he had declined to take up shares in Bovenga Press on moral grounds.

"As chief minister I thought it inappropriate to take up an offer through which I could benefit but which was not available to the people of Lebowa as a whole," he said.

Two members of his cabinet — which was the only cabinet not represented among shareholders in the 1975 issue of shares, have since become shareholders through an issue of shares made in 1979.

Perskor attempted to set up a similar concern in Bophuthatswana about three years ago.

It had applied for registration of a company styled Mmabatho Book Store Pty Ltd. The preliminary formalities, including meetings with potential shareholders had taken place.

However, President Lucas Mangope, who according to advisers became dissatisfied with certain principles most important politicians were offered the most shares, 800 each in Ukhozi Press for Mr Sebe and President Matanzima, and 600 each in Bovenga Press for President Patrick Mphephu of Venda, and Professor Hudson Ntsanwisi, Chief Minister of Gazankulu.

In Gazankulu and Venda, the entire cabinets, with the exception of one minister, took up shares but were offered only half the number allocated to the chief ministers. There were no cabinet participants in Lebowa until two ministers took up shares in a new issue two years ago. However, Lebowa's Secretary for Education, Mr Derek Kobe, along with two other homeland government educational officials, were on the board of Bovenga Press.

Opposition politicians were not exempt. In Transkei Mr Knowledge Guzana, the the leader of the opposition, became a member of the board and was a shareholder, as was his Ciskei counterpart, Mr Justice Mabandla.

One official paid by the South African Government, Mr F Ledwaba, of the Department of Education and Training, Warmbaths, holds 200 shares.

To complete the circle, the two Perskor companies offered shares to principals and teachers, who were bussed in for inaugural meetings. A number of these people are listed shareholders.

In creating these trading vehicles, Perskor took two existing companies within its group, Die Landstem and Afrikaanse Pers Boekhandel, converted them into public companies and changed their names.

They went into operation simultaneously, in September 1975, and their boards were strengthened by the addition of directors such as Dr Abraham Koen, the former director of Education in the Transvaal, and Mr F J Wessels, executive in charge of Perskor's "Bantu Services." Perskor's chairman, Mr Marius Jooste, headed both companies and Perskor retained control of more than two thirds of the shares.

According to the share registers of the two companies participation by persons other than those in homeland governments or educational establishments was limited to a handful of people in the five territories.

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26/8/87

Overseas success for SA books

Star 27/8/81

195

prices and quality

By David Bristow

South African book-publishers are fast establishing a foothold in the overseas market.

A Cape Town publisher has recently received an order from the United States for 20 000 books with a retail value of about R500 000.

It covers 10 titles which include books on African wildlife, wild flowers and the Drakensberg, Zulu folk tales, books for armchair hunters and a local "science fact" episode.

They are mainly hardcover reference books and Mr Tony Ashworth, head of the publishing firm, says South African prices and quality compare favourably.

A Johannesburg publisher has for some years been involved in co-edition ventures with overseas publishers, mainly for local novels.

Nadine Gordimer's "July's People" and John Coetzee's "In the Heart of the Country" and "Waiting for the Barbarians" are selling well in England. "Waiting for the Barbarians" has had good reviews and been hailed as a great modern work.

Mputuzeli Mashoba's "Call Me Not a Man" is in its second English co-edition and has been translated into German.

Mr Ashworth has a US export contact which makes his direct trade possible. "Once you have a toehold, you are in for good," he said.

Johannesburg writer and publisher Mike Kirkwood has gone in for co-editions with overseas publishers rather than direct trade. Economic considerations make it more viable and many of his published authors have publishers in other countries.

England and the US are coming out of a publishing slump, but Mr Ashworth believes South African publishers will maintain an increasing trade overseas as our prices and quality will remain highly competitive.

One interesting book ordered by the US from Cape Town is J Churba's heavy crticism of the Carter Administration, "Retreat from freedom."

No publisher in the US would publish the book during Mr Carter's term as President — and Churba is now in the Reagan Cabinet.

New coated paper import tariff decision angers industry

WM 28/8/81

195

Financial Editor

SOUTH AFRICA is exporting, at lower than domestic prices, paper which is used by Far East book publishers to compete on the South African book market, Mr I L Knock, president of the South African Printing and Allied Industries Federation, alleged at a meeting of the Natal Chamber.

He said that if this was true — the mill concerned says it had not exported to the Far East for 18 months — 'it is not only turning the knife in the wound but pouring salt in as well.'

In a hard-hitting speech he attacked the decision to apply for import tariffs on paper which is not even made in South Africa and to apply for tariffs for kraft paper where the mills were operating at full capacity.

'The federation and many individual members have raised the strongest objections with the Board of Trade, which we hope will be successful.'

The new coated paper import tariffs decision 'has caused consternation and tremendous resentment throughout our industry.'

Mr Knock said that while the decision by the paper mill owners to invest well over R1 300m on new capacity was welcome, it also caused apprehension among printers.

It was obvious that capacity would be well over local demand and the surplus 'would be exported at prices that are subsidised by artificially high domestic prices.'

Mr Knock said that four years ago the federation, paper merchants and mills set up an advisory body with the Government to examine import permit applications.

Depression

At first it meant that local manufacturers were able to supply previously imported paper; but as the balance of payments situation changed, federation members found that they were being prevented from getting imported supplies, 'which by then were much cheaper, owing to the general depression in world

DD 1/9/81

195

Don't shy away from the truth — lecturer

EAST LONDON — For writers to say all was well when the bulk of the people they wrote about were not happy, was scientifically questionable and journalistically reprehensible, Mr Basil Somhlahlo, of Fort Hare University, said here.

Mr Somhlahlo, a lecturer in social work, was guest speaker at a farewell function organised by the Media Workers Association of South Africa (Mwasa) for Mr Gordon Qumza who retired from the Daily Dispatch after 34 years in journalism.

Saying all was well in the midst of what was happening signified a bad state of affairs, Mr Somhlahlo said.

He said the time we lived in needed men of vision who were far-sighted and solid.

"Since truth is regarded as radical, our tendency is to shy away from the truth: say all the nice things that make our hearers happy," Mr Somhlahlo said.

As a result people ended up, unwittingly or deliberately, being champions of saying the expected, which in the long term was a liability to progress.

Making meaningful speeches had become a "risky business."

This was because, in the interest of diverse parties involved in the game of limited freedoms, there were shades of truth and stacks of lies from different degrees of officialdom.

If the duty of newspapers was to motivate and direct action to some peaceful order, the guiding clarity of the journalist was of profound importance.

He said people of stature and integrity, who measured up to this requirement were not only rare but a threatened species, especially among blacks.

Mr Somhlahlo referred briefly to the dismissal of Mr Allister Sparks, former editor of the Rand Daily Mail, adding that with his loss, a void had been created.

"Men of vision and fairness are like the thin air of the desert," he said.

He was not sure whether Mr Qumza's departure from full-time journalism was a blessing since it had happened at a time when balanced views needed prominence through the press, when most of the authentic and relevant spokesmen of the black masses had been silenced and when authentic writers wefew and far between. — DDR

R11m US aid for Swaziland

MBABANE — The United States is to provide Swaziland with about R11 million towards a crop research and extension training programme to improve the productivity and incomes of small farmers in the country.

A Swaziland Government official said yesterday the grant agreement, signed at the weekend, would be spread over five years. Swaziland would contribute R3 million.

Homelands publishing: Perskor's statement

Star 2/9/81

195

In a lengthy statement carried in three Perskor newspapers last week, Perskor replied to allegations contained in a report in The Star of August 26 about the publishing of educational books in the homelands.

In it, Perskor confirms that the basis on which it issued shares to black politicians and educationists in two companies operating in the homelands was that the shares were sold against payment of future dividends.

Quoting Mr Frans Wessels, former head of Perskor's department of black services, the statement said that since insufficient cash was available for shareholders to take up Perskor's offer of shares "Perskor offered to sell the shares against dividend payments."

This was on the basis of a payment of 50 percent in the first year and 25 percent over the following two years.

Mr Wessels confirmed that the offer had been extended to the shareholders in both companies referred to in The Star's report — Ukhozi Press Ltd and Bovenga Press Ltd.

Ukhozi Press trades in the educational book field in the Ciskei and Transkei, and Bovenga Press in Venda, Gazankulu and Lebowa.

Among those offered shares on this basis were four homeland leaders, numerous Ministers, education officials and school principals.

In his statement Mr Wessels said Perskor was "proud of its contribution towards the establishment and development of industries in some of South Africa's black states.

"It is incorrect to state that the company (Ukhozi Press) was established with black shareholding to the detriment of competing companies as The Star has done," said Mr Wessels. (The Star quoted a publisher as saying that operation of companies such as the two Perskor concerns mentioned discouraged overseas competitors from entering the black educational book market in the homelands.)

According to the statement of Mr Wessels, the Transkei and the Ciskei asked Perskor to make shares available to them.

He also said that in the case of Bovenga Press the Secretary for Education of one state in which it was operating was chairman of the board of a competing company while the former secretary in another of the homelands was a director of the same competing company.

He said, however, that many black leaders and educationists held shares in competing companies.

"For The Star to say that black participation in these instances was subject to suspicion is less than charitable, or even honest," said the statement.

(The Star's report contained no such allegation.)

Mr Wessels said in respect of printing contracts it held in the homeland, the company's tenders were on a basis of printing costs plus a 7,5 percent profit and that if this profit was exceeded the balance was repaid to the homeland governments concerned.

In his statement, Mr Wessels denied that President Mangope cancelled a contract for the formation of a similar company on principle. He said that the reason for cancellation was in fact "technical."

Mr Wessels said the two companies sold books produced by all publishers.

Confidence from printing giant

Star 8/9/87 (195)

By Frank Jeans

A new giant in the printing, packaging and graphics industries has been created with the merger of Hortors and Trio-Rand.

Mr Michael Watermeyer, managing director of the group, said that the link had created eight specialised manufacturing facilities in the Cape and four in the Transvaal — with a total workforce of 2 800, 2 000 of them in Cape Town.

This will lead to a better market spread and more cost-effective use of capital assets which, together with economies of scale will lead to greater efficiency.

"This big group will provide many opportunities for the people within it to grow with their companies and will provide opportunities for research in marketing and production."

An important area in which Hortors-Trio-Rand group is particularly strong is in its extensive web-printing facilities — three on the Reef and three in the Cape.

Web printing is a strong growth area in the industry and is considered ideal for mail-order catalogues, magazines and broadsheet newspaper supplements.

One of the fastest growing markets for the web printing is marketing material aimed at the black market, where newspaper supplements are regarded as the "shopwindows" for the display of goods.

No study for Sisulu

Sowetan 9/9/81

By WILLIE BOKALA

MR ZWELAKHE Sisulu, detained former president of the Media Workers Association of SA (Mwasa) and news editor of the silenced SUNDAY POST, has been refused permission to continue university studies in jail.

Replying to a request for Mr Sisulu, a student with the University of SA (Unisa), to receive study and tutorial material to enable him to write examinations in October, the office of the Commissioner of Police said the request could not be granted.

Mr Sisulu, who is the son of Robben Island life prisoner, Mr Walter Sisulu, was detained in June this year and today completes 82 days in detention without trial. He is presently being held under Section Six of the Terrorism Act after serving the first 14 days of his detention under Section 22 of the General Laws Amendment Act.

He was detained during security police swoops which netted close to 30 people in Soweto in a single week. Also detained during that week's swoop was SOWETAN news editor, Mr Thami Mazwai; second president of the banned Soweto Students' Representative Council (SSRC) and chairman of the SA Youth Revolutionary Council (SAYRCO), Mr Khotso Seatlholo; and former Soweto beauty queen, Miss Masabata Loate.

Mr Sisulu was among the five newspapermen banned by the Government at the end of last year when the POST and SUNDAY POST newspapers were also silenced. He has been banned for three years with a restriction that do not allow him to enter a media concern and bars him from continuing his trade union work.

The Matjila, Mokgoatleng firm of attorneys was instructed by Mr Sisulu's wife, Zodwa, to seek permission to allow her husband to continue his studies with Unisa and to allow him to write examinations in October this year. In their letter of request the attorneys stated that Mrs Sisulu would be grateful if her husband could be allowed to tutorial material to continue his courses.

Replying, the office of the Commissioner of Police said they acknowledged receipt of their letter but, regretted permission could not be granted. "We have considered the request but, can unfortunately not accede to it at this stage," the reply, signed Lt-Col H Gloy on behalf of the commissioner, said.

PUBLISHING FM 11/9/81

Thinking small

195

Small publishers can come ~~in from~~ the cold. Last week, Sakaza -- a distribution company -- was launched to meet their needs.

The motivation for the establishment of Sakaza is to provide a viable alternative for publishers too small to get attention from the big distributors.

Six parties are involved in the venture. The two major contributors are the South African Council of Higher Education (Sached) Trust and *The Voice*. Others are Ravan Press, Alflyn Distributors, *Frontline* (Saga Press) and stockbroker David Cobbett.

All parties have equal shareholding and responsibility in the running of the operation. Alflyn is under management contract to Sakaza to handle distribution.

Says Sached Trust's John Samuel: "Previously, we had to use both formal and informal lines of distribution. It was ad hoc and therefore not as efficient as it could be. Clearly, other publishers also face the same problems. We are a commercial concern and therefore open to offers."

The distribution market is now dominated by Allied Distributors, Republican Press and Perskor. Size, workload and reach of operations can give rise to conflicting interests between the large firms and the small publishers. Consequently, negotiations are sometimes difficult.

Sakaza is currently handling a number of the larger circulation magazines that fall outside the Republican Press and Perskor stable and Ravan Press and Sached operations.

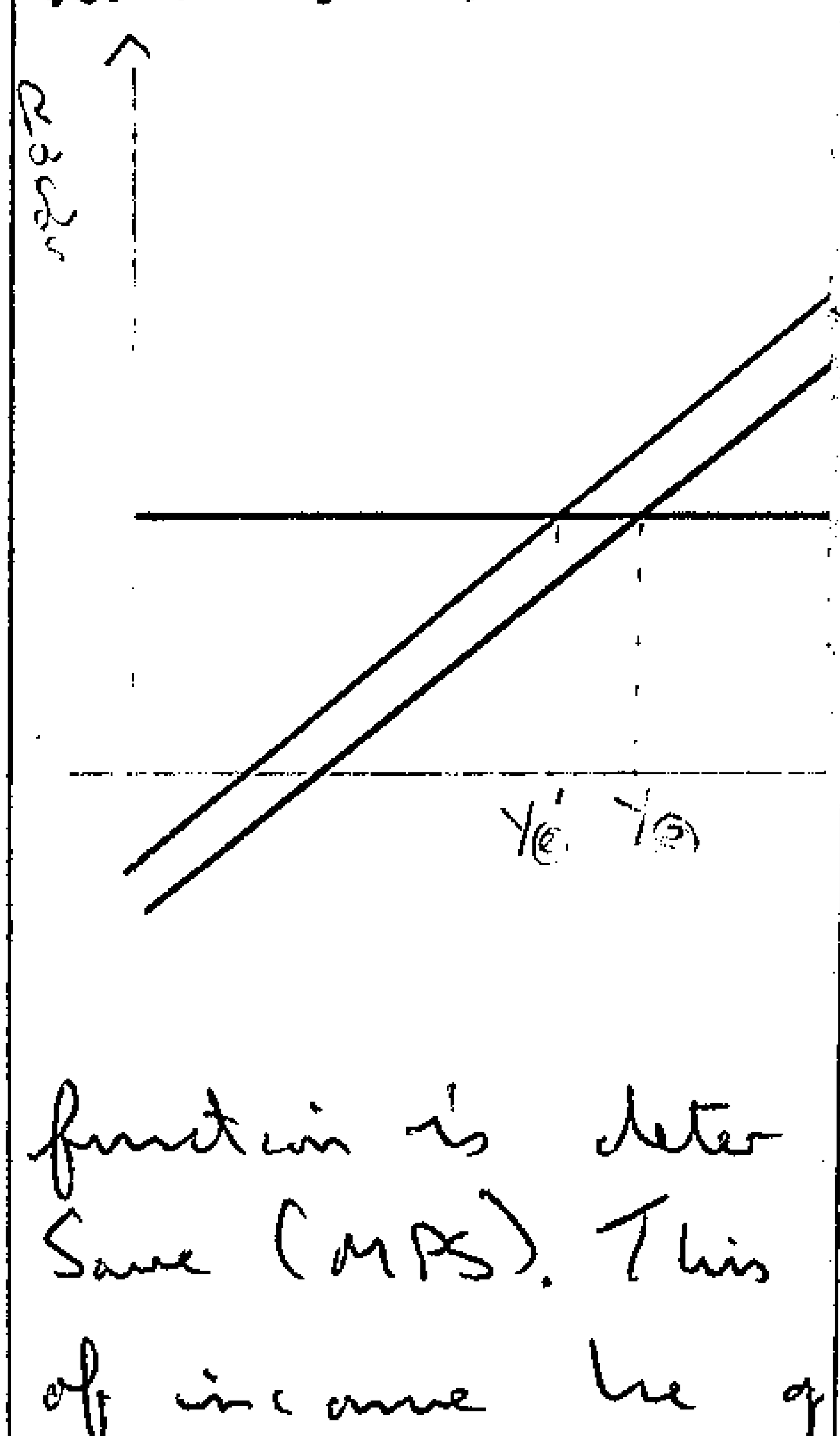
New educational products targeted at the black market — to be launched next year to fill the gap left by *Sunday Post's* Learning Post — will also be handled by Sakaza.

16

(ii)

The "Paradox of Thrift" is one of the most glaring examples of the fallacy of composition, which assumes that what is good for ~~pa~~ one unit is good for the whole. If one person saves more, then naturally ~~his income will rise~~ benefits in the long run. The "paradox" occurs when we try to apply this philosophy to an entire society: if everyone attempts to save more, national income will fall ~~not rise~~ which is detrimental, not beneficial as it was in the individual's case.

To explain this we assume a ~~balanced~~ economy in equilibrium, with savings and investment the only withdrawals and injections respectively — national income is at level Y(e).



If an individual decides to save more, he ~~would~~ ~~move up~~ will be faced with a new savings function. This is because the slope of the savings function is deter[...] the marginal propensity to Save (MPS). This [...] out of every extra unit of income he o[...]dividual will save a certain amount [...] doesn't consume. If he increases his M[...] saving more out of every extra unit of i[...] the slope of his savings function chang[...]wever, the entire community decide to save [...]e is a shift of the savings function [...] withdrawals have increased, and a contract[...] on the economy results. As more money [...] withdrawn from the

Takeover rumours denied

Argus 11/9/81

195

THE rumour of a takeover of Cape Town printers Derek Butcher and Co (Pty) was denied by the managing director, Mr D P Butcher, today.

The company, started 12 years ago, recently moved to a new factory in Maitland, where it prints about 30 monthly magazines, mail order catalogues and other business.

Mr Butcher said: 'I have no intention of selling out and I have not been discussing it with any other firm.

'The first I heard was in my club when someone slapped me on the back and said: "Right, free drinks all round today now you've been taken over".'

Competitors hearing the rumour had approached senior staff and offered them jobs.

A statement issued by the company's attorneys said: 'There is no substance whatsoever to these rumours and the company is carrying on its business as before under the same management.'

Thomson to buy Pithead?

S Times 28/9/86

(195)

Business Times Reporter

THE trade and technical publishing market leader, Thomson Publications, was believed on Friday to be at an advanced stage of negotiating to take over a major competitor, Pithead Press.

Thomson, whose annual turnover is about R12-million, stands to strongly increase its dominance of the market, said to be worth at least R20-million and growing by 33% a year.

Pithead's annual turnover is estimated at R1,5-million.

It publishes several leading trade magazines, which include Coal Gold and Base Minerals, Construction Southern Africa, the Production Manager and Export News.

At least six key staff members — including two directors — are known to have resigned from Pithead in the past two months.

Nqakula not allowed to ferry his wife

DD 25/9/81

KING WILLIAM'S TOWN — An application by the banned acting president of the Media Workers' Association of South Africa (Mwasa), Mr Charles Nqakula, for permission to ferry his wife between Stutterheim and Mount Coke at weekends had been refused, his wife said yesterday.

He would however be permitted to attend church at Zwelitsha on Sundays.

Mr Nqakula, a former Daily Dispatch reporter, was served with a two-and-a-half-year banning order on July 31 restricting him to the King William's Town and Zwelitsha magisterial areas and to his Mount Coke home at weekends.

Mrs Gertrude Nqakula, a teacher at Mgwali Secondary School, Stutterheim, said in a telephone interview yesterday permission had been sought for her husband to pick her up at school on Friday afternoons and take her back on Sunday afternoons to enable her to join her husband at weekends.

It had also been requested that her husband be allowed to attend services at St John's Anglican Church at Zwelitsha on Sundays.

She said a reply had been received on Wednesday from the King William's Town magistrate, Mr J. P. Seaman. The letter said:

"Your request for permission to fetch your wife every Friday afternoon from Mgwali location in Stutterheim district and take her back on Sundays, can unfortunately not be acceded to and is accordingly refused."

Mrs Nqakula said the request that her husband be allowed to attend morning church services at Zwelitsha was approved, on condition that Mr Nqakula left the premises to which he was restricted for the sole purpose of attending the morning service not more than 30 minutes before the commencement of the service and that he returned immediately after the service.

Mrs Nqakula said that since the ban of her husband she had had to rely on friends to fetch her in her husband's car.

"The problem in this arrangement has been that friends have not always been available to assist as they are workers," Mrs Nqakula said. "I cannot rely on public transport, or on getting lifts".

"This problem is compounded on Sundays when we have to run around looking for people who will drive me back to school." Even if I possessed a driver's licence there would still be problems as it would mean taking the car with me to Mgwali and leaving those at home without transport, especially for cases of emergency."

Mr Seaman could not be contacted yesterday. — DDR.

UNIVERSITY OF CAPE TOWN
DEPARTMENT OF ACCOUNTING
...TION AND ESTATE DUTY II - 1981
...NE/READING LIST - 3rd & 4th QUARTER

THE INCOME TAX ACT	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
ss.1 'gross income' definition paras.(g),(h); 11(f),11(g),11(h),12,13, 8(4),8(5)	513 - 524, 765 - 786, 534 - 537, 1423 - 1426		T.1319 T.1409 T.1411

...N - 5 SEPTEMBER TO 13 SEPTEMBER

...)	The relevant paras. in Chapters 9,11, 12 and 26		16.10 T.1051 (b) and (c) T.1401

...VISION

...N - OCTOBER 1981

			T.1424,T.1425 T.1431,T.1432 T.1525, 14.5 16.7,16.9

...X 1980' AND THE SOLUTIONS ARE PREPARED ON THE BASIS THAT THE QUESTIONS ARE UPDATED BY ONE YEAR.

DD 28/9/81

Nqakula attends service

KING WILLIAM'S TOWN — The banned acting president of the Media Workers' Association of South Africa (Mwasa), Mr Charles Nqakula, yesterday joined the congregation at St John's Anglican Church at Zwelitsha to attend Mass for the first time since his banning.

Mr Nqakula, a former Daily Dispatch reporter, was served with a two-and-a-half-year banning order on July 31, restricting him to the King William's Town and Zwelitsha magisterial areas and to his Mount Coke home at weekends.

However, last week he received a letter from the magistrate of King William's Town, Mr J. P. Seaman, informing him that he could attend services on Sunday mornings at St John's church on condition that he left the premises to which he was restricted for the sole purpose of attending the morning service not more than 30 minutes before the start of the service and that he returned home immediately afterwards.

The Rev Patrick Ncanca, who celebrated Mass, blessing Mr Nqakula with holy water and incense and laid his hands on his head as well as on the heads of other members of the congregation.

Mr Nqakula's application to ferry his wife between Stutterheim and Mount Coke at weekends to join him was refused last week. — DDR.

'Govt against black media men'

By WILLIE BOKALA

2/10/81

BLACK journalists in South Africa were being singled out and detained precisely for exposing the Government's racist policies, the Media Workers' Association of South Africa (Mwasa) said yesterday.

Mwasa were commenting on the continued detention of their former president, Mr Zwelakhe Sisulu, who is also former news editor of the silenced **SUNDAY POST**, and Mr Thami Mazwai, Mwasa's general secretary and news editor of the **SOWETAN**, who have been held by security police since June this year.

Mr Mazwai today completes 106 days in detention without trial while Mr Sisulu has been in for 104 days today. They were both first detained under Section 22 of the General Law Amendment Act and later changed to Section Six of the Terrorism Act.

Mwasa said in a statement released by its national council on Wednesday that more than 1000 of its members were demanding the immediate release of the journalists or that they be charged in a court of law publicly.

The organisation said both Mr Mazwai and Mr Sisulu were dedicated and committed journalists who were timeless fighters for a democratic South Africa. They were respected throughout the free world and it was significant that they had at one stage been chosen prisoners of the month by the International Federation of Journalists.

"The young men left their families abruptly and to our knowledge have been held incommunicado ever since. At the time of Mr Mazwai's arrest, his wife had a baby of only a few weeks old.

free world are concerned about the continued harrassment of their colleagues in this country. At least twelve journalists in the Transvaal alone have already been banned since the formation of the journalist's union. We feel, therefore, that it is not far-fetched to believe that they are singled out precisely for exposing the Government's racist policies," Mwasa said.

DD 5/10/81 ~~(243)(1.34)~~ (195)

Mwasa symposium

KING WILLIAM'S TOWN — Dr Les Switzer, professor of journalism at Rhodes University, read a paper on the alternative media at a symposium held at Zwelitsha at the weekend.

The symposium, organised under the auspices of the Media Workers' Association of South Africa (Mwasa) was attended by journalists, students in journalism at Rhodes University and also students at Fort Hare University and people interested in the news media.

The second paper on the feasibility and actual establishment of an alternative news medium in the Eastern Cape, was delivered by Mr Leslie Xinwa, senior reporter on the Daily Dispatch.

Each paper was followed by a question-and-answer session. Delegates formed themselves into groups to discuss the papers. — DDR.

RDM 5/11/81 (195)

Journalists' pay rise talks reach a deadlock

THE Southern African Society of Journalists — representing 780 journalists and other editorial employees on 19 newspapers throughout South Africa — yesterday reached a deadlock in their pay increase talks with their employers.

By JAYNE LA MONT

The president of the SASJ Mr John Allen said in a statement released last night that a deadlock was reached in the talks, which began in early October, when the employers did not meet an offer of settlement put forward by the society.

"The SASJ's offer provided that all senior journalists should receive increases of 25% on their January 1981 salaries.

"This year the salaries of junior journalists were increased by an average 43% to bring them up to the levels comparable with those of teachers. It would require a 38% increase for senior journalists next year to put them on a similar footing.

"The employers' offer of a minimum 18% increase for senior journalists barely covers the rise in the cost of living. Employers also offered an additional 7% on salary bills to be distributed at the discretion of editors.

"But the SASJ told employers that any discretionary increases should be awarded over and above the 25%.

"In the six month period to August this year, the Argus Company lifted earnings attributable to ordinary shareholders by 74% from R4,4-million to R7,6-million.

Dividend

"The company's interim dividend was raised by 33% and its share price doubled in the last year. The projected after-tax operating profit of SAAN for 1981 is R9.5-million . . ."

A statement by the employers said: "It is with considerable regret that we have to record that attempts by the proprietor members of the South African Newspaper Press (editorial) Concilliation Board and the SASJ to reach a new agreement for 1982 have failed.

"The employers went into the talks with the intention to focus on the salaries of senior journalists. Close attention had been paid in the 1981 agreement to the remuneration of those entering journalism on the initial salary grades.

"The final offer by the employers was for an increase of approximately 15% in the salaries of journalists in those grades and an increase of 25% of the total salary bill for senior journalists, made up of a minimum increase of 18%@ for each individual journalist and a further 7% of the salary bill applied in the form of merit increases above that minimum, at the discretion of editors, in recognition of skill and effort.

"Some senior journalists would therefore have received increases considerably in excess of 18%.

"This was not acceptable to the SASJ which demanded an increase of 25% across the board while individual chapels had recorded their intention to negotiate additional increases above this figure in individual establishments . . ."

STAR 9/11/81.

Ilanga journalists join work-to-rule action

195 ~~139~~ ~~139~~ 139 ~~182~~

Own Correspondent

DURBAN — Journalists at the Durban-based Ilanga newspaper, published in Zulu, today joined colleagues at five English-language newspapers on a work-to-rule over a pay dispute.

The Sunday Tribune chapel instituted a work to rule 10 days ago and it has since been joined by chapels at the Sunday Times, the Sunday Express, the Rand Daily Mail and the Daily News.

When pay talks reached deadlock on November 4, management left its offer of 18 percent across the board with a seven percent discretionary increase open for two weeks. The SASJ's demand was for 25 percent across the board for seniors.

7 papers now work to rule

CAPE TIMES 10/11/81

195

JOHANNESBURG. — The African newspapers, Ilanga and Post (Natal), joined a work-to-rule campaign by a number of newspapers yesterday in support of pay-demands by the Southern Africa Society of Journalists.

The father of the Ilanga chapel, Mr France Xolo, confirmed in Durban that all journalists on the newspapers were affected. The SASJ is demanding a 25 percent across the board increase for senior journalists. The society declared a dispute with employers when the demand was not met last week.

Ilanga and Post, the first newspapers for blacks to work to rule, are Argus publications.

At least seven newspapers are working to rule.

The Sunday Tribune editorial staff started working to rule the week before last. They were joined by another Argus paper, Durban's Daily News, and three South African Associated Newspapers publications in Johannesburg, the Sunday Times, the Sunday Express and the Rand Daily Mail, last week.

Post and Ilanga yesterday became the sixth and seventh papers to join the action.

Staff on the Star and the Argus agreed in principle last week to join the work-to-rule, but the decision was not immediately implemented.

A Cape Times chapel committee is investigating the possibility of joining the work-to-rule.

- The general manager of Saan, Mr Raymond Louw, says the decision by the SASJ to work to rule has not seriously affected publication of the group's newspapers, although it "does present some problems".

The work-to-rule means that while newspaper production goes ahead, sub-editors and reporters will not work extra shifts.

Mr Louw said his management was still waiting for the SASJ to respond to an offer of an 18 percent increase for senior journalists, with an additional seven percent at the discretion of editors. The SASJ has till November 18 to reply to the offer. — Sapa

Journalists at seven newspapers join work-to-rule

RDM 10/11/81

~~151~~ ~~158~~ 195

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Ilanga and Post, the first newspapers for blacks to join the campaign, are Argus group publications.

By yesterday afternoon at least newspapers were working to rule.

The Sunday Tribune (Argus) editorial staff started working to rule the week before last. They were joined by another Argus paper, Durban's Daily News and three South African Associated Newspapers (SAAN) publications in Johannesburg, the Sunday Times, Sunday Express and the Rand Daily Mail, last week.

Post and Ilanga yesterday became the sixth and seventh papers to join the action.

Argus group staff-members on The Star and The Argus agreed in principle last week to join the work-to-rule, but the decision was not immediately implemented.

A Cape Times chapel committee is investigating the possibility of joining the work-to-rule.

The general manager of SAAN, Mr Raymond Louw, said the decision by the SASJ to work-to-rule has not seriously affected publication of the group's newspapers, although "it does present some problems".

The work-to-rule means that while newspaper production goes ahead, sub-editors and reporters will not do extra shifts.

Mr Louw said his management was still waiting for the SASJ to respond to an offer of an 18% increase for senior journalists with an additional 7% at the discretion of editors. — Sapa.

FM 20|11|81

AFPERS/VADERLAND

Underperforming

195

Activities: *Diversified printing and publishing group with interests in newspapers, magazines, books, stationery and general printing. Owns 25% of Maister Directories, which handles Yellow Pages advertising. Afpers owns 84,85% of Perskor and is, in turn, controlled by Vaderland Beleggings (44,44%) and Dagbreektrust (14,67%).*

Chairman: *M V Jooste.*

AFRIKAANSE PERS

Capital structure: *5,5m ordinaries of 50c. Market capitalisation: R11,8m.*

Financial: *Year to June 30 1981. Borrowings: long- and medium-term, R1,1m; net short-term, R4,8m. Debt:equity ratio: 28,5%. Current ratio: 1,3. Group cash flow: R8,1m. Capital commitments: R8,2m.*

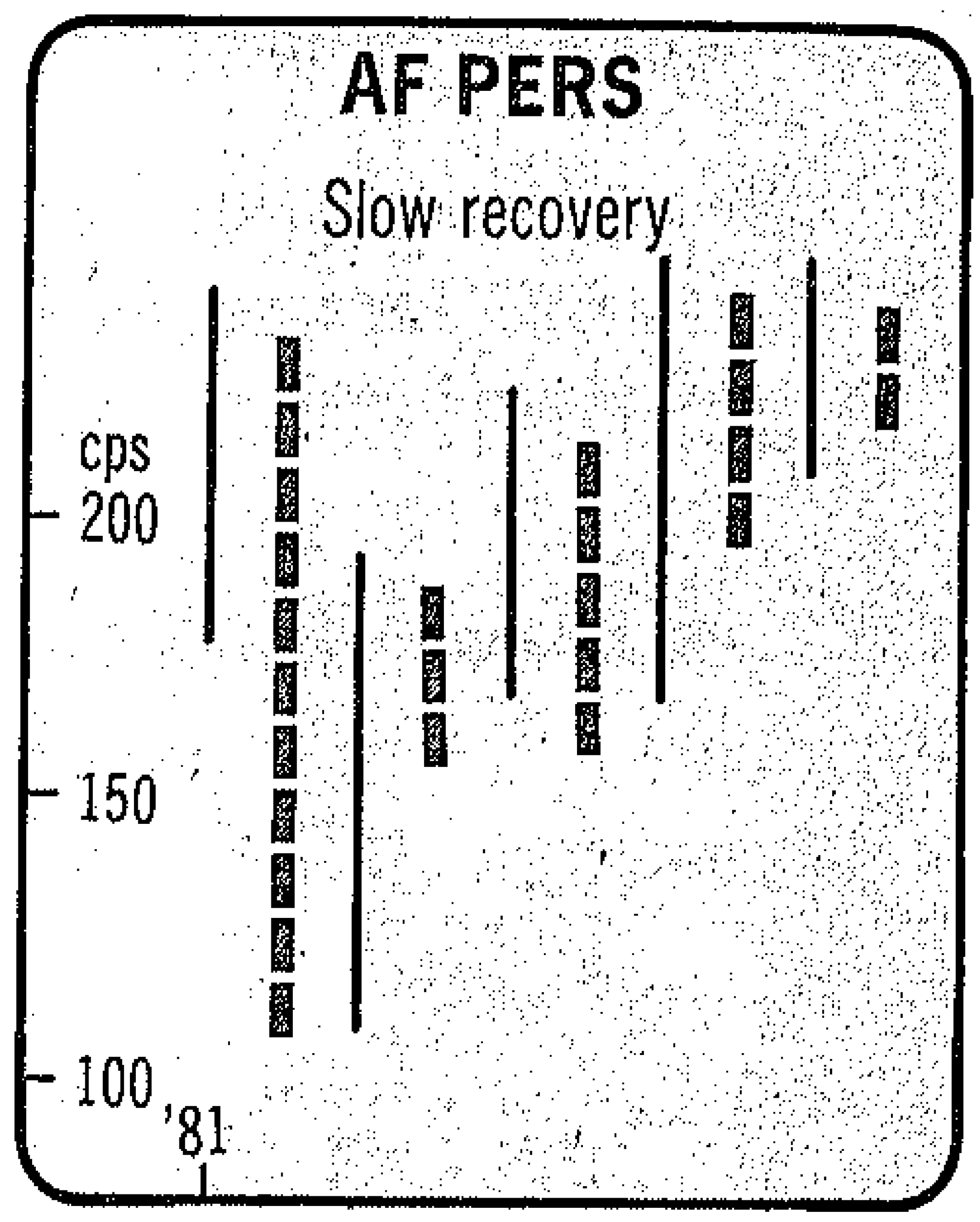
Share market: *Price: 215c (1980-81: high, 255c; low, 130c; trading volume last quarter, 53 300 shares). Yields: 44,1% on earnings; 8,7% on dividend. Cover: 5,1. PE ratio: 2,3.*

	'78	'79	'80	'81
Return on cap (%)	15,7	12,4	16,2	17,9
Turnover (Rm)	135	141	164	175
Pre-tax profit (Rm)	4,9	4,2	6,7	9,3
Gross margin (%)	3,7	3,0	4,1	6,0
Earnings (c)	45,9	49,6	74,7	94,8
Dividends (c)	11	12,5	18,75	18,75
Net asset value (c)	424	456	529	667

VADERLAND

Capital structure: *7,7m ordinaries of 50c and 33 000 extraordinary shares of R2. Market capitalisation: R5,0m.*

Share market: *Price: 65c (1980-81: high, 71c; low, 40c; trading volume last quarter, 435 000 shares). Yields: 8,9% on earnings; 8,9% on dividend. Cover: 1,0. PE ratio: 11,2. Earnings per share: 5,8c. Dividend: 5,75c. Net asset value: 66c.*



The year under review, according to Perskor chairman Marius Jooste, may be regarded as another successful one. Maybe it could, but that would seem to depend largely on what management was trying to achieve.

The results, in fact, were dismal. Group turnover increased by less than 7%, suggesting a decline in real terms of about 8%, and although margins improved, attributable profits were up by only 19%.

By way of comparison SAAN, in the same 12-month period to June 30, boosted its attributable profit by 82%, while Argus was up 70% for the 12 months to end-August. The calculations for the English-language groups are based on their latest interim results, plus the second halves of their last financial years — they are, consequently, unaudited figures.

The point should be made that Perskor's growth rate is based on the company's own calculation of its profit. This, as the FM has pointed out frequently in the past, excludes the effects of certain items which Perskor classifies either as extraordinary (such as the write-off of periodical titles, which is in accordance with the company's accounting policies), or abnormal (promotional expenses and provision for stock obsolescence). Such items are not, in our opinion, abnormal, extraordinary or, for that matter, necessarily non-recurring, especially in the printing industry, and our earnings calculations are adjusted accordingly.

These adjustments were considerably smaller last year than for 1980, with the result that our adjusted earnings show a considerably better growth rate of 27%. But even that does not compare well with the other two groups.

The bottom line for shareholders of Afrikaanse Pers, the holding company of Perskor, and Vaderland, which owns 44,4% of Afpers, is that they are receiving the same dividends as in 1980.

And the bottom line for the group is that it has established itself firmly at the bottom of the profitability league among listed printing companies. On *FM* calculated profits, the net return on equity funds last year was only 14,2%. That of Argus is estimated at 19,4% for the 12 months to August, while SAAN at the moment leads the pack at 21,6%.

Part of the problem was that attributable profit was hit by considerably higher interest charges, as well as an increased tax rate.

With total borrowings up from R8m to R12,5m, interest payments doubled to R1,1m (R612 000). This reduced a 43% improvement in trading profit to 39% at the pre-tax level. And that was further reduced to 23% by a tax charge of 32,4% against 23,4% in 1980.

But even if attributable profit had matched the trading profit growth rate, the resulting return on equity would still have been only a fraction ahead of Argus. This would still, therefore, be anomalous: it is generally considered that Perskor, with a strong base-load of lucrative government printing, should be able to achieve a level of profitability well in excess of its English-language counterparts.

Under the circumstances, Jooste's forecast that "profit expectations for the present financial year remain stable" is not encouraging.

Brian Thompson

C. Times 24/11/81

SATU chapel in wage row

THE works chapel of the South African Typographical Union at the Argus yesterday said the newspaper was facing production problems because of a wage disagreement.

A spokesman for the chapter said negotiations had broken down and there was a deadlock between management and the chapel. Certain departments were refusing to work overtime and some editions of the newspaper had been late on Saturday.

The Argus management yesterday said negotiations were expected to continue.

195 FM 27/11/81

COPI
Currency factor

Activities: *Canadian-registered packaging group operating in West Indies, Kenya and the UK.*
President: *J M Kalmanson.*
Capital structure: *17,6m ordinaries of no par value. Market capitalisation: R80,6m on the JSE.*
Financial: *Year to June 30 1981. Net cash: C$43,6m. Debt:equity ratio: 4,8%. Current ratio: 4,1. Net cash flow: C$10m.*
Share market: *(JSE) Price: 458c (1980-81: high, 480c; low, 235c; trading volume last quarter, 72 000 shares). Yields: 12,1% on earnings; 3,7% on dividend. Cover: 3,3. PE ratio: 8,3. SA currency: earnings 55,3c; dividend 16,8c; net asset value at current exchange rate 429,6c (R1 = C$1,25).*

	'78	'79	'80	'81
Return on cap (%)	20,2	13,6	17,4	14,2
Turnover (C$m)	50,3	56,5	70,9	78,6
Pre-tax profit (C$m)	14,3	10,5	15,0	14,4
Gross margin (%)	29,1	19,1	21,6	18,8
Earnings (c)*	76	55	76	69
Dividends (c)*	16	16	14	21
Net asset value (c)*	471	514	575	537

* Canadian currency, adjusted for cap issues.

Conditions in most of the countries in which Copi operates were difficult last year. Though there are some early signs of improvement, the general economic climate in these countries indicates that this year will be one of consolidation rather than growth for the company.

Copi has a good dividend record if the cap issues are taken into account and the revival of the Canadian dollar against the rand last year considerably helped South African shareholders. Over the past few years the strengthening rand has eroded the dividend gains.

The company started the year off with a strong liquidity position and this considerably boosted investment and other income as advantage was taken of high interest rates.

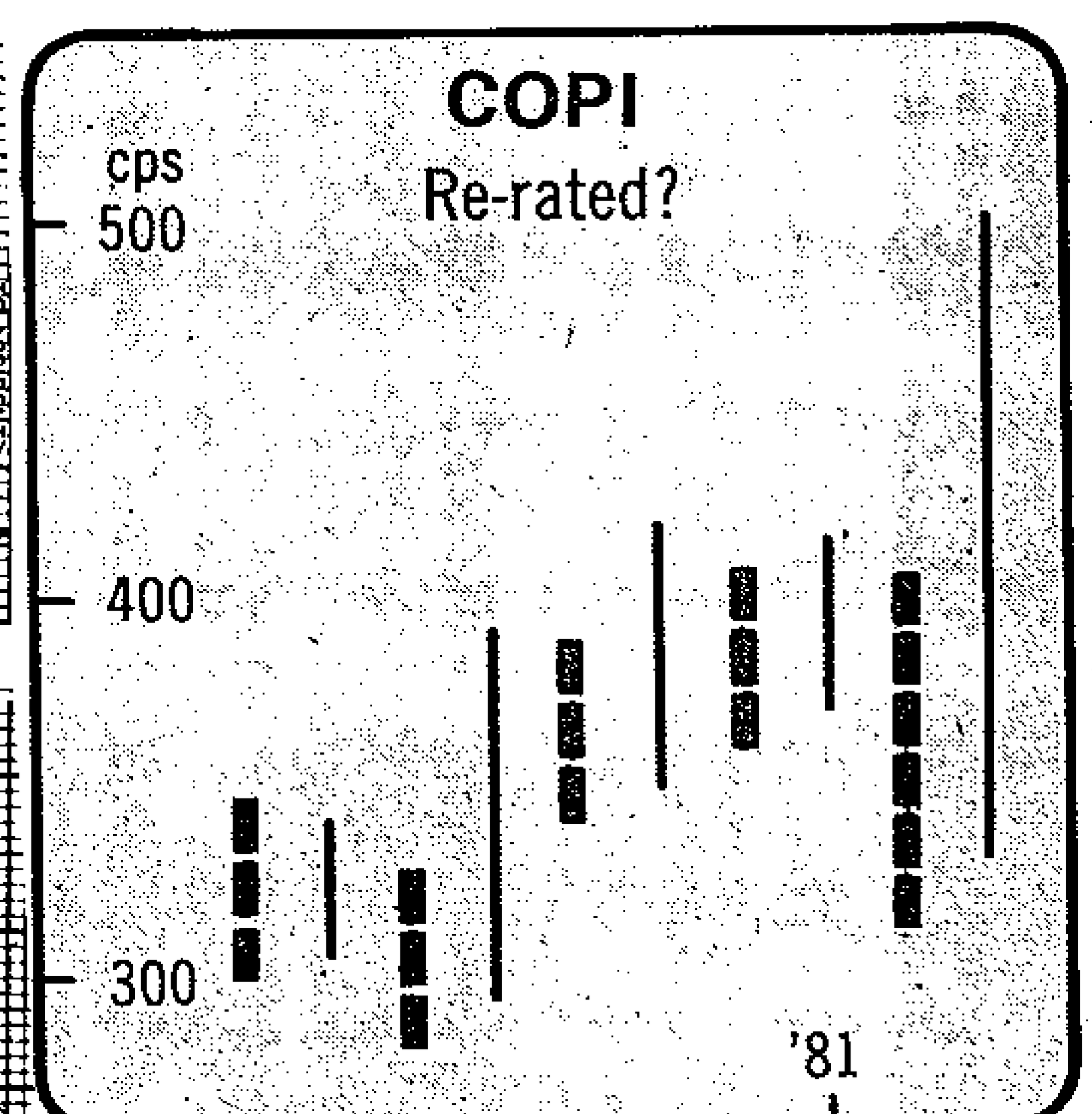
The balance sheet remains exceptionally liquid, with cash at C$48,3m (C$38,4m), and this should provide some protection against currency fluctuations. The wide spread of Copi's interests and the export/import nature of the business means that currency fluctuations play an important role in the cash flow budget.

To absorb some of the shocks, an exchange equalisation account has been created from currency exchange profit and now stands at C$4,1m. "It has been decided in view of the violently fluctuating currency climate that these surpluses should be used to provide some protection against possible future losses," says president Tony Kalmanson.

Last year the Jamaican operation recovered profitability despite "unprecedented urban violence throughout Jamaica prior to the October 1980 elections and the change of the government."

The Barbados company, however, suffered from electricity supply problems, port congestion and labour disputes. Profit fell by 50% though the latest figures show some recovery, says Kalmanson.

Kalmanson says the overall outlook warrants "cautious optimism." SA investors need take a view on the strength of the rand before investing in this medium-growth group. The current trend suggests buying opportunities may soon arise. *Ian Muil*



Training
The cost of training a heading.
Overtime
Overtime may have to tion loss.
First aid
Instead of members of cidents, they could ch
Investigation
There are costs invol the accident and compl the necessary forms. This cost is not easy to ascertain, but cognisance must be taken of the fact that other work will possibly be neglected.

Required clerical control
The claims on the Accident Fur and this naturally costs time ai

Equipment repairs
The cost of repairing or repl damaged, the clean-up and the equipment.

Like all icebergs, the mass dangerous, especially when we could add up to. Some writers costs to hidden costs should I definite ratio can be arrived at. I its own exercise and calculates necessary on a sampling basis. T firm and it was found that the came to about R600,00. The hid contract penalties amounted to ratio!

It may be said that because of in production is noticed. It may plant is the same whether accid must be very obvious is that if th must be produced at a higher cos more firms to introduce systems dent can be determined in their w can be supplied by NOSA togetl collecting data.

SECOND ICEBERG EFFECT
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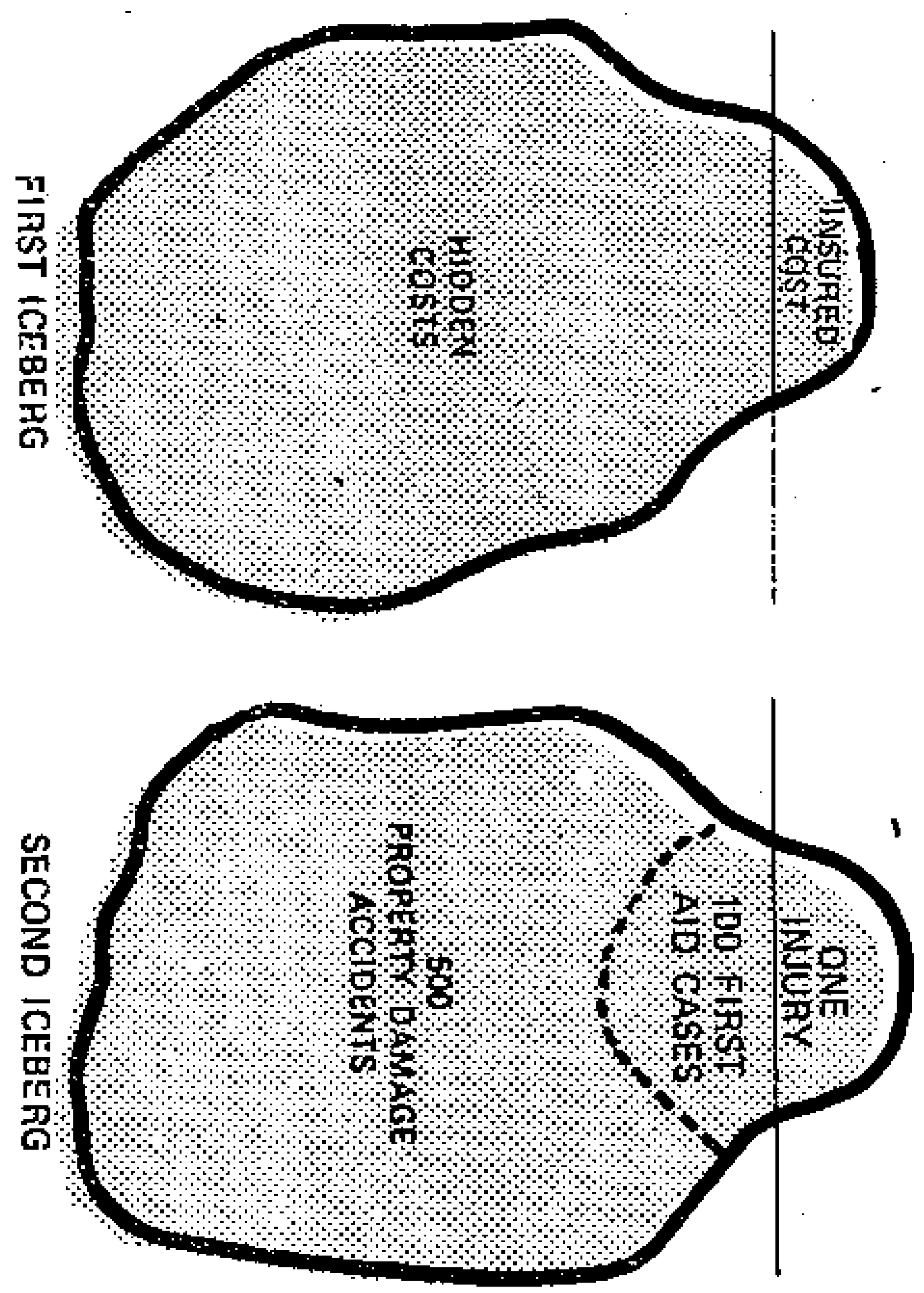
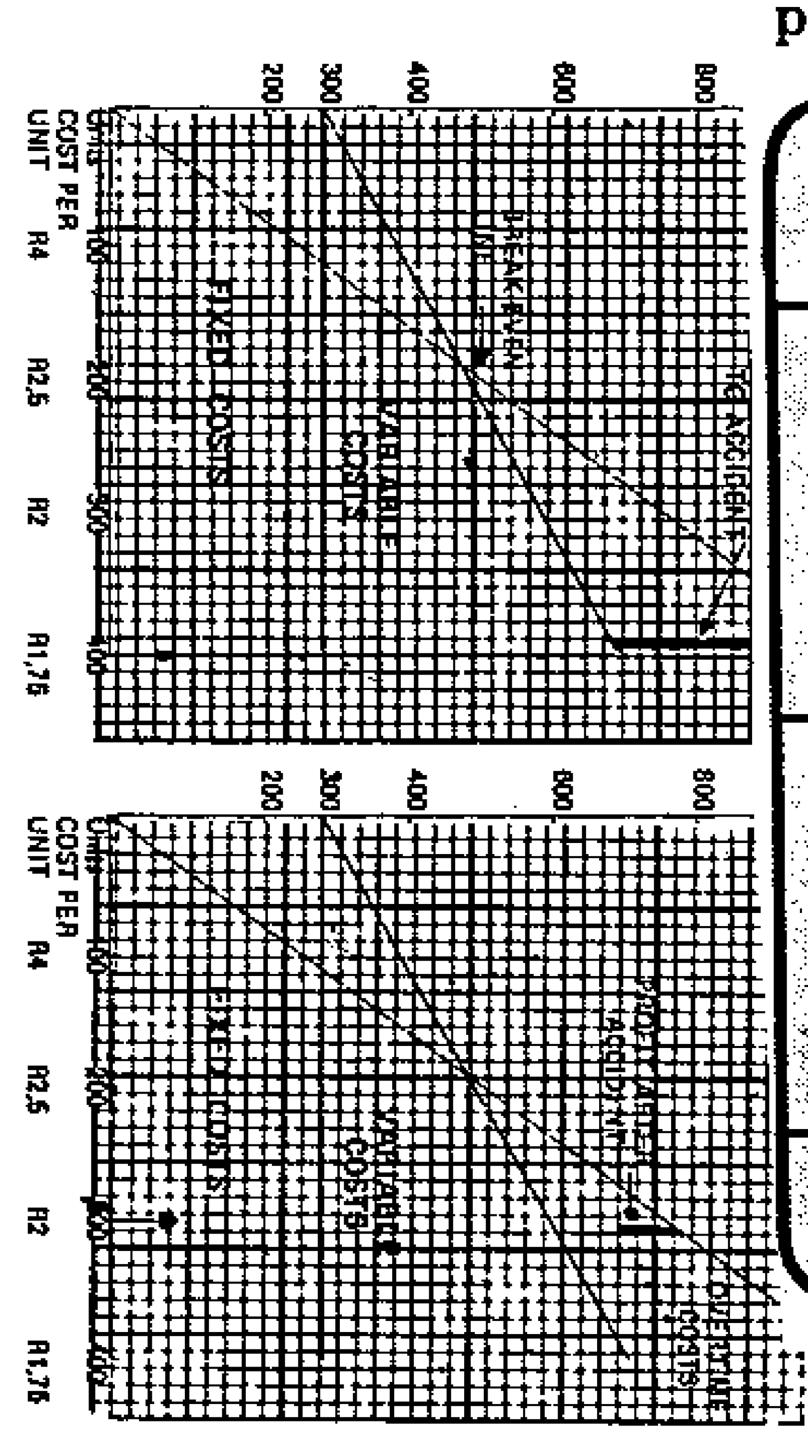
It should be made quite clear v planned, uncontrolled event that i orderly process of the production activity or process.





Industrial accidents are costing South Africa about R100 million a year, through loss of productive time. In addition, more than 2 000 people are killed and 30 000 are permanently disabled. In the above graphs, the real costs before and after an accident are measured in terms of a fall in production and the overtime expenses required to maintain production levels. The effect on profits is dramatic, with a drop from R300,00 to R75,00 as a result of inadequate safety precautions.

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STAR 27/11/81

Agreement reached on journalists' pay increases

195

Newspaper managements and the Southern African Society of Journalists yesterday reached agreement on salary increases.

A statement issued by the SA Newspaper Press (Editorial) Conciliation Board in Johannesburg read: "Agreement was reached on substantial salary increases for more than 1 000 journalists employed by newspapers throughout the country.

"The agreement between newspaper companies owning the country's major daily and Sunday English-language newspapers and the Southern African Society of Journalists was concluded after an offer from the companies was accepted by the journalists.

"The agreement provides that the total salary bill for senior journalists, who remained with the same employer for the year, shall increase at least 25 percent in January 1982 over its January 1981 level.

"All senior journalists who have remained with the same employer for the year January 1981 to January 1982 will get across-the-board increases on a sliding scale ranging from 18 to 22 percent. The balance of the 25 percent increase will be awarded at the discretion of editors.

"The board also agreed on increases for journalists in their first years of service. Next year matriculants' starting salaries will rise to R400 and graduates' starting salaries to R600 a month. After four years' service a journalist who began with matric will earn at least R800 a month.

"The work-to-rule action initiated by journalists on seven newspapers is now at an end. The last newspapers still on a work-to-rule suspended the action yesterday." — Sapa.

MANUFACTURING — PRINTING

1982 – 1985

CAXTON (195)

Taking risks

FM 22/1/82

Activities: *Printer and publisher of newspapers, magazines, books and advertising materials. Owns 3% of Hortors. Owned 96,2% by Afmed (Pty). Argus owns 30% through the holding company.*
Chairman: *M D W Short; joint managing directors: T D Moolman, N M Coburn.*
Capital structure: *520 000 ordinaries of 50c. Market capitalisation: R3,8m.*
Financial: *Year to August 31 1981. Borrowings: long- and medium-term, R1,6m; net short-term, R1,4m. Debt: equity ratio: 217,0%. Current ratio: 1,1. Group cash flow: R621 000. Capital commitments: R3,7m.*
Share market: *Price: 730c (1981-82: high, 730c; low, 240c; trading volume last quarter, 2 000 shares). Yields: 11,9% on earnings; 3,6% on dividend. Cover: 3,3. PE ratio: 8,4.*

	'78	'79	'80	'81
Return on cap (%)	12,8	3,5	22,0	14,6
Turnover (Rm)	3,1	5,1	4,8	10,8
Pre-tax profit (loss) (R'000)	163	(3)	452	547
Gross margin (%)	6,1	1,2	11,6	6,1
Earnings (c)	31,5	5,5	61,6	86,9
Dividends (c)	8	4	18	26
Net asset value (c)	155	160	213	267

If Caxton's sizeable capital commitments are anything to go by, the company seems completely unconcerned about the possible impact of an economic downturn on the advertising revenue generated by its "knock and drop" suburban newspapers. Caxton's future growth ambitions can be gauged by the fact that the company — which is capitalised at R3,8m — showed year-end capital commitments totalling slightly more than R3,7m.

This expenditure includes the purchase of additional plant and machinery costing R2,9m as well as the acquisition of World Printing and Publishing — currently owned by Argus — for R850 000. An additional R25 000 will be spent on acquiring the outstanding 50% share in the publication title of Top Twenty magazine.

The bulk of the capital expenditure will be financed by a five-year British export credit loan amounting to R2,4m and a 14,5% bond on the premises of World Printing and Publishing for R637 500. The balance will be financed by internal cash resources, according to the directors.

One question minority shareholders are bound to be asking is whether the additional borrowings of R3m will be justified in the current year by increased returns on capital employed. When the UK loan gets taken into account in the third quarter of calendar 1982 — just before the company's financial year end — it could push the already high debt: equity ratio to well over 400%.

Quite apart from the impact of interest payments on pre-tax profit, the additional borrowings should be seen against a return on capital employed last year of 14,6% — well below the previous year's 22% return. To some degree that can be explained by the fact that profitability was dragged down by start-up costs from *Style* magazine, which was launched in November 1980. But Caxton could have an uphill battle this year if the widely anticipated economic slowdown begins to have an impact on the advertising revenue of its newspaper division. Chairman Meredith Short shrugs off that possibility, saying that previous experience has shown that economic cycles have "little impact" on the company's business.

Despite the size of the capex budget, no immediate profit is being bought. However, there could be some improvement in the current year since the magazine division — which includes the successful black magazine *Pace* — is now trading profitably and could make a difference to the overall picture.

In addition, an advertising sales agreement with holding company Afmed was terminated in September and the directors say this should result in a considerable cost saving this year. Although the expected effect on earnings is described as "material," no specific figures have been provided. Last year Caxton paid R1,1m to Afmed in terms of the agreement, but the net saving to the company this year is likely to be less than this after payment of salaries.

At the bottom line, taxed attributable income was boosted by the sale of land and buildings at a profit of R39 000. Curiously, the company has chosen to distribute most of its net income before the extraordinary item, whereas in the previous year a portion of that income was transferred to non-distributable reserves.

The directors offer no information to shareholders on prospects for the current year, but with the high level of competition in the newspaper and magazine business, together with escalating costs, Caxton appears confident in its ability not only to survive, but also to take risks in favour of future growth. That hardly puts minority shareholders in a secure position.

Nevertheless, the share is currently trading at a high of 730c, with an extremely thin historic dividend yield of 3,6%. That, however, is probably not a true reflection of investor opinion as precious few shares are traded. On normal criteria the rating is difficult to justify and this looks like a good time for minorities to bale out, leaving Argus and Caxton directors to go it alone.

Chris Wilson

PUBLISHING

New issue

FM 19/2/82

(195)

A new black Sunday newspaper — *Golden City Press* — will hit the streets on March 28. Equal shareholders in the venture are South African Associated Newspapers (Saan) and newspaper magnate Jim Bailey through J R A Bailey Publications.

The new company — Golden City Press Pty — will be registered as soon as the legal formalities have been tied up.

Capital contributions are on an equal basis and while Saan MD Clive Kinsley is not prepared to put a figure on it, he says total investment is under R1m.

The partners are equal financially but effective control of editorial administration, advertising, marketing and distribution will lie with the Bailey team.

The idea was initiated by Bailey as he felt a need to expand his publishing operations. After researching the market and receiving a thumbs up from the advertising industry, he approached Saan.

"Bailey and Saan have shared the belief that there has been a gap in the market since the demise of the *Sunday Post* and that a publishing opportunity exists," explains Kinsley.

"Saan, he adds, had been looking at the possibility of launching a black Sunday for some time and Bailey's approach was well received. Explains Kinsley: "As Bailey has the necessary expertise in the black market, Saan was content to merely take a substantial investment without involvement in the running of the paper."

Circulation of the publication will be confined to the PWV. A national launch is considered less viable and. besides, the major market for a black newspaper is in the Reef area. Print order will be around 100 000/week.

Golden City Press expects a circulation of at least 85 000 within three months of the launch. Says Kinsley: "We expect the paper to be viable within a year."

Editor is Philip Selwyn-Smith who once ran the old *Golden City Post* which was sold to the Argus Group in 1971.

HOW THE PRESS SHAPES UP

(195) FM 26/2/82

CIRCULATION FIGURES

	Average Sales per issue July/Dec '81	Average % change on Jan/Jun '81	Average % change on Jul/Dec '80
Dailies			
The Argus	99 843	−1,9	+2,4
Beeld	67 963	+2,7	+8,9
Die Burger	68 641	−1,6	+1,2
The Cape Times	63 486	−1,0	+4,5
The Citizen	65 051	+6,9	+24,3
Daily Dispatch	30 302	+2,3	−3,6
The Daily News	88 928	+1,7	+4,3
Diamond Flds Adv	7 715	+3,0	+5,3
EP Herald	27 096	−1,5	+0,8
Evening Post	22 662	+3,8	+1,2
The Friend	7 578	+3,3	+14,2
Hoofstad	13 628	−5,4	−4,1
The Natal Mercury	58 213	−0,1	+3,1
The Natal Witness	18 959	+0,7	+1,0
Oggendblad	5 828	−9,9	−10,5
Oosterlig	10 388	+0,4	+3,0
Pretoria News	24 876	−3,8	+2,2
Rand Daily Mail	106 759	−2,8	−0,9
Sowetan	72 846	+11,5	—
The Star	168 511	−2,7	+1,7
Die Transvaler	44 109	−4,0	−1,3
Die Vaderland	40 998	+2,0	+0,5
Die Volksblad	24 654	−0,8	+3,9
Weeklies			
Weekend Argus	112 920	−2,7	−1,3
Die Burger	81 252	−3,4	−1,5
Cape Herald	49 363	−16,1	−24,3
The Cape Times	84 182	−3,3	−0,5
The Citizen	54 660	+2,4	+14,0
The Daily News	25 164	+5,5	+7,1
Hoofstad	3 970	+11,3	+7,1
Imvo Zabantsundu	49 655	+12,6	−4,2
Oggendblad	2 979	−10,7	−19,3
Post Natal	33 696	−1,5	−0,2
The Pretoria News	14 528	+2,3	+15,9
Rapport	407 215	−1,2	+1,1
The Star	89 337	+3,3	+10,0
Sunday Express	86 758	−5,1	+1,4
Sunday Times	464 989	−1,1	+4,4
Sunday Tribune	125 120	−0,5	+0,8
Die Transvaler	33 401	−8,2	−8,0
Die Vaderland	13 083	+7,6	+26,2
Die Volksblad	17 275	−2,9	+4,5
Weekend Post	45 977	+0,1	+2,4
Newspapers — bi-weekly			
Ilanga	106 918	+5,1	+8,7
Periodicals — weekly			
Family Radio & TV	147 778	−10,2	−8,0
Farmers Weekly	37 604	−2,3	+2,8
Financial Mail	27 129	+2,0	+3,4
Huisgenoot	330 019	+7,8	+14,8
Keur	181 183	+3,7	+8,0
Kyk	18 365	+1,0	−1,7
Landbouweekblad	78 548	−1,0	−0,8
Radio & TV Dagboek	106 805	−4,9	−4,5
Scope	190 793	−1,4	−0,5
See	21 081	+2,6	−1,1
Periodicals — fortnightly			
Darling	78 583	−5,3	−11,7
Fairlady	230 709	+6,4	+10,8
Rooi Rose	214 854	−2,7	−1,2
Sarie Marais	217 417	+9,3	+5,2
Periodicals — monthly			
Bona	311 424	−1,0	−11,0
Car	108 134	+10,1	+15,8
Charmaine	39 386	−1,7	−1,6
Drum	142 808	+4,1	+2,6
Living & Loving	188 908	−6,5	−16,0
Parade & Foto Action	28 538	+4,0	+9,0
Patrys	37 132	−10,0	−13,2
SA Garden & Home	139 322	+10,9	+18,1
True Love & Family	108 792	+6,0	+11,4
Womans Value	209 361	+2,2	+58,9
Your Family	276 760	−2,4	−1,2

The ups and downs of the publication world continue. Latest Audit Bureau of Circulation figures for July-December 1981 show that some publications have become the new leaders in their field, while others have suffered their first downswing for some time. But most have continued on the same course set in the first six months of 1981, with sales of major daily and Sunday papers tending to dip marginally.

Among the dailies, *The Citizen* sales are up 24,3% on last December, while Perskor's two other Johannesburg dailies, *Die Vaderland* (up 2,0%) and *Die Transvaler* (down 4,0%), have had mixed fortunes since mid-1981. During the same period, *Die Transvaler* experienced a decrease of 8,2% on its separately-monitored Saturday edition.

Two Pretoria dailies, *Oggendblad* and *Hoofstad*, have both been on a steady decline since the beginning of last year. Since June 1981, sales of *Hoofstad* have decreased by 5,4% and *Oggendblad* by 9,9%.

The *Sowetan* has increased sales to 72 846, up 11,5% on last June's figure. While the circulations of most weeklies (including the Saturday editions of dailies) have remained fairly constant, the *Cape Herald* sales have decreased 24,3% on the December 1980 figure of 65 177. The King William's Town-based *Imvo Zabantsundu* has had a 4,2% decrease on December 1980 figures but has countered this with an increase of 12,6% since June 1981, bringing sales to 49 655.

Periodicals show the most impressive gains. Among the weekly and fortnightly magazines, *Huisgenoot* (up 7,8% since June 1981), *Fair Lady* (up 6,4%) and *Sarie Marais* (up 9,3%) show the biggest gains. Sales of *Family Radio & TV* and *Radio & TV Dagboek* are both down.

Bona, the big seller among blacks, appears to have arrested the slide which saw sales tumble from 350 047 average on the December, 1980 ABC to 314 448 for the six months to June last year. Latest figures show a decrease of only 1,0%.

Woman's Value, whose circulation has soared 58,9% since December 1980, could show only a 2,2% increase for the latest review period.

Sales of monthly magazine *Car* have increased by 10,1% since June 1981 and have passed the 100 000 sales mark. During the same period, sales of *SA Garden & Home* increased by 10,9%. New leader in the magazine field is *Huisgenoot*, whose weekly sales exceeded 330 000.

MILLIONS: New revelations — Page 9

SAAN shines but where now?

195

S. Times 28/2/82

By Stephen Orpen

WHERE to now? That is the $64 question facing South African Associated Newspapers, which this week posted another startling increase in annual profits.

Despite a slower second half, attributable profits for the year to end-December leapt by 56% to R9,1-million from R5,8-million.

Earnings a share jumped from 301c to 471c and the annual dividend from 120c to 185c.

The group's spectacular recovery in recent years is reflected in the fact that in 1975 the dividend was only 12c and earnings 60c.

Turnover then was a little over R48-million, compared with about R80-million in 1980 and (a guestimate) around R140-million in the latest financial year.

The vast improvement in recent results can be attributed not only to the boom. It is also a reflection of tight controls and high productivity which have exacted maximum results from closely compacted resources, with modest new outlays.

Whether the gallop — or even a trot — can be maintained beyond the next half year or full 12 months will depend heavily on whether the downswing in the business cycle brings revenues and (extended) systems under strain.

Star 1/3/82 (195)

Boys will not oust workers

Trade union officials are concerned about plans to extend the use of schoolboys to deliver newspapers in Johannesburg.

They fear that delivery men employed by the Allied Publishing Company will lose their jobs.

Allied's managing director, Mr R J Mitchell, has assured the union concerned — the Commercial, Catering and Allied Workers Union — that this will not happen. Affected workers will be moved to other positions and retrained where necessary.

Union officials met again yesterday to discuss the matter.

PRINTING 195

Cheaper abroad

FM 26/3/82

High local paper and printing prices are prompting SA publishers to turn increasingly to overseas suppliers. Yet local printers have no complaints about a lack of business.

Says Jonathan Ball of Jonathan Ball Publishers: "Because printers are so busy they can name their own price. This factor, added to the high price of local paper, forces publishers to seek alternatives."

Many publishers agree that even with the recent 10% import surcharge it is still about 25% cheaper to print high-quality colour books outside SA.

The best printing deals can apparently be obtained in countries like Spain and Italy and in the Far East.

Recently, Struik publishers released a garden encyclopaedia, printed in Singapore, at a retail price of R29,95. MD Gerrie Struik says it would have had to sell for R50,60 had it been printed locally.

Tom Bulpin of Books of Africa says poor quality as well as price makes him look overseas. He recently had to return 4 600 faulty books out of 10 000 to a local printer.

"If we are aiming at an international market we cannot afford this high incidence of bad printing," he says.

Not all printers and publishers agree. Mike Weston, MD of the giant Cape and Transvaal Printers says he has not lost one contract to overseas competition in the past year.

"Most paper is produced in SA," he says, "and only high-bulk paper is imported. Our highly automated machinery makes us very competitive with overseas printers."

Tony Ashworth, MD of Timmins Howard publishers, says all his printing is done in SA. "Compared to countries like the US and Britain, he says, "we have very good printers and competitive prices."

Some publishers feel that local paper manufacturers are to blame for their problems with printers. Says Struik: "Local paper is expensive, of inferior quality, and deliveries are erratic."

Sappi MD Ken Lechmer-Oertel admits it is cheaper to print in some overseas countries.

"The Far East is a paper dumping ground," he charges, "and many European paper mills are subsidised. We are not that fortunate."

ELECTRONIC EDITING

Busy program

FM 2|4|82 195

Although most major SA newspapers have begun computerising their editing, classified advertising and type-setting, they remain a prime target market for future sales of computer equipment.

In the next five years they should spend R20m on complete pagination systems and further automation. Total value of all terminal-based text processing systems (TBTPS) in SA is now about R22m.

Small circulation newspapers and commercial typesetters are another fertile sales area.

Perskor is a further sales prospect. It uses the Hendrix system — believed to have come as part of the Citizen package — but for production only.

In SA, Atex has 65% of the newspaper market for TBTPS, and has a distribution agreement with SA Associated Newspapers (Saan).

Saan, Nasionale Pers, the *Natal Mercury* and the *Argus* newspaper have bought Atex. But the Argus company's *Daily News* and *The Star* are installing the rival CSI system. The *Natal Witness* uses Hendrix.

An independent trade journal lists Atex as the largest systems company in the graphic arts business, and fifth largest in typesetting worldwide. It credits Atex with 31 new systems internationally in 1981, including 14 for newspapers. CSI completed three installations.

Atex should benefit from its 1981 Eastman Kodak merger, by getting the picture-processing, chemical and laser technology essential for pagination.

Jolyon Nuttall, manager of *The Star*, says CSI was chosen because it suits marketing functions in the classified section.

"CSI proved extremely adaptable and upgraded its system to meet our requirements," he says. "Atex seemed less flexible."

The Atex system uses a bank of smaller computers while CSI depends on fewer, but bigger machines. But Atex fans believe that having fewer computers is not always an advantage as they may have to be more sophisticated and costly.

Nuttall says that after a malfunction, CSI terminals do not go down; the system merely slows as a backup computer takes over.

And had Atex been installed, any subsequent refinements would have to be offered to Saan as well, Nuttall says.

Atex Systems (SA) GM John Joslin counters that while CSI and Atex work differently, CSI has no special marketing functions. And sales to the *Dallas Times Herald*, the *Houston Chronicle*, *LA Times* and the *Washington Post* — all heavy on classifieds — have gone to Atex or vendors other than CSI.

"There was nothing requested by *The Star* which Atex couldn't provide," he says.

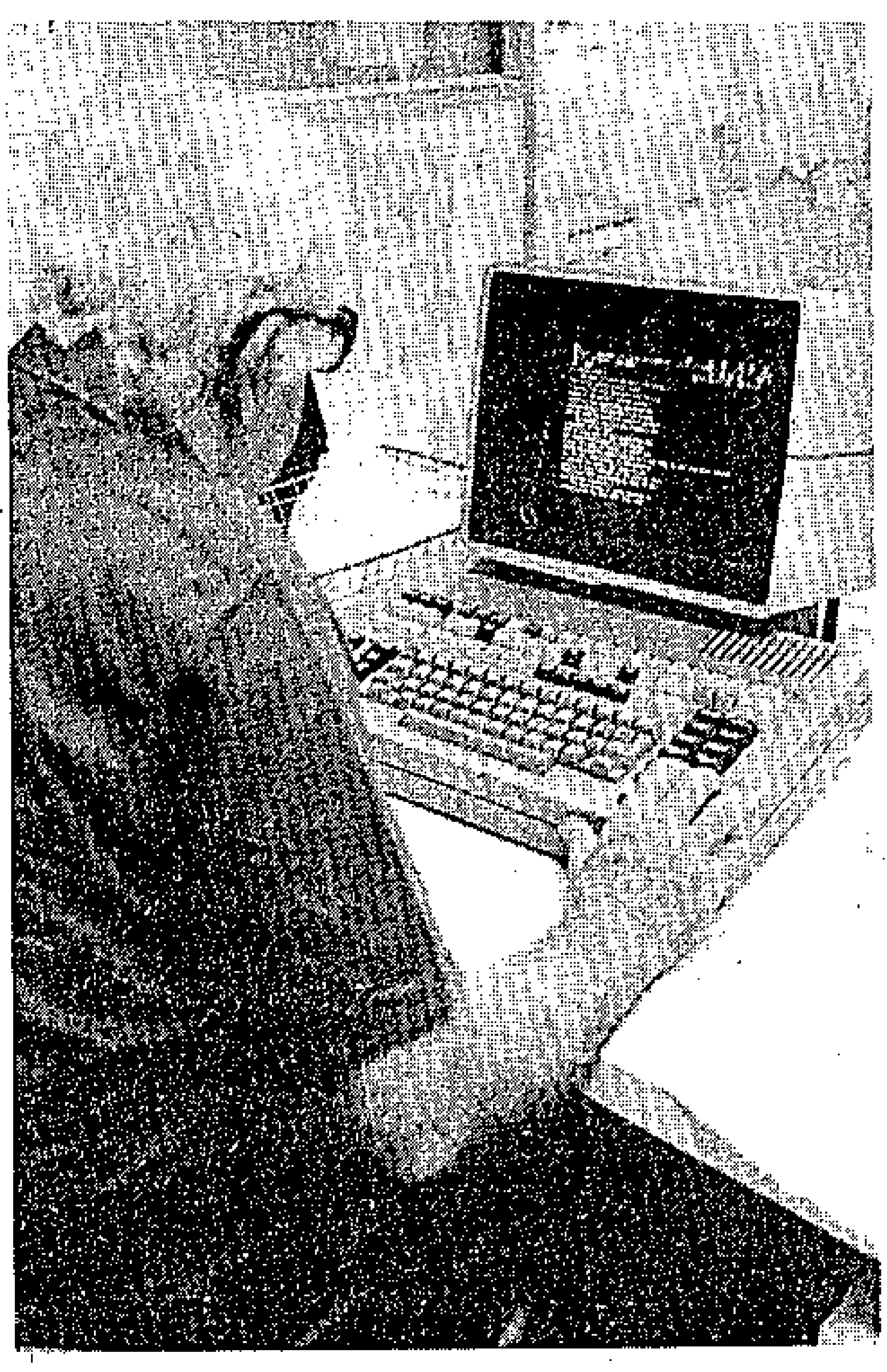
"Atex is more modular, but we feel this gives greater resilience and reliability. If there is a breakdown you lose 10% of the system rather than 50% on a dual computer system.

"We recommend a spare computer so you can switch failed terminals without losing response time."

Replying to other criticism of Atex, he says no buyer can have exclusive use of valuable improvements without paying millions, and as yet no computer vendor has kept a refinement exclusive.

John Potter, production manager of the Argus, says the *Melbourne Age* has the largest weekend classified section worldwide, and like his paper, has chosen Atex.

He says that while CSI may need fewer computers than Atex, a CSI computer malfunction could pose more problems.



Atex editing system ... computerising the journalist

195

FM 9/4/82

HAND IN GLOVE

Local publisher Jonathan Ball (JB) has acquired a powerful partner in SA Associated Newspapers (Saan) which has bought a 30% stake from the Ball Brothers David and Jonathan.

The move was initiated by MD Jonathan Ball in a bid to expand in the SA book market which, he says, is full of prospects if capital is available.

"We have had a good track record in the past," he asserts, but we have been undercapitalised. Our distribution tie-up with publishers Hodder & Stoughton (H & S) has given us a good connection in Britain.

"We now need a substantial SA partner and our good relations with Saan in the past made it the natural choice."

The Ball brothers will hold 70% of the shares for the moment, but H & S has the option to buy an interest of up to 20%.

Clive Kinsley, MD of Saan, says Ball's offer was suitable. The firm, he adds, showed good development potential.

"Saan is always prepared to look at good financial propositions in areas that do not necessarily deal with the newspaper world," Kinsley says.

Ball, however, does not think that book publishing is that far removed from journalism.

Says he: "Saan and JB go together like a hand in a glove."

W/E ARGUS 17/4/82 195

18 pc pay rise for Mwasa

Weekend Argus Correspondent

JOHANNESBURG. — A national salary and wage agreement was reached in Johannesburg this week between the two leading English-langauge newspaper groups and the Media Workers Association of South Africa (Mwasa), a union representing black workers within the newspaper industry.

The agreement guarantees all Mwasa members as at December 31, 1981 a minimum increase of 18 percent in salary or wage from January 1, 1982.

The employers agreed that the total salary/wage bill of the union's members in each job category would increase by 25 percent, the additional seven percent being allocated at the discretion of management.

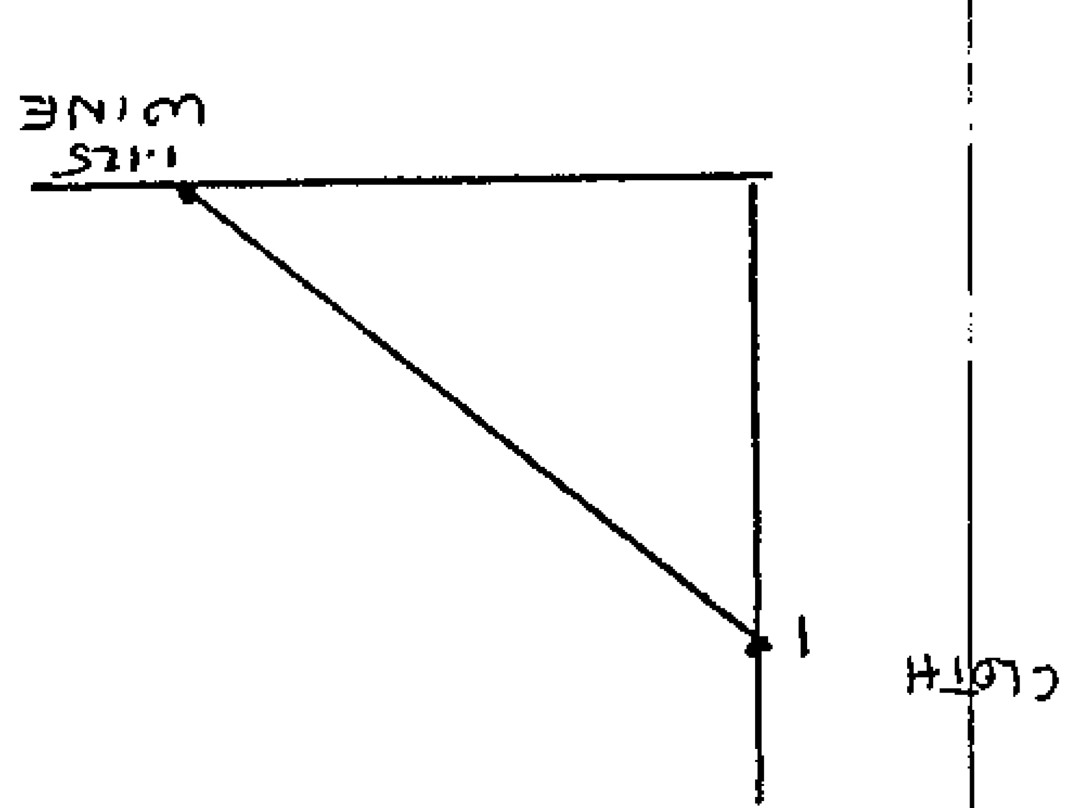
The increases are based on the salaries and wages paid as at January 1, 1981.

The agreement, reached after protracted negotiations, will apply to newspapers belonging to the Argus Printing and Publishing Company Limited and South African Associated Newspapers Limited.

The parties concerned have also formally adopted a grievance procedure and disciplinary code to be used as the basis for independent in-house agreements to be negotiated at the various signatory newspapers.

They have a diff slope so they should trade e.g ~~UK~~ Portugal should specialize in ~~cloth~~ wine and sell to ~~portugal~~ the U.K.

CLOTH · COOLING WINE PORTUGAL



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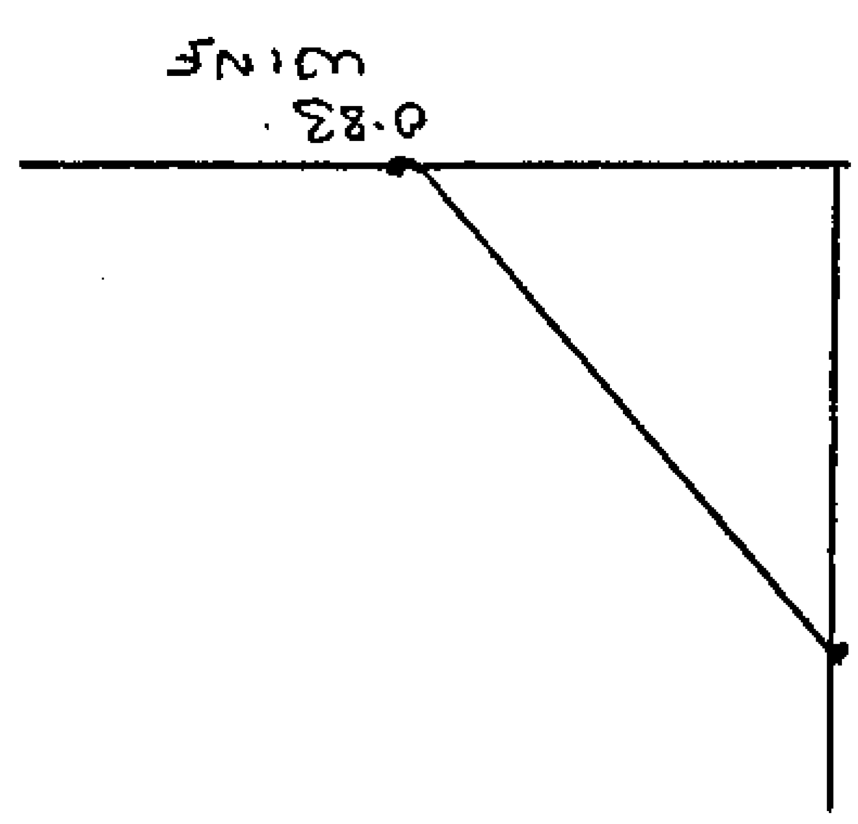

They have a diff. slope ∴ they should trade e.g U.K. should specialize in cloth and sell to ~~the~~ Portugal

If trading takes place then they will only stop trading when there is a 1:1 ratio and both slopes in ~~ea~~ in both countries are equal.

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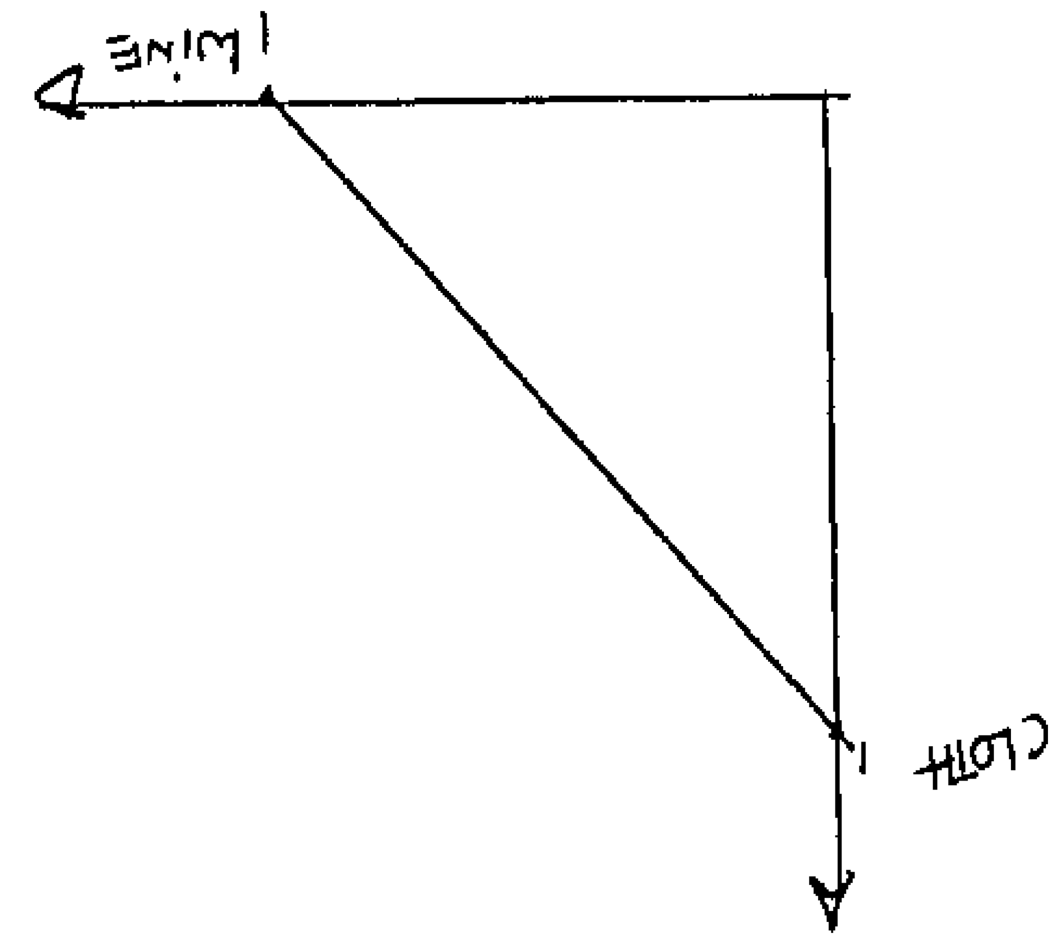

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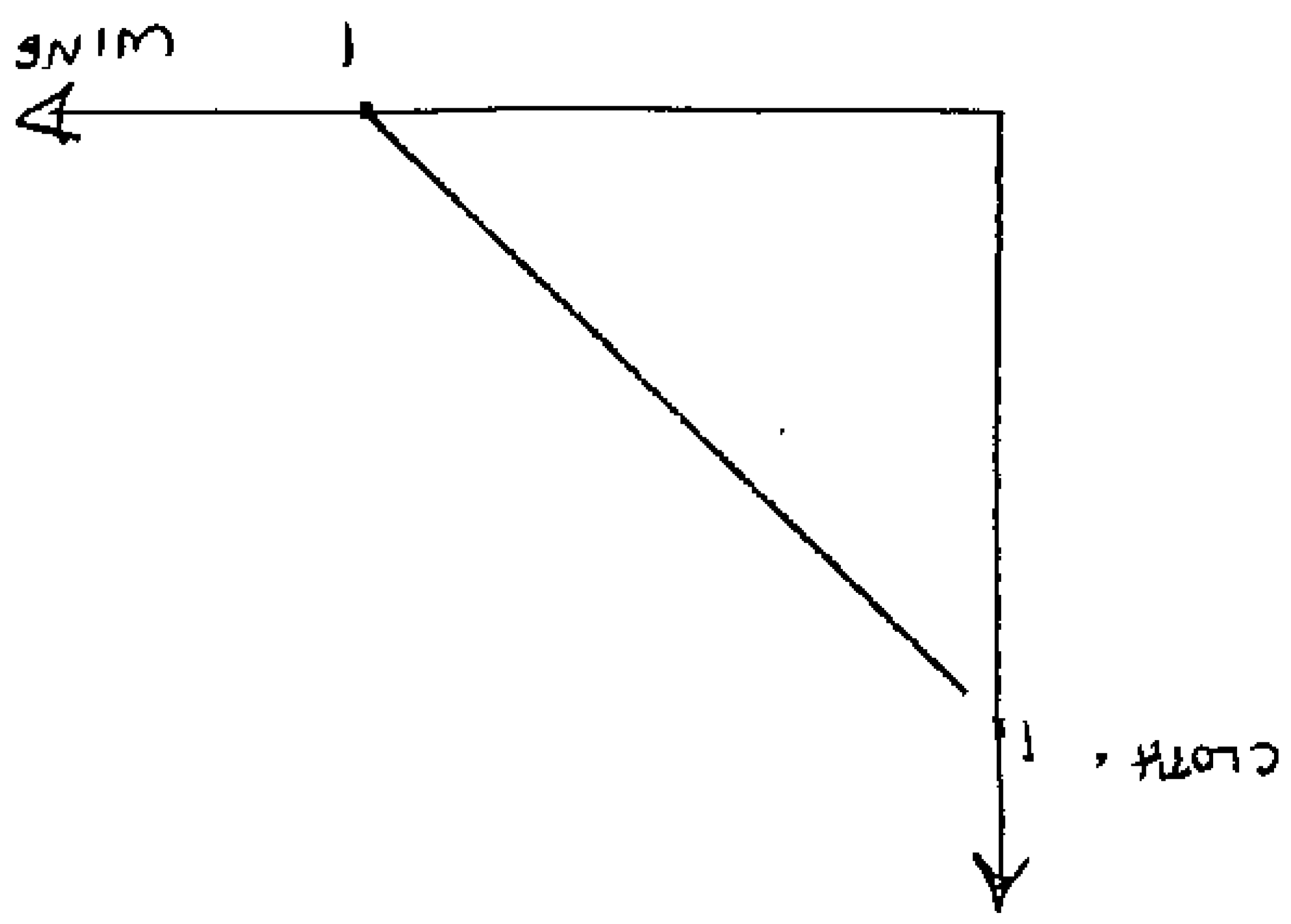

Workers strike at paper publisher

RDM 23/4/83

Labour Reporter

ABOUT 40 distribution workers at Amalgamated Press, Benoni, downed tools for most of the day on Wednesday.

They demanded union recognition and raised a wide range of other grievances, a Commercial, Catering and Allied Workers Union of SA spokesman said yesterday.

The stoppage has since ended, with the union claiming that all workers' demands were met.

Amalgamated Press publishes the Benoni City Times and several other Transvaal weekly papers.

A CCAWUSA spokesman said the workers were all members of the union and they had downed tools over pay and overtime grievances, complaints about dismissals, non-payment on Easter Friday and union recognition.

Union officials had intervened and negotiated with management who had agreed to workers' demands and also agreed to pay them while they were on strike, CCAWUSA's spokesman claimed. Workers had then returned to their jobs.

An Amalgamated Press source confirmed yesterday that a number of distribution workers had staged a work stoppage on Wednesday.

Star 9/9/80 195

SA pays dearly for the unskilled

By Stan Kennedy

South Africa's determination to increase the lot of the poor in recent years was partly responsible for unskilled wages having risen by more than the inflation rate, Dr Zac de Beer, an executive director of Anglo American, said in Johannesburg.

The substantial improvement in real wages had not been accompanied, generally speaking, by a corresponding rise in productivity and, in consequence, a unit of money bought less production.

Dr de Beer, guest speaker at the presidential banquet of the SA Institute of Chartered Secretaries and Administrators, was speaking on the expected business turbulence in the next 10 years.

"Despite the considerable and increasing sophistication of our economy, we provide only a minority of our people with education to Western European standards," he said.

"The vast bulk of our population is quite under-educated by these standards so that we have too many uneducated workers and too few educated ones.

"The paradox is that while there are hundreds of thousands, if not millions, of unemployed unskilled workers, we are chronically short of skilled workers. We then spend small fortunes on recruiting people from Europe to do our managerial jobs."

The danger of this situation was that if and when there was a boom in Europe and South Africa at the same time, South Africa would lose a lot of immigrant skills and have no homegrown skills to replace them.

Labour relations would be the most important, difficult and dangerous challenge of all in the next 10 years.

In a young nation where the Government granted workers full trade union rights while it denied them political rights, it was "absolutely certain" that the unions would be abused for political purposes. This was a recipe for serious trouble, he said.

"We, as managers, are going to experience many strikes and disturbances, the cause of which will not be in our power to remedy. And there are few worse fates than that.

"It is utterly out of the question to find all the managers we need among whites. We must make managers out of black people."

Star 10/12/82

Wider powers for textile union

Labour Reporter

An agreement between the National Union of Textile Workers and employers in the Transvaal knitting industry means the Fosatu union can now conduct industry-wide and factory floor bargaining.

Fosatu has hailed the agreement as the NUTW is not a member of the knitting industrial council in the Transvaal.

An agreement was reached in April this year which provided for plant-level bargaining, negotiations on wages and working conditions outside the industrial council.

Employers could not enter into agreement with other unions on the council to undermine the settlement.

The substantive agreement signed in early October also met Fosatu's needs for industry-wide bargaining.

These include stop-order facilities, recognition of shop stewards and union access to plants.

Unions putting pressure on printing industry

Star 10/12/82

195

Labour Reporter

Unregistered black-member trade unions are putting pressure on employers in the printing and publishing industry to pull out of the closed shop system.

The unions complain that although they are able to recruit members in the industry, workers are still bound to pay their dues to the registered South African Typographical Union (Satu).

They also claim that employers are hiding behind the terms of the industry's closed shop and are not applying for exemptions.

In Durban the printing affiliate of the South African Allied Workers Union (Saawu) has challenged the management of Republican Press, publishers of Scope and Farmer's Weekly, to stop deducting stop orders from their members at Mobeni.

The Media Workers' Association of South Africa (Mwasa) has held talks countrywide with the SA Associated Newspapers and Argus Printing and Publishing Company over dual union membership and the closed shop.

This month the General and Allied Workers' Union also confronted the management of a Hortors subsidiary in Johannesburg, Kalamazoo Business Systems, over the closed shop issue and stop-order deductions.

Satu's secretary, Mr Lief van Tonder, said other unions were welcome to recruit members in the industry.

"We have nothing against such healthy opposition but we do resent pressure being put on workers to join these unions."

The general secretary of Saawu, Mr Sam Kikine, said Republican Press was "guilty of an unfair labour practice" because it was unfairly requiring the union's members to pay deductions to Satu.

"Our members have requested management that stop-orders no longer be paid to Satu but we have as yet had no response from Republican Press," Mr Kikine said.

Mwasa officials said they had no problem recruiting former Satu members but these workers still had to pay deductions to Satu in terms of the closed shop agreement.

A Gawu spokesman said even though his union claimed a majority membership among workers at Kalamazoo management had not sought an exemption to the agreement.

But a spokesman for Kalamazoo said this week that although the firm permitted workers to belong to Gawu if they wished the firm tried to stay within the terms of their industrial agreement.

Profit setback for Saan

CAPE TIMES 1/3/83 (17)

By HOWARD PREECE

JOHANNESBURG. — South African Associated Newspapers reported a setback in the second half of 1982 and operating profit for the year was down by 29,3% after showing a drop of only 6,3% at the halfway mark.

The group was helped considerably however, by its strong cash reserves (rising interest rates were actually a benefit) and the fall in earnings a share was restricted to 22,5% — from 471c to 365c.

This enabled the final dividend to be maintained at 150c and the total payment for the year to December 31 was unchanged at 185c.

Saan owns the Rand Daily Mail, the Sunday Times, the Sunday Express, the Financial Mail and the Cape Times.

It controls Eastern Province Newspapers and has interests in the Natal Mercury and the Pretoria News.

Operating profit in 1982 fell to R8 835 000 from R12 502 000.

Investment income dipped from R1 631 000 to R1 420 000 but this was more than cancelled by the jump in net interest earned from R892 000 to R1 717 000.

The overall effect was a drop in trading profit from R15 025 000 to R11 972 000.

Net attributable profit — that is, after tax (including rebates from investment allowances), minority interests and non-trading items — slipped from R9 126 000 to R7 080 000.

The directors say various adverse factors took a toll on profits in the second half of the year.

- Costs, mainly newsprint and wages, were up by more than the revenue rise over the second half of 1981.
- Launching expenses of the Sunday Times colour magazine were more than anticipated with "the demand for advertising space being well below expectations."
- An amount of R750 000 was charged against operating profit as Saan's share of losses incurred in the joint venture with Mr Jim Bailey in setting up "Golden City Press."
- The "substantial agency commission" from electronic production equipment in 1981 was turned into a "significant loss" last year.

COMMENT: Saan shares, which closed unchanged at 1700c yesterday, have been strong over the past few weeks.

There are no unexpected bonuses in the 1982 figures — they are perhaps disappointing after the first half — to explain this.

The directors say, however: "Several promising opportunities are currently being explored and if these are realized the effect on trading could be significant and so ease the recessionary influences on the group's results."

Maybe this explains the share strength.

However, the directors caution: "While it is as yet too early to make a precise forecast of group profits for 1983 it is clear that trading conditions are likely to be difficult."

The historic yields of 21,4% on earnings and 10,8% on dividend do not, in themselves, seem sufficient to push the share any higher.

PUBLISHING FM 11/3/83 (195)

Literary local content

Less than 10 years ago, SA's general book publishers were floundering: indeed, they looked set to fold one after another. An inherently risky business the world over, publishing in SA had its additional burdens.

Foreign publishing houses were wholly dominant in the market, providing readers with sufficient titles and copies to stifle any call for local products. Furthermore, the few general books which did carry a local imprint were badly produced and overpriced. They left SA's general publishers with a bad name, and profits were scant.

The specialised educational book trade was doing well enough. Demand for school requirements was vigorously met by publishers such as Nasionale Boekhandel (NB), Perskor, Macmillan, Shuter & Shooter, Longmans, and Juta. Now, however, that market, too, is slowly reaching saturation point. Almost all scholastic books are published locally and government's educational budget for setworks has come to rest at around R50m/year.

A number of these publishers had made intermittent sallies into general book publishing. Some, such as NB with Tafelberg and Human & Rousseau, had their own general publishing divisions, concentrating on fiction, particularly in Afrikaans. But print runs of a title seldom exceeded an unprofitable 2 000 copies. Publishers stayed wary and usually relied on income from educational books to finance general book production.

It was only natural that Afrikaans general publishing should flourish while the English publishers jealously watched foreign products flood into the country. The adventurous spirit, a characteristic of most of the world's successful publishing houses, was absent.

That is, until a half-dozen locals felt it was high time to tackle a field which established publishers had long regarded as unprofitable and, therefore, to be avoided. Mostly through the tireless efforts of these small men, local publishing has made a respectable about-turn and is attracting considerable international interest.

Furthermore, "SA now wants South African books," says Jonathan Ball, one of the new breed of publishers who have made it their duty to venture into untested fields.

Although the local content programme of these publishers is still largely limited to history, politics, gardening, cookery, reference books and cultural matters, the conviction is growing that "something big" is waiting in the wings. The black market, for example, though being slowly prised open by publishers AD Donker, David Philip, and Ravan Press, is still in its infancy.

"Once that takes off, in about 10 years," says Struik's Gerry Struik, "the market will truly become profitable. We will be publishing for 30m people, instead of just 4m."

Struik's remarks do not mean that present publishing lacks incentive, even given SA's relatively small general reading populace. In fact, despite the novelty of the territory being explored, some publishers are netting unprecedented profits.

Given the right title, publishers can feel safe with print runs of up to 50 000 copies — unheard of a few years ago, when the norm was to avoid exceeding 2 000. This is impressive even by British and American standards.

Bigger ventures

The net effect has been that SA book production soared from 19m copies in 1977 to over 64m in 1981. This figure includes educational books of course, but their contribution has levelled off. General books, therefore, are largely accountable for the upsurge.

Publishers are coming to grips with their market, becoming more professional and learning how to promote their products. Booksellers, recognising the growing interest in indigenous literature, are giving due exposure to this output.

Ball sums it up: "On the whole, local publishers have become more sophisticated."

Sophistication and the daredevil spirit aside, certain external factors have assisted publishers in getting their act together. Adequate capital was one.

A few houses, having linked up with major companies, now have the backing to inject sufficient resources into weighty projects. Struik, for example, needed a long-term investment of R600 000 to print 35 000 copies of a gardening book. Shareholder CNA responded and the book, having achieved phenomenal sales, has already been reprinted.

The rationale behind increasingly large first-runs is to bring down the unit price. This, coupled with the fact that SA printing has finally risen to international standards, has provided quality books at some 15% lower than the cost of their imported competitors.

Of course, not all books qualify for big-stake investments. Struik's glossy-paged products, more often than not, are an exception. Generally, however, normal print runs surpass those of a decade ago. Besides the swing to local literature, this has also been made possible by increasing readership.

To find out which way this particular tide is moving, publishers often use the popular NB-owned Leserskring bookclub to gauge a title's potential. With 120 000 members in the three-year-old club, and 15 000 in its recently started English-language Leisure Hour counterpart, the clubs' members are currently buying more than 500 000 locally produced books, mostly hardcover at that, annually.

"Within a year," predicts MD Piet Botma, "that figure will double. In this way, we stimulate the market."

Because the clubs continually update their mixed bag of offerings, Botma is always on the lookout for new material. "Sometimes," he claims, "publishers even bring their manuscripts to us before going into print."

Local publishers' efforts, largely rewarded and appreciated at home, are starting to make an impression abroad. Struik says the success of indigenous publishing in SA, Canada and Australia is already taking its toll on UK and US sellers.

But, far from spurning their new counterparts, overseas publishers and buyers are keeping an eye out for possible "hits." In a good year, comments Struik, he sells up to a third of his books on the international market.

Ball has also shown that co-operation between publishers local and abroad can be lucrative. Recently he sold the paperback rights for two of his books, *The Super Afrikaners* and *A Sinless Season*, to Corgi and Penguin.

Even established SA writers who have already achieved their status abroad are taking cognisance of trends at home. Nadine Gordimer, Alan Paton and J M Coetzee, to name a few, have both local and overseas publishers.

In turn, SA publishers are treading the international market and buying the SA rights to overseas books, often those which deal with local events, such as Thomas Pakenham's *The Boer War*, snapped up by Ball.

The emphasis, however, remains on local product, and publishers are seeing the fruits of their trials and errors. Struik estimates that there is now an even overseas-local split of the annual R100m sales of English-language general books, in contrast with the 90%/10% pattern a decade ago. Another publisher, somewhat less optimistically, puts all SA-orientated hardback sales, (70% Afrikaans literature) at about R70m/year.

Although that would leave SA English-language book sales far below the R50m/year overseas-dominated paperback market, local publishers are finally breaking out of decade-old constraints and showing initiative.

One feels: "The industry is growing up."

Workers' minimum wages raised

195 Mercury 25/3/83

Labour Reporter

MINIMUM wages for workers at the Cappa Sacks plant, Isithebe, have been raised from R1,30 to R1,64 per hour.

A spokesman for the Fosatu-affiliated Paper, Wood and Allied Workers' Union said the agreement included an 18 percent raise of 24 cents on the minimum wage as well as the incorporation of the 11c attendence bonus pay into the minimum wage.

Wage negotiations began last November but were only concluded after a mediator was brought in, the spokesman said.

Business Mercury

Longmans buys Cape book firm

195

Mercury 15/3/83

JOHANNESBURG—The educational publishing interests of Hortors Trio Rand (Hortrio) - Maskew Miller and Maskew Miller (SWA) (MM Group) are to be merged with Longman Penguin Southern Africa (LPSA), a wholly-owned subsidiary of Longman Group (Overseas Holdings), a UK-registered company.

Standard Merchant Bank and Union Acceptances announced that the effective date of the agreement is March 1, 1983, and it will be implemented by LPSA acquiring the MM Group in exchange for the issue of shares to Hortrio. The MM group has been valued at about R3,6m for the agreement.

Hortrio and Longman will each hold 50 percent of the total ordinary shares in LPSA, which will change its name to Maskew Miller Longman (Proprietary) (MML).

Shares

Hortrio will hold redeemable non-cumulative participating preference shares and redeemable non-cumulative fixed rate preference shares in MML.

The agreement is conditional upon the necessary approval being obtained from the South African and United Kingdom authorities and the completion of a shareholders' agreement.

It is envisaged that the combination of the MM Group's broad sales and asset base in the educational book market and Longman's acknowledged expertise in publishing will improve the prospects of the existing companies.

The transaction will not have an immediate material effect on the net asset value or earnings per share of Hortrio but meaningful long-term benefits are anticipated. — (Sapa)

LABOUR DISPUTES FM 15/4/83

Dismissal deadlock

195

The current impasse between *The Star* newspaper and the Media Workers' Association of SA (Mwasa) seems likely to be one of the most protracted labour disputes this year.

Mwasa is seeking the reinstatement of 209 black workers who were fired for having taken part in a two-day work stoppage on March 24 and 25. They had refused to work unless a fellow Mwasa member was reinstated, pending an appeal against his dismissal.

The view of *The Star*'s management has been that the worker concerned had been given a final written warning in September last year as a result of disciplinary offences. He was fired last month after he was alleged to have threatened the life of a black supervisor and his dismissal was confirmed at a later appeal hearing.

Management appears to take the view that because their newspaper performs an essential service to the public, employees are especially obliged to honour contracts and agreements with the company. It therefore has taken a very strong stand against the workers who took part in the work stoppage. Mwasa maintains that such drastic action was unwarranted.

Inevitably, two other unions operating on the newspaper have been drawn into the dispute. The SA Typographical Union (Satu), which has poor relations with Mwasa, has been taking a strong interest in the dispute because of the dismissal fairly recently of one of its members, in a supervisory position, who assaulted an employee. Satu proclaims a desire for similar action to be meted out to an employee who threatens the life of a supervisor.

But members of the Southern African Society of Journalists (SASJ) have also had to take tough decisions. They, like other *Star* employees, were asked by management to help do some of the work of the strikers during the stoppage. The SASJ has in the past taken a strong stand against such a practice, but several of its members at *The Star* did agree to management's request.

Not raising hopes

Mwasa is still trying to find a negotiated solution to the dispute and *The Star*'s senior assistant manager, Jimmy Mould, tells the *FM* that the newspaper's management received a letter from the union this week. "We are considering Mwasa's proposals," says Mould. However, he emphasises that he does not want to raise hopes unnecessarily and points out that nine journalists on *The Star*, who are Mwasa members, have been given a firm deadline to end a work stoppage they embarked on during the past week.

He says that because a large number of people are involved, *The Star* is willing to consider the matter further. But, meanwhile, the newspaper has had to hire a number of people to do the work of the dismissed employees.

Mould denies Mwasa accusations that some of the sacked workers have been told they will be re-employed provided they agree to become Satu members.

Mwasa resolved last weekend that its members on other newspapers should formulate a strategy to aid the sacked workers. It seems at this stage that union members on other publications are anxious to resolve the dispute peacefully. Some appear to be opposed to a sympathy strike at this stage and believe that their employers should intervene in the dispute.

It is highly unlikely that the employers will agree to this, although they may play a moderating role at a meeting to be held soon. In terms of an agreement reached between newspaper employers and Mwasa, a "working committee" representing all signatories can be convened when a serious dispute occurs. The *FM* understands that the committee is due to meet next week.

FM 29/4/83

165 151 195

LABOUR LAW

Focus on firings

Is an employer who is faced by a work stoppage entitled to dismiss workers *en masse*? Can an employer, who has formulated a dismissal procedure, be forced to hold individual hearings for *all* the employees involved in the stoppage, either before they are fired, or at a later appeal stage in the procedure?

Answers to these questions may emerge from a legal challenge made by the Media Workers' Association of SA (Mwasa) against the dismissal of 209 employees of *The Star* newspaper last month.

Having failed to persuade the newspaper's management to reinstate the employees, members of Mwasa have now decided to take legal action.

As previously predicted by the *FM*, the impasse between the newspaper and Mwasa seems likely to be one of the most protracted labour disputes this year.

A group of Mwasa members filed papers at the Industrial Court last Friday in an attempt to obtain the reinstatement of the 209 workers, who were dismissed after they took part in a two-day work stoppage. They had refused to work unless a fellow Mwasa member was reinstated, pending an appeal against his dismissal.

The Star's management has maintained that the worker whose dismissal sparked off the stoppage had been given a final written warning in September last year as a result of disciplinary offences. He was fired last month after he was alleged to have threatened the life of a supervisor and his dismissal was confirmed at a later appeal hearing. Mwasa has since accepted this ruling.

However, management appears to have taken the view that because their newspaper performs an essential service, there is an onus on employees to honour contracts and agreements. It has therefore taken a tough stand against the workers who participated in the stoppage. Mwasa has maintained that such drastic action was unwarranted.

By last week, however, after talks between newspaper employers and Mwasa leaders, it became clear that *The Star* did not intend rehiring the sacked workers. It was willing to consider some kind of severance payment for those who had worked for the newspaper for a long time. The *FM* understands that the newspaper's management had decided to pay about R70 000 to dismissed workers, but that payment has been stalled by Mwasa's court action.

Mwasa is seeking reinstatement in terms of Section 43 of the Labour Relations Act. This section provides for the granting of interim relief to an aggrieved party — for example, reinstatement of a dismissed worker — pending a later hearing on the dispute.

***Star* on sale ... tough management line**

The Mwasa case appears to hinge on three main arguments:

☐ Management precipitated the stoppage due to the irregular manner in which it dismissed the individual whose firing led to the subsequent labour unrest;

☐ Management's entire handling of the events during the dispute amounts to an unfair labour practice; and

☐ In the dismissal of the 209 workers, management did not adhere to its dismissal procedure.

Management denies these charges and tells the *FM* that it intends contesting the application.

Large-scale dismissals of employees are not unusual in SA. They have often been seen by many employers as a legitimate response to what they perceive to be irresponsible worker actions. Given the fact that unions are making increasingly successful use of Section 43, the case is likely to be watched closely by both employers and unions.

Saan offer to EP Newspaper minorities

Cape Times 10/5/83

Own Correspondent

JOHANNESBURG. — South African Associated Newspapers wants to acquire all the minority holdings in its quoted subsidiary Eastern Province Newspapers.

Saan, which at present has a 69,9 percent holding in EP Newspapers, is offering the minorities through a scheme of arrangement either 400c a share cash or 25 Saan shares for each 100 ordinary shares in EP Newspapers.

EP Newspapers closed at 350c on the Johannesburg Stock Exchange.

Saan closed at 1 650c which puts a price of 412,5c on EP Newspapers on the scrip offer.

Last year Saan secured shareholder approval for an increase in its issued capital to be able, it was said, to take advantage of suitable investment opportunities if they should arise.

EP Newspapers obviously fits that bill.

Saan owns the Rand Daily Mail, Sunday Times, Sunday Express, Financial Mail and Cape Times and has interests in the Natal Mercury and Pretoria News.

Over the years EP Newspapers has had a solid track record.

In 1982, the company paid dividends of 37c a share from earnings of 90,1c.

That compares with 1978, for example, when dividends were only 18,5c and earnings 29,9c.

A scheme of arrangement requires the approval of 75 percent of the minority holders.

There is no indication, at this stage anyway, that there will be any substantial objection to the Saan offer of a useful premium over the current EP Newspapers share price.

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o await the pay-outs.
officials push through the

The waiting people clutch small, white cardboard official forms in their hands — the Unemployment Insurance Fund card — which is stamped and initialled by department staff at each visit.

They leave with about 45 percent of the salaries they received when they were last employed.

Department of Manpower officials concede there are problems in benefit payouts, largely because of the rapidly increasing number of registered unemployed which peaked in March this year at about 70 000.

They said there had been backlogs because of problems with a new computer. Additional staff had been brought in.

In Johannesburg alone 17 district staff were brought to the city offices to help.

But the backlogs had been sorted out and, aside from the odd individual delays, the benefit payouts were running smoothly, the officials said.

Some of the unemployed disputed this. A recent flood of telephone callers to The Star said they had not received their benefits for two weeks, one month, or even two months.

From the department's point of view there are delays where forms are incorrectly processed and former employers have to be approached.

"Look, I've been waiting for two months now and they keep telling me to come back in a fortnight," one caller said. "What am I supposed to live on?"

Another said: "I don't want charity. I just want back some of the money I paid into the fund over all those years."

While a third complained: "They tell me the computers are down or they don't have enough staff to cope with the increase in the number of the unemployed. Why don't they hire more staff then? Give us a few jobs?"

Repeated attempts to reach Johannesburg's Divisional Inspector of Manpower for comment have been unsuccessful.

of Durban, receives Rotary International's highest award, hip, from the acting president of Durban Berea Rotary sky. Although paralysed from the waist down since the ie has led a full life as a community and business leader. he Association for the Aged and president of the Durban Rotary Club.

Date set for Mwasa versus The Star

195 Star 27/5/83

Labour Reporter

An Industrial Court action by the Media Workers' Association of SA (Mwasa) against the Argus Printing and Publishing Company over the dismissal of 209 workers at The Star in March will be heard in Johannesburg next month.

The action was brought against the Argus Company in its capacity as proprietor of The Star and June 21 and 22 have been set aside for the case.

The Star dismissed the men when they refused to return to their jobs after a stoppage in support of a dismissed colleague.

The man, a Mwasa member, was dismissed after he received a final written warning for an alleged threat against a supervisor. An appeal was turned down.

The union's court action represents 107 of the dismissed men, as many have found other work.

Mwasa is seeking reinstatement of their members under Section 43 of the Labour Relations Act which provides for interim relief pending a settlement.

here'll be instant info ne directory queries

rrespondent

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Mr Raath said information on new subscribers' numbers as well as changes to existing directory entries would be available immediately.

Such information would be added to the new system daily.

With the existing system operators at directory inquiries have to refer to information on microfilm and often to other sources as well. Under the new system information will be summoned on a video screen at the press of a few buttons.

He said staff were being trained to man the 13 information centres where the first phase of the new system would be introduced.

These would be in Johannesburg, Pretoria, ... Durban, Port Elizabeth, Cape Town...

Climbing expedition planned

A group of South African climbers plans to climb one of the highest mountains in the Patagonia southern region of Argentina.

The expedition, planned for 1985, will be led by Mr Paul Wallek of the Mountain Club of South Africa.

Mr Wallek said the party would most likely be climbing in the Fitzroy range, about 10 000 feet above sea level.

Mr Wallek is appealing for funds and anybody interested in contributing is asked to get in touch with him at 4 —

Cape Times, Saturday, May 28, 1983 13

Saan loses court bid in dispute over distribution

Own Correspondent

PRETORIA. — A court application seeking to prevent the simultaneous distribution of the Saturday morning "sunrise" edition of the Star and the Rand Daily Mail, was yesterday dismissed with costs in the Rand Supreme Court.

Mr Justice H Nestadt dismissed the temporary order he granted at his home on May 21 after South African Associated Newspapers (Saan), publishers of the Mail, were granted an order which:

- Obliged Allied Publishing — distributors of both the Mail and the Star — in terms of their contractual agreement with Saan in regard to delivery of the Saturday, May 21, edition of the Mail, to adhere to the usual departure and delivery schedules.
- Restrained Allied Publishing from using the same transport for the simultaneous delivery of that day's Mail and the Star.

'Urgency'

Before delivering judgment, Mr Justice Nestadt said he would have preferred to have had more time to consider the matter, but the urgency of the issue dictated that a decision had to be reached as soon as possible.

In a two-hour judgment Mr Justice Nestadt said that for the applicant there was no question that if simultaneous deliveries were made of both the Star and Mail, using the same vehicles, there would be some delay in the Mail reaching its destination.

"The question is whether the delay will be a meaningful one. It is a question of degree," he said.

Saan had not shown a clear basis for its fears that such delays could harm it and neither had it shown what such delays could mean in terms of losses.

The judge said it could be assumed that the Mail would suffer if the interdict was refused and it could also be assumed that the Star could make alternative arrangments for delivery of its newspaper, as it had done of with the May 21 edition.

But the applicant had not satisfied the court that it would suffer prejudice from sharing the same deliveries on one day out of the six publishing days a week.

He took into account that in the answering affidavit submitted by the Argus company — publishers of the Star — it was stated that the Star could be prejudiced should the application be granted.

If interim relief were granted to Saan, preventing the simultaneous delivery of both newspapers, it would cost the Star between R4 000 and R5 000 to make alternative delivery arrangments each Saturday.

Contract

Mr Justice Nestadt also found that a contract between Saan, Argus and a third party had been entered into which stipulated the departure times of the vans used to deliver the publications.

However, he could find no details in the papers before court of a subsequent agreement between Saan and Allied concerning the delivery times for the Mail.

Reference had been made only to a general agreement by which Allied endeavoured to get the Mail to subscribers by 6.30am and to agents — such as shops — by the time they opened for business.

The temporary order was contested only by the Argus. Mr Justice Nestadt noted that the first respondent, Allied Publishing, had announced that as a result of a decision made at a board meeting, they would not be contestng the order and would abide by any resolution he made.

Counsel for the Argus gave notice to the court that it intended bringing an urgent application for interim relief for today's edition of the Star but the matter was later settled out of court.

(195) ~~546~~ ~~435~~ ~~162~~ ~~179~~

~~A SMALL~~ dent in the closed shop was achieved last week. RDM ~~139~~

Paper giant Nampak has succesfully applied to the printing industrial council to have black workers at three of its plants who do not want to belong to Tucsa's SA Typographical Union exempted from the closed shop. 20/6/83

The workers concerned have already joined an emerging union.

But, although this move could act as something of a precedent, it hardly spells the end of the closed shop.

The printing exemption was only granted on condition new black workers at the plants be forced to join SATU.

Many councils still oppose any requests for exemption from the closed shop. And the Government still backs the practice.

While many established unions still cling to the closed shop as their only means of gaining black members, most employers say they are against it.

But employer opposition always seems to ignore one crucial factor — that there would be no closed shops if employer associations did not negotiate them with unions on councils.

If employers are against minority unions forcing workers to join them, they can simply refuse to negotiate further closed shops.

Workers' vote a new blow to 'closed shop'

195 ADM 27/7/83

By STEVEN FRIEDMAN
Labour Correspondent

THE "closed shop" in the printing and packaging industry, which forces workers to belong to the SA Typographical Union, has suffered a new blow — this time at a Brakpan firm Kohler Corrugated.

In a secret ballot on Monday, workers at the plant voted overwhelmingly to be represented by the Paper, Wood and Allied Workers Union, rather than SATU. Kohler will now seek an exemption from the "closed shop" to enable workers to resign from SATU and will also begin recognition talks with PWAWU.

The ballot was supervised by representatives of the company and both unions and follows an earlier vote in which 94% of those workers who voted chose PWAWU ahead of SATU.

The second ballot was held because management alleged the first had been characterised by "intimidation" and because SATU complained it had not been informed of the vote in advance.

Kohler said in a statement that 288 workers had voted, of which 273 had backed PWAWU. It said more than 100 workers had abstained or failed to vote.

A PWAWU spokesman said 94,5% of those voting had endorsed the union. Those who had not voted were largely white workers — who PWAWU had insisted be able to vote, despite objections from SATU — and workers in a new department who had recently joined the company.

A union statement said PWAWU was "pleased to have now proved beyond doubt that the majority of workers want to be represented by PWAWU". It hoped to begin negotiations soon on the retrenchment of seven workers at the plant.

PWAWU said that, until an exemption from the closed shop was granted, workers would continue to have "numerous deductions" made from their pay on SATU's behalf.

"We call on SATU to concede defeat and allow any worker who wishes to, to resign." It said it looked forward to a "constructive" relationship with Kohler and a full exemption from the closed shop at the plant.

A SATU spokesman confirmed the figures, but referred all other queries to the union's general secretary, Mr Lief van Tonder, who is in Cape Town.

Kohler's statement said the company's policy was to recognise the organisation which represented the majority of workers at each of its plants.

It would therefore seek an exemption from the closed shop agreement with SATU and would also open recognition negotiations with PWAWU.

"One of the matters to be discussed will be the fact that those workers who withdraw from SATU will lose the pension, medical aid and similar benefits provided by that union. We understand that there are no similar benefits offered by PWAWU," the statement added.

Cape Times 16/8/83

Saan profits down 39% — interim maintained

~~249~~ 195

By JOHN MULCAHY

JOHANNESBURG. — South African Associated Newspapers has reported a 39 percent drop in attributable profit for the six months to June 30, but the managing director, Mr Clive Kinsley, is confident the earnings fall for the full year will be limited to 10 percent.

Mr Kinsley and the chairman, Mr Ian MacPherson, refer in Saan's interim statement to a group-wide development programme, which is well under way, and some benefits from which are expected to start flowing through in the second half of this year.

Attributable profit for the six months to June was R2 501 000, compared with R4 108 000 in the corresponding 1982 period, and earnings fell to 129c a share from 212c, but the interim dividend has been maintained at 35c.

The directors say that if the full year's earnings meet management's projections of at least 328c a share, the final dividend will be unchanged at 150c.

Operating profit fell to R2 839 000 from R5 395 000, investment income dipped to R806 000 from R918 000 and net interest received amounted to R571 000 compared with R865 000 for the first half of 1982.

Pre-tax trading profit was R4 216 000 (R7 178 000) and tax absorbed R1 537 000 (R2 902 000), while minorities were slightly higher at R178 000 (R168 000), leaving attributable profit of R2 501 000 (R4 108 000).

Mr Kinsley yesterday announced plans to curb losses on the Rand Daily Mail, and to put the newspaper "... firmly on the road to vigorous recovery ...".

The plans include the introduction of a separate, tabloid financial publication, named Business Day, and included as a section of the Rand Daily Mail from Mondays to Fridays.

Business Day will appear from October 4 with a guaranteed minimum size of 20 pages for each issue and will replace the existing Business Mail.

Mr Kinsley stressed that the change was not the first step towards publication of an independent financial newspaper.

"Business Day is an integral part of the Rand Daily Mail."

Closure of the Rand Dail Mail was not an option that would be considered by the directors, said Mr Kinsley, and the board would also not allow the character of the paper to be changed.

The Sunday Times retained its position as the main contributor to Saan's earnings in the six months to June, in spite of reduced demand from national advertisers and a weak market for recruitment advertising.

The belief that the Sunday Times colour magazine would help to increase the paper's circulation and simultaneously establish its own reader support had proved correct.

According to Saan's directors, advertising backing for the colour magazine was growing and bookings extended well into 1984.

"The colour magazine is expected to contribute to profits from 1984 onwards."

The group's second largest profit generator, the Financial Mail, again widened its lead over all its competitors.

The Sunday Express continued to dominate the Transvaal property advertising market, and according to Saan's directors the strategy of positioning it as the Transvaal's Sunday newspaper was starting to pay off.

The Cape Times continued to make good progress and reported a useful improvement in profit for the six months, while Eastern Province Newspapers maintained operating profit for the six months at the same level as the first half of last year.

Saan's electronics equipment agency operated at a loss in the six months, but orders received and prospects for the rest of the year indicate that it might break even by the end of December.

Printing and Publishing

50 000 people employed in one of SA's giant industries

CAPE TIMES 17/8/83

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THE printing, publishing and packaging industry in South Africa has come a long way since the end of the 18th Century. From hand-operated presses to computer technology, from crude black inks to full-colour reproduction on surfaces and materials unheard of just a few years ago.

Tweet Gainsborough-Waring recalls the history...

THE printing and packaging industry is one of the top 10 industrial giants in South Africa and employs about 50 000 people, of which about 25 percent are employed in the Western Cape.

In the early days at the Cape, printed matter in general was not deemed fit for the mental consumption of the local inhabitants and it was only with the arrival of Johan Christian Ritter in 1784 that the printing industry was started.

Humble start

With this humble start the foundation was laid for an ever-growing industry and towards the end of the last century the industry employed enough people to establish the first trade union in the country, the South African Typographical Union, which, in the wake of its struggle for proper recognition, called a strike soon after the founding of the employers' federation in the Cape in March, 1911.

The Cape Times on the day of the strike appeared as just a single sheet in which the printers set out the reason for the strike.

On November 10, 1919, the industry was enriched with the establishment of the first industrial council in the country — the National Industrial Council for the printing and newspaper industry of South Africa.

The strike of May, 1911, as recorded then in the Cape Times and the Strike Herald published during the strike, recorded the last printing strike in the Western Cape.

Specialized

Today, 199 years since it started, the industry has become highly specialized, with 26 trades in which employees can be become craftsmen.

The four main sections of the industry are:

- Origination, which embraces composing, photo composition, photo typesetting, photolithography, process engraving, photogravure engraving and carton die-cutting.
- Machining, which includes lithography, letterpress gravure, packaging, continuous forms, carton making and corrugated board machine minding.
- Finishing, which embraces book binding, ruling, cutting and warehousing.
- Technical, which includes engineering and maintenance (mechanical and technical), and stationery and envelope-machine adjusting.

Expensive equipment is used in various departments with electronics playing an increasing role in the production of a wide variety of articles including books, cartons, newspapers, sacks and magazines.

Many thousands of tons of raw materials, which include paper, board, plastic, film and others, are converted annually by about 250 printing firms in Cape Town, still regarded as the traditional book-printing centre of the country.

Top awards

From the point of view of technology and skilled human resources, the industry in no way lags behind and has succeeded in bringing home top awards from international competitions, despite competition from highly-industrialized countries.

At present, South Africa's paper consumption per person is still one of the lowest in the Western world. However, this is improving rapidly, a development which could mean a great future for the industry in South Africa.

It's still a craft despite computers

WHILE computer-age technology has entered the printing industry in a big way, printing remains a craft where "excellence" is the goal, says Cape Town printer Mr Mike Mason.

"We have made machines which can be programmed by other machines to learn skills in minutes which previously would have taken years of painstaking practice to learn. We gladly accept this in the industry," Mr Mason says.

However, he says, if excellence is to be maintained, the basic rules still need to be learnt — "just as one does not learn to become a doctor by performing a heart transplant".

For the industry to be consistent in its costing system, quality control and delivery dates, those in the industry need to be well acquainted with the basic concepts and not just with the machinery which will manipulate these basics.

"This can only be achieved if the industry makes it imperative for anyone wishing to start a printing business to sit an examination to test his basic qualifications in respect of mental aptitude, business acumen and experience in the industry.

"We have an industry which is proud to call itself a craft. Let's keep it that way," he says.

Printing and Publishing

From business cards to books: printers and their products

COMMERCIAL printers, also known as "jobbing" printers, are responsible for many of the items so necessary for the smooth running of a business.

They produce, among other things, invoice books, statements, bill forms, letterheads and business cards.

Ozprint has been in business for 10 years and has become known as the printer's printer. A wide range of machinery gives this press versatility and the ability to produce work quickly. Over the years, valued clients have become firm friends. Last year, the litho machines were upgraded.

A lot of the work done is the numbering and perforating of bill strips.

Possibly one of the oldest jobbing printers is Colourtone press. Processes used in the production of letterheads and business cards include letterpress, lithography and thermography.

A new company, started a year ago, is Solo Print. It occupies one of the oldest buildings in Salt River, the old Pyott's factory.

Not long after the flour had settled, a

The craft of bookbinding is still used today for important documents such as law books, Bibles and ledgers. Here a craft binder applies his art.

Quality printing depends on good litho material

NO MATTER how sophisticated a printer's equipment — or how skilled his machine minder — it is impossible for him to produce a quality print product if his basic lithographic reproduction material is not up to scratch.

This is the opinion of Mr Manfred Kluwe, owner of a city reproduction studio which specializes in high-quality advertising and book and magazine work.

"All too often print buyers complain about poor standards of colour printing and chop and change printers when it could be the basic reproduction material that is at fault," Mr Kluwe said.

"Perhaps they should take a closer look at who is supplying the origination material. It could pay off handsomely in improved quality."

Although Mr Kluwe "served his time the old-fashioned way" in post-war Germany, he has always firmly believed in keeping abreast of modern advances in reproduction technology. In fact, he was one of the first qualified scanner operators in South Africa.

He travels regularly to the major printing expositions in Europe to make sure he knows what's new from the world's suppliers.

Mr Kluwe's studio, called Grafoart, is a relatively small repro studio which has a select client portfolio that includes advertising agencies, a major oil company, commercial printers and independent book publishers.

"I have no desire to be the biggest studio in town," says Mr Kluwe. "I know every client personally and thoroughly enjoy getting intimately involved in their work, be it a one-off poster or a regular full-colour magazine.

"What really makes my day is when a client produces a 'problem job'. For example, four or five separate photographs that have to be combined to produce one composite end product that looks completely natural."

The studio offers a total lithographic reproduction service with scanning and proof press facilities.

Entering the print trade

YOUNG people entering the printing industry sign a contract for four years but can shorten the period to two and a half years by attaining the Printers Certificate part three and passing a practical trade test.

The successful candidates obtain immediate artisan status and pay.

To qualify for a career in the industry, prospective applicants should be in possession of a Std 10, Std 9 or Std 8. Those entering with a Std 10 certificate will benefit substantially.

Once you have obtained the NPC3 Certificate, you become eligible for the National Diploma in Printing *Management*.

This course, which is equivalent to a three-year degree course, comprises 13 subjects including accounting, estimating and costing.

□ Further information on this course can be obtained from your local chamber of printing.

Parow firm offers 24-hour service

SUPER PRINT, specialist jobbing printers, opened four years ago in Parow and since then has attracted clients throughout the Western Province.

"One of the main specialities of Super Print," says owner Mr K Niclaes, "is to treat each job, large or small, as a personal challenge to satisfy clients."

Experience

Super Print's management consists of Mr Niclaes and Mr Norman Ernstzen, who have a combined printing experience of more than 60 years in South Africa and overseas.

All originations and layouts are done on the premises in conjunction with commercial artists.

Super Print is fully equipped for work up to A3 size and offers a 24-hour service on most jobs.

Its small workshop consists of a letter press and the most modern of presses.

whole page (195)

Sheet-fed works supplements bigger presses

ONE of the first true business forms distributors to appear on the South African scene in late 1974, Simpliform (Pty) Ltd, found the ever-increasing demand for systems and forms consultancy occupying a high percentage of senior personnel's time.

Soon after starting business, the company, which specializes in business forms and design, acquired its own small sheet-fed printing works to supplement the forms designed for the bigger presses producing computer forms and snap sets manufactured by major trading partners.

Need

This was part of the obvious need to be able to use all types of forms to satisfy the needs of its clients.

Today the need for all-round capability is undiminished. Seeing a need to specialize in consultancy and design work, where the company's real expertise lay, Simpliform approached Edina Griffiths to take over its sheet-fed operation and in return allow Simpliform to distribute on its behalf, in the same way it does for several other companies operating large reel-fed presses.

Processes

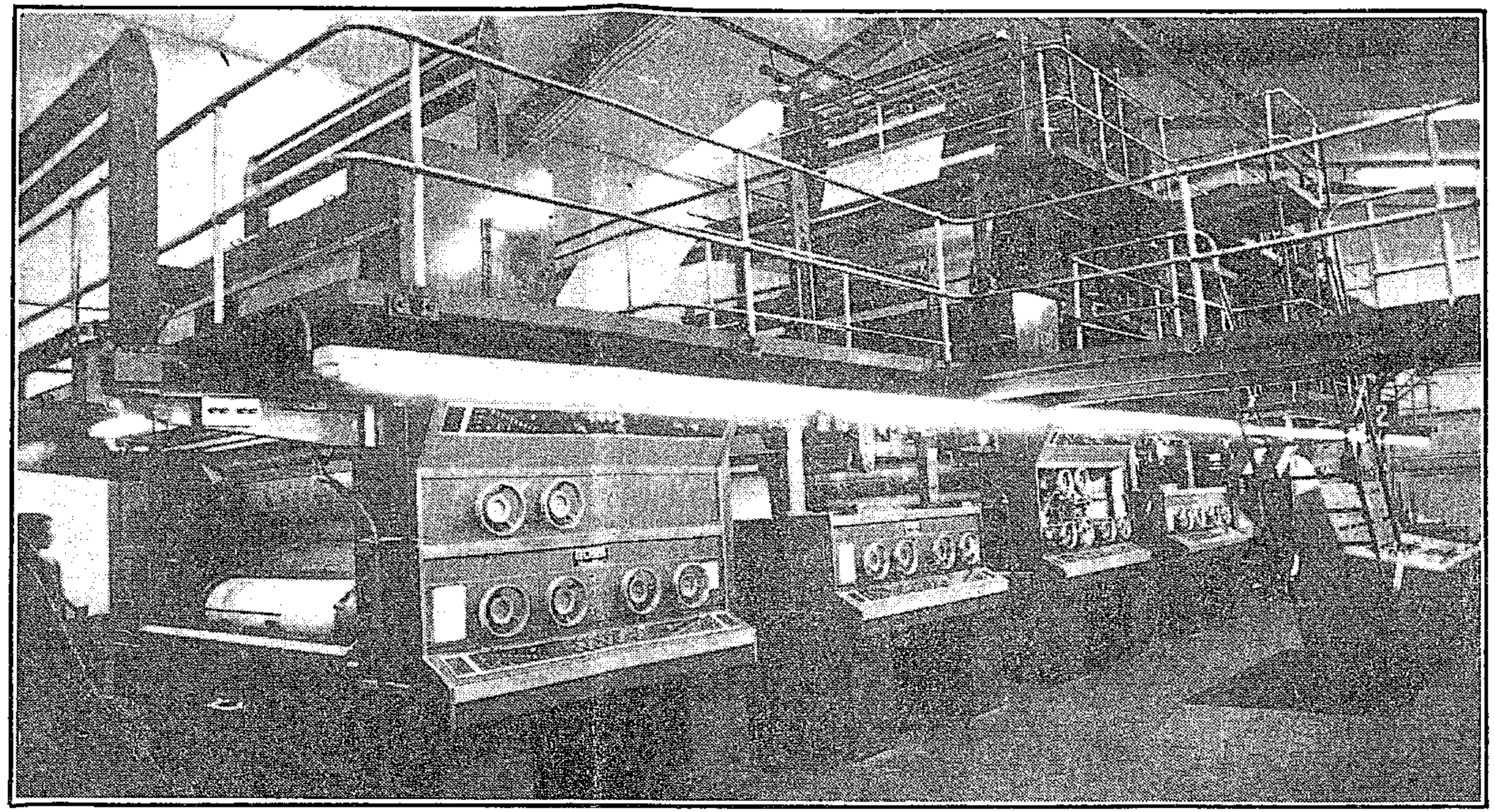
Free of production hassles, more time can be spent in the field with clients, while Edina Griffiths concentrates on production and printing processes.

A great deal of Simpliform's work is in business forms but a fair amount of colour work, calendar and magazine production is undertaken for clients as a result of its extended facilities since combining its operations with Edina Griffiths.

With the resources available, specific job requirements can be carried out with ease. Another advantage of this is the ability to handle rush jobs.

Facilities

The relationship between these two companies has enabled them to offer the facilities of general commercial printers, short run specialists, quick run specialists, long-run factories, colour experts and even a factory for fixing and overprinting jobs.



The R2 million offset litho machine installed by the Cape Times in 1975 at Paarden Eiland produces a daily average of 70 000 copies of the Cape Times, with an additional 20 000 for Saturdays. It also produces 85 000 copies of the Sunday Times as well as pre-printing all the Cape Times Finders. The press has a crew consisting of a foreman, deputy foreman, five labourers and four machine minders.

Coates Brothers show their versatility

COATES BROTHERS (South Africa) Limited, established in South Africa in 1935, has been associated with the supply of printing inks to the Cape Times for nearly 46 years.

In those early years, printing inks were relatively simple to manufacture with black being the main requirement. Colour, because of limitations in raw materials, was seldom used.

Advancing technology, in all facets of the industry, has allowed sophisticated four-colour work to be used in newspapers, a development we take for granted today.

The story of the development of printing inks began almost 2 000 years ago when Dioscorides, the Greek physician to Anthony and Cleopatra, recorded the formula for an ink based on lampblack and oil. Since the Egyptians grew so much cotton, this was probably derived from the seeds of the flax plant, in other words, linseed oil.

By 1877, many printers would not have described their inks as any different. Since then, however, other oils such as flower, soya, tung and petro-chemical have all been used in an attempt to improve the overall quality of ink.

The black ink which enables you to read this newspaper is just one of many which Coates Brothers supplies.

Beer cans to biscuit tins, from crown corks to toothpaste tubes. Soap cartons, frozen food packs, detergent jugs, cigarette packs, plastic sacks and postcards. From magazines to printed circuit boards.

Whatever the material, Coates colours your world.

Lots of hard work in recipe for succe

CTP B... Printe... printe... first b... on th... histor... the decid... fruit indust... South Africa "Tree Life"... Prime Minist... P W ... receiv... first c... from Louis... and M... Fine c... Decid... Fruit ...

ATTENTION to detail, commitment to quality and a lot of hard work are the ingredients for the success of CTP Book Printers, according to managing director Mike Kemp.

And proof of this is that the restructured company — now combining the resources and skills of both SA Litho and CTP under one roof — last year won the Sappi Printer of the Year Award in the book category.

Today no other book printer in the country has comparable facilities at its disposal. The location of the CTP Book Printers next to the premises of SA Litho and CTP Web Printers means significant advantages for the company.

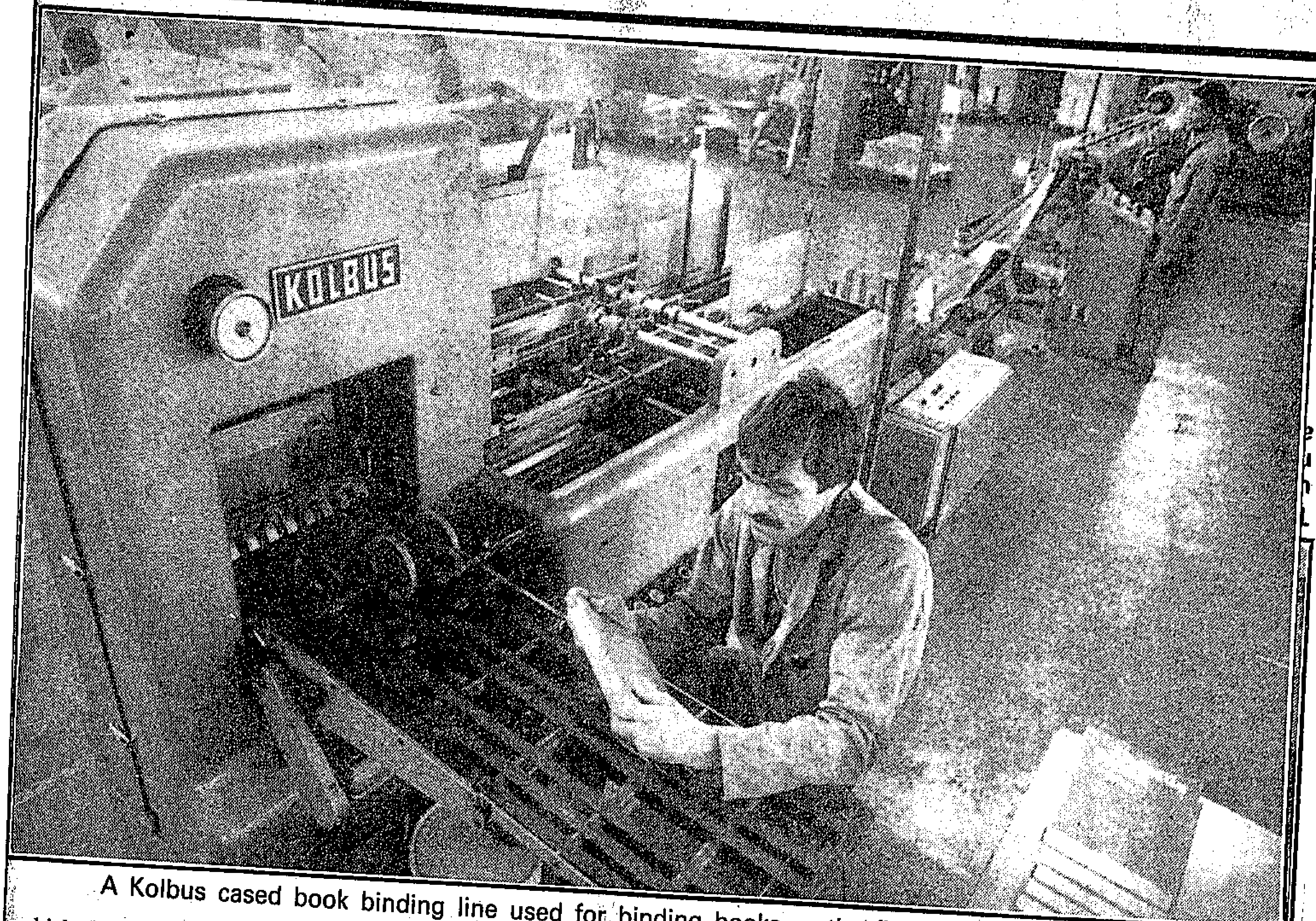
It can negotiate long-run jobs with the web company, while the cutting, creasing and packaging facilities of the packaging company, SA Litho, are available when required.

Apart from access to machinery and services from its associate companies, CTP Book Printers has its own specialist book printing machines linked to one of the most comprehensive book-binding facilities in the country.

Capacity in the bindery at Parow has increased by 50 percent in both folding, gathering, and sewing machines. There are two complete book lines for cased books.

The company's typesetting equipment is regarded as being among the most sophisticated available and is ideal for handling work ranging from straight-forward novel setting to complex tabular and mathematical setting, such as is required for technical books in the educational field.

CTP Book Printers is able to su... complete ra... services to its ... — from edito... sub-editorial, ... setting, repro... printing, bind... despatching (... ing local bull... eries, indi... postal deliver... containerized... eries by rail, ... air).



A Kolbus cased book binding line used for binding books — the finished article is taken off.

whisky bond store occupied the premises which are now occupied by this relatively new jobbing printer.

Tricolour is a specialist colour printing firm. The group started in about 1880 and has recently moved into new premises which have been renovated.

Established in 1913 in Fish Lane, off Strand Street, Galvin and Sales is one of the oldest of Cape Town's printers.

In May, 1980 the company was acquired by a large Transvaal-based printing and publishing group which realized the strengths of the company and wisely decided to develop the established base, introducing new photo typesetting and binding equipment which has enabled it to make gains in the print market as specialists in the production of bookwork, magazines, tabloid newspapers and calendars.

In early 1984 Fasson will, for the first time, be distributing a wide range of self-adhesive goods made at its plant in Johannesburg. The coating line being installed is capable of producing the full range of self adhesive paper, foil and vinyl. Initially, the plant will employ about 50 staff but this will be increased to bring the coater on-line for the full material range.

Personal, fast service is the boast of Printomatic, a Cape Town printer which prides itself on being able to provide anything from a sticky label to a full colour brochure.

Sheet-fed works supplements bigger presses

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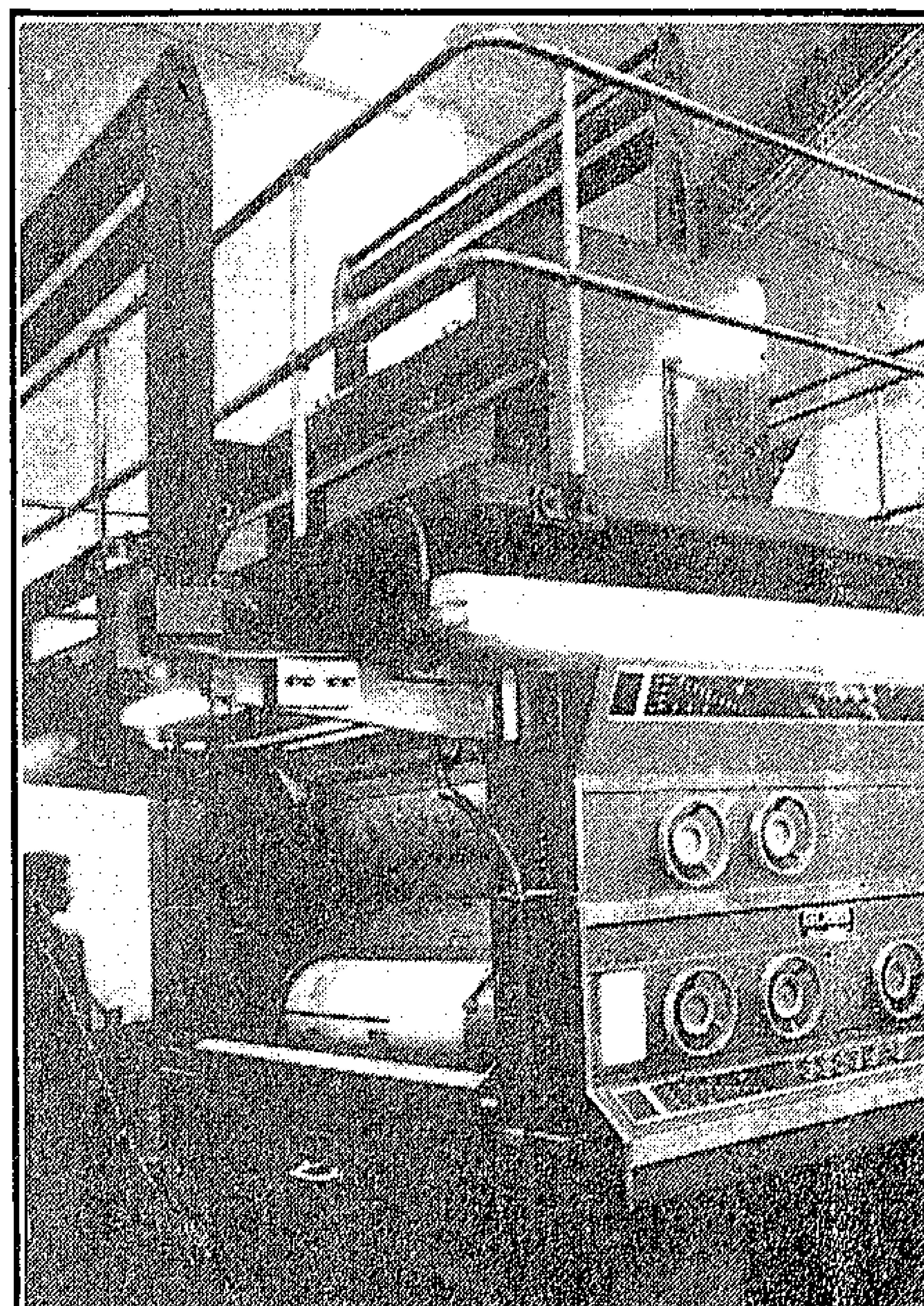

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Printpak workers on strike

Labour Reporter

Three hundred workers at Printpak Packaging in Industria, Johannesburg, went on strike today over the closed shop at the factory, which forces all workers to become members of the SA Typographical Union

The workers want to join the Paper, Wood and Allied Workers' Union instead.

The first shift in the factory's litho department refused to start work at 6.30 am after a shop steward for PWAWU, Mr B Mtolo, was dismissed. They were joined by the second shift.

Strikers back

26/9/8? Sowetan (Ins)

ABOUT 300 strikers employed by Printpak (Industria) are expected to go back to work today after an agreement between the two parties following a two-day work stoppage at the plant.

According to the company's spokesman the workers have reached an agreement with management to return to work at the normal time today.

Argus group shows sharp profit rise

ARGUS 18/11/83

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Argus Correspondent

JOHANNESBURG. — The Argus group exceeded all expectations in the seven months to end-September with attributable profit 59 percent higher than in the first six months of the previous year.

Adjusted for the additional month the increase represents a 36 percent rise over the previous first half.

Pre-tax profit leapt to R17,1-million from R10,2-million, while earnings a share rose to 714c, before the Lifo adjustment, from 448c last year.

The Lifo considerations reduced the bottom line to 710c. There was no similar figure last year.

ADJUSTED

Attributable earnings for the seven months were R10,9-million, against R6,9-million. First-half earnings fall to R9,4-million, when adjusted to represent a six-month trading period.

The figures are somewhat distorted by the inclusion of the merged CNA-Gallo operation, which is also the reason for the change in year-end to March 31.

These were well below expectations and, had the performance there been closer to forecasts, the group advance may well have been more spectacular.

The directors attribute the rise to two main factors.

The first was an 11 percent rise in advertising revenue and the second a 20 percent leap in circulation revenue.

COVER PRICES

The latter factor was, however, due more to increased cover prices than any major rise in sales of the various publications.

The last month of the trading period included the acquisition of the oustanding shares in the INFO group, though this probably had more of an impact on lowering the effective tax rate than on operating profit.

The slightly lower effective tax rate — down to 16 from 18 percent — was due mainly to continuing allowances on new plant and equipment that were not fully utilised in previous years.

An increase in this figure is highly likely in financial 1985 and may well slow growth in distributable earnings thereafter.

The directors say the earnings figures include only dividends received from Hortors — in which the group's stake has risen to 50,6 from 49,3 percent.

However, for the full year to next March 31 Hortors' profits will be consolidated.

Group income from investments rose to R3,3-million from R2,1-million, mainly as a result of Hortors.

The interim dividend does not fully reflect the earnings rise, jumping to 125c from 100c, but with Argus's policy of being more generous in the second half shareholders are unlikely to grumble.

THREE TIMES

Cover is traditionally around three times, which allowed a total payout last year of 300c. Cover at the halfway stage this time was 5,7 times.

If this policy is maintained and assuming that, as happened last year, second-half earnings at least match those of the first, shareholders can look towards a final dividend of around 275c, which would give a total of 400c for the year.

At the current 4 000c market price the share therefore offers a prospective 10 percent dividend yield.

Mr Tony Marshall, who will be responsible for maintaining SAAN's fleet of 30 vehicles.

CAPE TIMES 31/12/83

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SAAN — new news circulation

Staff Reporter

THE early copy of the Sunday Times you buy tonight will not just be the last newspaper of 1983 — it will also be the first to be distributed by South African Associated Newspapers' dynamic new circulation organization.

The new organization will take over the publication and distribution of the Cape Times, the Sunday Times and the Financial Mail throughout the Western Cape from Allied Publishing Limited, from tonight onwards.

More than R1-million has been poured into a highly-sophisticated circulation organization which is fully computerized and has a fleet of 30 brand-new vehicles.

SAAN Limited's circulation manager, Mr Pat Hendry, says the idea is to provide readers with a streamlined and much more efficient service.

"Readers will still take out their subscriptions in the usual way, but the computer service has made it possible for us to improve on the speed of the delivery service. Delivery of a new subscription should now take only about 24 hours," he said.

Mr Hendry's operation has its headquarters at 10 Shannon Street, Salt River, and the telephone number is 47-6134.

All inquiries in respect of delivery of the Cape Times, Sunday Times and Financial Mail should be directed to this number.

Cape Times Management Board

Retiring directors of the Cape Times Ltd, Mr D A St C Hennessy, chairman, left, and Mr G K Lindsay.

SOUTH African Associated Newspapers have announced a restructuring of their interests at board level in Cape Town and Port Elizabeth. This follows the recent purchase by SAAN of all the shares in Eastern Province Newspapers Ltd and steps to achieve closer integration of SAAN interests throughout the country. The Cape Times became a wholly-owned subsidiary of SAAN in 1973.

The local boards of the Cape Times Ltd and Eastern Province Newspapers Ltd are to be disbanded from January 1, 1984, and in future the companies concerned will be run by four-man management boards. The members of the Cape Times management board will be the chairman of SAAN, Mr Ian MacPherson, the managing director and deputy chairman of SAAN, Mr Clive Kinsley, the former managing director of SAAN and a director of SAAN, Mr Leycester Walton, and the managing director of the Cape Times, Mr Walter Judge.

Two Cape Times directors, Mr D A St C Hennessy, chairman, and Mr G K Lindsay, having reached retirement age, will retire from their positions as from December 31, 1983, but their services will be retained on a consultancy basis for a number of years. Both Mr Hennessy and Mr Lindsay have had long associations with the Cape Times as directors. Mr Hennessy has for nearly eight years been chairman of the company, and he also served on the board of SAAN for a number of years. His father, the late Sir Alfred Hennessy, was at one stage also chairman of the Cape Times. Mr Lindsay is currently a director of SAAN.

Mr Kinsley commented: "This move will integrate SAAN interests at top level in Cape Town and Port Elizabeth more closely with SAAN headquarters in Johannesburg, and thereby strengthen all concerned. But it will in no way interfere with the close contact which the newspapers concerned have established so successfully with their local communities over more than a century."

Cape Times 13/8/84

English press 'diminished by battle'

Own Correspondent

JOHANNESBURG. — The English press was diminished by the battle over property advertising between the Argus company and South African Associated Newspapers — a sort of "Star Wars" — the editor of the Rand Daily Mail, Mr Rex Gibson, said last night.

He was addressing the Rand Daily Mail Business Achievement Award gathering at a Johannesburg restaurant.

He said both major publishers of English-language dailies, which claimed to be custodians of English values and the English language, said they recognized the need for the other to exist.

'Monopolistic'

"But when one of them, out to further its own interests, takes action that could have the effect of crippling a competitor, it is willy-nilly advancing along a monopolistic path."

It could be argued, he said, that such battles were the essence of free enterprise and furthermore gave the lie to any notion that the Argus company's 39 percent shareholding in SAAN constituted effective control.

"If the Sunday Express falters under the burden of losing much of its most important source of revenue, that's life, they'll say."

But while the "big-can-be-beautiful" argument might hold water in some cases, it certainly did not apply in the field of newspapers, he said.

"The Express can fight its own battles and I am confident that it will," Mr Gibson said. "The SAAN empire will obviously hit back."

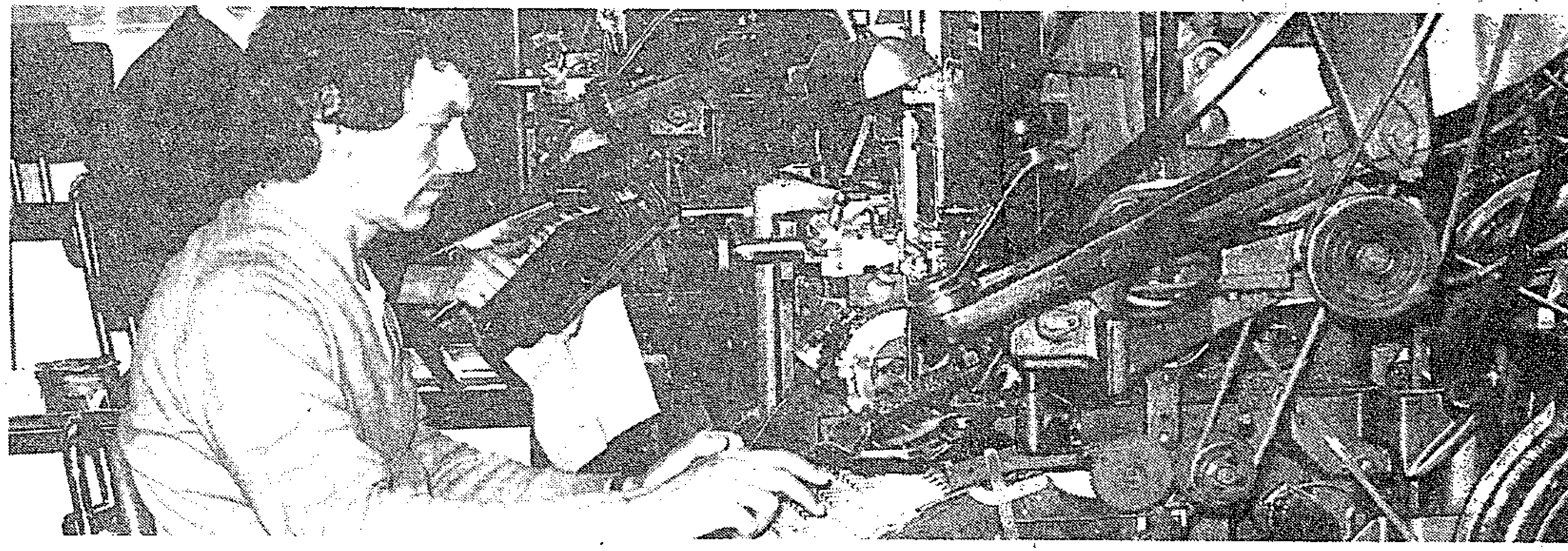
'No real victors'

"Trench warfare of this kind can be needlessly, even ruinously, expensive for all parties. There can be no real victors. To the extent that any paper is endangered by the battle, the English press in South Africa as a whole is diminished."

Mr Gibson said monopolies were bad for the press as they left the final survivors more vulnerable to government pressure and destroyed the diversity that a free press ought to offer.

● **Star denies 'freezing of rates', page 14**

First there was a crude little press — 200 years later a billion-rand business



Linotype machines — used for setting stories into metal type — are now obsolete since the advent of the electronic computing era.

Johann Christian Ritter, a Bavarian born in Beyreuth in 1755 who was employed by the Dutch East Indian Company (DEIC) as a bookbinder, is regarded as the founding father of the printing industry in South Africa.

He arrived at the Cape in 1784 and this is considered the most likely date of the arrival of South Africa's first printing appliances, though it is likely Ritter may have constructed the printing equipment himself.

As early as 1779 the burghers in the Cape had petitioned the DEIC to establish printing works for more efficient administration, but the request was turned down in Amsterdam, despite support by Governor van Plettenberg of the Cape.

The request was finally granted in 1794, and a press was installed in the Castle. Ritter was appointed the government printer.

From then, all major printing was done by the government only, until the 1820 Settlers shattered the media silence.

Part of Ritter's Almanac — the earliest genuine printing relic in South Africa — survives to this day.

The almanac was Ritter's most ambitious work.

SA printing an industrial pacesetter

195

Star 21/3/84

The South African Printing and Allied Industries Federation celebrated the bicentenary of South Africa's printing industry in Cape Town yesterday. A Staff Reporter looks at the history of the 200-year-old industry, which today employs more than 100 000 people.

The South African printing industry has grown from a small crude press owned by bookbinder Johann Ritter in 1784 to an industry employing 100 000 people and with annual sales exceeding R2 billion.

Today the industry is not only the most advanced on the African continent, but also one of the most technologically progressive in the world.

But the pioneers of the printing industry fought many battles with the authorities before they were allowed to publish independently.

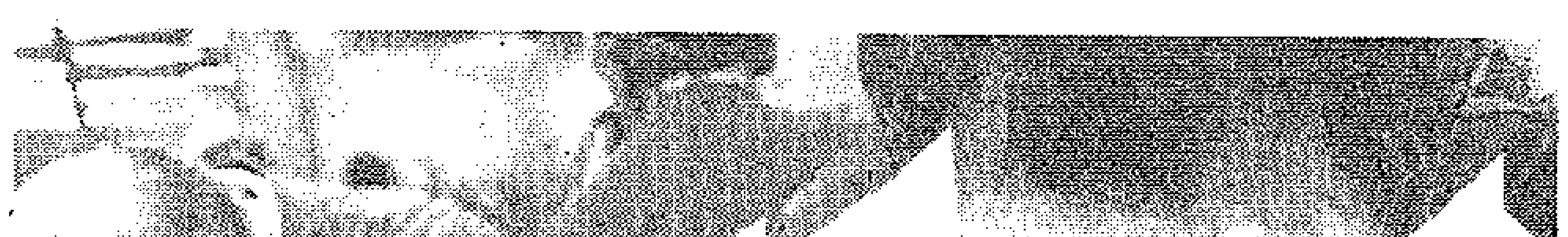
Private presses were discouraged by the early Cape Government, and the Amsterdam authorities twice refused the establishment of proper printing presses.

Nevertheless, in August 1800 the first "newspaper", the Cape Town Gazette and African Advertiser (forerunner of the Government Gazette), was printed by a firm of merchants with permission of the then British authorities.

Eight weeks later this monopoly was cancelled by the authorities, and a printing press was bought and moved to the Castle. For the next 22 years all major printing was done by the government alone.

But the arrival of the 1820 Settlers shattered the media silence which existed in the Cape.

Accustomed to certain liberties, it was inevitable that men such as Thomas Pringle and John



Fairbairn would clash with the arrogant Lord Charles Somerset.

For more than five years their battle to publish raged on until the Home Government conceded to a petition and granted the liberty to produce any newspaper, subject only to the ordinary laws of the land.

A number of missionaries who enjoyed patronage in London also managed to produce printed work under very difficult conditions.

The earliest was Dr van der Kemp of the London Missionary Society — at Graaff-Reinet from 1801, and from 1804 at Bethelsdorp in Port Elizabeth.

He was followed by Henry Helm at Klaarwater in 1819.

Freedom to publish subject only to law was guaranteed by Sir Lowry Cole's Ordinance of April 1829, and similar liberties were subsequently enshrined in the constitutions of both Boer republics.

Printing then spread as fast as man and wagon could take it to Grahamstown (1830), Port Elizabeth (1845), Maritzburg (1844) and to Durban and Bloemfontein (1850).

The oldest publication extant — apart from the Government Gazette — is Die Kerkbode, continuous since 1849.

The mechanics of printing in South Africa has undergone a number of changes during its 200-year history.

The most revolutionary change, however, has been the transition from the "hot metal" presses to computerised electronic printing, which has had profound effects on the printing industry: a full newpaper page can be set up in five minutes, and text books are now available within weeks of writing.

The industry has been a forerunner in many areas. It was the first in South Africa to have created an industrial council.

"The National Industrial Council for the Printing and Newspaper Industry was created in 1919, five years before Parliament passed the Industrial Conciliation Act which provided for the establishment of such councils," said the president of the SA Printing and Allied Industries Federation, Mr J van der Linde.

"The council was the idea of the general manager of the Argus Company (in 1918) and the then general secretary of the South African Typographical Union (Satu).

"When the employers and the Satu met officially on November 19 1919 they signed an agreement to govern wages and other conditions of labour in the printing and newspaper trade in South Africa. This date is considered the birthday of the industrial council for the printing industry," said Mr van der Linde.

He said the industry had enjoyed an uninterrupted period of industrial peace since 1919.

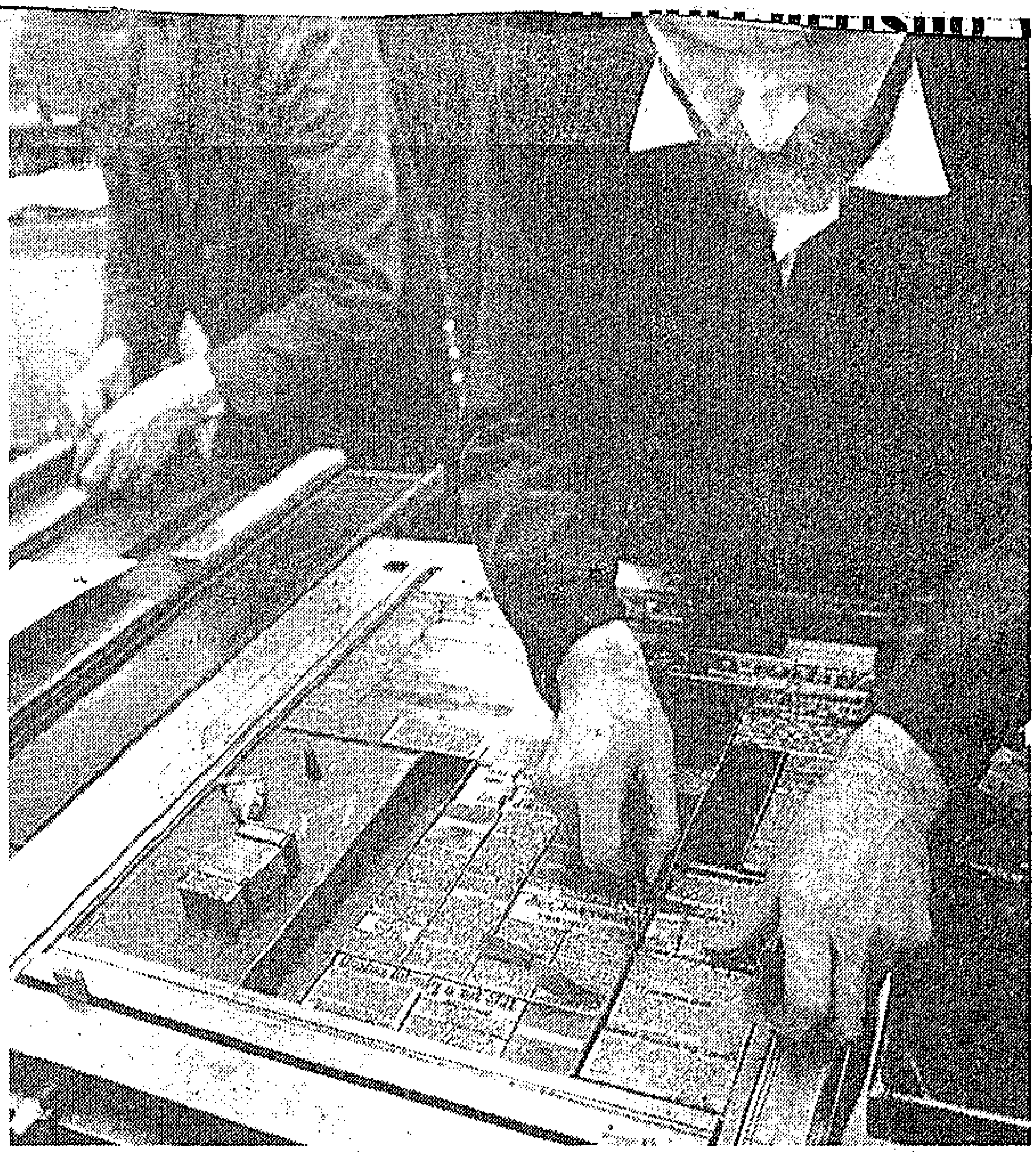
'Since 1980 there has been a large increase in the number of strikes in South Africa, but the printing industry has been fortunate in that it has experienced only a limited number of strikes by blacks," he said.

The three parties to the industrial council are the Newspaper Press Union, the South African Typographical Union (Satu), and the South African Printing and Allied Industries Federation.

"In the old days, venturing into the printing industry was a calculated risk. You had to be prepared to go hungry so that almost every cent could be rechannelled into the business," recalls a former printer.

Said Mr van der Linde: "The industry has made a unique contribution to the maintenance of good relationships between employers, employees, the authorities and the public, and in this respect is very largely self-regulating.

"The industrial council system itself, and much of our industrial legislation, was framed and forged out of the pioneer experience of the printing and newspaper industry."



A compositor inserting type to make up a page for the "hot metal" presses. The setting and processing of type is now done by computer and the pages are made up by "photo-composition".

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Star 21/3/84

Citizen 22/3/84

Printing industry warned

PAS

Staff Reporter

IF THE printing and packing industry does not adapt to the computer age, it will not grow and provide job opportunities and financial independence.

This warning came from Mr J King, president of the South African Printing and Allied Industries Federation, at the bicentenary celebrations of the printing industry on Tuesday.

The printing industry had to contend with new technology such as television, video games, word processors, photocopiers, data transmission and satellite communication, and with rising costs in raw materials and labour.

Mr King also said the industry had to find answers to foreign undercutting of local book printers.

Argus group lifts dividend to 375c

ARGUS 25/5/84 ~~243~~ ~~249~~ 195

Argus Correspondent

JOHANNESBURG. — The Argus group slowed down significantly in the second half of the year to end-March, with a full-year earnings increase of 18 percent after a 36 percent rise at the halfway stage.

However, the final dividend has been raised by 25 percent to 250c, on earnings of 1165c a share, to make a total 375c for the year against 300c in the previous year.

The trading period covers the 13 months to March 31, compared with the preceeding 12 months to February 28, after the year-end was changed to accomodate the inclusion of the newly-merged CNA-Gallo.

FIRST TIME

Trading income was up by an annualised 114 percent, but this reflects the first time inclusion of the consolidation of both CNA-Gallo and Hortors. At the halfway stage earnings reflected only the dividends received from Hortors.

Mr L E A Slater, chairman, says the second half was a difficult trading period, particularly due to across-the-board cost increases.

The impact of the recession is becoming more closely felt, with a visible drop in consumer spending. But he expects much of this impact on the CNA-Gallo operation to be offset by rationalisation benefits flowing through from the recent merger.

A statement with the preliminary figures shows that advertising revenue was 15 percent and circulation revenue 20 percent higher in the last trading period.

SASJ chief hits at Argus moves

CAPE TIMES 26/5/84

195

Own Correspondent

JOHANNESBURG. — The Media Council and the "trend towards concentration of ownership of the media" were singled out this week as two developments with implications for press freedom in South Africa.

They were given special mention by the outgoing president of the Southern Africa Society of Journalists, Mr David Bleazard, during his presidential address to the 1984 annual congress of the SASJ, being held here.

Mr Bleazard, who is employed by the Argus, pointed to the "internecine strife" between the Argus and Saan groups and the take-over of the Jim Bailey group of publications by Nasionale Pers.

"In the extreme case, if the Argus initiatives results in the destruction of Saan, there will be a monopoly of the English-language press by Argus threatened only perhaps by Nasionale Pers.

"A lot of journalists stand to lose their jobs and the public will lose valuable sources of information. The relatively independent Saan newspaper viewpoints could be replaced by what has been described as 'pallid Argus clones'."

Referring to the one seat on the 14-man council being offered to the SASJ, Mr Bleazard said he believed the role allocated to the SASJ by the architects of the council was that of rubber stamp.

An effective Media Council may be preferable to direct government action against the press. But it did not necessarily follow that a union of journalists should support a disciplinary body over which it had no control, but which had the power to criticize its members and fine their publications.

The congress is due to vote today on the issue of joining the Media Council.

The Cap

CAPE TIMES 28/5/84

SASJ condemns Argus Co

JOHANNESBURG. — The Southern African Society of Journalists has condemned the Argus Company for its "inexplicable action in apparently trying to destroy" other newspapers.

In a resolution dealing with monopolistic tendencies of the newspaper industry, the society expressed alarm at the "growing tendency of the newspaper industry to be concentrated in fewer and fewer hands".

The motion was passed unanimously at the society's annual congress which ended here on Saturday.

It also called on the Argus Company to stop what it was doing and threatened action, including asking the Competitions Board to step in.

● The society had decided not to take up a place on the Media Council for the time being, Miss Pat Sidley, the SASJ president, said on Saturday night.

After a long and hard-fought battle at the society's annual congress in Johannesburg, a motion was adopted which also stated, however, that the Society should keep in contact with the Media Council and continue to lobby for the changes it believed were necessary, and to review the decision at the next congress. — Sapa

OCK EXCHANGE

Argus 24/7/84 195

Protection pushes up printing costs — Hortrio chief

PROTECTION given to South African paper and ink manufacturers has pushed up the costs of the printing industry and is causing it to lose business to competitors in the Far East, shareholders in Hortors Trio Rand were told at the annual meeting in Cape Town.

Mr Maurice Parrington, chairman, said in his report: "Because of direct and indirect protection, the price of locally produced paper has not been subject to the economic laws of supply and demand, with the result that the mills have been able to increase prices at will and at times beyond the inflation rate.

"The cost of shipping, insurance and freight to this country, in our very isolated position, will always provide protection and yet local producers have been granted a tariff protection of 15 percent on certain grades of paper.

"Up to quite recently they also enjoyed protection for their coated papers by way of import permits.

IN FAR EAST

"In contrast, the products which the South African printing industry produces are not protected in any way and a number of publishers in the country are having their printing done in the Far East.

"The wages obtaining there are considerably lower than the minimum wages laid down under our Industrial Council agreement and, especially with paper prices substantially more than those obtaining overseas, it is difficult for us to compete.

"Paper represents some 40 to 50 percent of the cost of the average product in the printing industry and South African printers are at a very real disadvantage."

CAREFUL SELECTION

Mr Parrington said that a high level of efficiency and careful selection of markets had enabled the group's book publishing company, CTP Book Printers, to produce outstanding results "but it is nevertheless disappointing to see so much book printing work which could be done in South Africa going overseas due at least in part to a misconceived application of 'protection.'"

In the Cape, SA Litho suffered not only from a downturn in business in the 13 months to March but also from the disruption caused by moving from N'Dabeni to Parow.

The move had been well handled but had caused heavy overtime, loss of production and general uncertainty in tight trading conditions.

The group lifted operating income before tax to R5,1-million, compared with R4,4-million in the previous 14 months. But the tax bill was higher at R1,7-million (R1,1-million) and attributable income slightly lower at R3,3-million (R3,6-million).

Audrey d'Angelo

New printers' union will strive for labour unity

Star 31/8/84 195

By Carolyn Dempster, Labour Reporter

A new national printers' union has been formed with the aim of uniting all trade unions operating in the industry.

The National Union of Printers and Allied Workers (Nupawo) was launched this week at a meeting at the Ipelegeng Community Centre in Soweto.

The union's new president, Mr Alfred Mtsolongo, said some of the objectives of Nupawo were to foster and promote a working class leadership and to work towards trade union unity.

The meeting decided to conduct continuous negotiations with other unions to bring this about.

Other members of the executive are Mr Albert Mhlungu, vice-president, Mr Martin Mphoreng, general secretary and Mr Ben Mthombeni, treasurer.

The union intends holding its second congress shortly to launch a Transvaal branch.

★ ★ ★

The SA Chemical Workers' Union has applied to the Minister of Manpower for the appointment of a conciliation board, in a bid to win the reinstatement of 440 workers dismissed early this year at Triomf's Potchefstroom fertiliser plant.

Izwilethu, the newsletter of the Council of Unions of South Africa, said the decision to apply for a board had been taken after the case against 19 Triomf workers charged under the Intimidation Act had been thrown out of court in June.

The State failed to produce sufficient evidence to support the charges.

The workers were arrested following a stoppage at the plant on April 12.

They downed tools in support of colleagues who had refused to undergo breathalyser tests.

If a conciliation board fails to resolve the dispute, the union has indicated it will take the matter to the Industrial Court.

★ ★ ★

A call by the Trade Union Council of SA (Tucsa) for stiffer penalties for employers who withold industrial council contributions is being considered by the Department of Justice.

The matter was referred to the department by the Industrial Registrar, who told Tucsa that legal provision for more stringent penalties would not necessarily lead the courts to take a tougher line.

LABOUR NEWS RDM 20/11/84

Printing company lays off 41 workers

By JEANETTE MINNIE

FORTY-ONE workers of the Printpak company in Industria, Johannesburg, were retrenched on Friday, allegedly without warning.

Printpak is a subsidiary of the Nampak group.

A spokesman for the Paper, Wood and Allied Workers' Union said the workers were told on Friday morning they would be without jobs from midday on Friday.

Fired workers included contract workers and two shop stewards.

The spokesman said that on Wednesday management asked for a meeting with the union about retrenchments.

The meeting was held on Thursday when the union was "merely informed that retrenchments would take place and the matter was non-negotiable".

Management also "refused to provide information about who would be retrenched".

The managing director of Printpak, Mr Tony Rudston, said the company had been forced to retrench because of the recession.

Mr Rudston said retrenchments were a management prerogative and not an issue for negotiation with the union.

Mwasa holds talks

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Sowetan 6/12/84

THE Southern Transvaal region of Mwasa is to hold a mass meeting on Sunday, to report back to members on current national wage talks which entered their fourth day in Johannesburg yesterday.

The meeting, scheduled to start at 9.30 am, will be held at the DOCC hall in Orlando East.

Regional chairman Mr Sam Mabe has appealed to all members to attend the meeting which he said would also focus on preparations for regional and national congresses which are being planned for early next year.

"We have so far had three rounds of talks with the managements of Argus and Saan newspaper groups and the fourth round of talks was held yesterday. After which it will be necessary to hear from members how they feel about management's offer," Mr Mabe said.

D. Dispatch 8/12/84 (1315)

SA union may be expelled

(195)

LONDON — Britain's major print union, the National Graphical Association (NGA), is to press for the explusion of South African printers from the International Graphical Federation.

The union will call for the expulsion of the South African Typographical Union (SATU) at next year's IGF congress in Helsinki. Failure to expel the South Africans could lead to the NGA withdrawing from the prestigious international body.

The general secretary of the NGA, Mr Joe Wade, said at a recent union conference in Blackpool that South African printers operated a "discriminating union".

Yesterday an NGA spokesman said while SATU did have "coloured" and Indian members, blacks were excluded from membership. "Apartheid is contrary to everything our union stands for and we take a strong line against it," he added. — DDC.

Mercury 18/12/84 (243) The

Workers' grievances 'ironed out'

195

Labour Reporter

THE dispute over wage increases for Allied Publishing workers in Durban has been settled, according to a spokesman for the workers.

Mr Jay Naidoo, local organiser of the Commercial, Catering and Allied Workers' Union of South Africa, CCAWUSA, said yesterday that various grievances, including pay, had been amicably ironed out at recent talks between representatives of the union and the management.

'We also succeeded in narrowing the wage gap between Allied workers in the Transvaal and Natal.

'Local employees were earning about 11 percent less than their Transvaal counterparts, but the latest increase which we managed to persuade the company to grant effectively narrowed the gap down to about six percent.

'Our aim is to have the wage gap totally eliminated,' he said, adding the workers were pleased with their wage increases.

Mr Kevin McCullough, personnel manager of Allied Publishing in Natal, yesterday confirmed that the dispute had been settled and said that after lengthy discussions between the management and union representatives, including CCAWUSA's general secretary in Johannesburg, Allied's present recognition agreement with the union had been extended to Natal.

'Minimum wage scales will be adjusted from December 10 when the amended agreement was signed.

'In addition management offered to make a further adjustment to Natal workers' minimum wage scales effective from April next year, immediately prior to the implementation of the 1985/1986 wage scales to be negotiated with CCAWUSA in March.

'The overall effect of the wage adjustment ranges between R6,78 and R19,10 a week,' he added.

Consol plans R3,5m factory for Ciskei

195

26/12/84 E. Post

CONSOL Ltd, member of the Anglovaal Group, is to spend R3,5 million on a new factory in Ciskei.

In addition, according to a statement from Consol, the company has earmarked an amount of R5,5 million for further modernisation and automation of the existing Wadeville plant.

The combined R9 million expansion is in Consol's plastic packaging division.

In the proposed new plastic packaging plant at Dimbaza, Ciskei will incorporate a fully integrated blow-moulding, injection moulding and PET manufacturing facility.

The factory is being established to satisfy the demand of existing customers in the Eastern Cape area, mainly in the pharmaceutical, beverage, fabric softener and detergent markets, according to the Consol statement. The investment will provide the region with its first local plastic packaging manufacturer and supplier.

The new plant will serve the Eastern Cape, and by virtue of rail concessions available, the Southern OFS, SWA/Namibia and Cape areas not at present being serviced by the company.

The company will lease the land and building from the Ciskei Peoples Development Bank. The manufacturing area will comprise 5 500m² and the administrative block 400m².

The buildings are expected to be completed by the end of May, 1985, and production is scheduled for June, 1985. Some 400 new jobs will be created during the first 12 months of operation.

The company's agent, Courlanders, will retain their present role as their knowledge and acceptance in the area will serve as a vital back-up to the new operation.

The R5,5 million Wadeville expansion and modernisation programme is closely linked to the Ciskeian operation.

Relatively labour intensive machines operating at the Wadeville plant will be relocated to the new Dimabaza factory and highly sophisticated and automated equipment purchased from Consol's technical aid partner, Owens-Illionois Incorpo]ted of the US, will be installed at the Wadeville factory.

Mr Dave Spindler, managing director of Consol Plastic Packaging, said: "These new developments are in keeping with the company's stated objectives of geographic and products diversification, to serve our customers on a national basis while at the same time keeping abreast ot the lates international plastic packaging technology and innovations."

● Additional investments proposed for Ciskei next year include a R40 million programme on Phase Two of a telecommunucations expansion

Credit Guarantee Insurance Corporation announced this week it would provide export credits to secure the financing.

Phase Two of the programme involves the expansion of the telecommunications network, and includes the establishment of a telephone exchange at Bisho. Execution of the project is expected to take about 42 months.

Siemens, Standard Telephone and Cables, and the SA Post Office are involved in the project, which comprises new and upgraded local and trunk telephone exchanges at Bisho, Mdantsane, Qumza, Zwelitsha, Jiba and Alice. Buildings and equipment are included.

Microwave links will be installed between Bisho and Mdantsane, Alice and Mount Kemp. This is a system which involves about 1 200 linked telephone channels.

An additional microwave link will be installed between Alice and Governorskop (near Port Elizabeth), which is the link-up with the SA Post Office network.

A co-axial cable will be installed between Bisho and Alice.

Financing for the project is provided by the Industrial Development Corprration of SA Ltd, and Hill Samuel Merchant Bank (SA) Ltd.

RDM 15/1/85 (195)

R4m takeover by Kohler

Own Correspondent

PORT ELIZABETH. — One of South Africa's largest print and packaging concerns, the Kohler Group, is taking over the Port Elizabeth-based Acme group for more than R4m.

This was announced by Mr Derrick Minnie, the operations director, paper division of Kohler, and Mr Stuart MacDonald, the managing director of the Acme group.

The Kohler group has confidence in the Port Elizabeth area and has decided to take over Acme because it is "a progressive go-ahead company with modern equipment," says Mr Minnie.

Kohler Bumley's, the Kohler group's Port Elizabeth printing operation, will not be affected by the deal.

The Kohler group, which has 35 manufacturing plants throughout South Africa and supplies virtually all sectors of the economy, has a decentralised management structure and regards packaging as a localised business.

The Acme staff will not be affected by the takeover and the company will be fully autonomous.

Mr MacDonald says it is becoming increasingly difficult for family businesses to expand and the takeover will provide a means of doing this.

"We now have access to all Kohler technology and feel this will be of benefit not only to us but to the Port Elizabeth area as a whole. Before we were limited in what we could tackle."

Mr MacDonald says Acme — which is to be incorporated as Acme Print & Pack — has always had faith in the Port Elizabeth market.

Saan sells stake in Argus to Anglo funds

Argus Correspondent

JOHANNESBURG. — South African Associated Newspapers has sold its 99 000 shares in the Argus group for R50 a share to Anglo American group pension funds, netting R4,9-million.

An Anglo spokesman confirmed the deal today. He said the shares had been spread among several group pension funds. Anglo pension funds now control just over eight percent of the Argus group.

This development, brings Anglo's direct and indirect holding in Argus up to around 35 percent.

It has been widely speculated that Saan would have to raise additional cash, given the drain on resources from the fight for market share and continuing capital expenditure.

A year ago, at the end of December 1983, the newspaper group had about R7-million cash on hand.

RATIONALISATION

Meanwhile, the Argus group has instigated rationalisation talks between associate company Caxton and subsidiary Hortors which may result in a merger of the two printing operations.

Argus says the two companies are examining the feasibility of rationalising marketing and production facilities and this could result in an exchange of shares or a merger of the two companies.

Argus chairman Mr Hal Miller declined further comment at this stage.

Argus holds a little over 50 percent of the share capital in Hortors and 50 percent less one share in Caxton.

Although the more broadly based Hortors, through its 50 percent in Hortors Trio-Rand and 85 percent in Kalamazoo Business Systems, has a higher book value, the growth potential lies in Caxton.

The combined net asset value of Hortors and Hortrio totals almost R30-million, against the around R7-million of Caxtons.

15c DIVIDEND

In the 13 months to end-February — the last full set of accounts — Hortors reported pre-interest profit of R9,5-million on turnover of R99-million. It paid a 15c dividend out of earnings of 35c.

Caxton, in the 12 months to end-February produced pre-tax income of R4,2-million from turnover of R32,3-million.

The 80c a share dividend payment was five times covered by earnings of 443c a share.

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Mercury 26/1/85

Printing firm lays off 25 workers

195

Labour Reporter

TWENTY-FIVE employees of a litho printing firm in Congella were retrenched yesterday.

Mr F J Ravenscroft, works manager of Keartlands-Nasionale (Natal), part of the Nampak Group, said the downturn in the economic situation had forced the company to lay off the workers.

The retrenchments — about 38 percent of the company's workforce — included whites, coloureds, Indians and blacks.

Mr David Dormehl, branch secretary of the South African Typographical Union, said the union had not been officially informed of the retrenchments.

The retrenchments could not be viewed as unusual or exceptional as other industries, including the motor and furniture industries, had laid off thousands of workers, he said.

'We have been fortunate in the printing industry.' he added.

Sowetan 19/2/85

(247) (195) (128) (205)

Mwasa meeting

THE Media Workers' Association of South Africa will hold an urgent report-back meeting on proposed retrenchments announced by the Argus Printing and Publishing Company — the meeting takes place at 6pm at the DOCC today.

Mwasa had asked its auditors to look into the Argus company's books to see if there is a need to retrench staff and the union will report to its members on the latest developments, according to Mr Sam Mabe, the union's Southern Transvaal chairman.

CAPE Times 14/3/85 (195)

SASJ appeals to industry chiefs

JOHANNESBURG. — The Southern African Society of Journalists was "deeply concerned" about the current deliberations at South African Associated Newspapers, the SASJ president, Ms Pat Sidley, said yesterday.

"Before final decisions are taken, the SASJ wishes to appeal to the chairman, managing directors and boards of directors of Anglo American Corporation, Johannesburg Consolidated Investments, SAAN and the Argus Company to be mindful of the consequences of actions they may propose to take," she said in a statement to Sapa.

"This appeal is directed as well to those in Parliament who have previously upheld the ideals of a free press in a democratic society," she said.

Regarding the involvement of Anglo American, Ms Sidley said the company, in its own right and through JCI, was the controlling shareholder of both Argus and SAAN.

The SASJ believed that "while the focus of the world is on South Africa, there is a great need not only for the appearance of a free press, but for the practice of it, so that information about South Africa may be accurately interpreted by both the citizens and those abroad with an interest in the country".

The SASJ did not believe these interests could be served if the scope of the press was to be limited, either by attrition or by drastic transformation, the statement said.

● The International Federation of Journalists, based in Geneva, has expressed "deepest concern" over what it calls "the increasingly strong tendencies towards further concentration of the South African press and the consequences — such as cuts in staff and the eventual closure of newspapers".

In a letter addressed to the chief executives of the Argus Company, SAAN, JCI and Anglo American, the IFJ said further concentration of the press would "harm the very fundaments of press freedom in South Africa". — Sapa

on & Homefinder

30c (27c plus 3c GST)

Mr Ken Owen ... The loss of two newspapers will impoverish the English community.

Mr P W Botha ... It is of vital importance to the media to work for a new South African spirit.

Mr Dave Dalling ... There is something wrong, not with the editorial staff, but with management."

Mrs Helen Suzman ... A blow to all who are working towards a more acceptable South Africa.

CAPE TIMES 16/3/85 (195)

'Saddest decision in SA journalism'

THE decision to close the Rand Daily Mail was met with shock and sadness in South Africa and abroad last night.

The Mail was flooded with calls from shocked readers, some of whom said they had read the paper for more than 50 years.

The Progressive Federal Party media spokesman, Mr David Dalling, said SAAN management had achieved what 34 years of National Party rule could not — the closure of the most dynamic, enlightened and anti-racist newspaper in the country.

'Damage'

"The decision to close the Rand Daily Mail is one of the saddest decisions taken in the history of South African journalism and will give a new lease of life to the previously government-funded and government-supported Citizen."

He said the decision would affect the profession of journalism profoundly, and would damage the cause of enlightened opposition in South Africa.

"While it is obvious that no company can sustain massive losses month after month, I would have hoped that more practical and sensible alternatives could have been found.

"If the management of a newspaper selling *117 000 a day cannot find* a way to make it profitable, then there is something wrong, not with the editorial staff, but with management."

The PFP's most senior member of Parliament, Mrs Helen Suzman of Houghton, said the closure was "*a great sadness*". The Rand Daily Mail had been a *faithful* supporter from the inception of the Progressive Party.

The closure was a blow to all those working towards a more acceptable South Africa.

The State President and leader of the National Party, Mr P W Botha, said: "I would not like to comment on the *business part of this matter*. This is a matter for *the business people*.

"I would say a new South Africanism is taking *control over South* Africa and the media will have to take notice of this.

"*In the months* and years ahead, this will be of decisive importance. It will be of vital importance to the media to work for this new South African spirit.

"A new spirit ... national in ... ly taking control of our *country and this will* supersede party political differences.

"In that sense, I am glad to see things developing in this direction."

Mr A H Heard, editor of the Cape Times, said the death of any newspaper in South Africa was a tragedy.

"We need more, not fewer, viewpoints if the country is to survive the shocks ahead.

"The closure of the Mail is a double tragedy for it denies the country an essential, liberal and brave voice, just at the time when its predictions were coming true and its unpopular but necessary strictures and urgings were proving to be so apt.

'Wounding'

"I can only hope that the values for which the Mail has stood so unwaveringly will live on in the newspapers and among the host of journalists it has inspired."

The editor of the Natal Mercury, Mr James McMillan, described the SAAN decision as the "most grievous wounding of a free press in South Africa"

... he hoped ... and realize that the blood they were letting in a senseless and financially debilitating war was their own — not that of their real opponents.

Mr Ken Owen, editor of the Sunday Express, said: "The closure of the Mail and the merger of the Sunday Express with the Sunday Star is a cause for bitter regret. The loss of two newspapers will impoverish the English community culturally, narrow political debate to the detriment of the country, and make the press more vulnerable to government pressure."

Mr Andrew Drysdale, editor of The Argus, said the closure of any newspaper was painful and regrettable.

"The Mail, with its long and distinguished record, will be particularly missed but clearly it could not continue to sustain heavy losses."

Mr Allister Sparks, a former editor of the Mail, said it was a tragedy that "years of management ineptitude finally led to the closure of one of the world's great newspapers".

The editor of the Washington Post, Mr Ben

To page 2

From page 1

Bradlee, reacted to the news with shocked disbelief.

"It was always one of the newspapers you looked towards to stick up for the good guys. I'm as sad as can be about it. I wish there was some way it didn't have to happen."

The South African Society of Journalists (SASJ) said SAAN had silenced one of the country's bravest newspapers, with a long history of opposition to the government.

Betrayal

The SASJ said the SAAN board had betrayed the press and the public. It also condemned the Anglo American Corporation, effectively the major shareholder of SAAN and Argus, for "exercising its power as a monopolist with devastating destructiveness".

The society said the proposed business daily could never be a substitute for a general newspaper which served the general interests of the broad public.

The SAAN chapel of the Media Workers' Association of South Africa (Mwasa) said in a statement last night that the closure of the Mail was a sad day in the history of press freedom and "a stunning political victory for the Nationalist government".

The statement said the Nationalist government had plotted for a quarter of a century to silence or muffle the voice of the Mail — notably by its sinister attempt in 1975 to buy control of SAAN through frontman Mr Louis Luyt and by its unscrupulous launching of the Citizen in 1976 with the clandestine use of R3-million of taxpayers' money.

"It also means that the Citizen will become the strongest morning daily in the country, and with its pro-government leanings we shudder to think what the black masses will be fed in the name of reform and change."

Bad news

Senator Edward Kennedy said he regretted the closure of the Mail.

The senator is in Geneva where he has been monitoring the start of the United States and Soviet Union arms negotiations.

"The demise of the RDM is bad news for all South Africans," he said.

"It has a long and distinguished record of support for human rights and racial justice inside South Africa.

"This is one voice that South Africa cannot afford to see silenced."

The chairman of the Soweto Committee of Ten, Dr Nthato Motlana, said the black community would miss the Rand Daily Mail.

"It is a pity that a great crusader for social justice could become a tattered copy of its former glorious self."

The media convener for the Cape Action League (CAL), Mr Armien Abrahams, said: "The imminent closure of the Rand Daily Mail is yet another indication of the immense economic crisis created by the ruling class.

"Inevitably it is the working class which will suffer most through unemployment as well as other hardship." — Own Correspondent, Political Staff and Sapa

CAPE TIMES 16/3/85
~~228~~ 195

Mail editor: 'Grievous times for SA'

IN A leading article published in the Rand Daily Mail today, the Editor, Mr Rex Gibson, says these are grievous, momentous times for newspapers and also for South Africa.

He says: A recession induced in part by Nationalist politicians has achieved what Nationalist politicians with all their Information abuses could not: The closure of the Rand Daily Mail.

A statement by the board of South African Associated Newspapers yesterday said heavy financial losses had made it impossible to keep the Mail alive any longer.

Departing with it is another indomitable newspaper — the Sunday Express. Quite apart from the human tragedies, the loss of jobs that this will involve, there is a tragedy for South Africa too. There are much too few non-conformist voices around as it is.

The Rand Daily Mail editor, Mr Rex Gibson

Tradition

There will be time enough for deep consideration of the political and social consequences of these decisions. For the moment, it is enough to say that a bridge between races, one of the few in the country, is being swept away.

For more than 100 000 ordinary people of all colours who bought the Mail every day, and who loved or hated it according to their fashion, a tradition, a ritual, will come to an end.

From the ashes of the Mail, a phoenix, Business Day.

But there will be a terrible gap. No aspirant to the morning market can fill it adequately because no other existing newspaper can fulfil the role that the Mail has played for 25 years and more. The entire country will be impoverished, first by the disappearance of two newspapers of free spirit, and then by the inevitable progression to blandness that comes when diversity of view is reduced. When the next referendum comes, who will be there to argue — rightly or wrongly — against the plans of government?

Special

How many newspapers will be ready to dare alternative opinions, to provoke, to stimulate? Some, no doubt; but not enough. Not nearly enough.

Put simply, the Mail was — and is — special.

For more than 80 years it has been there to record the pulse of the mining town that became a metropolis. It is not the oldest newspaper on the Reef, but it has always been embedded in its community, sharing the vitality — and, yes, the prejudices — of the people who read it. It was the spirit of Johannesburg, as rough and bluff as the early roisterers who bought it, as willing to pick a fight as to make a friend. Its first editor was accused of profligacy; no doubt so will its last.

But, of course, the Mail grew up as the Rand grew up. And one day it changed its role entirely.

This metamorphosis can be dated precisely — October 1, 1957. That was the day when Laurence Gandar took over as Editor and began immediately to guide this rough diamond of a newspaper towards the task of becoming a flag-bearer for liberal thought in this country.

Far ahead of his time, his political acuity, judgment and courage have been vindicated over and over again. The language of reform he pioneered is now everyday currency. What he advocated then is conventional wisdom today. The difference is that he and his paper were almost alone when he started to say it. It seems hard to believe now that its simple decision to call "natives" by the then preferred name of "African" aroused bitter anger among white readers.

Gandar's illustrious standard was picked up by successive editors imbued with the same ideals — Raymond Louw, Allister Sparks — and served for many lonely winters as a rallying point for people who wanted to work peacefully towards a better, more just South Africa. For 13 years Mrs Helen Suzman sat alone in Parliament and endured the unending hostility of her peers as she argued with passion for an end to racial discrimination and apartheid.

Bitter irony

Among newspapers, for much of that time, the Mail was a lonely voice offering unqualified support. From Port Elizabeth's Evening Post came an answering echo. The rest was silence.

The bitter irony is that the Mail will be closed just as the country seems ready, at last, to grasp the nettle of reform and carry out some of the things that the Mail has been urging for a quarter century.

Perhaps there is some consolation to be found in the fact that while the Mail is dead, the spirit it embodied will be taking hold in more and more of the country. Perhaps.

But not today, not now.
— Rex Gibson

Cape ... We...
FOUNDED 1876 ★ SATURDAY

Rand Dail[y] Mail to clo[se]

Cape Times 16/3/85

195

JOHANNESBURG. — The Rand Daily Mail will close down on April 30, the Board of Directors of South African Associated Newspapers announced in a statement here last night.

The board also announced that the Sunday Express and the Sunday Star would merge, with SAAN and the Argus group each assuming a 50 percent stake in the new publication.

The Sunday Express would cease publication under a separate title at a date to be announced next week.

Two smaller publications, Soweto News and Road Transportation magazine, would close immediately.

New daily

Acquisitions beneficial to SAAN were under consideration, the statement said.

The Board of Directors said it had approved a range of proposals which would lead to a significant rationalization of the English-language press in the Transvaal, in the interests of maintaining that press in a strong and independent form.

The board also announced that the "highly successful" Business Day supplement to the Rand Daily Mail is to be launched as a national daily business newspaper. It will appear from May 1 in Johannesburg, Cape Town, Durban and Port Elizabeth.

Mr Ken Owen, editor of the Sunday Express, has been appointed editor of the new Business Day.

The editor of the Rand Daily Mail, Mr Rex Gibson, is considering an offer of a senior position in the SAAN group.

The statement said the decision to close the Rand Daily Mail was taken in the light of losses amounting to R45,5-million accumulated during the past ten years and against a background of harsh economic factors which contributed to a R6,3-million loss for SAAN during 1984.

"The group's difficulties were exacerbated by the disastrous financial performance of the Rand Daily Mail, involving a loss of R15-million in 1984. A sober assessment of the publication's future indicates that in its present form it will not achieve profitability in a grossly over-traded market."

More reports, reaction, pages 2 and 10

The statement said research indicated a clear need for a national daily business publication serving an up-market readership — a need SAAN was well-placed to meet.

"The national Business Day will be similar in style and format to Britain's Financial Times, with an emphasis on the reporting of local and international business and financial news. In addition, space will be devoted to the main news of the day and the newspaper can be expected to maintain a strong and independent political viewpoint.

"In Johannesburg, replacement of the Rand Daily Mail by Business Day will ensure that SAAN maintains a strong presence in the morning newspaper market, where heavy over-trading and a sharp decline in overall advertising support has had a severe impact on the profitability of general interest daily newspapers."

300 jobs

The statement said the closure of the Rand Daily Mail and the Sunday Express merger would affect the jobs of an estimated 300 employees. However, a number would be offered re-employment on the new publications.

Consultations had already been initiated with employee associations on ways of cutting costs within the SAAN group and thereby preserving jobs. These consultations would be extended to include the jobs affected by the board decision.

In a separate statement, the managing director of SAAN, Mr Clive Kinsley, said the decision to close the Rand Daily Mail had been taken with extreme reluctance after every alternative had been investigated and after extensive cost-saving measures had been implemented throughout the group. — Sapa and Own Correspondent

A recent front page of the Rand Dai[ly Mail, pub]lished in 1902 in Johannesburg an[d ...] World Press Achievement Award of [the ... News]paper Publishers Association for co[ntributions to] freedom and justice and the betterm[ent ...] South Africa. Its presses will stop

Weekend Editi
FOUNDED 1876 ★
SATURDAY, MARCH 16, 1985

and Daily Mail to close

Cape Times 16/3/85

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A recent front page of the Rand Daily Mail. It was established in 1902 in Johannesburg and in 1966 it won the World Press Achievement Award of the American Newspaper Publishers Association for contributions to human freedom and justice and the betterment of the citizens of South Africa. Its presses will stop at the end of April.

Cape Times 16/3/85 (195)

RDM accumulates R45m losses

JOHANNESBURG. — The Johannesburg daily, the Rand Daily Mail, had in recent years accumulated losses amounting to some R45m, the managing director of South African Associated Newspapers (SAAN), Mr Clive Kinsley, said in a statement last night.

The statement was issued after a board meeting yesterday when it was announced that, among others, the Mail would close down on April 30.

He pointed out that rival newspaper groups had embarked on untimely and costly ventures, the costs of which might never be calculated.

In cash terms, these ventures had cost SAAN an estimated R6m in 1984 alone.

"It is no secret that the newspaper sustained growing losses in recent years," he said.

"These accumulated losses amount to some R45m and in the present depressed economic climate, this continuing poor performance has had an unacceptably severe impact on the financial health and stability of the SAAN group.

"We were, of course, not alone in our failure to achieve general viability for this publication.

"All newspapers, and particularly those on the Witwatersrand, find themselves in a parlous financial position due to the ongoing recession and increased competition from electronic media and the 'free sheets'.

"In addition to these factors, rival newspaper groups embarked on untimely and costly ventures which had the dual effect of increasing competitive activity and further weakening the viability of all publications," Mr Kinsley said.

"The total cost of these enterprises, in terms of their negative impact on the newspaper industry as a whole, may never be calculated.

"In cash terms, they cost our group an estimated R6m in 1984 alone," Mr Kinsley said.

The decision to close the Rand Daily Mail was taken with extreme reluctance following long and arduous deliberations in which every possible alternative was investigated and after extensive cost-saving measures were implemented throughout the SAAN group, he said.

"The demise of this newspaper, which has played a pivotal role in South African affairs for nearly 83 years, is a sad blow for all those who have been associated with its controversial yet proud history and the country will be the poorer for its loss."

In the end, an untimely combination of financial blows had overcome the Rand Daily Mail in its struggle for survival.

Strenuous efforts to reduce costs and increase the acceptability of the Rand Daily Mail to both readers and advertisers were largely negated by an overwhelming combination of adverse conditions.

"These include a depressed economy, overheads boosted by inflation, a heavily overtraded market and the costs of meeting unwise competitive activity.

"For a time, the success of Business Day and general promotional and marketing activities showed real promise of halting the Rand Daily Mail's decline by attracting a significantly greater share of advertising in a greatly depressed market," he said.

Total advertising revenue for 1984 increased by nearly 24 percent over 1983.

However, direct costs rose out of all proportion in the same period and the net result was that the Rand Daily Mail simply moved further into the red.

"All these factors taken together made the decision to close the Rand Daily Mail unavoidable.

"Similarly, the Sunday Express returned a considerable loss in 1984, due largely to the high cost of losing and then recapturing its property advertising in a major rate-cutting battle with the Saturday Star," he said.

"The relaunching of the Sunday Express and aggressive marketing added further to these costs, but this action did succeed in making entry into the market extremely costly for the Sunday Star and contributed to the decision to merge the two newspapers," he said.

"The Sunday Express has a long and proud history as a vigorous newspaper, specialising in investigative journalism, but economic realities simply preclude it from maintaining its independent identity within the SAAN group.

"It has become necessary for the group to consolidate its financial position and harness its resources in order to ensure the ability of other newspapers effectively to weather the storms which undoubtedly lie still ahead, and to that end sacrificies have to be made.

"To the men and women of the Rand Daily Mail and the Sunday Express, who laboured long and hard and with unyielding loyalty to these outstanding publications, and who are directly affected by these difficult decisions, I offer my personal thanks. I share their sense of loss," Mr Kinsley said. — Sapa

Newspaper shock

W/Argus 16/3/85 195

Death of Rand Daily Mail 'saddest blow' to journalism

JOHANNESBURG. THE closure of two major newspapers on the Rand — the 83-year-old Rand Daily Mail and the Sunday Express — has sent shockwaves through the newspaper industry.

Editors and journalists' societies have expressed concern at the impact this will have on their profession.

The editor of The Star, Mr Harvey Tyson, said the death of the Rand Daily Mail was the saddest blow to journalism in South Africa this century.

Tragedy

The tragedy was accentuated by the fact that many believed the Rand's second oldest newspaper need not have died.

The managing director of Nasionale Pers, Mr Ton Vosloo, said the disappearance of the Mail would have "earth-shattering" consequences in the political and journalistic context of South Africa.

He said the Mail had become part of the social community structure of the country and it was regrettable that a newspaper which had inspired much respect during its lifetime should have to close.

The board of directors of South African Associated Newspapers, proprietors of the two newspapers, announced yesterday that the Rand Daily Mail would close on April 30 and that the Sunday Express would merge with the Sunday Star.

SAAN and The Argus company, owner of the Sunday Star, would each have a 50 percent stake in the new newspaper.

The board announced also that two smaller newspapers, Soweto News and Road Transportation, would close.

The present Business Day supplement to the Rand Daily Mail would be launched as a national daily business newspaper from May 1.

The managing director of SAAN, Mr Clive Kinsley, stated that the Rand Daily Mail had accumulated losses amounting to some R45-million in recent years.

Impact

"In the present depressed economic climate, this continuing poor performance has had an unacceptably severe impact on the financial health and stability of the SAAN group."

He said that "all newspapers, and particularly those on the Witwatersrand, find themselves in a parlous financial position due to the ongoing recession and increased competition from electronic media and 'free sheets'.

"In addition to these factors, rival newspaper groups embarked on untimely and costly ventures which had the dual effect of increasing competitive activity and further weakening the viability of all publications.

"The total cost of these enterprises, in terms of their negative impact on the newspaper industry as a whole, may never be calculated. In cash terms, they cost our group an estimated R6-million during 1984 alone."

The Sunday Express returned a considerable loss during 1984, due largely to the high cost of losing and then recapturing its property advertising in a major rate-cutting battle with the Saturday Star, he said.

The chairman of the South African Media Council, Mr L de V van Winson, said in a statemnt today that he shared the sadness and anxieties expressed by the leaders of public and Press in South Africa and overseas.

"The Media Council has a role to play because our objectives and functions include an active concern for the free flow of information and the preservation and extension of diversity of news and views.

"Independent"

"We shall watch with keen and critical interest the promised efforts aimed at maintaining a strong and indepedent Press".

The South African Society of Journalists said in a statement issued by its president, Miss Pat Sidley, that the closure of the Rand Daily Mail affected all South Africans, who would be losing an independent, vociferous and valuable source of information".

● A Weekend Argus Finance Staff correspondent in Johannesburg notes that SAAN plunged more than R8-million into the red in the year to end-December.

The bottom line showed a R6,3-million loss after a R10,6-million profit in 1983. Investment income of some R2-million reduced the deficit from an R8,3-million loss at the operating level to a net R6,3-million.

The major culprit was the Rand Daily Mail which lost R15-million in 1984. That publication was being closed.

"Whether that will prove sufficient to stem the tide of red ink remains to be seen."

Closing of Mail shocks Fleet St

Own Correspondent

LONDON. — News of the closure of the Rand Daily Mail was met with shock and condemnation in Fleet Street last night.

The London office of South African Associated Newspapers was flooded with inquiries from newspapers within minutes of the announcement by the SAAN board.

Journalists' organizations joined in a shocked condemnation of the closure decision which was widely interpreted as a major setback for a free press in South Africa.

'Tragic loss'

The editor of the Guardian, Mr Peter Preston, said the closure of the Mail was a tragic loss in terms of the future political health of the country.

"The Rand Daily Mail, under immense pressure, has long been one of the good things in international journalism, speaking across all communities in the most difficult circumstances," Mr Preston said.

The reaction of President P W Botha to the Mail's closure — that "a new spirit of national unity was taking control of our country" — dispelled any doubt that the decision had profound political implications, he said.

The editor of the Daily Telegraph, Mr Bill Deedes, said he mourned the loss of a great newspaper which had long had connections with many British journalists and Britain.

Mr J D F Jones, an assistant editor at the Financial Times and a former Johannesburg correspondent, said he was appalled by the tragic closure of the Mail, "South Africa's most distinguished newspaper".

Mr Raymond Louw, a former editor of the Rand Daily Mail and member of the executive board of the International Press Institute, said the closure would seriously diminish the voice of the free press in South Africa.

"The elation of President Botha at the closure is well-founded.

"Without the illumination provided by the Rand Daily Mail, the government will be able to speed up the process of censoring the free flow of information.

"SAAN's concentration on commercial success blinded it to the importance of the role of newspapers like the Rand Daily Mail and it was inevitable that the newspaper would die of neglect," Mr Louw said.

'Expediency'

Mr Hans Larssen, president of the International Federation of Journalists, said from Brussels that he was shocked by the closure decision and by the apparent lack of consultation with editors, staff or journalists' unions.

The deputy general secretary of the British National Union of Journalists, Mr Jake Ecclestone, condemned the closure of the Mail, saying it was a savage blow to press freedom in South Africa.

"I have no doubt that the courageous stand taken by the Rand Daily Mail against apartheid was a major factor in the decision to close.

"Expediency has triumphed once again," he said.

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Mail saluted, mourned by Sunday press

SUNDAY newspapers commented editorially yesterday on the announcement by South African Associated Newspapers on Friday night that the Rand Daily Mail and Sunday Express were to close.

All society was impoverished when newspapers died, the Sunday Times said in an editorial headlined "Two Proud Voices are Stilled".

Paying tribute to the "brave, nonconformist and necessary voice" of the Mail, the Sunday Times said that the Mail and Express had fallen victim to an overtraded market and a State monopoly of electronic media, exacerbated by the economic recession.

Single-newspaper cities had become commonplace in the United States where many once-great titles had fallen to an ubiquitous TV screen that gobbled up advertising revenue.

While in other countries print media were able to obtain a stake in the electronic age, in South Africa the government clung selfishly and short-sightedly to its monopoly of the airwaves.

The Sunday Times warned that more newspapers could follow the Mail and the Express into oblivion unless the government mended its grasping ways.

● The Sunday Express editorial said the newspapers had failed in the marketplace of ideas long before they failed economically.

"Though the board pronounced the death sentence, it was the market that cast the verdict. When the history of the recent period comes to be written, it may indeed be observed that both newspapers lost circulation when, in what was perhaps the greatest contribution to the public good ever made by any newspaper in South Africa, they exposed the Information scandals and so prepared the way for President Botha's verligte government."

● Rapport said in an editorial that although it had differed sharply with the Mail at times, the Mail had been, in its own way and within its own vision, a campaigner for better relations between people and for justice.

"We believe that the Mail and the Express made valuable contributions to the fact that today there is a general belief in the land that changes in the law — and other changes — are necessary to ensure a peaceful future," Rapport said.

● Under the headline "A sad day", the Sunday Tribune said there were many in pro-Nationalist circles who would delight in the closure of the Mail.

"Their glee is misguided. The closure of the Mail is a loss to the cause of racial justice, to a vigorous and independent press, and in the words of its editor Rex Gibson: 'It is a tragedy for the country, a bridge between peoples has been washed away'."

● The editor of the Star, Mr Harvey Tyson, said: "The death of the Rand Daily Mail is the saddest blow to journalism in this country this century. The tragedy is accentuated by the fact that many of us believe the Rand's second-oldest newspaper need not have died.

"The Sunday Express, to all intents and purposes, has also gone. That is equally sad, though, unlike the Rand Daily Mail, it had been losing reader support to a point where there was a gap in the market. The Sunday Star has been working to fill that gap, and to grow."

● The associate editor of the weekly City Press, Mr Percy Qoboza, said: "The Mail stood for journalistic excellence and ethics. Its demise has left us all the poorer." — Sapa

● Leading article, page 12

'Loss of respected free voice'

Own Correspondent

LONDON. — The death of the Rand Daily Mail was reported at the weekend in Britain as a loss to South Africa of its most vigorous and respected free voice.

Most reports accused the South African Government of deliberately undermining the Rand Daily Mail over more than two decades.

A former editor of the Rand Daily Mail, Mr Allister Sparks, writing in The Observer, described the closure as a "stunning victory" for the South African Government's "scheming and plotting".

On Saturday, two of Britain's leading quality newspapers, The Times and the liberal Guardian, reported the Mail's closure on their front pages.

The Times carried the headline "Flagship of South Africa's liberal press to close", and the Guardian report was headed: "South Africans lose foe of apartheid".

The Financial Times carried a report by the distinguished Southern Africa writer Jim Jones, describing the Mail as the leading press opponent of apartheid over 40 years in the face of increasing legal constraints.

The conservative Daily Telegraph lamented the Mail's passing with particular regret.

A report headlined "End of an era" said: "The sad news that the Rand Daily Mail is closing after 83 years ends an extraordinary tale of a newspaper which bravely fought against the tide of apartheid and upheld many of the press's finest traditions."

The Guardian report pointed out that the pending demise of the Mail leaves the Citizen, described as a "conservative 'patriotic' publication", as the only morning daily concentrating on the white community in Johannesburg.

In his Observer article, headlined "How the Mail lost its crusade", Mr Allister Sparks wrote: "The bitter irony is that the Citizen will emerge as the winner of the newspaper struggle, even though it has only half the circulation of the Rand Daily Mail and is also being published at a huge loss by a financially weaker company."

Mr Sparks, as a former editor, was highly critical of the management role in the collapse of the Rand Daily Mail.

Saying that the Mail's "fortunes have changed in inverse proportion to the success of its advocacy", Mr Sparks, who was controversially dismissed as editor in 1981, concluded: "In its hour of vindication, the crusading Rand Daily Mail is being put to death by the hand of its own proprietors."

SAPPI

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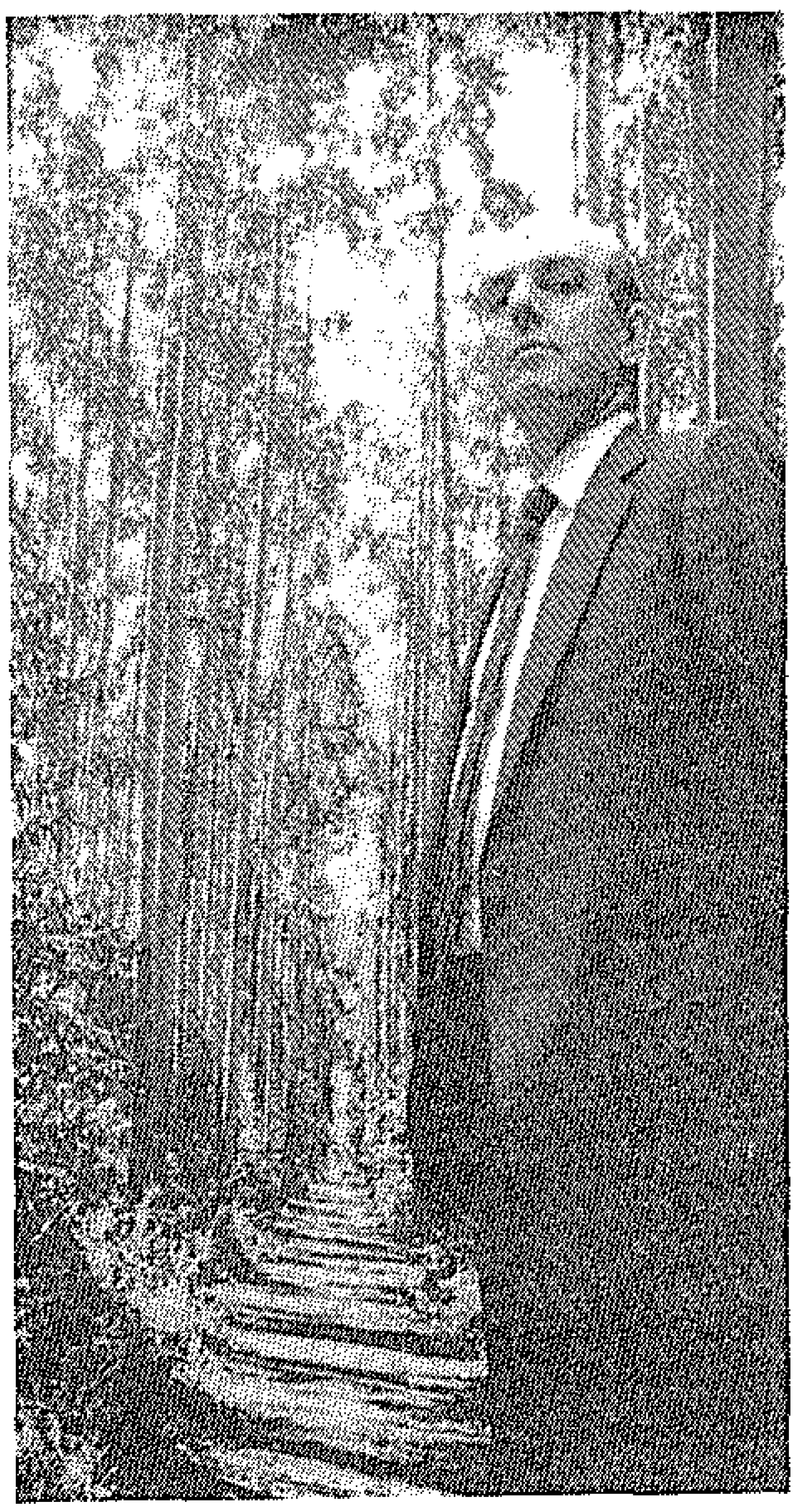
Risky outlook

Activities: *Manufactures and sells pulp paper and wood products. Subsidiaries include Sappi Fine Papers, Kraft, Forests, Timber Industries and Carlton Paper.*
Control: *Gencor holds 60,5% of the equity.*
Chairman: *B Landau; chief executive: E van As.*
Capital structure: *31,1 m ords of R1; 17 m convertible irredeemable cum part prefs of 40c; 64,9 m red cum prefs of 1c. Market capitalisation: R355 m (excluding pref share capital).*
Share market: *Price: 1140c. Yields: 7,5% on dividend; 17,3% on earnings; PE ratio, 5,8; cover, 2,3. 1983-1984 high, 1 780c; low, 950c. Trading volume last quarter, 400 000 shares.*
Financial: *Year to December 31.*

	'81	'82	'83	'84
Debt:				
Short-term (Rm) ..	13,5	76,8	56,3	147,7
Long-term (Rm) ...	54,6	264,8	588,9	857,1
Debt:equity ratio	0,18	0,79	0,91	1,3
Shareholders' interest	0,71	0,50	0,47	0,41
Int & leasing cover .	12,3	3,9	4,6	1,7
Debt cover	1,8	3,0	0,22	0,15

Performance:

	'81	'82	'83	'84
Return on cap (%) ..	14,8	8,8	6,1	5,1
Turnover (Rm)	403	494	554	658
Pre-int profit (Rm) ...	79,0	75,4	94,4	101,2
Pre-int margin (%) ..	19,6	15,3	17,0	15,4
Taxed profit (Rm)	70,3	67,5	99,1	94,4
Earnings (c)	217	197	214	197
Dividends (c)	86	86	86	86
Net worth (c)	1131	1229	1577	1700



Sappi's van As . . . a long road to profit

There has been intense market debate on the wisdom of an investment in Sappi, and the only clear-cut conclusion is that Sappi is a high-risk investment. Unfortunately, the annual report carries a bearish undertone, which adds to the market's difficulty in quantifying the risk.

Chairman Basil Landau writes of the need for a possible rights issue, reveals a 47% cost overrun on Ngodwana (raising the total completion cost to R1,5 billion), and forecasts lower earnings in 1985. Local demand is flat, but exports will be the key to income growth in 1985. With group debt and interest charges assuming vast proportions, the immediate outlook looks tense.

"Sappi is poised at a critical stage in its history," notes finance director John McManus. "It's got this massive debt, and we're going through a trying period. But we're optimistic in the medium- and long-term, and we should start showing good earnings growth by 1986."

The market's main concern is the prospect of an imminent rights issue, which relates to the huge debt. Total interest-bearing borrowings soared 51% to R1,1 billion in the year to end-December, and the debt:equity ratio rose above its budgeted 1,25 limit to 1,55. Gencor has subordinated R100m of its loans to Sappi to the project banks to reduce the debt:equity ratio. But any appreciable cut in debt (so reducing the interest burden, which ballooned 258% last year to R55,8m), would have to be at least some R100m.

This could be by a rights issue, the conversion of loans to equity or by a preference share issue. The last of these has been used by Gencor in the past with Kanhym and carries the advantages of a fixed, untaxed rate of return and, presumably, the option to convert the shares into ordinaries. Whatever the case, Sappi, in the words of one analyst, "is beginning to look like a high-cost gold mine."

Ngodwana's performance is of crucial importance to debt reductions. The March commissioning of phase 3 (the kraft linerboard machine) means that capital expenditure has tailed off, and that the benefit of higher volumes and revenue can now accrue. But Ngodwana will have to meet its sales targets, and recent production problems, such as the pulp mill's pulverised fuel-boiler, which was out of action for six weeks until early-April, are hardly encouraging.

On the home front, recession promises little exciting this year, although kraft demand may improve marginally owing to the decline in imports, which plagued SA's paper industry when the rand was 0,80. The rand's collapse came to Sappi's rescue. It enabled the group to develop export sales, which this year will absorb some of the production slack. Kraft linerboard is expected to be in short supply on the world market for at least the next two years: total export income should double in 1985.

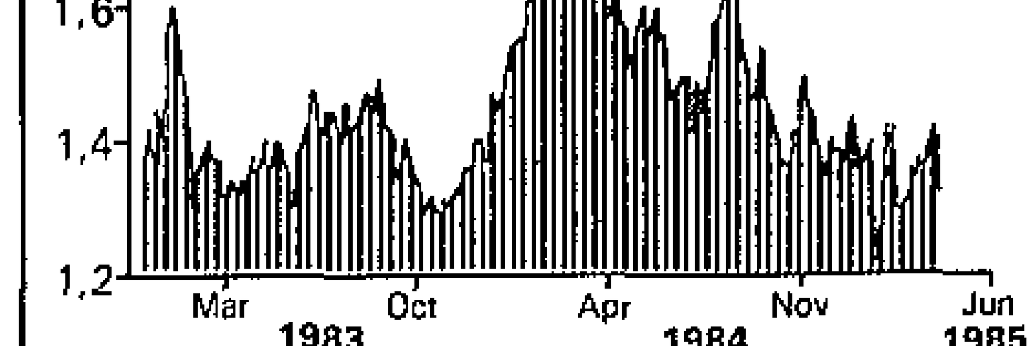
Sappi's exports, however, are crucially sensitive to exchange rate fluctuations, because the overseas market is very competitive. Management does not indicate the rand/dollar exchange rate that would ensure export viability. But Sappi's reliance on exports to boost income means that investors must take a view on the rand. If you believe, on a three to five-year view, that the rand will appreciate to the levels of early last year, then Sappi could look unappealing.

Local demand could pick up when the recession ends, and the group will benefit handsomely from an interest rates fall. Every 5% fall in prime boosts taxed profit by R20 m. Paper demand, says chief executive Eugene van As, will outpace growth in gnp, and he expects the additional capacity brought on stream at Ngodwana to be fully utilised in two years. But pulp capacity looks more of a problem, Mondi has increased its capacity by some 365 000 t/year, which compares with Sappi's 270 000 t/year, both pretty massive increases. McManus, however, says that much of the new pulp capacity replaces imports. Once local needs are satisfied, he says, only some 50 000 t will be available for export.

The share has risen from a R10 low in early-March to R11,40, but this advance can be attributed to a general rise in the industrial market. The stock remains in a bear trend. Earnings will be diluted as Sappi's share capital is increased, and more pessimistic brokers believe that earnings a share could fall as low as 135c in 1985.

That sounds too pessimistic. But with flat earnings this year and a high risk profile, the

LOSING STRENGTH



(125) FM 19/4/85

share at present is a rather speculative buy. Sappi's returns should pick up handsomely by the late-Eighties, offering share capital gains, but more attractive short-term investments must exist elsewhere. *Christopher Marchand*

PALAMIN

Drawing breath

Activities: *Copper mining and refining in the NE Transvaal. By-products include vermiculite, magnetite, sulphuric acid and anode slimes.*
Control: *Ultimate holding company with a 38,9% beneficial interest is Rio-Tinto-Zinc.*
Chairman: *G.A. Macmillan; managing director: A.J. Leroy*
Capital structure: *28,3m ords of R1. Market capitalisation: R502,3m*
Share market: *Price: 1 775c. Yields: 6,2% on dividend; 11,2% on earnings; PE ratio, 9,0; cover, 1,8. 1983-1984 high, 1 925c; low, 1 250c. Trading volume last quarter, 440 000 shares.*
Financial: *Year to December 31*

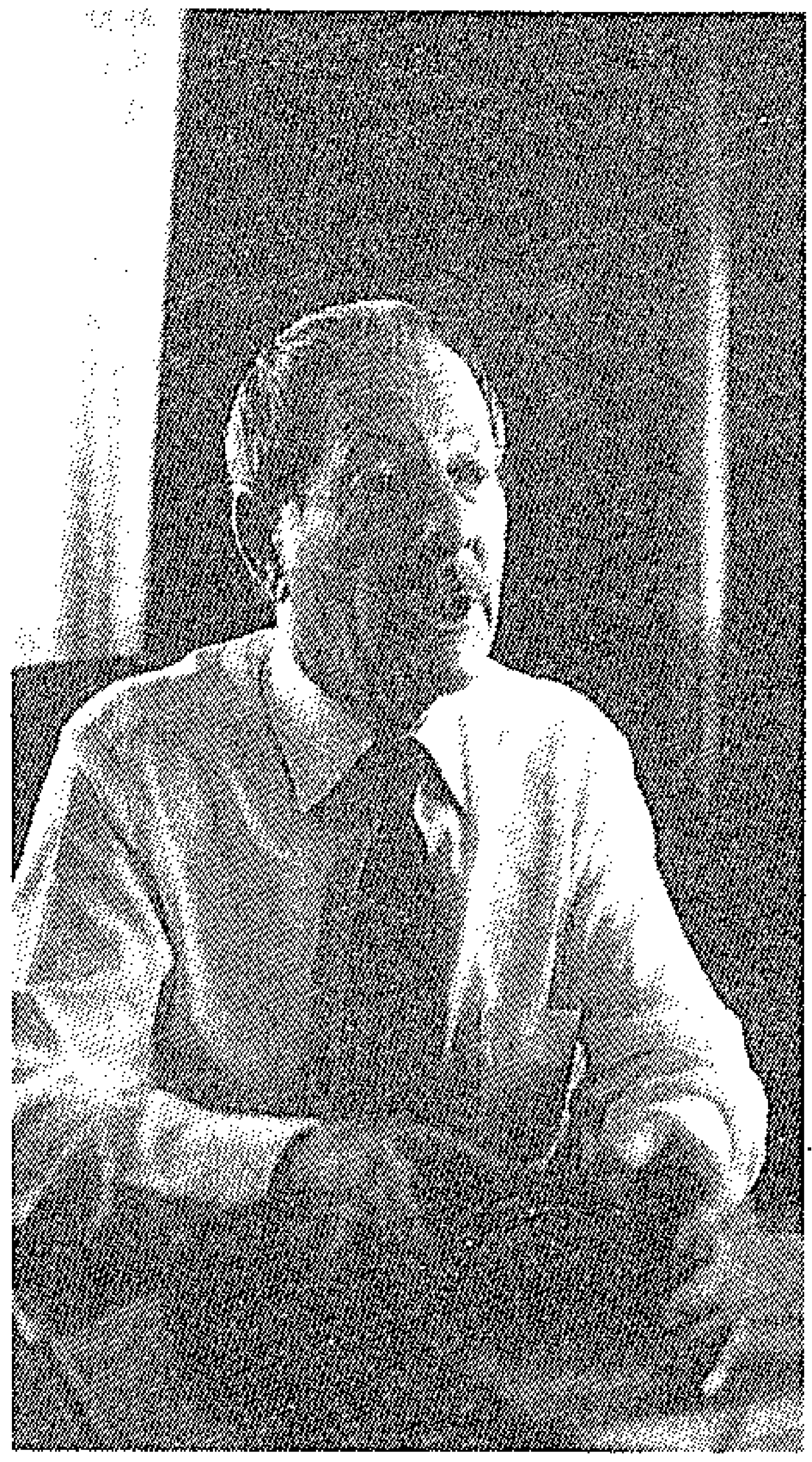
	'81	'82	'83	'84
Copper Sales ('000 t)	113,7	122,3	124,2	123,5
By-product sales ('000 t)	382,8	362,8	305,8	354,8
Average copper price (R/t)	1 537	1 615	1 799	1 987
Turnover (Rm)	214	249	278	328
Pre-tax profit (Rm)	36,0	51,7	62,6	112,4
Taxed profit (Rm)	19,8	27,9	31,9	56,2
Earnings (c)	70	99	113	198
Dividends (c)	50	60	60	110

Palamin's undoubted investment attractions have not been appreciated by the market in the current upswing. The high-grade copper producer's share price rose last year from R12,50 to a 1985 high of R19,25, before falling from R18 at the start of April to R17,25, despite the surge in mining shares on the JSE.

The market's caution is probably attributable to two main factors: concern about the seriousness of the breakdown of two new autogenous mills and uncertainty over the copper price. These mills have been a source of problems because replacement gear ordered in 1984 was damaged en route from the US. But Palamin MD Al Leroy's comment is that "nothing has changed since our statement to the shareholders. We've temporarily lost 30% of our milling during the repair period, which is estimated to last 60 days."

The copper price looks as unpredictable as ever. Supplies on the LME are at an 11-year low of less than 90 000 t, two major US copper producers (Asarco and Phelps-Dodge) have closed smelters, and Kennecott Copper has closed the US's largest open-cast copper mine. But Japan has begun offloading stocks, there has been no major upswing in demand and the copper price chart looks bearish. Palamin's copper sales — 66% of production is sold in SA — are based on the LME price for high-grade copper cathodes, and so any fall is obviously of concern.

Even if the copper price breaches the



Palamin's Leroy ... weak rand brings cost pressures

£1 100/t support level, it would still be above last year's £1 035/t average that Palamin fetched on its copper sales. As the rand looks set to stay at present levels in 1985, Palamin this year should enjoy another excellent year. And income from by-products sales, which forged ahead last year, contributing some 25% of turnover compared with 20% in 1983, should turn in another good performance in 1985.

Management is also pushing ahead with cost controls. Chairman Alastair Macmillan says the saving on used trolley-assist haulages, compared with conventional diesel transport, will rise after the January diesel price leap to some R11/truck/km (R6,30 in 1984). But Leroy warns: "Palamin still hasn't seen the spin-off from the massive increase in the diesel price."

SA's high inflation rate will inevitably impact on costs. In saving fuel, for example, Palamin is more reliant on electricity, and a huge Escom tariff hike would hit Palamin hard. The 15% surcharge, levied for the first time on the non-gold mines in the last Budget, would have added R8,2m to last year's tax bill, had the tax been applicable in 1984.

Still, the share appears to have apprecia-

tion potential at a time when most base-metal stocks look fully valued. Among the optimistic forecasts, UK brokers Rowe & Pitman expect a 30% advance in net profit to R74m this year and a rise in the share to R22-R26. A number of local analysts would concur. One projects a 150c dividend (110c) in 1985.

The cautious may prefer to wait until nearer Palamin's end-June interim before making a decision to buy. But the market these days grabs at shares with potential like a drowning man, so waiting could prove a losing game.. *Christopher Marchand*

COATES

Even keel

Activities: *Manufactures and sells printing inks, reprographic toners, synthetic resins, industrial surface coatings and lithographic chemicals. Also imports and distributes printers supplies.*
Control: *Coates Brothers (OK) holds 68,4% of the equity.*
Chairman: *T N Chapman; managing director, E F Williams.*
Capital structure: *3,4 m ords of 50 c. Market capitalisation: R7 m.*
Share market: *Price: 210C. Yields: 8,2% on dividend; 15,6% on earning; PE ratio: 5,5; cover, 1,9. 1983-1984 high, 330 c; low, 170 c. Trading volume last quarter, 25 000 shares.*
Financial: *Year to December 31.*

	'81	'82	'83	*'84
Debt:				
Short-term (Rm)	3,2	2,0	1,4	2,0
Long-term (Rm)	1,3	3,5	3,8	3,6
Debt: equity ratio	0,45	0,53	0,47	0,47
Shareholders' interest	0,46	0,42	0,42	0,45
Int & leasing cover	8,2	4,8	3,1	3,0
Debt cover	0,47	0,38	0,37	**0,35
Performance:				
	'81	'82	'83	'84
Return on cap (%)	13,6	13,7	8,3	**11,7
Turnover (Rm)	27,8	32,0	34,5	48,8
Pre-int profit (Rm)	2,7	3,3	2,2	3,6
Pre-int margin (%)	10,5	10,5	6,3	7,4
Taxed profit (Rm)	1,6	1,3	1,2	1,3
Earnings (c)	42,6	38,4	35,8	38,1
Dividends (c)	18	18	18	20
Net worth (c)	289	305	323	350

* 14 months ended December
** Annualised

Coates's track record in recent years has been uninspiring. And although MD Fred Williams says that "the group, which operates in the printing, packaging and synthetic resin industries, has growth potential," the directors do not predict when shareholders can expect profitability to recover.

The financial year-end was changed to December, and the latest figures cover a 14-month period. Although turnover rose sharply and operating income jumped by 76% to R3,6m, shareholders did not benefit from the improved performance. Record interest rates sent interest payments soaring to R1,2m from R679 000, and tax charges more than

Editor warns of rough times ahead for press

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CAPE TIMES 25/4/85

PRETORIA. — The editor of the Rand Daily Mail warned yesterday, a week before the Mail is published for the last time, that South African newspapers would become increasingly pressed to conform to the views of government.

"The pressures are going to get tougher and the climate rougher," Mr Rex Gibson told members of the Pretoria Press Club.

He referred to the *statement made by the* State President, Mr P W Botha, who commented after hearing of the Mail's demise that there was a new South Africanism arising in the country.

"This is a very serious statement of belief," Mr Gibson said. "Mr Botha was saying that diversity and dissent are not desirable, and that everything will be a lot cosier if we all agree.

"The onus is now on the press to be more vigilant, and to be resolute *on publishing what it feels it has to."*

Mr Gibson said the closures of both the Mail, which he described as the longtime standard-bearer of white liberals, and its sister paper, the Sunday Express, were signs that the press was being driven to conformity.

"South Africa needs a liberal press," he said. "If Mr Botha has no one on his left, paving the way, his own room for manoeuvre becomes more limited."

Saan: New daily poses no threat

THE new daily newspaper to be launched by South African Associated Newspapers on May 1, Business Day, will not pose a threat to the existing daily newspapers in the coastal metropolitan centres.

This was stated by the chairman of Saan, Mr Ian MacPherson, at the group's annual general meeting in Johannesburg this week.

Responding to questions submitted by Ms Pat Sidley, president of the South African Society of Journalist (SASJ), Mr MacPherson told the meeting that the new publication, which replaces the Rand Daily Mail, which is to close at the end of this month, would be a highly specialized publication aimed at a narrow and clearly defined market segement.

Like the London Financial Times, on which Business Day would be modelled, it would expand the market by encouraging readers to buy two newspapers instead of one, he said.

"In addition, the nature of the advertising carried by the new publication will have a national rather than a regional emphasis.

"Finally, circulation in coastal areas is certainly never expected to be large enough to threaten other newspapers. Financial and specialist publications have in recent years shown strong growth and Business Day will be well placed to share in this growth," said Mr MacPerson.

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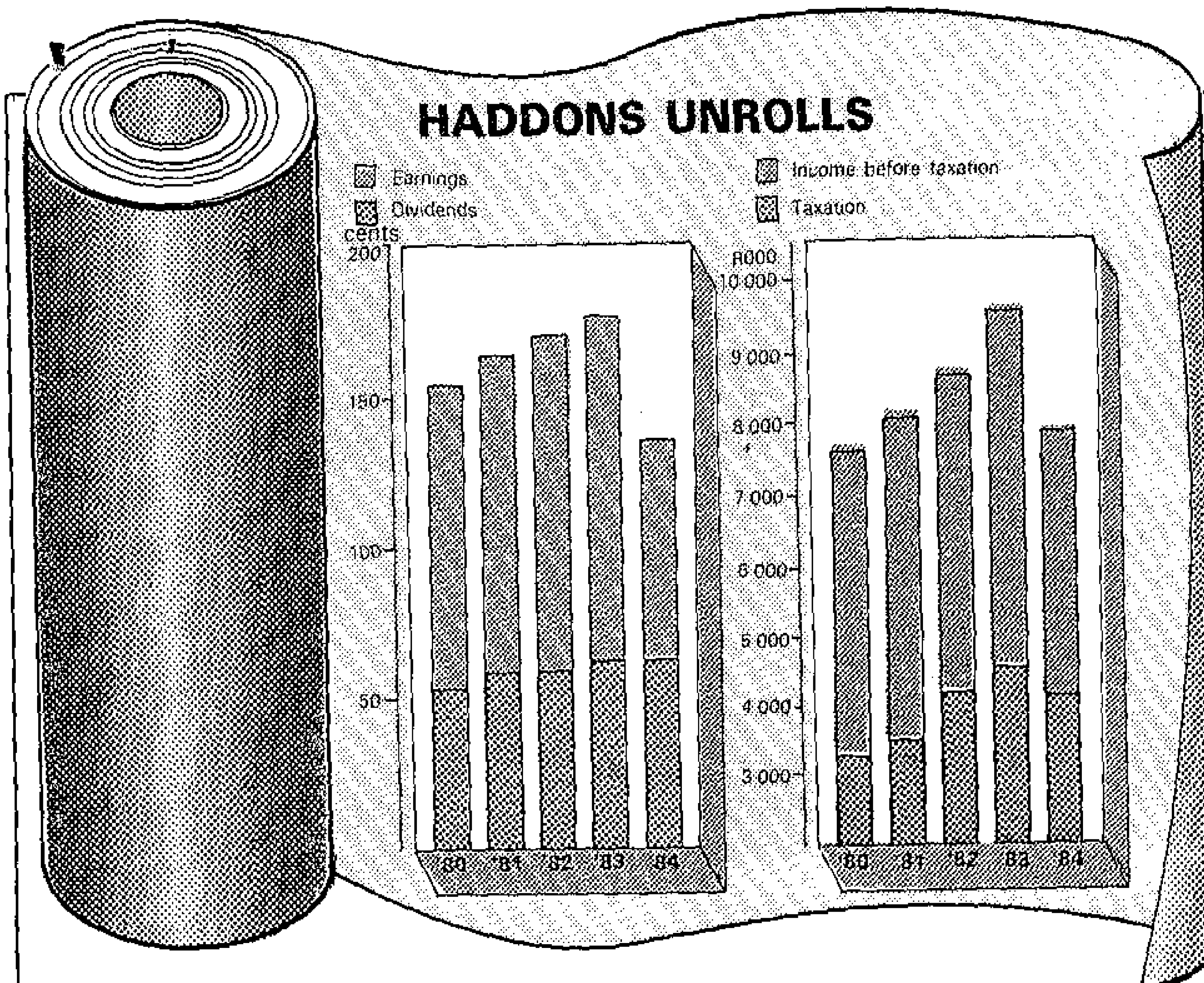


modest. To overcome this, the group has been seeking to broaden its product range; and, judging by the increased turnover derived from higher-margin specialty papers, Agar is satisfied with the move into this area.

As recently as two years ago, Haddons placed relatively little emphasis upon specialty paper, which is used in advertising material, magazines, annual reports and high-quality writing papers. But tough economic conditions in the US and Europe resulted in plentiful supplies at attractive prices — and the group took advantage of the opportunity to stengthen its product range.

Recently, however, the world economic recovery caused the surplus to vanish and Haddons sometimes waits for nearly four months before an order is finally delivered. With specialty papers becoming more popular domestically, says Agar, Haddons can't afford to be caught without adequate inventories. This is the reason for the higher stock levels.

Acceptable levels

Agar contends that the group has built up experience in the specialty paper industry, and is confident that the present inventory levels are acceptable. Because the additional stocks must be financed with short-term borrowings, he says, "to some degree we are stuck with a higher debt load." He is confident that the added financing costs should be more than offset by the higher sales and

SURPRISING THE MARKET

Haddons' earnings decline seems to have surprised most investors. After reaching a high of 875c last year, the share has fallen by roughly 300c. This has had a negative impact on the group's market rating as illustrated by the accompanying relative-strength chart, which compares Haddons' share price to the JSE Actuaries Industrial Index. It shows the ratio at its lowest level for the past 11 years, after falling below strong support of 0,9 in 1982.

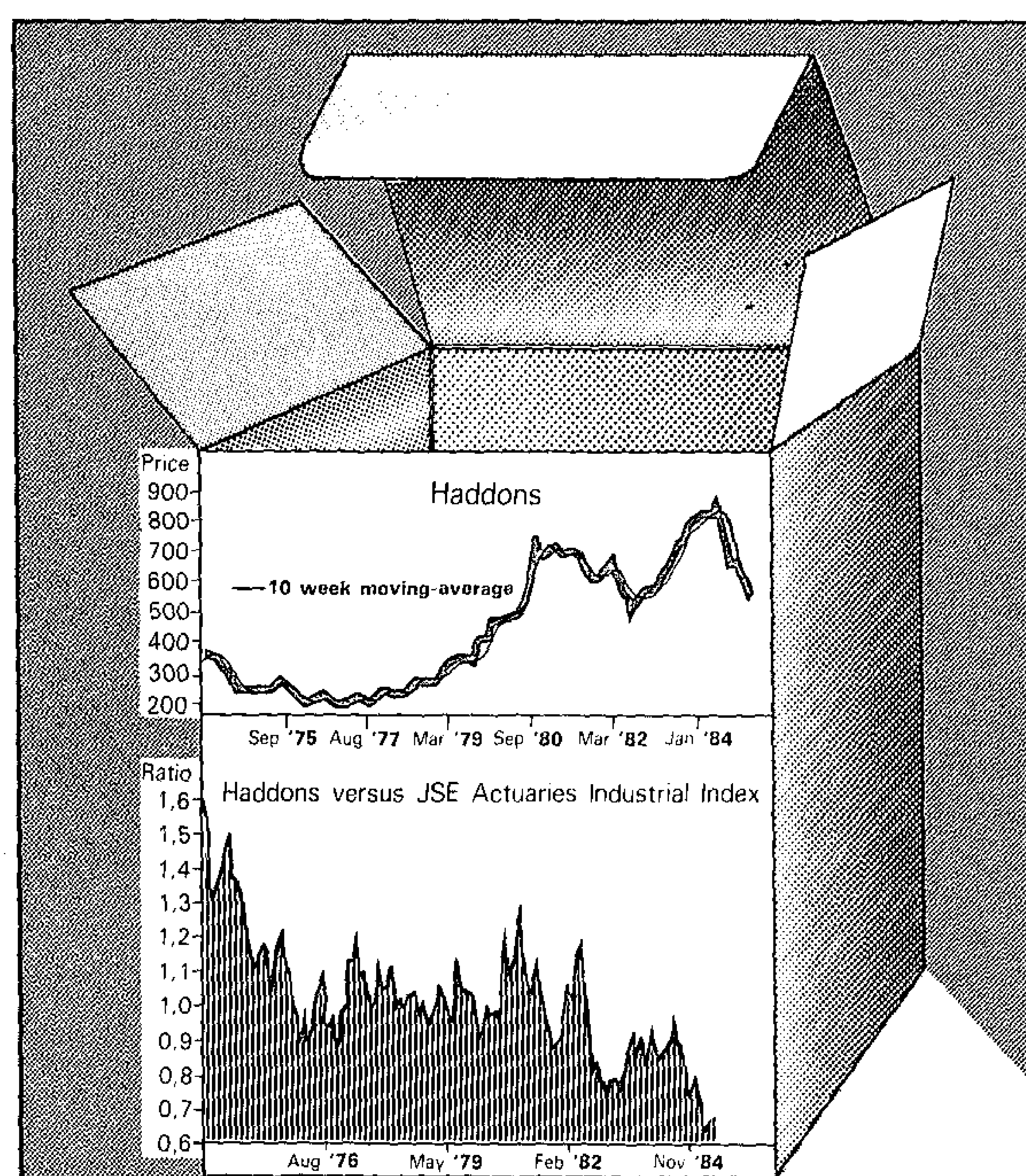
The support level on the relative strength chart had been in force for approximately eight years from 1975. During that period, investors did not hesitate to purchase Haddons' share once its price dropped to 90% of the value of the JSE Industrial Index. But when the share fell to a low of 450c in 1982, this meant that investor confidence in the group had waned as the relative strength ratio broke significantly below support.

While the ratio managed to creep slightly above 0,9 during 1983 and 1984, that area is proving very difficult to penetrate which is consistent with charting theory. This suggested that investors continued to be unhappy about the group's prospects. As a result, once the share price started falling because of last year's poor results, it was not surprising to see the ratio reach new lows.

Though Haddons may underperform the market until the group returns to its winning ways, strong buying support appears to have developed above the 1982 low.

If the price can hold current levels and advance above 550c, this should cause the 10-week moving average to change direction. That would be bullish for the share and may set the stage for a significant advance, provided earnings also improve.

Stephen Richter



goods — and that will bring the dollar down.

But, of course, that won't happen; or at least not happen soon enough to do anyone any good. What *must* happen is that US interest rates must decline — and not by just the quarter point jiggle in prime (from 10,5% to 10,25%) being predicted by Wall Street.

Real interest rates, with inflation factored out, must be cut sharply from the prevailing 7,5%-8% to 5% or less. That can't happen while corporations are doubling their debt burdens and while the US Treasury is sucking up an estimated $15 billion in new net financings every month to pay for Ronald Reagan's deficits.

This brings us full circle to the US Senate and its vote this week. With a Senate Budget Bill adopted, new pressure will be put on the recalcitrant House of Representatives to match it.

Then — and only then — is there some prospect for America to pull back from what the Federal Reserve's Martin called "the edge." If the vote goes against the White House, if the budget wrangle persists through the summer and past the October 1 deadline (as it did in 1981), then the marvellous American economic engine will most certainly cross that dangerous line from growth and prosperity (albeit off balance) into stagnation and turmoil. From that there will be no hiding place anywhere in the world. ■

President Reagan ... buoyed by high interest rates

HADDONS

Broadening the base

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Printing and packaging may be depressed sectors at present, but Haddons is confident that the necessary spadework has been done for the upturn. New technology is playing an important role in planning and while profits may not be spectacular, they should be steady.

Haddons has been a leading force in the printing and packaging industries for many years. This is amply shown by its strong track record. But with margins traditionally modest in some core areas, management is looking for new technology and products to complement existing businesses. Demand for the latest diversification — specialty papers — has exceeded expectations.

Recent results have been unspectacular, partly because of these efforts to improve the base for long-term growth. The performance for the year to end-December 1984 was hurt by abnormally high finance charges which jumped to R3,5m from R918 000, and caused earnings a share to fall by 23% to 137c. Chairman Philip Agar notes that this is the first time in eight years that earnings have declined.

At the operating level, the group performed satisfactorily: turnover rose by 23% and operating income by 9%. Agar says that the improved turnover was primarily due to increased demand for Haddons' wide range of imported papers, typesetting equipment and small offset machines.

Management insists on keeping turnover and divisional performance figures under wraps. Agar explains that "because the statistics of paper and packaging are well known, we aren't prepared to give unnecessary information to competitors."

The group, owned 60,6% by Gencor, suffered foreign exchange losses like several of the mining house's other operating companies — with finance charges including R1,1m in realised and unrealised losses. Agar, however, describes the group's foreign exchange losses as a "one-off thing" and does not expect a recurrence as all overseas obligations are now fully covered.

Interest charges also rose sharply and advanced 164% to R2,4m. During the year, short-term debt climbed to R14,6m from R4,2m. A portion of the advance was due to Haddons' capital expenditure programme which absorbed more than R2m. Trading premises in Pretoria were bought for R1,3m while additional trading space was purchased through the acquisition of James W Weir for R700 000. An additional R127 000 was spent to upgrade the Port Elizabeth showroom.

But the main reason for the rise in borrowings was the need to finance growing stock inventories, which rose to R32,2m from R23,4m. Imported specialty papers, sold through the paper division, account for nearly all of the increased inventories.

Most of the paper division's sales are made to the printing industry. Before Haddons expanded its range of specialty papers, this division predominantly sold locally-made products. Though turnover volumes for domestic paper are high, margins have traditionally been

Chairman Agar ... some reason to smile

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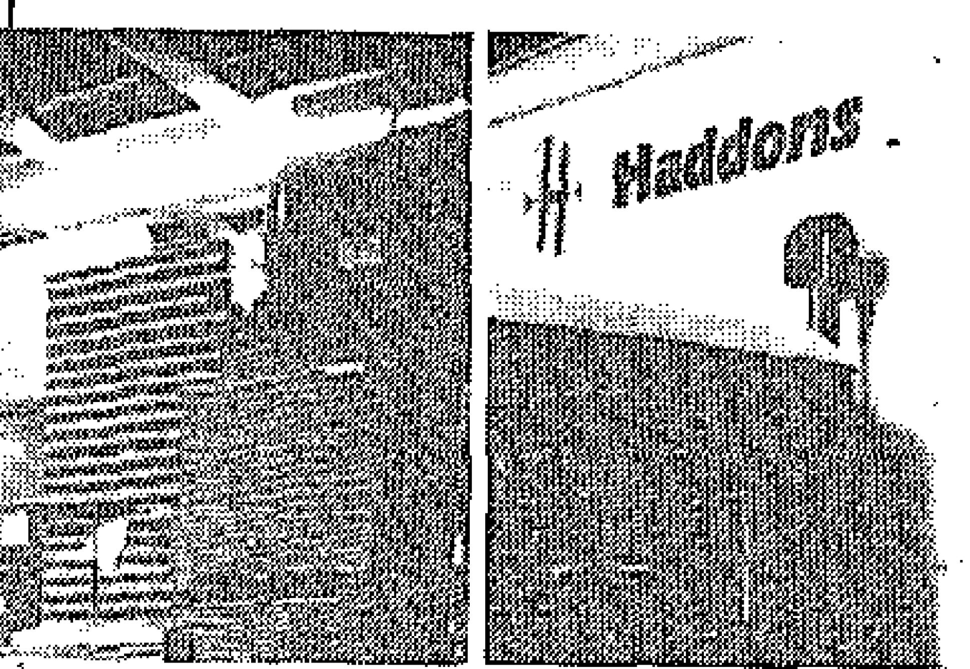

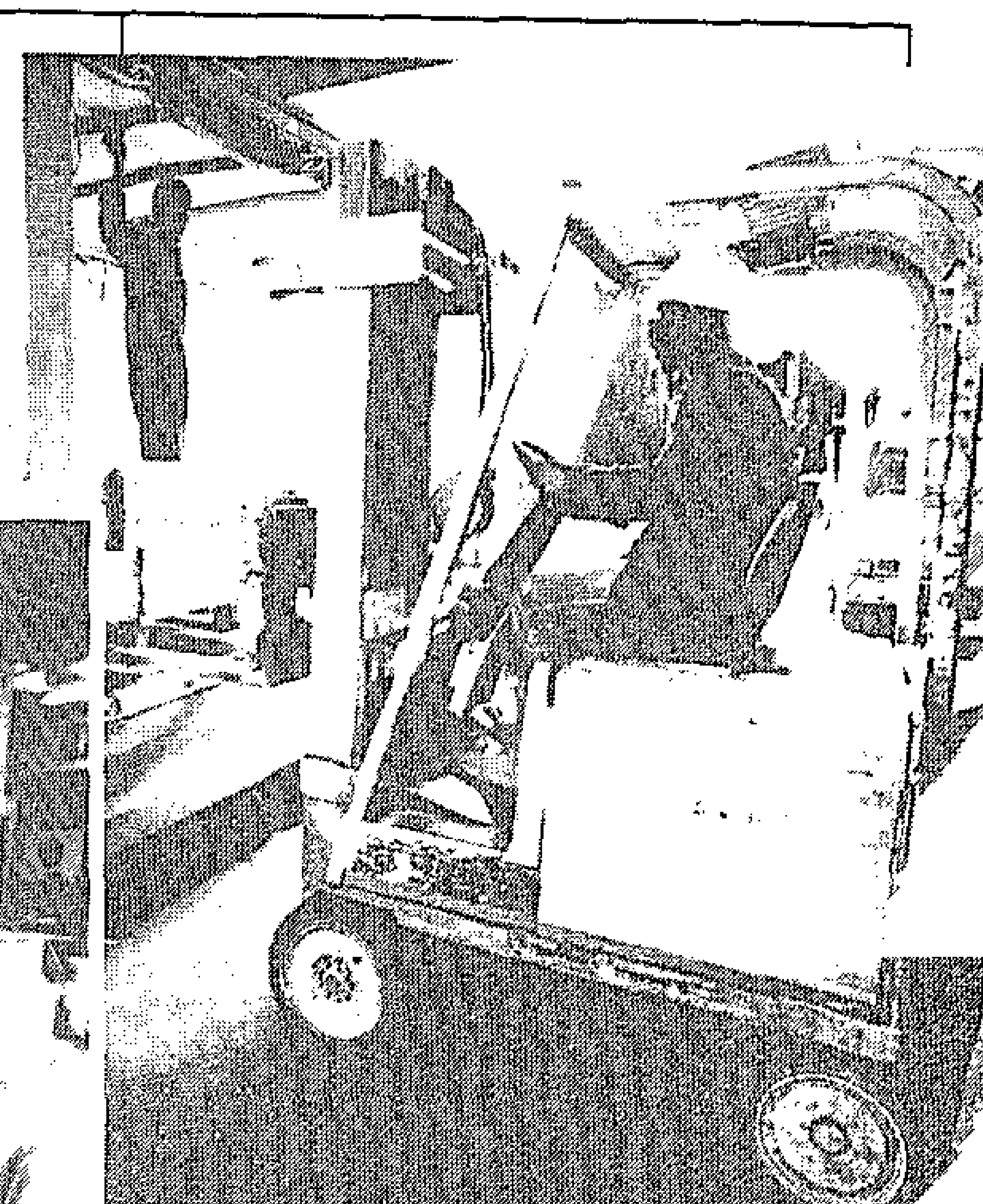

Haddons at work . . . sound track record

profit margins that specialty paper products are expected to produce over the next few years.

Another area responsible for the turnover increase was the machinery and offset divisions, which supply the printing and packaging industries with a range of machines. Emphasis is on machinery which uses the most advanced technology suitable for the SA market. Staff are sent overseas for training in technology at plants run by leading overseas manufacturers, such as Switzerland-based Bobst, and Goss, a division of US-based Rockwell International.

Offset trend

Agar points out that the trend in the printing industry is to use high-speed, sophisticated equipment like the offset printer. Many "instant printer" shops have sprung up in SA, while a growing number of companies are producing printed matter on their premises. Japan has become a world leader in the offset equipment business and Haddons has a long-standing agreement to sell Japan-based Hamada machines.

The present rough conditions in the newspaper and packaging industries may depress Haddons' turnover this year, unless small machinery sales remain strong. But with most companies cutting costs, Agar feels that a reasonable demand still exists for the smaller machine because it is cheaper and more versatile.

Management has plans to launch a new die-cutting service using laser technology, intended mainly for cardboard box manufacturers. Agar explains that the job has traditionally been labour-intensive — but that has recently been changed by developments in die-casting involving photographic reproduction.

By using laser beams and on-line computer equipment, the quality of this process can be considerably improved, with overall cost savings. Agar is confident that within a few months a custom die-making shop will be established as an independent subsidiary of Haddons. He adds that there is room for only two or three of these machines in the country because of their high cost (more than R1m).

Apart from these changes to the products range, the management structure has been altered since Frits Waldeck became MD in 1983. More responsibility has been given to the group's product managers, and Agar adds that branch managers now "have a greater perception of where their profits come from."

Optimism maintained

Despite the earnings fall, the directors remain optimistic, and maintained the dividend at 64c. Dividend cover has fallen to 2,1 but Agar says that a ratio of 2,5 to 3,0 is more appropriate for Haddons. Unless earnings improve, shareholders may do well to prepare for a smaller dividend cheque next year.

But the track record speaks for itself. Agar emphasises that while he does not expect growth to be spectacular, the necessary groundwork has been laid for a swift response to an economic upturn. The paper and packaging industry has traditionally grown at a slow pace, but at 540c, the share yields above 10% and appears undervalued.

Stephen Richter

QUOTABLE

Subroto Roy in *Pricing, Planning and Politics: A Study of Economic Distortions in India:*

It is indeed possible that the basic fact of human nature that individual households everywhere ordinarily know most about, and are only concerned with, their own well-being has never been acknowledged in modern India. The simple secret of a stable and prosperous polity is to create institutions which *harness* the universal pursuit of individual self-interest, and not ones which pretend that men are selfless saints. A polity where this fact is acknowledged would not have to depend for the viability of its institutions on mere exhortation, as the institutions of the Indian Republic seem perpetually fated to do, even while the competitive pursuit of self-interest is everywhere manifest.

The logic of economic reasoning and the adducement of economic evidence have in the past had little effect in India because the distribution of gains and losses from the policies pursued has been closely matched by the distribution of effective political power. This distribution seems most likely to continue, and so the prospects of significant and sustained endogenous reform seem, to this author at least, very small. Changes in external constraints seem to be the only likely source of a major disturbance to the equilibrium, and there can be no guarantee that the results will be for the better. This is a sad and troubling conclusion to come to, for a citizen of India or anyone else who has loved the country.

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'Worst ever' crisis for press

Own Correspondent

DURBAN. — The newspaper industry in South Africa is facing its worst ever financial crisis, spokesmen for major newspaper companies confirmed this week.

An expensive "press war" during the past two years had aggravated the already unhealthy economic climate.

The immediate future looked bleak, with the only bright spot being the entry of some newspapers into television in the form of the new "pay-TV" channel to be launched next year.

Inquiries showed that all newspapers were affected by a dramatic drop in the volume of advertising and sharp rises in the cost of newsprint and other raw materials.

Estimates of the decline in advertising ranged between 20 and 40 percent compared with May last year.

The giant Argus company's profits were down 59 percent on last year.

Both the major English newspaper groups, Argus and South African Associated Newspapers, were forced to retrench large numbers of staff earlier this year.

And SAAN incurred an operating loss of more than R8 000 000 last year.

Mr David Robinson, a SAAN board member and managing director of Robinson and Company which publishes The Natal Mercury, said the industry in South Africa was going through its worst time ever.

He said: "Newspapers are not getting nearly the amount of advertising needed to make them viable."

Excessive competition in the industry over the past two years, resulting in large discounts to advertisers, had reduced advertising yields to unprofitable levels, Mr Robinson said.

SAAN's report on its trading results, published earlier this year, mentioned the recession and "the costs of meeting the intense competition in the industry" as factors responsible for the reduction in advertising revenue.

The Sunday Express's R4 000 000 loss last year had been due to a "major rate-cutting battle with the Saturday Star", the report said.

Mr Robinson said he thought the situation had "bottomed out", but the immediate future still looked "extremely bleak".

"But newspaper managements are realizing that they have to talk to one another. With that new attitude in mind I think the English press will start to make some positive progress."

The Nasionale Pers managing director, Mr Ton Vosloo, said that although the company would end the year with reduced profits, it would fare better than Argus because of its "fairly diversified base of operations".

He estimated that Afrikaans newspapers had lost between 30 and 40 percent of their advertising in the last year.

"In money terms it could be even more," Mr Vosloo said.

He said the industry's newly gained access to television would be important to compensate for losses in newspaper publishing.

Although Mr Vosloo felt Afrikaans newspapers had been hit even harder by advertising losses than English ones, the Afrikaans press has not had to make any retrenchments.

Mr Stuart Craib, managing director of the Natal Witness, said he did not see things improving for at least another year.

The large number of business liquidations also hit newspapers as "a lot of regular advertisers are going under".

"Our advertising is down by between 20 and 30 percent on last year," said Mr Craib.

SAAN, Argus talk printing

CAPE TIMES 14/6/85

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TALKS between SA Associated Newspapers (SAAN) and the Argus Group may soon lead to rationalization of printing in the Transvaal.

The SAAN managing director, Mr John King, said yesterday exploratory talks on the rationalization of both printing and distribution had been taking place for some time and an announcement would be made when arrangements had been concluded.

He stressed, however, that any such rationalization should not be viewed as an indication that a merger between the two newspaper groups was being contemplated.

"It makes good economic sense for us to avoid duplication of effort, equipment and costs on a technical level, particularly in the present financial climate," Mr King said.

'No merger on the cards'

"But there is definitely no merger on the cards. SAAN will remain as a competitive publishing entity in its own right."

On structural changes within SAAN, Mr King said he had created a Transvaal Division in line with similar divisions which already existed in the Western Cape and Eastern Cape.

The general manager of the new division will be Mr Rory Wilson, previously GM, Finance and Administration, Transvaal.

His promotion means that he will now head the marketing, circulation, distribution, printing, publishing and general administration of SAAN's Transvaal publications.

Mr King said that following these changes, which placed an emphasis on regional rather than group functions, he had "with regret" accepted the resignation of Mr Nigel Twidale, SAAN's general manager, Group Marketing.

Cape Times 15/6/88

Request for Hortors not to vote at meeting

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By PAUL DOLD
Financial Editor

HORTORS board should abide by a stock exchange request and allow a free vote on the proposals to acquire Caxton.

The offer documents disclose that the JSE has asked the representative of Hortors Ltd to abstain from voting at the general meeting to consider the deal.

The Hortors Ltd board of directors however, believes that it is in the best interests of all parties concerned that the company should exercise its vote.

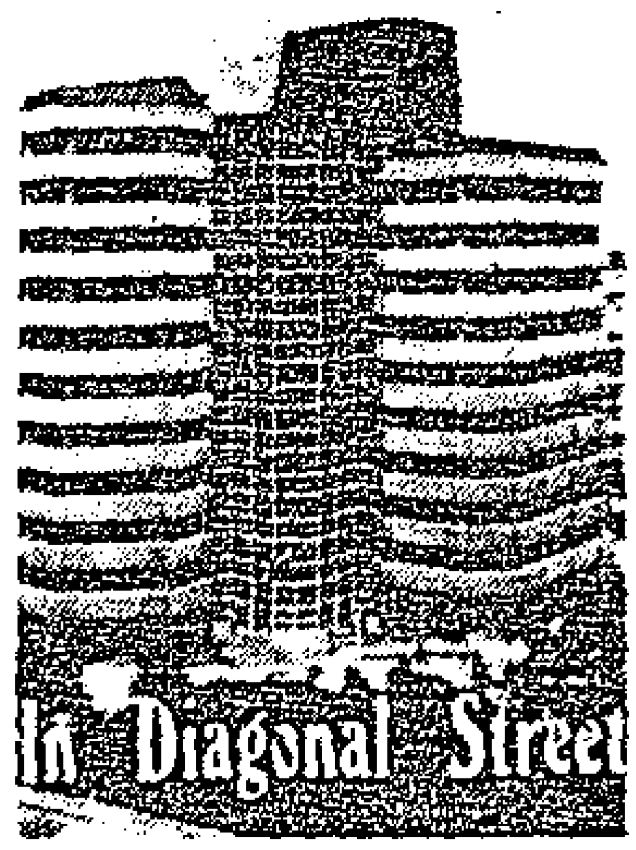
The Argus group owns 50,6 percent of Hortors which in turn owns 50,1 percent in Hortrio. It also owns 50 percent of Afmed which in turn has a 79,3 percent stake in Caxton.

Whatever the merits of the deal itself, it is in minorities interests for a free vote to be taken at the meeting.

The JSE's predicament — in that there is no legal requirement preventing Hortors from voting — underscores the need for a city takeover panel with teeth.

The deal is being effected by Hortrio acquiring Caxton's assets in exchange for shares in Hortrio. Rand Merchant Bank has valued Caxton at R40,3m of which R30,7m relates to publication titles and will be paid for through the issue of 11,5m new Hortrio shares at 350c.

The motivation for the deal is that Hortrio and Caxton operate in complementary fields and the directors believe that marketing and production benefits will flow from the ability of the merged companies to



offer clients, particularly advertisers, a complete service.

This covers not only the selling and publishing of advertisements in the national and regional press and a wide range of magazines covering all sectors of the consumer market but also the production of advertisements, colour inserts and catalogues.

"In addition, shareholders will participate in the strong growth potential of the publishing interests of Caxton's highly successful regional newspapers and national magazines.

"Regional newspapers have proved to be a section of the publishing industry which has shown exceptional growth overseas in recent years, unaffected by television advertising which has had an adverse impact on many national and daily newspapers.

"Caxton is following this pattern in South Africa and has already made substantial progress in this direction."

Mr T D Moolman is to be appointed chief operations officer of the group and Mr M J Weston will be appointed managing director of the printing and packaging operations of the group.

After the deal, Caxton will have a total stake of 55,2 percent in Hortrio with the Argus group owning 43 percent.

Based on the estimated earnings per share of Caxton and Hortrio for the year ended March 31, the deal would have had the effect of reducing the Hotrio earnings by 10,4c.

But the directors believe that any decline in earnings after the acquisition will be temporary and is justified by the improvement in the company's financial base and longer term benefits. Net asset value, however, would rise by 48c from 272c to 320c a share.

Expansion makes Argus group ready for upturn

Argus 3/7/85 195

By TREVOR WALKER

JOHANNESBURG. — The newspaper industry has been reflecting exactly the national economy over the past 12 months, the Argus group's annual report shows.

It was a sad fact of life that the most successful of the groups, the Argus, had to lose its chairman, Mr Layton Slater, during the year.

Slater, who was such a dominant figure in this country's newspaper industry for 52 years, has left behind a group that by any international newspaper standards is exceptionally well run and positioned to reap the benefits of a sound South African economy.

The industry has been going through one of its most testing periods ever, and it was a pity that the double GST tax imposed by the Government was in fact promulgated during one the worst trading periods known to the industry.

Nevertheless, the Argus Group, through its diversification programme in recent years, managed to stave off some of the slides in attributable profits experienced by practically all other newspaper groups.

Mr Hal Miller, newly elected chairman of the group, said the company was well pleased with its expansion efforts and longer-term objectives were beginning to fall into place.

Inserted advertising

The merger between Hortors Trio Rand and Caxton was one of the most exciting expansionary areas within the group and "benefits will flow not only from the rationalisation of printing operations, but also from the development of the market for inserted advertising material, which is being carried to an increasing degree by most, if not all, newspapers."

Mr Miller was reticent to be drawn on certain areas of the company's business, but the R6-million spent on Info looks set to be a winner, while the rationalisation of production facilities with South African Associated Newspapers is being actively investigated.

Mr Miller also said Saan was negotiating to return to using the Allied distribution facilities and these two areas of rationalisation, production and distribution, could lead to major cost reductions in the short term.

Industry sources said it looked as if the Argus Group was pushing to have certain Saan newspapers printed at Sauer Street.

This could well mean that one of the Saan presses would have to be moved to the Argus building, bringing to four the number of machines there.

It might even be possible to increase this to five, which could eventually lead to Business Day being printed on Argus group presses.

Mr Miller said the whole question of distribution of all newspapers had been revived, and discussions on this would be taking place in future months.

The R28-million spent in acquiring a 20 percent interest in Maister Directories would prove to be a major profit winner in the years ahead.

Positive results

Mr Miller said Argus had secured the co-operation of Maisters in marketing electronic directory information in the Info data base.

"From this and the careful development of other electronic information services to commerce and industry, I expect positive results from our investment in Info later this year and in 1986."

The industry is in the process of actively lobbying the Government to rethink GST on advertising spending.

Clearly, 1985/86 is not going to be an easy one for the group and while the R12,1-million interest bill last year will undoubtedly fall by 1986, the tax bill will increase.

The final dividend for the year was halved to 125c, after the group had maintained the interim at 125c, but unless the Government agrees to scrap the double GST tax on advertising, it is likely this year's interim could suffer the same fate as last year's final.

Capital expenditures appear to have peaked for the time being, reinforcing the argument that 1985/86 will be a year of rationalisation for both the group and the industry.

THE ARGUS PRINTING & PUBLISHING COMPANY (PTY) LTD

(Incorporated in the Republic of South Africa)

4/7/85 Sowetan

DIRECTORS: H W Miller (Executive Chairman), P W McLean, P H Anderson, C Carrington (British), J D St C ~~Hennessy~~, C L C Hewitt, D H Stevenson, F J L Wells. **Alternate Director:** V G Bray.

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Chairman's statement

I cannot begin this review without pausing to pay tribute to Layton Slater who had been Chairman of the company for 12 years when he died on December 2, 1984. In a career spanning 52 years he served both the company and the newspaper industry in South Africa and Zimbabwe with great distinction. A staunch defender of the freedom of the Press, he never failed to act with courage and integrity when faced with the critical issues of his time. He was a big man in every sense of the word. He will be missed.

This is a testing time for the newspaper industry in which even the most determined and innovative marketing efforts and the most stringent cost disciplines will not in themselves be enough to sustain us.

That is not to say that the industry cannot be healthily viable. It most certainly can be — providing we act sensibly in rationalising production and distribution facilities among the companies in the industry and, perhaps, even in sharing administrative facilities where that is possible.

Even that will not be enough, though, to ensure the presence of enough newspapers to meet the widely divergent needs of the South African population unless the authorities recognise the particularly difficult situation facing newspapers in the depressed South African economy.

We welcome the Government's action in awarding the licence for the proposed new subscription television service to a consortium formed by the publishers of daily newspapers in the Republic. But in the face of a very much smaller total advertising cake and considerable increases in expenditure, particularly for newsprint, we need further relief.

That relief could be given by removing the sales tax on advertising which heavily penalises newspapers, in particular, since sales tax is paid, unfairly, both on the selling price of our product and separately on the advertising content in it. The industry is making strong representations to the authorities for early relief from the tax.

In the year under review, group profit before tax was 36% lower than in the thirteen months to March 31, 1984. After deducting tax and minority interests and adding the retained profits of associated companies, earnings were 485 cents a share compared with 1 243 cents in the thirteen months to March 31, 1984.

In a circular on January 7, 1985, giving details of a share issue, members were advised that unless there was a significant deterioration in trading conditions the final dividend for the year to March 31, 1985, would be maintained.

The figures speak for themselves. There has been a significant deterioration in trading. Moreover, exactly when the present severe recession will end cannot be foreseen with certainty. In these circumstances the board has no alternative but to reduce the final dividend from 250 cents per share to 125 cents per share. The total dividend for the year to March 1985 is therefore 250 cents per share compared with 375 cents in the previous thirteen months.

The sharp fall in advertising demand which began in the first half of the year under review continued in the second half. On an annual basis, advertising revenue was 5% higher than in the previous period while circulation revenue increased by 14%. These increases were more than offset by the rise in newsprint and other costs. The profitability of the Group's major newspapers therefore declined significantly in comparison with the previous financial period. The Pretoria News also suffered from poor trading conditions and The Friend, Bloemfontein, The Diamond Fields Advertiser, Kimberley, and the Sowetan Daily Mirror and Sowetan Sunday Mirror incurred losses. Income from Ilanga was the same but Post Natal in Durban and Cape Herald in Cape Town were lower.

Two SAAN publications, Sunday Express and Rand Daily Mail, ceased publication during March and April. As a direct consequence, The Sunday Star gained 10% circulation to reach 100 000; The Star (Monday to Friday editions) put on 10% to reach 198 000 in May; Saturday Star now sells 160 000, having gained 30 000, or 23%, and Sowetan's circulation benefited by 15 000 to reach 125 000 on a Monday to Friday basis. The selling price of The Sunday Star and Sunday Tribune was increased to 80 cents on June 16. The daily Star and Pretoria News went to 40 cents from July 1 and Sowetan increased its price from 25 cents to 30 cents, also on July 1. Inevitably, there will be an adverse market reaction and some sales will be lost. However, the impact of the price increase will be appreciably softened by the gains our papers have made.

The Sunday Star has not yet been fully accepted by the market. A greater degree of advertising support is necessary. However, circulation is now rising steadily — albeit slowly. I am confident that The Sunday Star will make a meaningful contribution to profit in time.

During the year it became clear that costs generally would have to be severely curtailed, including extensive but unavoidable retrenchment of staff. After lengthy and detailed discussions with the trade unions concerned — who displayed a responsible attitude throughout the talks — retrenchment conditions were agreed and implemented. Severance benefits amounting to R1,5 million have been fully absorbed in the year under review.

Further stringent cost reductions to reverse the decline in the profitability of our newspapers have been and will continue to be implemented.

Other investments: In common with the newspaper industry as a whole, South African Associated Newspapers, in which we have a 37,9% interest, had a very difficult year. Mounting losses from the Rand Daily Mail led to its closure on April 30, 1985. The Sunday Express which was also losing money was merged with The Sunday Star on April 1, 1985.

The dividend for 1984 was 25 cents compared with 190 cents in 1983.

Despite the decline in consumer spending, CNA Gallo achieved a small rise in earnings when compared with the previous financial period. This commendable achievement was the result of an aggressive drive for a greater share of a shrinking market and tight inventory and cost control. Including the retained profits of associates, earnings per share were 42,8 cents from which a maintained dividend of 16 cents is payable.

During the year 18 new stores were opened, and four closed, increasing the total number of outlets throughout the Republic of South Africa to 312.

The Gallo division did well under trying conditions. Concentrated effort in the local Black music market was rewarding but the introduction of TV4 and current economic conditions slowed growth in the video facilities industry.

Conditions in the second half of the year under review deteriorated beyond Hortors expectations. In addition the high cost of servicing loans and the need to make a greater provision for bad and doubtful debts adversely affected profits. Earnings were therefore 26,6 cents per share compared with 34,9 cents in the thirteen months to March 31 1984. The dividend was reduced from 25 cents to 12 cents. Our interest in Hortors remained at 50,6%.

The regional newspapers, "Free sheets" and magazines of Caxton Limited — in which we have a 48,5% interest — again produced satisfactory results, as did the other jointly owned local papers on the East and West Rand and in Vereeniging. Caxton's dividend was increased to 90 cents from the 80 cents paid for the previous year.

Details of the merger between Hortors Trio Rand Limited — Hortors' major subsidiary — and Caxton Limited are given in the printed annual statements sent to shareholders today. Although there may be an initial reduction in the earnings of Hortors Trio Rand, benefits will flow not only from the rationalisation of printing operations, but also from the development of the market for inserted advertising material which is being carried to an increasing degree by most newspapers. Opportunity for the development of a sector of the packaging market is also enhanced. There is no doubt in my mind that the merger is in the long term interest not only of members of the Argus Company but also of the other shareholders in Hortors Trio Rand and Caxton.

Earlier this year the company undertook a rights issue of shares to finance the acquisition of a 20% interest in Maister Directories (1981) (Pty) Limited. This is one of the more exciting developments we have undertaken recently. As members know, Maisters have a long-term contract with the Post Office for the sale of advertising in Yellow Page and telephone directories. Apart from the direct benefits flowing from this investment we have the co-operation of Maisters in the marketing of electronic directory information in the Info data base. From this and the careful development of other electronic information services to commerce and industry I expect positive results from our investment in Info later this year and in 1986. As members already know we own 100% of Info.

Capital expenditure: The electronic systems installation which represented the final phase of the web offset conversion at Pretoria News was completed during the year under review. The Daily News installed automated publishing equipment. CNA Gallo's expenditure included fitting and refitting the new and existing shops, vehicle replacement, a new warehouse at Elandsfontein and improvements to the premises occupied by Dawson, Royle and Willans.

Hortors' capital expenditure, consisting of sundry items of plant, remained at a low level. Overall group capital expenditure was marginally lower than that of the previous period.

Honours and awards: Our newspapers and staff members achieved a number of honours and awards during the year under review and I have pride in recording them here:

The Star won the Frewin Trophy for the ninth time and The Argus, which had won it the previous year, was runner-up. The trophy is awarded annually for the best laid out and printed newspaper with a circulation of more than 50 000.

Mr Trevor Walker, financial editor of The Star, was awarded a Rosholt Fellowship. He spent three months at the Oxford Institute of Management Studies.

Mr Zwelakhe Sisulu, chief reporter of Sowetan Sunday Mirror, was awarded a Nieman Fellowship and went up to Harvard University in August.

Mr Iain Cameron-Strange, of The Argus, was awarded the Hockey Writer of the Year Award for the third year in succession.

Mr Jock Leyden, cartoonist of The Daily News, received a distinguished service award from Durban Jaycees for 58 years of cartoons of political, social and news events.

Mr Graham Linscott, assistant to the editor, The Daily News, was accorded a merit award by Stellenbosch Farmer's Winery for creative journalism.

Mrs Colleen Shearer, of Sunday Tribune, received a merit award in the Checkers Awards for Consumer Journalism for outstanding work.

Mr Dana le Roux, photographer, The Argus, won first prize in the international World Press Photo contest "Nice News" category (children's award).

Mr Peter Stanford, photographer, The Argus, won first prize in the Sports category of the Shell Press Pictures of the Year contest. In the same competition, Mr Willie de Klerk (The Argus) was runner-up as Photographer of the Year, Mr Doug Pithey (The Argus) won first prize in the colour category, and Mr Clive Lloyd (chief photographer, The Star) won first prize in the "People in the News" section.

Miss Christine Forfar, photographer, Pretoria News, won the Pretoria Press Club photographic competition and was also winner of the News Picture category.

Mr Peter Morey won the Nikon "Shoot the Action" competition, and was winner of the SA Defence Force photographic comepetition (monochrome section).

Trading prospects in 1985/86: Despite the positive factors I have referred to earlier — tight cost control, the benefits which will flow from the Hortors Trio Rand/Caxton merger and the income expected from the investment in Maister Directories — no improvements in earnings can be expected until business conditions improve.

Finally, I express my thanks to my fellow directors, to the chief executives of our associates and to all our employees for their loyalty, enthusiasm and sheer hard work in very difficult trading conditions.

H W Miller, Executive Chairman

June 28, 1985

ARGUS 23/7/85

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Dismissal dispute resolved

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Labour Reporter

A DISPUTE referred to the Industrial Court involving the dismissal of seven workers from the Cape Times has been resolved.

In an agreement reached out of court yesterday it was agreed that the dismissal of three of the workers — D Bestman, W P Barnes and W H Blommetjie — would be confirmed and that they would receive three months' wages.

The other four — G A Swartz, A Jacobs, M A Ganief and R M Fredericks — were reinstated with effect from August 1, although they were regarded as having been suspended with pay between February 7 and April 23 and as having been suspended without pay between April 23 and July 31.

The dispute arose when the workers were dismissed by the newspaper for failing to comply with an instruction and to attend a later disciplinary hearing.

Argus 30/7/85 195

The death of an old and illustrious friend

THE Argus Company has announced that two of its newspapers are to close — The Friend in Bloemfontein, and the Sowetan Sunday Mirror. The board of directors said in a statement that The Friend had incurred losses for many years, and the outlook for the current year was such that losses would have escalated to an unsupportable level. More than 80 people on The Friend would become redundant. As many as possible would be transferred to other branches and others would be given severance pay benefits. The Sowetan Sunday Mirror began publishing just over a year ago. All staff affected will be offered a transfer to the daily newspaper, the Sowetan. The last issue of The Friend will be published tomorrow. The issue of the Sowetan Sunday Mirror which appeared on July 28 was the last.

RENE DE VILLIERS, editor of The Friend from 1949 to 1957, pays tribute to it.

LORD BRYCE, writing in the last quarter of the 19th century after a visit to South Africa, called the Orange Free State the model republic. It was model in the sense that it stood for what was best in the little republic that had its being between the Orange and the Vaal rivers.

Its standard-bearer was The Friend, a model of journalistic fair-dealing, integrity, sanity and tolerance in which Afrikaans and English-speaking Free Staters lived and worked together as true South Africans.

And now The Friend is dead. Its death is a tragedy — a tragedy for the newspaper industry which it adorned for generations on end, a tragedy for the broadly-based South Africanism for which The Friend stood in rain and shine.

Nobody can think of The Friend without thinking of the man who guided its destinies for 31 years and gave it a reputation which lives to this day, Thomas William Mackenzie. "The Manchester Guardian of South Africa" they called it, not without reason.

Jan Smuts and Barry Hertzog were the confidants of Mackenzie, whom they trusted implicitly and whose advice they often followed. Hertzog offered Mackenzie a senatorship as a mark of his admiration and gratitude for what he had done to advance the cause of genuine South Africanism.

the offer because he feared that his independence as an editor would be jeopardised if he accepted the offer. And for Mackenzie independence and freedom of the Press meant everything.

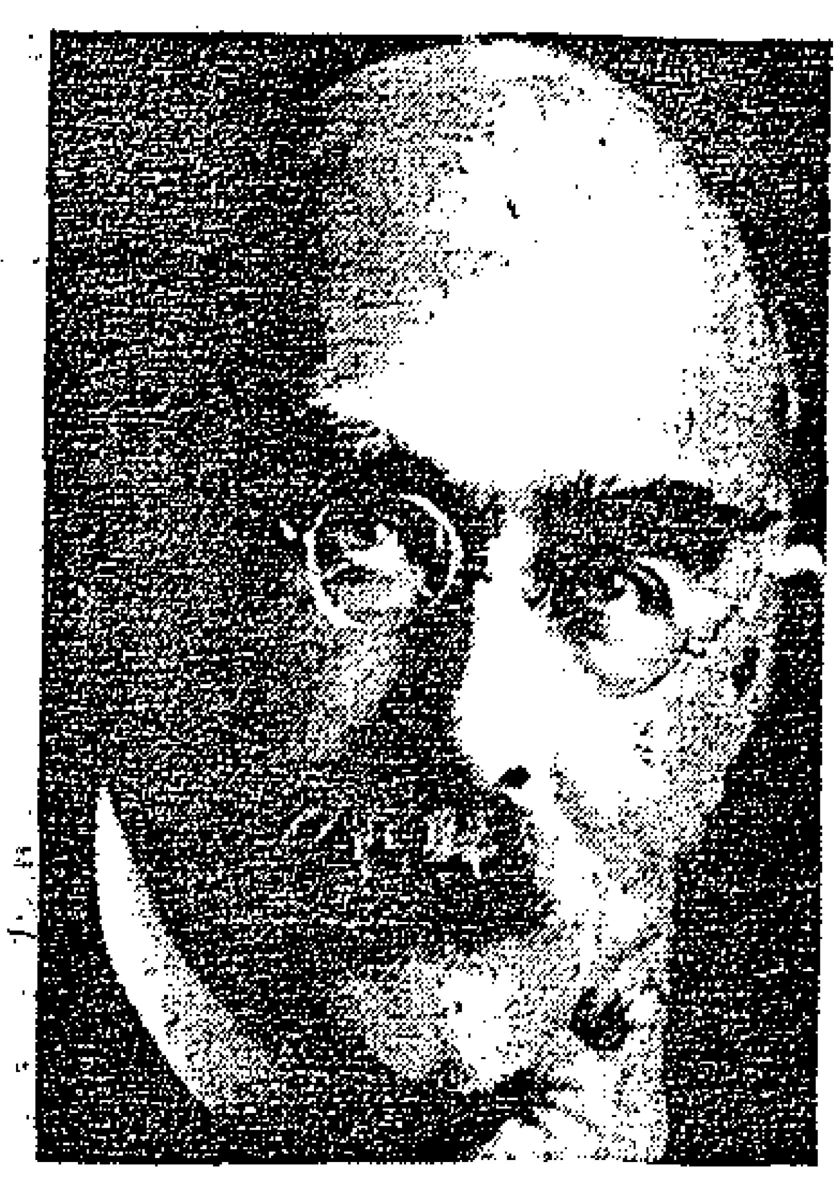
The Friend took instructions from nobody; its editor decided what its stance on issues of the day would be. And for Mackenzie the criterion was the public weal which meant all the people of South Africa, non-white as well as white. That is why, incidentally, Mackenzie was one of the founding fathers of the South African Institute of Race Relations in 1929. His sense of fair play encompassed people of colour, and he was among the earliest advocates of a minimum wage for Africans. And Bloemfontein, moreover, was the first town in South Africa to have leasehold tenure in its African townships.

It was this sturdy independence that determined The Friend's attitude in the South African War, in the Rebellion of 1914, in the halcyon days of fusion in the early 30's, and in World War 2 when English and Afrikaans-speaking Free Staters fought side by side for South Africa, to mention but a few of the great public issues of the last 80 or so years.

Now that voice has been stilled, and for the first time in 135 years the Free State will be without its Friend.

It is ineffably sad that it was not possible to find ways and means of keeping the paper going in spite of the social, political and economic climate in which it was forced to operate for so many years.

Fortunately The Friend produced a generation or more of journalists who adorned the profession and some of whom, fortunately, were and are left to carry on the great free Press tradition



Rudyard Kipling, who edited The Friend for some weeks while British forces occupied Bloemfontein during the South African War.

Wally Mackenzie (son of TWM), Ronnie Gill, Ian Barr, Mike Lloyd, Bill Blewett, W S Robertson and Alex Hammond.

The challenge is now in other hands. We wish them well.

DICK USHER, until recently Assistant Editor of The Friend, comments on its demise

THE death of a newspaper is always a sad event, traumatic for those intimately involved and a loss to the community generally.

This is especially true for a small newspaper such as The Friend in a small community such as Bloemfontein.

For 135 years The Friend had been part of the life of this community; when people died or were born or got married it was in The Friend, often as a news article rather than as a small item in the classifieds because the community was compact enough for many people to be familiar to a wide circle.

was an alternative voice to the dominant Afrikaans afternoon paper.

Also read with affection because it *was* part of the community and knowing what went on in the community was important.

Also because people were proud to have such a long-established newspaper as part of their tradition.

In its latter days, some said, because we were smaller we tried harder. People came to us with news they knew would not find a welcome reception elsewhere because it concerned authority, and the other newspaper was too connected with authority. The Friend didn't really like authority.

Towards the end of the year there was The Friend Christmas Fund raising money for various local charities. Last year we raised a record sum, as we had the previous year. There was an evening of jazz, a wine-tasting — events in which the community was happy to become involved, to give of their time and resources as well as their money.

But, in a sense, the death of The Friend was inevitable once it had lost the financial base of the magazine section that later formed the basis of the Republican Press empire.

People still used to look out of the back windows of The Friend building and look down the block and tell you: "Once upon a time, my son, all that was ours."

That was when Friend Newspapers Limited supported a voice that was heeded beyond the small community its newspaper served, when the company was one of the largest employers in the Free State.

In its life it often served as

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Fortunately The Friend produced a generation or more of journalists who adorned the profession and some of whom, fortunately, were and are left to carry on the great free Press tradition which The Friend and TWM handed down — men like George Heard (father of the present editor of the Cape Times), Danie Hamman, David Brechin, Mac Pollock,

Rudyard Kipling, who edited The Friend for some weeks while British forces occupied Bloemfontein during the South African War.

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It was also a small English voice in a community that had become predominantly Afrikaans over the years, read by many Afrikaans speakers simply because it *was* an alternative voice to the dominant Afrikaans afternoon paper.

Also read with affection because it *was* part of the community and knowing what went on in the community was important.

Also because people were proud to have such a long-established newspaper as part of their tradition.

In its latter days, some said, because we were smaller we tried harder. People came to us with news they knew would not find a welcome reception elsewhere because it concerned authority, and the other newspaper was too connected with authority. The Friend didn't really like authority.

Towards the end of the year there was The Friend Christmas Fund raising money for various local charities. Last year we raised a record sum, as we had the previous year. There was an evening of jazz, a wine-tasting — events in which the community was happy to become involved, to give of their time and resources as well as their money.

But, in a sense, the death of The Friend was inevitable once it had lost the financial base of the magazine section that later formed the basis of the Republican Press empire.

People still used to look out of the back windows of The Friend building and look down the block and tell you: "Once upon a time, my son, all that was ours."

That was when Friend Newspapers Limited supported a voice that was heeded beyond the small community its newspaper served, when the company was one of the largest employers in the Free State.

In its life it often served as a "nursery" for some of the great names of South African journalism, it lived through stirring times and had associations with illustrious names.

And now it is dead.

Cape Times
31/7/85
(195)

Calls for Herald editor to resign

MEMBERS of the Cape Herald staff yesterday called for the resignation of the editor, Mr Ted Doman, after an announcement by the Argus company that it intended to retrench staff on the newspaper.

The Argus Cape Town general manager, Mr Fred Collings, told Sapa the call "has not been formally made to me", and said he was unable to comment on it.

Management was, however, holding discussion with the relevant unions "preparatory to retrenching staff on the Cape Herald", he added.

Mr Aneez Salie, Western Cape chairman of the Media Workers' Association of South Africa (MWASA) and a member of the Herald staff, said Argus management had called in union representatives from MWASA and the Southern African Society of Journalists yesterday.

Staffers

"They said they were thinking in the region of a cut of 25 percent," said Mr Salie. "There are 37 people on the staff, so this would mean that nine or 10 people would have to go."

After this meeting, the staffers had formed an ad hoc staff association, of which he was elected chairman, in which capacity he was now speaking.

"Over the last couple of years we have had a number of representations to the editor in which we expressed our concern at the fact that the paper was being allowed to go to the dogs."

He said the staff association had resolved that any retrenchments "should start with the editor".

Mr Collings, he said, had told them he would convey this demand to Argus head office, and that they could expect an answer today. There had been "talk about industrial action", but that this would depend on today's response.

● The SASJ has reacted with shock to the announcement by the Argus company, hot on the heels of its announcement on Monday that it is to shut down The Friend in Bloemfontein and the Sowetan Sunday Mirror.

'Foreboding'

The president of the society, Mr David Allen, said in a statement in Johannesburg yesterday: "It is with a sense of grim foreboding that journalists throughout the country observe the way the newspaper industry is being managed.

"It is now impossible for many to draw any but the most pessimistic conclusions from these actions which come so soon after the closures of the Daily Mail and the Sunday Express and the recent widespread retrenchments." — Sapa

Herald cutbacks: Talks today

Staff Reporter

ARGUS management and representatives of Cape Herald editorial staff were holding discussions early today after a company announcement that a quarter of the staff of the Cape Town-based newspaper would be retrenched.

Cape Herald staff members, some of whom belong to the Media Workers' Association and some to the Southern African Society of Journalists (SASJ), have formed an ad hoc staff committee.

Argus general manager Mr Fred Collings said today he was discussing criteria for retrenchment with staff representatives.

Cape Herald staffers have called on the newspaper's editor, Mr Ted Doman, to resign.

Commenting on the announcement, SASJ president Mr David Allen said the proposed retrenchments at the Herald, combined with the closure of The Friend in Bloemfontein and the Sowetan Sunday Mirror, indicated that "nothing is safe — no job, no newspaper".

Argus 31/7/85

Argus will not oust editor

Stof 195

CAPE TOWN — Talks between Argus Group management and staff of the *Cape Herald* will continue after the company's refusal to remove editor Mr Ted Doman from his post. 2/8/85

The staff have demanded that Mr Doman be removed before talks on retrenchments announced this week.

The Argus manager in Cape Town, Mr Fred Collings, met the staff committee yesterday and it is understood he relayed to them a message from the group's executive chairman, Mr Hal Miller, that the company was not prepared to consider their request.

Committee chairman Mr Aneez Salie said the staff did not accept this response and was having ongoing discussions with all levels of management. Mr Collings said talks with the committee were continuing. — Sapa.

King quashes SAAN rumours

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Cape Times 3/8/85

Staff Reporter

THE managing director of South African Associated Newspapers, Mr John King, has quashed "wild rumours" in the Citizen this week on the future of SAAN publications, including the Cape Times.

In a statement issued yesterday, Mr King rejected a claim by the editor of the Citizen, Mr Johnny Johnson, that concern existed about the future of the Natal Mercury, Cape Times and the new national financial daily, Business Day.

"The speculation about SAAN publications continues to be a preoccupation for the Citizen. Speculative articles tend to fuel rumours and for that reason only need to be answered," Mr King said.

Mr King noted that Business Day, after only two months of operations, "is meeting its revenue budgets, is growing in circulation and has been enthusiastically received by its readers". There were no plans to make it an insert in any other newspaper.

"In the present depressed economic climate the Cape Times and the Natal Mercury are holding their own and are not in any danger of closure.

"SAAN, Argus and Caxton technical teams are making good progress in their investigations of joint printing facilities. These investigations, which are characterized by an excellent spirit of co-operation, are aimed at reducing the costs of producing the various newspapers," Mr King concluded.

Herald staff to talk to chairman

CAPE TIMES 17/8/87

Staff Reporter

STRIKING Cape Herald staff are to meet the executive chairman of the Argus, Mr Hal Miller, this week.

Staff requested a meeting with Mr Miller to discuss demands that the Herald editor be removed from his position and that management reconsider its decision to retrench 25 percent of the staff.

Almost the entire Herald editorial and advertising staff went on strike on Friday afternoon and this week's paper was produced by the editor, Mr Ted Doman, editorial and advertising executives, and two sports writers.

The chairman of the Herald's ad hoc staff committee and Western Cape chairman of the Media Workers Association of South Africa, Mr Aneez Salie, said staff would meet today to "assess the situation" and if there was no movement on management's part, the strike would continue.

'Far short'

Mr Miller is due in Cape Town tomorrow on business and has undertaken to address the staff on the Argus's policy on editorial appointments.

Mr Salie says this falls "far short" of staff demands.

The dispute between the staff and management began two weeks ago when management announced its intention to fire 25 percent of the staff because of a continuing drop in the paper's circulation.

Herald staff given deadline

CAPE TIMES 14/8/8

Staff Reporter

THE Argus Company has warned striking Cape Herald staff that it will take them to the Industrial Council if they do not return to work by 8.30am today.

The warning came after thousands of pamphlets calling for a boycott of this week's edition of the Herald were distributed throughout the Peninsula yesterday.

The staff went on strike last Friday, after management announced it intended to retrench 25 percent of the staff and refused the staff's demand that the editor, Mr Ted Doman, be removed from his post.

The general manager of the Argus, Western Cape, Mr Fred Collings, said yesterday the Argus Company had declared a dispute with the staff as it considered the strike "illegal".

No pay

Asked to comment on the call for a boycott of this week's paper, which was produced by the editor, editorial and advertising executives and two sports writers, Mr Collings said the company would "continue to publish the Cape Herald".

The strikers confirmed yesterday that they had been told that those on strike would not be paid.

They said in a statement that some of the newspaper's "biggest advertisers" had sent telegrams to Argus management backing the strikers.

"We reject management's contention that we have refused to negotiate, as a cynical distortion of the facts.

"We have been involved in protracted negotiations with them only to be told that what we regard as the main issue, the editor's removal, was beyond their jurisdiction.

Argus policy

"They said this was a matter for the Johannesburg-based executive chairman, Mr Hal Miller."

Mr Miller is due in Cape Town today.

"But even so, he has indicated he will merely outline Argus policy on the appointment of editors and has not clearly indicated he is willing to negotiate.

"We have thus rejected management's ultimatum, and will continue with our strike action."

Cape Herald staff end strike

CAPE TIMES 15/8/85 Labour Reporter

CAPE HERALD staff yesterday decided to end their strike when they met management representatives of the Argus Company, which included executive chairman Mr Hal Miller.

Most of the Herald's editorial and advertising staff had been on strike since Friday in support of demands that its editor, Mr Ted Doman, be removed and that management reconsider its decision to retrench 25 percent of the staff.

The dispute began two weeks ago when management announced its intention to retrench staff because of a continuing drop in circulation.

Cape Herald staff call off 'illegal' strike after top-level talks

Argus 15/8/85

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Labour Reporter

CAPE Herald staff, who have been on strike since Friday, have returned to work.

This followed a management statement that the strike was illegal and setting a deadline of 8.30am today for strikers to return.

Staff representatives met Argus Company chairman Mr Hal Miller to discuss grievances, including the position of the editor, Mr Ted Doman, and retrenchments.

JOINT STATEMENT

According to a joint management/staff statement after the meeting, proposals were made by both sides and they will be considered in continuing discussions on the future development of the Cape Herald.

Representations by community, trade union and business leaders on the editorial content of the Herald and staff retrenchment were presented to management, who undertook to give these consideration.

Saan, Argus merger rumours quashed

Cape Times 3/10/86

Own Correspondent

JOHANNESBURG. — South African Associated Newspapers (Saan) managing director Mr John King last night quashed speculation of an impending merger with the Argus publishing group.

"I am not involved in any mergers apart from rationalizations of printing," he said.

Technical talks on printing rationalization in the Transvaal had been open and ongoing but no decision had been reached. A few more weeks of talks were still required.

Mr King added that talks about rationalizing the Cape Town operations of Saan and Argus had been conducted on a low-key basis.

"But I can categorically say that Saan is not involved in any mergers," he stated.

Rumours were also rife yesterday that Argus was to take over the Mercury, a Durban morning newspaper in which Saan holds a major shareholding.

Mr David Robinson, manager of the Mercury, said he had no knowledge of this.

"Rationalization talks are going on around the country. At this stage they are only talks.

"There is a general belief around the country that there must be rationalization but what form it will take I cannot say," Mr Robinson said.

Cape Times 4/10/85

(195)

Argus buys control in Durban

Own Correspondent

DURBAN. — Durban's two daily and three weekly newspapers are to be owned, printed and published by a new company in which the Argus Group will have a 70 percent stake.

Robinson and Company, the owners of the Natal Mercury, will have a 30 percent stake in the new company, Natal Newspapers, which comes into operation on November 1, yesterday's joint announcement from the two companies said.

About 1 430 people are employed by the two companies who are to discuss retrenchment arrangements with the trade unions concerned.

The editor of the Natal Mercury, Mr James McMillan, said it was unlikely that the Natal Mercury's editorial staff would be reduced.

Mr John Featherstone, general manager of the Argus Group in Natal, told a press conference that it was hoped that a decision would be reached on redundancies within three weeks.

The new company provides for each newspaper to operate independently.

The editor of the Natal Mercury will be appointed by the board of Robinson and Company who will determine editorial policy.

The new company's publications will be the Natal Mercury, the Daily News, Sunday Tribune, Ilanga and Post. The existing editors will remain in office.

SA Associated Newspapers is to maintain its holding of 49 percent of Robinson and Company and its managing director, Mr John King, will be a member of the Natal Newspapers' board.

Robinson and Company are to provide two other board members — the present managing director, Mr David Robinson, who becomes deputy managing director of the new company, and Mr Mike Mackenzie, Robinson's administration manager.

'Continued independent voice'

Argus provides the Natal Newspapers chairman, Mr Peter McLean, who is managing director of the Argus newspaper division; Mr Hal Miller, executive chairman of the Argus Group, and Mr John Featherstone, who has been nominated managing director of the new company.

Robinson and Company's managing director, Mr David Robinson, said he was happy to have concluded an agreement which ensured the continued independent voice of the Natal Mercury.

Mr Robinson said the two newspapers would "now have a sounder financial base to ensure they continue serving the public, in their own distintctive ways, as they have done in the past".

He said it was becoming increasingly difficult to find the resources to keep the newspaper viable.

"The cost of capital equipment is becoming exorbitant and we need to upgrade in several important areas; areas in which the Daily News has just spent millions of rands and has spare capacity.

"There will be rationalization and merging of functions in the commercial areas which will result in considerable cost savings."

● The president of the Southern African Society of Journalists, Mr David Allen, said yesterday the gradual concentration of newspaper ownership in fewer and fewer hands was a problem that would become more and more urgent in the next 12 months. The newspaper industry would neglect safeguarding editorial independence at its peril.

THE PRESS

Argus 4/10/85 (125)

Durban newspapers to be owned, published by joint new company

The new company, Natal Newspapers, will own, print and publish the two dailies as well as the Sunday Tribune, Ilanga and Post Natal. The Argus Correspondent reports from Durban

DURBAN's two daily newspapers, the Daily News and the Natal Mercury, will be owned and published by a joint new company from November 1 but they will retain their editorial independence.

This was announced at a press conference in Durban yesterday. The conference was told:

- It has become increasingly difficult to find the resources to keep the Natal Mercury viable;
- Robinson and Company and The Argus Company will form the new joint company, Natal Newspapers, which will own, print and publish the two dailies as well as the Sunday Tribune, Ilanga and Post Natal;
- Argus will hold 70 percent of the shares and Robinson and Company 30 percent;
- Spokesmen, replying to the question of whether there was a possibility of one of the dailies ultimately being squeezed out of the market, said they sincerely hoped not and that the new move would result in considerable cost savings.
- There would be "some rationalisation" of staff but no announcements could be made until after negotiations with trade unions.

A statement read at the press conference said: "The continued editorial independence of the newspapers will be assured by the provision that Robinson and Company will continue to appoint the editor of the Natal Mercury while the Argus board will continue to appoint the editors of the Argus newspapers.

'Independent'

"The Competitions Board was consulted by both parties and has approved the new arrangement, subject to Robinson and Company continuing to appoint the editor of the Natal Mercury and determining editorial policy. The Minister of Home Affairs has approved the arrangement."

Mr David Robinson, managing director of Robinson and Company, told the conference: "I was happy to conclude an agreement which ensured the continued independent voice of the Natal Mercury. As one of the few independent daily newspapers left in the country, it is becoming increasingly difficult to find the resources to keep the Natal Mercury viable.

"The cost of capital equipment is becoming exorbitant, and we are at a stage where we need to upgrade in several important areas ... areas, in fact, in which the Daily News has just spent millions of rands and has spare capacity.

"Also there will be rationalisation and merging of functions in the commercial areas, which will result in considerable cost savings. The present standard of service to advertisers and readers will be sustained. As far as advertising rates are concerned, all newspapers will continue to be competitive in their existing markets.

"The pattern of editorial independence with joint operating arrangements is a common and successful one in the United States of America.

Directors

"In Natal, the two major daily newspapers, both of them established more than a century ago, will now have a sounder financial basis to ensure that they continue serving the public, in their own distinctive ways, as they have done in the past."

Three directors of the new company appointed by Robinson and Company will be Mr David Robinson, Mr M D Mackenzie and Mr J G King. The Argus directors on the six-man board will be Mr P W McLean, Mr H W Miller and Mr J G Featherstone.

Mr McLean will be chairman. Mr Featherstone, now general manager of Argus in Durban, will be managing director, and Mr Robinson deputy managing director.

Mr Robinson told the press conference that Robinson and Company's wholly owned subsidiary, Robprint, would not be affected in any way by the new arrangement.

Speaking of the prohibitive costs which the Natal Mercury had faced, he said: "We did projections for the next three years and our best projections looked very dismal from a financial point of view. We certainly felt we owed it to our shareholders, our staff, our pensioners and grantees to do something now before we find ourselves in financial difficulties."

Staff

Mr Featherstone, replying to a question about the percentage of staff who would be made redundant, said this analysis had not yet been done. The first step would be to consult the trade unions. He hoped that a specific announcement could be made within three weeks.

He said the editorial staffs of the two dailies would be essentially separate. There would be some areas where editorial services could be shared such as the library service.

Asked whether there would still be Saturday issues of both the Natal Mercury and Daily News, he said one of the provisions of the agreement was that no issue of any newspaper would be closed without the agreement of the boards. There would certainly be areas of sensible rationalisation but no decisions on that matter had been taken.

The new company would be a subsidiary of The Argus Company.

Building

Mr Robinson said the intention was to try to move the entire Natal Mercury operation across to the Daily News building within 18 months to two years. The Mercury building would ultimately be sold but it remained an asset of Robinson and Company.

He said various proposals were being looked at in regard to newspaper distribution.

Press merger to be probed

CAPE TIMES 5/10/85

Staff Reporter

THE merger between the Argus Group and Robinson and Company in Natal which was announced on Thursday has been referred back to the Competition Board by the Minister of Trade and Industries and could, in terms of the law, be overturned.

Depending on the board's findings — which have to be announced in three months — the deal stands or falls.

And the board is bound by law to make public all of its evidence.

In terms of the merger, the Argus group would hold 70 percent and Robinson and Company 30 percent of the shares of the new company Natal Newspapers, which will own, print and publish the Daily News, the Natal Mercury, the Sunday Tribune, Ilanga and Post Natal.

In a brief statement to Sapa the Minister of Trade and Industries, Dr Dawie de Villiers, yesterday said that he had issued the instruction "in view of the implications of mergers for an independent press in South Africa".

"There is concern over the degree of concentration in the South African newspaper industry," he said.

Reacting to Dr De Villiers's announcement, the Mercury's managing director, Mr David Robinson, said in Durban that there was every likelihood of the Mercury closing down for financial reasons if it did not merge with the Argus group.

"We are not entirely surprised that the matter has been referred back to the Competition Board," Mr Robinson said.

He said a merger between newspapers was a highly sensitive issue and was bound to be looked at with suspicion in some quarters.

Mr Robinson had told a press conference on Thursday that the Competition Board and the Minister of Home Affairs, Mr Stoffel Botha had approved the arrangement.

Registration

Mr Botha's spokesman in Pretoria yesterday said that the only approval he gave was that the registration of the various newspapers concerned would not lapse as a result of the move.

"The parties involved approached Mr Botha as the minister responsible for the act governing registration of newspapers, and their request was only that the registration of their newspapers be maintained with the merger.

"The minister has no authority as such to approve the proposed transaction, but can with the approval of the Minister of Law and Order, comply with a request like the one made to him.

He said: "Considerable consultation took place between the two ministers and it was decided the that registration of the newspapers concerned would not lapse as a result of the change of ownership, and an instruction to that effect was issued."

Argus 'muscle' at the Mercury

Own Correspondent

DURBAN. — There was no doubt that Argus muscle would soon dictate events on the Natal Mercury, the PFP media spokesman, Mr Dave Dalling, said this week.

He was commenting on the merger between Robinson and Company and the Argus Company announced on Thursday.

Mr Dalling said: "The wane of SAAN as a major force in the South African news sphere seems to continue.

"Being cash-strapped, SAAN is looking for ways to supplement current losses and the sell-off of marginally profitable newspapers appears to be the way to do so."

This philosophy places the future of the Cape Times and the Port Elizabeth newspapers in doubt, said Mr Dalling.

Mr Dalling said although Robinson and Company retained the right to appoint editors, there was no doubt that Argus muscle would dictate events on the Natal Mercury.

Mr Dalling felt that the saving of a morning paper was a positive step but felt the move would mean that diversity of presentation would diminish.

The move also further diminished the opportunities for journalists in the country.

Mr Robin McGregor, author of "Who Owns Whom" and arch critic of monopolistic practices, said the event was the "beginning of the end" and said the newspaper industry was becoming a total monopoly.

CITY/NATIONAL 195 ARGUS 17/10/85

Joint Saan-Argus printing plan

Argus Correspondent

JOHANNESBURG. — An arrangement for joint printing of The Star, Business Day, the Saturday Star, the Sunday Star and the Sunday Times has been announced.

To save costs, all these newspapers will be printed at a single plant under the supervision of a management committee representing the Argus Company and South African Associated Newspapers (SAAN).

This was announced last night by Mr Peter McLean, managing director of Argus Newspapers, and Mr John King, managing director of SAAN.

The new partnership is a production arrangement that has nothing whatever to do with the editorial operations of either company. The newspapers' production comes together only after the pages of each edition have been made up in the offices of each newspaper.

The printing facility will be located in The Star's building in Sauer Street, and its busiest time will be Saturday nights when it prints Main Street's Sunday Times and Sauer Street's Sunday Star.

The printing partnership will rent the factory premises from the Argus Company and lease the presses and other machinery from Argus and SAAN.

The Argus will hold 51 percent of the shares and SAAN 49 percent.

The printing partnership will be controlled by a management committee comprising three representatives from each company.

The Argus representatives are Mr H W Miller, chairman of the Argus Company, Mr Peter McLean, managing director of Argus Newspapers, and Mr J Nuttall, general manager of The Star.

The SAAN representatives are Mr John King, managing director of SAAN, Mr Rory Wilson, general manager of the Transvaal division of SAAN, and Mr B D Harris, group secretary/group accounting of SAAN.

CAPE Times 17/4/85

Argus, SAAN agree on Reef partnership

JOHANNESBURG. — Mr Peter McLean, managing director of Argus Newspapers, and Mr John King, managing director of SAAN, have announced agreement on the formation of a partnership between the two companies which will produce, print and dispatch the newspapers published by the two companies in Johannesburg.

The two exceptions will be the Financial Mail which, because it is a magazine, will continue to be produced separately on magazine presses, and the Sowetan, which is printed at Caxton Limited, Industria near its main circulation area.

"The printing partnership has nothing whatever to do with the editorial, advertising or management policy of any newspaper.

The printing partnership will be controlled by a management committee comprising three representatives from Argus and three from SAAN.

Mr Colin Hyde, at present works manager of the Star, has been appointed general manager of the partnership. Mr John King, managing director of SAAN, will act as first chairman of the partnership.

The partnership comes into effect from April 1, 1986, although it is possible that joint printing will begin on a limited scale before that date.

The joint production facility will be located in the Star building in Sauer Street, and the partnership will rent premises from the Argus Company and lease plant and machinery from Argus and SAAN. — Sapa

ARGUS 29/10/85

Argus retrenches 67 in Durban

195

Own Correspondent

DURBAN. — A total of 67 employees of the Argus Group and the Natal Mercury in Durban have been retrenched with effect from Friday.

This was revealed last night by the general manager of the Argus Company in Durban, Mr John Featherstone.

Although the numbers retrenched on each newspaper are not known, Mr Featherstone said there had been no conscious setting of proportions as the cuts had been based on other criteria.

Retrenchments were made in the advertising, circulation and works departments, according to Mr Featherstone.

Another Argus spokesman was earlier quoted as saying no final retrenchment figure had been decided on, but further retrenchments were expected in the "near future".

He said the retrenchments were a result of the decision to print the Natal Mercury and the Argus Natal publications on the same presses and to rationalise their operations.

It is understood the retrenchment benefits include two months pay and a further week's pay for each year of employment.

1985 — 10 — 25

Cape Times 5/11/85 195

News gag: 'Free world' intimation

Own Correspondent

LONDON. — The International Press Institute (IPI), representing 2 000 leading editors and publishers worldwide, has protested to President P W Botha over the government news clampdown.

The IPI described Pretoria's clampdown as a "brutal assault" on journalists and called for the immediate repeal of this "suppressive law".

In a telegram to President Botha, the IPI's London-based director, Mr Peter Galliner, said the news gag on reporting unrest "made a mockery" of President Botha's statement on press freedom to foreign correspondents last week.

"The IPI protests most strongly against the new decree suppressing press freedom. It is a brutal assault on both South African and foreign journalists who face indefinite detention, up to 10 years' imprisonment, and fines if they are considered to act against the new decree.

"This suppressive law should be repealed immediately if South Africa wishes to be regarded as a member of the free world," the IPI said.

South African news had a low profile in the British media yesterday following the weekend clampdown on news of the unrest.

There were no television coverage of the townships or other unrest areas and no further references to the news blackout.

The most prominent report — on the front page of The Times — noted the "surprisingly muted response" from South African Sunday newspapers to the news gag.

Other Fleet Street newspapers carried reports on their inside pages giving details of the clampdown and further reaction to it.

The publication by the Cape Times of an interview with the ANC president, Mr Oliver Tambo, was prominently broadcast on the BBC.

The Editor of the Cape Times, Mr Anthony Heard, yesterday declined to say whether he had sought permission from the Minister of Law and Order to publish an interview with Mr Tambo.

"You will have to draw your own conclusions about that," Mr Heard said.

Meanwhile, the IPI representative in South Africa, Mr Joel Mervis, has condemned ITN's television criticism of the Star's unrest coverage.

The report on ITN (Independant Television News) that the Star was trimming its news to suit the government, was not only false, but could hardly have been more ill-timed, Mr Mervis said yesterday.

"At the moment when the government is in fact putting pressures on the press to tone down the unrest news, the Star, far from capitulating to those pressures, has consistently carried out its duties to keep the public informed," he said.

Cape Times 5/11/85

Newspaper sellers strike

Staff Reporter

NEWSPAPER sellers for the Allied Publishing Company have gone on strike in Cape Town, disrupting street sales of the Argus Company on Saturday and yesterday.

The publishing company is apparently trying to set up negotiations to solve the problem. The dispute is over a wage increase being demanded by the vendors.

Nampak's earnings down by 16pc

Mercury 194 6|11|85

Finance Reporter

IN TRADING conditions described as 'erratic', the Nampak group has done well to hold the earnings decline for the year to 18 percent and the directors have endorsed their confidence by repeating the year's dividend payment at 70 cents.

The interim report in March revealed earnings down by 16 percent and said that 'results in the short term will continue to reflect prevailing economic conditions although some improvement in earnings was hoped for.

'In the event, trading conditions did not improve and the holding of operating profits to a 16 percent decline is considered to be satisfactory.

Comment on the future will be carried in the annual report which is due shortly.

Turnover for the year rose by 9 percent to R1,435m against a 17 percent increase in the first half.

The operating profit for the year declined by 16 percent to R142m. These figures highlight the determination to protect market share which was successful but at the cost of lower margins, particularly in the corrugated container sector.

Margins deteriorated from 12,9 percent in the 1984 financial year to 9,9 percent in the past year.

Higher borrowings and higher rates saw interest paid for the year rise by 65 percent to R39m.

Foreign exchange losses were insignificant and income from investment showed no relevant change, leaving pre-tax profits 21 percent lower at R109m.

Tax allowances on the higher value of capital expenditure dropped the tax rate from an effective 32,7 percent in the previous year to 26,4 percent at R29m.

This reduced the percentage decline in profits at the after-tax stage to a 14 percent lower R80m.

Outside shareholders' interest was barely changed but, on the lower profit level, had the effect of boosting the drop in attributable profits to 18 percent at R59m and earnings per share on the virtually unchanged capital by the same percentage.

Commenting on trading for the year, the report mentions 'considerable rationalisation' in the carton and print operations of Nampak products while polyfoil and sacks operations performed well.

The paper-related operations also performed well in 'difficult conditions' and new operations in this sector were successfully introduced.

Cape Times 16/11/83

Argus interim div slashed

JOHANNESBURG. — The Argus Printing & Publishing Co announced yesterday that its attributable earnings for the six months to September plummeted 71 percent and earnings a share on the higher share capital were 122c compared with 432c in the same year-ago period.

The interim dividend has therefore been slashed to 50c a share from 125c paid last year.

Certain newspapers in the group continue to trade profitably, and in certain instances have been making record profits.

But for the group as a whole, the significant deterioration in trading conditions encountered last year remains and appears to have worsened.

Turnover in the six months rose some R31,7m to R319,2m, but trading income fell to R8,3m from R14,2m, pushed down by a sharply higher interest bill at R7,5m (R4,5m).

Investment income with no dividend from South African Associated Newspapers was a paltry R664 000 against the R2,5m last year, while tax was R4,8m (R6,9m).

Attributable earnings fell to R2,4m (R6,7m).

The directors say the depressed state of the economy was the main reason for the decline in profits.

Advertising revenue was 17 percent lower, and if the group is to show any significant turnaround in the next six months, it is this area of its operations that will have to be improved.

Incentive schemes and other means of boosting advertising revenue will have to be considered.

Info, the electronic information service, will benefit from the introduction of Electronic Yellow Pages announced by the Post Office this week, according to the directors. — Sapa

STAR 7/12/85

Newsmen quit over 'biased' coverage

CAPE TOWN — Three reporters at the Durban-based afternoon newspaper, *The Daily News*, have resigned because of dissatisfaction with the newspaper's handling of the launch of the Congress of South African Trade Unions (Cosatu).

The three reporters — political and parliamentary reporter Mike Robinson, political reporter Roger Smith and labour reporter Billy Paddock — handed in their resignations on Tuesday and were told to clear their desks the following day.

Mr Robinson said certain articles had been judged according to the editor's bias and not on their merits and he criticised the "uncritical" handling of statements by the Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi.

Before Cosatu's launch, the reporters had made extensive arrangements for coverage, including colour pictures of the launch, obtaining an exclusive interview with the federation's general secretary, Mr Joey Naidoo, and getting a response by Cosatu's president, Mr Elijah Barayi, to an attack on it by Chief Buthelezi.

It had been agreed by the chief sub-editor and the pictures editor that pictures of the launch would be used on the front page.

When the paper appeared on Monday, a "girlie" picture had been used instead.

Mr Barayi's response had not been published and the interview with Mr Naidoo was used after the three had resigned, Robinson said.

The editor of *The Daily News*, Mr Michael Green, confirmed that he had accepted the resignation of the three reporters.

"I am satisfied that we have given accurate and adequate coverage of the Cosatu launch."

"In the space of three days we have published a lengthy interview with Cosatu's general-secretary which appeared on the leader page after the resignation of the three reporters.

"Like all editors, I often get complaints from various political groupings. Politicians are extremely hard to please," Mr Green said. — Sapa.

STAR 9/12/85

Mwasa supports Ilanga sit-in

The Media Workers Association of South Africa (Mwasa) yesterday pledged its solidarity with journalists on the *Ilanga* newspaper in Durban, who have been on a sit-in since Thursday to protest against the newspaper's alleged bias towards the Inkatha movement.

The managing director of Natal Newspapers, Mr J G Featherstone, said the editor of *Ilanga* would be meeting the newspaper's staff today.

"There is no intended bias in the part of *Ilanga* towards Inkatha or any other political group," he said. — Sapa.

28/12/85

Argus probe official

PRETORIA. — Official notification of the Competition Board's intended investigation into the Argus group's acquisition of the Durban morning newspaper, the Natal Mercury, was published in the Government Gazette yesterday. B

Anybody may submit representations on the matter to the board within the next 30 days.

The announcement recently that Argus Printing and Publishing would acquire the newspaper interests of Robinson and Company led to a controversy over newspaper monopolies. The Minister of Trade and Industry, Dr Dawie de Villiers, said he had instructed the Board to investigate the matter.

The Argus group owns the Durban afternoon newspaper, the Daily News.

According to yesterday's notice, the board is to ascertain whether an "acquisition ... has been, is being or is proposed to be made; and the nature and extent of the controlling interest held and acquired, being acquired or proposed to be acquired". — Sapa

MANUFACTURING - PRINTING

1986

~~MAY~~ June ~~[illegible]~~. — DEC.

FIN MAIL 25/4/86

PRESSMEN PEEVED

(232) (243) (195)

New Saan MD Stephen Mulholland is puzzled by moves at the group's *Cape Times* to seek a court interdict to block the sale of the newspaper's press.

The action has been threatened by staff members who have formed an association to fight the planned merger of printing operations with the *Cape Argus*. They give fear of retrenchment as the reason.

Says Mulholland: "I am distressed that they haven't approached me to find out what Saan is doing. I'm also sorry that their moves were reported in the *Cape Times* without giving the company the opportunity to comment, which is accepted practice in responsible journalism regardless of the company concerned."

Mulholland, who flies to Cape Town this week to explain the situation to staff, points out that the merger of printing operations in Johannesburg and Cape Town has been going on for some time. "It's a matter of survival for the whole group," he says.

A spokesman for the *Times* staff association estimates that rationalisation could put as many as 400 jobs at stake, and he says the newspaper is a "viable operation" which has never made a loss.

Mulholland, however, discounts claims that the *Times* is a profitable newspaper. "Without the contract to print the *Sunday Times*, the *Cape Times* is in a loss situation," he tells the *FM*.

"What we are doing follows an accepted US practice, based on the Newspaper Preservation Act of 1969, which allows newspapers to merge all but their editorial functions in the interests of survival and of the public.

"There are dozens of such agreements in the US — we did not invent this approach."

In any event, he says, the press has "virtually" been sold for US$4m and the deal should be through in about three months.

☐ Saan announced this week that it had sold its head office building at 171 Main Street, Johannesburg. The name of the buyer has not been disclosed. The company says suitable alternative accommodation is being arranged following the rationalisation of its operations.

Argus-SAAN plan for future of *Cape Times*

BUS DAY 1/5/86

Business Day Reporter

SA ASSOCIATED NEWSPAPERS and the Argus Printing and Publishing Company have agreed in principle to rationalise the activities of the *Cape Times* and the *Argus*.

In a statement issued yesterday, SAAN MD Stephen Mulholland said that, at SAAN's request, the Argus company "will take over all activities now carried out by *Cape Times* staff — with the exception of the editorial activities which will continue to be the sole responsibility of SAAN, as provided for in a long-term agreement".

Cape Times editorial staff would remain SAAN employees and the editor of the *Cape Times* would be responsible only to the SAAN board.

Mulholland said the rationalisation, which he emphasised followed an approach by SAAN to the Argus company, was prompted by the prospect of increasing losses at the *Cape Times*.

The *Cape Times* recently lost the contract to print and distribute the Western Cape edition of SAAN's *Sunday Times*. This and "other factors impacting upon its financial performance" prompted the decision.

Mulholland said the *Cape Times* lost the *Sunday Times* contract because of the need "to rationalise the distribution of SAAN's publications throughout the country by re-joining the partnership which controls the Allied Publishing Company".

He said the Goss Metro press, originally purchased by SAAN to print both the Western Cape edition of the *Sunday Times* and the *Cape Times*, had been sold as part of SAAN's continuing effort to reduce its crippling debt burden.

Mulholland said SAAN was confident the rationalisation would ensure the long-term financial viability and continued publication of the *Cape Times* — "which would otherwise be seriously in question".

He said the method of rationalisation would "preserve the editorial independence of the *Cape Times* as a trusted voice in the Western Cape community serving all sections of the population and enjoying a considerable reputation both at home and internationally".

Argus 1/5/86

Agreement to help Cape Times

JOHANNESBURG. — South African Associated Newspapers Ltd (Saan) and the Argus Printing and Publishing Company (Argus) have agreed in principle to rationalise the activities of their newspapers in Cape Town, the Cape Times and The Argus, the managing director of Saan, Mr Stephen Mulholland, has announced.

He said Saan wanted to stress that at no stage was an approach in terms of the rationalisation made by the Argus Company. Saan took the initiative in approaching the Argus Company with the proposals with the sole purpose of securing the future of the the Cape Times.

He said the rationalisation was based on American models as provided for in the Newspaper Preservation Act passed by the American legislature in 1969.

Saan's initiative had been prompted by the prospect of increasing losses being made by the Cape Times following the loss by that newspaper of the contract to print and distribute the Western Cape edition of the Sunday Times together with other factors impacting on its financial performance.

The loss of the Sunday Times distribution contract flowed from the need to rationalise the distribution of Saan's publications throughout the country by rejoining the partnership which controls the Allied Publishing Company. In addition, the press which was originally purchased by Saan in 1976 to print both the Western Cape edition of the Sunday Times and the Cape Times has been sold as part of Saan's continuing effort to reduce its "crippling debt burden".

"At Saan's request," Mr Mulholland said, "The Argus will take over all activities now carried out by Cape Times staff with the exception of editorial activities, which will continue to be the sole responsibility of Saan, as provided for in a long-term agreement."

Journalists employed to produce the Cape Times would be members of Saan and the editor of the Cape Times would continue to be responsible only to the board of Saan.

"Saan is confident that by pursuing this course of rationalisation it is ensuring the long-term financial viability and continued publication of the Cape Times, which would otherwise be seriously in question. At the same time this method serves to preserve the editorial independence of the Cape Times," he said. — Sapa.

AK645 2/5/86 (19) (182) (143)

Green light to Argus acquiring Natal Mercury

Parliamentary Staff

THE Government has agreed to the acquisition of the Natal Mercury by the Argus Group.

The acquisition was the subject of a Competition Board investigation following Government concern about the degree of concentration in the newspaper industry.

The board found that the takeover was the lesser of two evils, with the alternative being the closure of the Natal Mercury.

In a report tabled in Parliament yesterday the board said that the power to appoint the editor of the Natal Mercury must be vested in the directors of Robinson and Company, the former owners of the Mercury who now have a 30-percent holding in the new company, Natal Newspapers.

EDITOR'S ROLE

The editor of the Natal Mercury had also to have complete responsibility for the editorial policy of the Natal Mercury.

The board rejected arguments that the deal to save the Natal Mercury was a merger, saying it was an "acquisition".

Among other things, it pointed to the 70-percent majority shareholding the Argus Group held in Natal Newspapers and the fact that it had control of the board of directors.

The board agreed that the Natal Mercury would have been faced with closure if the deal had not taken place.

In 1984 a loss of R163 000 was shown and it was projected that by 1987 R1,7-million would be lost.

It would not have been in the public interest for an old-established newspaper such as the Natal Mercury to close down.

Other options were considered. South African Associated Newspapers, which already had a 49-percent shareholding, was dismissed as a possible purchaser because it was also facing financial difficulties.

The board believed that sale to an Afrikaans newspaper group would seriously compromise editorial policy and credibility.

CAPE TIMES 2/5/86

'Yes' to Natal paper plan

Political Staff

THE formation in Durban of Natal Newspapers in which the Argus has 70 percent of the shares and Robinson and Co, publishers of the Natal Mercury, 30 percent, has been approved by the Competition Board.

In the report on its investigation into the deal, the Board says that the agreement, while not "perfect", is better than closing down a newspaper.

It goes into detail about the rising costs of production and declining advertising revenue available to newspapers because of the SABC's monopoly of TV and radio services.

The deal has been approved subject to two important conditions which will ensure the editorial independence of the Natal Mercury.

'Vested'

The Board believed that while the deal provided a measure of editorial freedom for the editor of the Natal Mercury, "even such limited degree of editorial freedom is preferable to a situation resulting from the closure of the relevant newspaper, as happened to The Friend in Bloemfontein, the Rand Daily Mail in Johannesburg, the Sunday Express and recently the Cape Herald in the Western Cape".

The deal was approved on condition that: "The power to appoint the editor of the Natal Mercury must be legally vested in the board of directors of Robinsons where it has always been, and;

"The editor must have complete responsibility for the editorial policy of the Natal Mercury."

Cape Times 7/5/86

Press survival 'enhanced'

SOUTH AFRICA'S media watchdog body yesterday said rationalization negotiations between SAAN and Argus should be seen against the background of economic threats to the newspaper industry, but also cautioned against long-term joint operations.

A statement issued by Mr M A Diemont, former Appeal Court judge who was authorized by the SA Media Council's executive committee to issue a statement on behalf of the council, said the current negotiations were initiated by SAAN.

Mr Diemont is alternate chairman of the council and chairman of the council's committee appointed to investigate and report on developments which might lead to monopolistic trends in the media.

"The proposed rationalization arrangements do not endanger the existence of any newspaper. On the contrary, information available to the Media Council offers convincing assurances that the survival prospects of newspapers concerned will be enhanced," the statement said.

"No newspaper's editorial identity is threatened by the moves towards rationalization now being negotiated.

"But joint management, joint advertising, joint accounts and joint printing arrangements could possibly in the long term place such identity in jeopardy and efforts by the parties to the negotiations to guard against this possibility have been noted," it said.

"The council notes public assurances by SAAN and Argus that everything possible will be done to reduce hardships from retrenchments resulting from the proposed rationalization."

SAAN publications affected by the current rationalization proposals are the Sunday Times, the Cape Times, Business Day and the Financial Mail.

Argus publications involved are the Star, the Sunday Star and the Argus.

A SAAN spokesman said last night: "We welcome the balanced and well-informed approach of the Media Council and also their keen and constructive interest in the affairs of the newspaper industry in general."

Cape Times 24/5/86

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Argus income soars

JOHANNESBURG. — The Argus group has substantially lifted net income for the 12 months to end-March, after a dismal first six months.

Attributable income in the second six months was virtually triple the R2,4m in the first half, to make a full year bottom line of R9,1m after only R6,3m in the previous 12 months.

Much of this can be attributed to the first time consolidation of 49,9% associate Caxton — which was previously accounted for in the share of retained earnings.

But a 7% increase in gross revenue, combined with reduced running costs, allowed trading income to rise by almost 30% — in spite of turnover being only 16% up on the previous year.

Margins

This meant that the group's pre-interest margins increased last year to a shade under 6% from 5,2% in the previous financial year.

On the newspaper side, a 39% increase in circulation revenues — mainly through cover price increases — more than offset a 2% dip in advertising revenues.

The decline was held to 2% after the inclusion of the Natal Mercury for the second half, otherwise the rest of the group was down by 5%.

Management singles out The Star and, particularly, The Saturday Star, for increasing circulation last year, while elsewhere in the group sales tended lower. — Sapa.

Unrest brings mini-boom to books

BusDay 27/5/86

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LINDA ENSOR

TUMULTUOUS changes rocking SA society have curiously assured book publishers of a relatively secure market. Bewildered people are groping in the dark for some understanding of what is happening to the apartheid bed-rock of society — how it came to be and what lies ahead.

Though their pockets are not as well-lined as they were in economically more buoyant times, political and historical books on SA are eagerly being picked off the shelves.

Jonathan Ball, MD of Jonathan Ball Publishers — the house which co-published Dr Frederik van Zyl Slabbert's "The Last White Parliament" — says: "I have found the market has remained good for this type of book. In the present situation, South Africans are very conscious of themselves.

"If the historical or socio-political book is good — and there is a lot of absolute rubbish coming on to the market just because the country is very much in the news — it will continue to do well."

Jane Phillips, who manages the educational and African Writer Series for Heinemann Publishers (SA), says the trend also exists with regard to books of fiction.

"Despite prices doubling and despite the slump in other sectors of the book industry, sales of our African Writer Series are holding their own. It is really interesting. People from the strangest of places — out in the sticks — write in and order them."

☐ JONATHAN BALL . . . "The future of the independent bookseller . . . is really in jeopardy"

Expanding

If Nelson Mandela's "No Easy Walk to Freedom" and Steve Biko's "I Write What I Like" were not banned, they could easily break existing book sales records if orders are anything to go by, says Phillips.

David Philip, MD of David Philip Publishers in Cape Town, which concentrates on publishing books on SA history, political science and sociology, has also found the market is expanding.

This, he says, is not only because book retailers are stocking their shelves with the less expensive locally-published books, but also because "people are feeling a greater sense of urgency about what is happening, and this is reflected in the type of books they are buying".

Another area of publishing which has remained fairly stable is the educational sector. Heinemann reports a flourishing trade since the return to classes of boycotting children — partly because the numbers in each class have doubled.

Ball believes it to be a sector with a "vast potential". He and partner Gerald de Villiers have recently formed an educational company to expand Hodder & Stoughton Southern Africa's activities in a market which has been growing despite the recession.

Ball sells and markets British books through H&S — a subsidiary of one of the top British publishing houses, Hodder & Stoughton.

As far as imported books are concerned, the low value of the rand has had a "drastic" effect, Ball says. He sells and markets about R6,5m, and indents about R3,5m of British books annually for Hodder and Stoughton.

Suffered

"Returns of paperbacks were enormously damaging for profits. They crept up to about 39% of sales, when in normal trading they should be at about 10%. We took in R1,8m in returns alone and in addition suffered horrendously with exchange losses."

Ball estimates net sales of paperbacks have dropped by 35% to 45% since the bumper year of 1983. In line with the fall in the rand, paperback book prices have increased by about 40% over the past 14 months, Ball claims.

"Paperback prices are coming down a bit. For the first time one can very tentatively say that some stability is creeping back into the market. The rand has settled down a bit and the lifting of the 10% import surcharge was an extremely positive sign."

One sad effect of the economic crunch, Ball feels, has been the acceleration of the trend to eliminate the smaller bookshops, which are struggling to survive.

"The major groups are on the take-over trail. Van Schaik, the Pretoria publisher and retailer, has been taken over by the Nasionale Boekhandel group, and the Bookworm chain in Johannesburg has reputedly been bought out by the CNA-Gallo group.

"The future of the independent bookseller who introduced variety, choice and a personal touch to the business as well as a willingness to get behind more esoteric titles is really in jeopardy," says this publisher who loves the challenge of the industry for precisely those reasons "despite its difficulties and pitfalls".

R60-million launch of subscriber system

Big Press thrust into TV and radio

STAR 28/5/86

The R60 million launch of M-Net TV, the new subscriber system, looks likely to prove the start of a massive thrust by the Press into the electronic media.

Mr Ton Vosloo, chairman of M-Net, forecasts that the Press will seek deeper inroads into television and radio now that the controversial SABC monopoly has been broken.

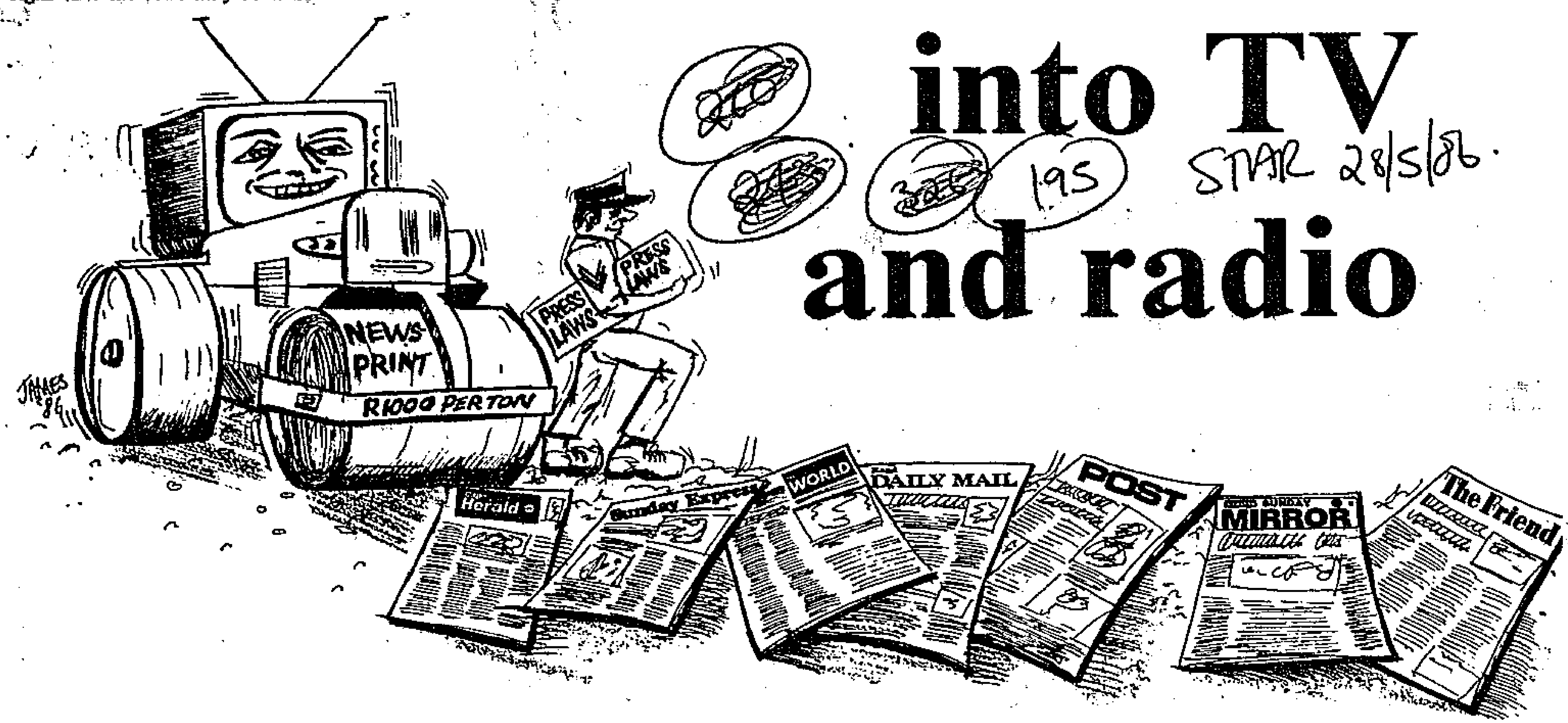
And longer term ambitions are to branch out into all spheres of electronic communications as high technology spawns radical new systems.

"We are confident we can ultimately convince the government that more TV and radio services should be in the hands of the private sector", he said.

"And we are encouraged by signs that the road may soon be cleared for more privatisation on the airwaves — especially among the regional radio stations."

It is significant that out on the newsstands, the partners in the Press consortium that has formed M-Net are locked in fierce competition for slices of the market.

A recent count found the four giants among the partners locked in battle with the Argus accounting for 52 percent of the overall circulations of the daily newspapers, followed by Nasionale Pers with 18 percent and Perskor and SAAN with about 12 percent each.



Hatchets buried

Inside M-Net, the hatchets have been buried and the rivals sit smoking peace pipes as they chart their invasion into the electronic media.

Mr Vosloo, former editor of *Beeld*, has been at the vanguard of Press negotiations with the government for a chance to compete with the SABC ever since he was appointed managing director of Nasionale Pers two years ago and called in special advisers to weigh the potential of the electronic media.

"Cracking the SABC monopoly had become an economic necessity for the Press as the corporation gobbled up more and more advertising, first expanding commercial time from 5 percent to 8 percent and in turn spreading commercials to TV2 and TV3 and now TV4.

"The daily newspapers have been hit worst of all as advertising expenditure on TV has been reaped in by the SABC while they themselves were locked out of even the opportunity to compete.

"True, the newspapers were too fat around the middle to be inclined to put up a real fight when the danger signals started flashing a few years ago. But now the economic problems of the Press have reached crisis level and expansion into the electronic media is crucial.

"The Press is now re-defining its entire future strategy. Newspapers will survive, though perhaps not all of them. There are bound to be more casualties before we fasten on to new solutions.

"But new doors are being swung open by electronics. M-Net itself looks like taking until around 1988 to reach break-even point and move into profit. However, it's only the start.

"Modern technology and the world of tomorrow mean a wholesale revolution in communications.

"It is not only orthodox TV and radio services that will be involved. One can now quite easily visualise school kids and students sitting at home on study projects with an electronic screen and print-out device — all linked into a host of new information sources.

"Research and development will now be given top priority to explore the new avenues.

"The potential in educational services alone make the mind boggle.

"The immediate ambition is to convince the government that the Press is vital to the State as well as to the general public and society as a whole.

In turn we need to persuade the government to coordinate a brand new approach to Press issues.

"We don't intend to seek government subsidies.

"But every nation in the western world uses special economic packages to ensure the survival of the Press. All we want is a fair deal.

"If four or five newspapers are bleeding to death, it's obvious there is an urgent need for the government to join the Press in addressing the issue".

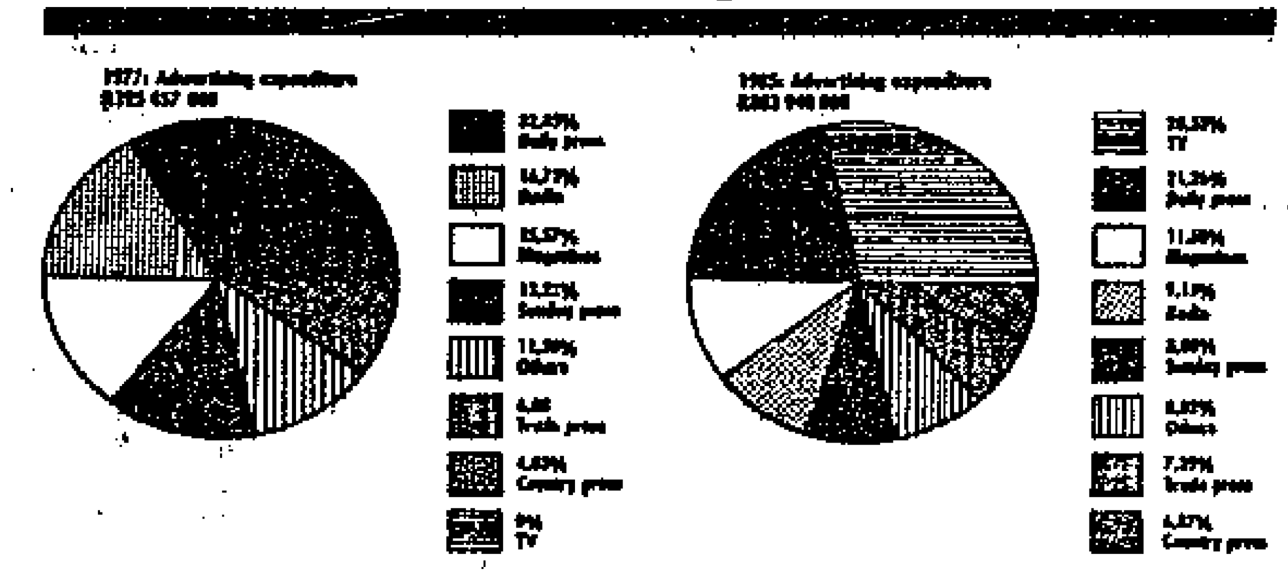
TOMORROW: The stranglehold of Press laws — will newspapers survive?

No profit for 15 out of 20 dailies

The Competition Board, in its probe into the *Natal Mercury* merge into the Durban branch of the Argus group, was shaken by estimates that a mere five out of the 20 daily newspapers in South Africa were likely to show any profits at all.

Eyebrows were raised higher when experts suggested that in fact there were still too many newspapers in certain areas, such as on the Witwatersrand, where no fewer than eight dailies

Several large newspapers have already fallen victim to closure or mergers as economic pressures grow. Will there be still more casualties? Will the expansion into television provide longer term solutions? MICHAEL CHESTER investigates.



Two pie-charts track the dramatic invasion of the SABC into advertising since the launch of TV commercial slots. Worst hit have been the daily newspapers, whose share of the cake had shrunk from 32,85 percent in 1977 to 21,26 percent by last year while SATV increased its bite to 28,55 percent as it used its state monopoly to hold out all competition.

Ailing Press still faces casualties and a long wait for TV investment to pay

While the Press celebrates its triumph in finally winning a significant foothold in TV, no-one expects the first moves into the electronic media to be an automatic panacea for all the economic ailments of the newspaper business.

There are still widespread fears that the casualty toll has not ended yet.

According to researchers, at least 15 of the big dailies are running in the red and four or five are hanging by a thread in hard commercial terms.

Studies show that the entire Afrikaans Press can show only two newspapers showing profits — *Die Burger* and *Rapport*. And the red ink is flowing in wide sections of the English-language Press, too.

The motivation in moving into TV is to find longer term solutions to financial hassles. However, observers say the benefits of bigger stakes in the electronic media will take time to show.

Mr Ton Vosloo, chairman of M-Net, the newspaper consortium formed to handle the pay-TV exercise, believes that it may take until 1988 to reach an initial target of 150 000 subscribers needed to break even and start a trickle of profits.

PROFITS SHARED

The M-Net profits, when they start, will be shared by all four of the big newspaper groups, plus two small independents — the *Natal Witness* in Maritzburg and the *Daily Dispatch* in East London — which will divide 5 percent.

Nasionale Pers, as a front-runner in the lobbying that finally succeeded in breaking the SABC monopoly, is the largest shareholder in M-Net with a 26 percent stake. The Argus, Perskor and SAAN each have a 23 percent interest.

Meantime, while the profit flow is awaited, the economic fog persists over much of the newspaper industry.

Economic problems have not been the only cause of newspaper disasters.

The Press has political snares to avoid, as was demonstrated in the tragedies of the *World* and *Post*, both ordered to be closed down in a blatant Government move to silence the two black voices.

There have also been severe wounds suffered by newspapers as a result of circulation duels — such as the bitter scrap that broke out when Nasionale Pers launched *Beeld* in the Transvaal to encroach on Perskor territory.

CLOSURES

The events that caused far more serious alarm in the Press world were the closures of the *Rand Daily Mail* and *Sunday Express*, which raised scares about the future of the entire South African Associated Newspaper group.

The silence left behind as the two voices were cut dead was deafening, especially to liberals who are still in mourning.

There is still bafflement how SAAN, within the space of only a couple of years, toppled from a money-spinner into a financial chasm that shows bank overdrafts of R45 million.

Mr Stephen Mulholland, drawn from the editorial side to become managing director of SAAN in a monumental reshuffle, shows more anger than despair about the debacle.

In typical style — "decisive, impatient and willing to buck convention" — he laid the blame at failures inside the former SAAN management.

"The old management team failed to pay enough attention to group structure, corporate culture, discipline and proper strategic planning", he told me.

"If financial realities were sacrificed for purely journalistic objectives, it was a management error."

"We have now approached the Argus group to enter into rationalisation talks — and they are going very well. If only SAAN had done it sooner, perhaps the *Rand Daily Mail* would be alive and kicking today."

No profit for 15 out of 20 dailies

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Eyebrows were raised higher when experts suggested that in fact there were still too many newspapers in certain areas, such as on the Witwatersrand, where no fewer than eight dailies were slugging it out.

The Competition Board turned attention to an economic dilemma that spread far beyond the *Natal Mercury* and engulfed the entire Press world.

Among the revelations collected in evidence:

- TV and radio had now acquired no less than 30 percent of the entire pool of spending on advertisements, with a catastrophic effect on the economic viability of newspapers and magazines.

SLICE INCREASED

- The slice increased as commercial slots expanded from TV1 to the launch of TV2, TV3 and now TV4.
- On top of that, SABC radio was now using the launch of more and more local stations — plus the spread of advertisements to the reshaped main English and Afrikaans services — to compete with low tarrifs for the advert expenditure of small businesses.
- Knock-and-drops, distributed free to consumers and packed with advertisements, were a new development in the battle for adverts.
- In a formidable escalation in newspaper production costs, the price of newsprint — the most significant single raw material expense — had soared in only five years from R520 to R1 060 a ton.
- Prices of such items as printing ink and plates for the presses had also spiralled with inflation, weak rand exchange rates, and new technology.

DISTRIBUTION

- Distribution expenses had soared along with higher transport costs.
- Much of the capital equipment needed by the industry had to be imported — exposed to a 10 percent import surcharge as well as swings in exchange rates.
- Imposition of general sales tax on advertising services — being fought tooth and nail by the newspapers — had also been sharply negative.

The Competition Board weighed the problems and put in a significant remark itself in its final report: Problems inside the Press were exacerbated not only by prevailing economic realities but also by the limits that had held newspaper companies back from diversification into the electronic media.

It also blamed the prolonged exclusion from the electronic media for accentuating the degree of concentration in the newspaper industry — an issue still bristling with controversy.

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The Press and the fight for the truth

Star 29/5/86

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Coverage of the news in South Africa has become booby-trapped by a maze of Press laws which add to the problems confronted by the newspaper industry. Daily newspapers also have new competitors — knock-and-drops and "the alternative media". MICHAEL CHESTER reports.

One of the most concise commentaries on the stat of Freedom of the Press inside South Africa can be found in a comparison between the first and the current editions of a manual that is a constant companion of all editors — "The Newspaperman's Guide to the Law".

The legal gauntlet that has to be run before the presses start rolling was bad enough when the late Kelsey Stuart, a Johannesburg attorney, compiled the original edition in 1968. It took 109 pages plus a five-page index to list all the laws to be negotiated.

A fourth edition, published a few weeks ago, shows the multitude of new hazards that have been added to the perils of the newspaper trade. The new team of authors has had to increase the thickness of the manual three times over to cover a list of laws that by now has grown to more than 100.

When the International Press Institute carried out a global survey six months ago it branded South Africa the most restrictive nation in the democratic world on the issue of Press freedom.

"Today", bemoans Mr Michael Green, editor of the *Daily News* in Durban, "a newspaper editor has to be a reasonably accomplished amateur lawyer if he is to keep himself and his colleagues safe from prosecutions, fines, civil damages and even jail".

So thick

The hazards have become so dense that he or his deputy editor are often called on as many as 20 or even 30 times a day to give judgment on news items that set nerves jangling over possible infringements.

On occasion the law simply looks an ass — as when the *Daily News* a while ago ran a photograph of a jackpot winner looking spellbound at a pile of banknotes. The paper was in turn rapped over the knuckles by the Reserve Bank.

You can show a picture of banknotes on a TV screen. But in print? Oh dear, no.

Far more ominous, however, are the penalties threatened if newspapers trespasses beyond the barbed wire fences of restrictions laid down by the Internal Security Act, the Protection of Information Act, the Police Act, the Prisons Act...

Why don't the newspapers just play it safe and omit any material that could possibly be legally dangerous?

"Because", says Mr Green, "their duty is to inform the public, not be silent.

"The right of the Press to publish is simply the right of the public to know. That is why every editor has to push as hard as he can to publish as much legitimate information as he can, while keeping himself and his newspaper out of the soup".

The problems are often compounded by the veil of secrecy drawn across information by official sources. Also, it has

Depending on the particular readership target, newspapers can use totally different mirrors when they set out to reflect South Africa today. *Style* magazine used this example.

been noted by Mr Harvey Tyson, editor of *The Star*: "Sometimes reluctance to face the truth makes offialdom subconsciously distort the picture".

He picked out the illustrations reproduced here to give an example of how faults in communications can leave the public in utter confusion.

The *Citizen* evidently relied on official statements that were issued — and got the facts wrong. The *Sowetan* used independent observation — and came closer to the truth. *The Star* had to cross-check on all versions to tell it how is really was. (The SABC ducked the problem "because it was confusing").

Mr Tyson remarked: "If South Africans are to solve their problems, they have to have accurate information about them. My example involving statistics is easy to appreciate and quantify, but the larger problem concerns ideas, policies, issues, grievances, promises and perceptions. In a phrase: public images".

The selection by individual newspapers of the issues to be given prominence raises more complications. *Style* magazine flushed out a classical example in a recent issue.

Here we see the contrast in approach on the day that followed the announcement of the 1986 Budget. "SA 'n glimlagland", it was decided by *Beeld* as it took readers on a guided tour of budget details. "Anger", snarled the *Sowetan* with picture coverage of long queues of pensioners outside Orlando Communal Hall, trapped in the pouring rain as they waited to collect their grants. Economic coverage: "Bread price rise looms".

There can also be grave hazards in the choice of emphasis that newspaper editors decide to give to news events and the sort of comments they express on trends.

This was underlined last week when Mr Harald Pakendorf was forced to resign from the editorship of the *Vaderland*. Insiders had little doubt about the reasons: Mr Pakendorf was proving too liberal for the liking of the powerful conservative bloc on the board of directors at Perskor, the paper's owners and pay-masters.

Now the Press world is buzzing with rumours that Dr Wimpie de Klerk, editor of *Rapport*, owned jointly by Perskor and Nasionale Pers, may well face a similar fate for the same reasons.

Does the Press deserve the slamming by Bishop Desmond Tutu when he addressed the International Press Institute in Vienna recently?

Mr Michael Hornsby, a foreign correspondent on assignment to South Africa from *The Times* of London, says "Perhaps the white newspapers should carry more in-depth coverage of news and views from inside the black communities — and black newspapers should plan better coverage of what really goes inside the white community".

The socio-political polarisations in South Africa have been the main reason for the emergence of the "alternative media".

The titles selected are a good indicator of content and purpose, names such as *Frontline* and *New Nation* on one side of the political spectrum, *Die Patriot* and *Die Stem* on the other.

The first issue of *The Indicator* a year ago made it plain whom it was setting out to address. Articles came from the Solidarity Party, the United Democratic Front, the Transvaal Indian Congress and the Azanian People's Organisation.

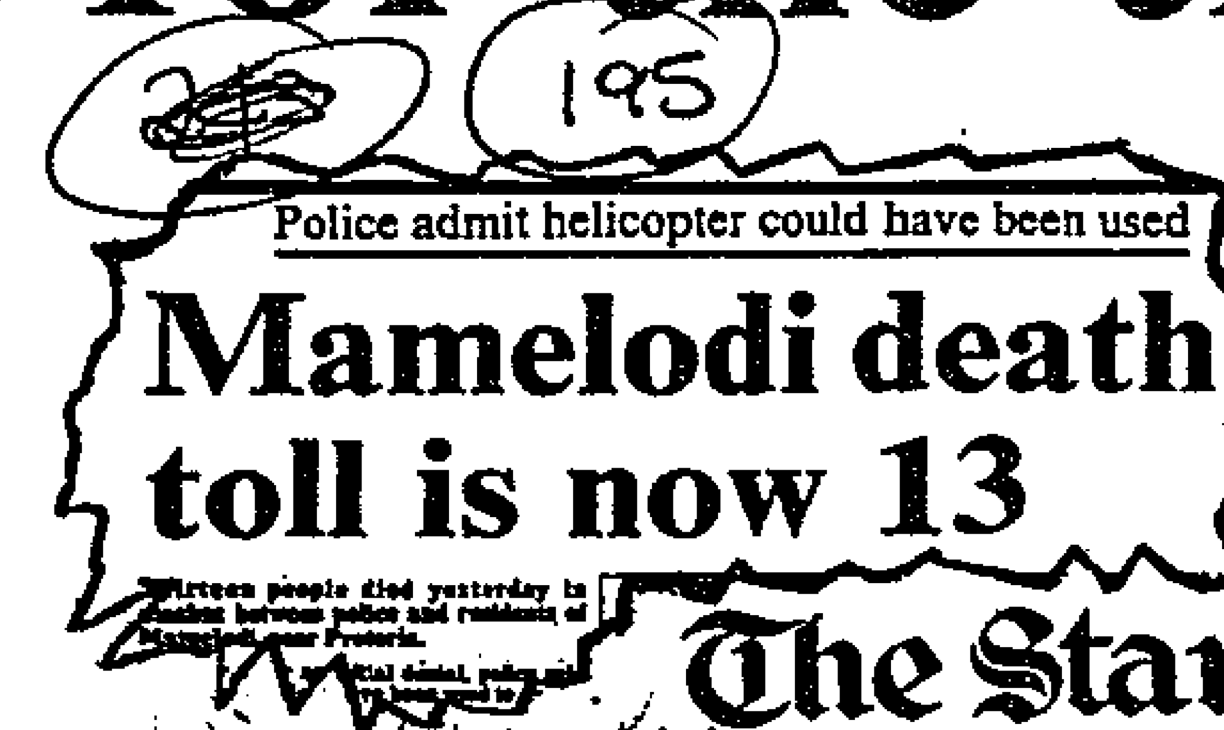
"We're aiming at the serious reader who wants to know what is really going on," says Mr Anton Harber, editor of the *Weekly Mail*, launched by casualties of the *RDM* and *Sunday Express* closures.

"Our feeling is that the larger papers don't reflect the real political mood in South Africa. There's demand for a more outspoken Press.

"We're aligned to no political party. Our aim is to fight apartheid and the status quo".

The debate over both the freedom and the quality of the Press in South Africa will no doubt go on without end.

Bad faults in the flow of official information to the Press can cause utter confusion on the newsstands as newspapers battle to dig out the facts, as is borne out by the examples on the right and at the bottom.



Newspapers are caught in vicious cost vice — Miller

The economic squeeze on the South African newspaper industry has been summarised by Mr Hal Miller, executive chairman of the Argus Group, in a single sentence: "Quite simply, we are caught in the twin jaws of a vicious vice — spiralling costs and a diminishing market."

The dilemma over production costs is legendary, beginning with the startling rise in newsprint prices to more than R1 000 a ton. (*The Star* alone pays well over R2 million a month to feed its presses.)

And there is a gamut of hurdles all the way to the imposition of general sales tax not only on advertisements, but also on newspaper cover prices — a double taxation that the whole industry is fighting.

The end result is that newspapers cost far more to produce than readers pay for them at newsstands.

The market side is even more complex.

"Here", says Mr Miller, "the problems have been well identified in the United States, where a few years ago daily newspapers came to face a set of difficulties that stemmed partly from sociological trends, and partly from competition from the electronic media.

"The larger newspapers went on a bout of ruthless take-overs and mergers to eliminate the competition.

"Back in 1925 there were no fewer than 500 cities in the US that had at least two newspapers in competition. By last year the number had dropped to only 25.

"The survivors found their own routes to profitability, but we believe the route they took would be a mistake in South Africa.

"Here, the future of newspapers is crucial to the future of the whole country. Our diverse communities, with diverse opinions, mean we need to keep as many newspapers going as possible. They need to be economically viable though — otherwise there's no chance of real freedom of expression.

"The ideal way to ensure true freedom of the Press is to make each newspaper financially secure on its own feet so it is subordinate to no one."

Will newspapers survive in the end?

Says Mr Miller: "I have a picture in mind of the year 2000, where we find a slippered gentleman sitting in his study with a good cigar and a good brandy — browsing through his newspaper.

"Electronics don't allow browsing, which makes newspapers unique."

Rise and rise of the free sheet

Most of the big newspapers were so engrossed in circulation battles and sparring with TV back in 1978 that they took little notice when Mr Noel Coburn and Mr Terry Moolman laid their plans to invade suburbia with knock-and-drop free sheets.

The free sheet experiment had been tried out some years earlier in several of the metropolitan centres and few had survived.

The nonchalant dismissal of knock-and-drops as really serious competition was to be regretted by several of the major Press chains.

Mr Coburn and Mr Moolman quit their posts as joint managing directors in the marketing division of Republic Press and moved into the small Caxton printing company to make it the base for their foray into the market.

'SIMPLE FORMULA'

"Our formula", says Mr Coburn, "was simple. It involved lots and lots of parochial news and concentration on local retailers for the advertisements — High Street shopping centres, restaurants, plumbers, electricians.

"Added to this was a distribution network that would ensure copies were delivered to virtually every household in any specific neighbourhood".

Between them, they have created a money-spinning chain of more than 40 free-sheets — around Johannesburg, across to Rustenburg in the west, Verwoerdburg to the north, along the Natal coast in the east, and down into the Cape.

Caxton, which charted the route to knock-and-drop market success, was able to put the harvests on display when it peeled open the interim results for its 1985/86 financial year.

In the seven months up to last September 30, turnover had risen to more than R84 million from the R1,8 million a year level when Mr Coburn and Mr Moolman moved in. And a run of losses had been converted into an after-tax profit of R3 353 000.

BUSINESS

W/E ARGUS 31/5/86

The Press – caught in jaws of a vicious vice

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Argus Correspondent

THE ECONOMIC squeeze on the South African newspaper industry has been summarised by Mr Hal Miller, executive chairman of the Argus group, in a single sentence: "Quite simply, we are caught in the twin jaws of a vicious vice — spiralling costs and a diminishing market."

The dilemma over production costs is legendary, beginning with the startling rise in newsprint prices to above R1 000 a ton (The Star alone pays well over R2 million a month to feed its presses).

And there is a gamut of hurdles all the way to the imposition of GST not only on advertisements but also on newspaper cover prices — a double taxation that the whole industry is fighting.

The end result is that newspapers cost far more to produce, even without the cost burdens of distribution services, than readers pay for them at the newsstands.

The market side is even more complex. The problems here have been well identified in the United States, says Mr Miller, where a few years ago daily newspapers came to face a set of difficulties that stemmed partly from sociological trends and partly from electronic media competition.

"The larger newspapers went on a bout of ruthless takeovers and mergers to eliminate the competition," he says.

Mr Hal Miller

"Back in 1925 there were no fewer than 500 cities in the US that had at least two newspapers in competition. By last year, the number had dropped to only 25.

"The survivors found their own routes to profitability, but we believe the route they took would be a mistake in South Africa. Here, the future of newspapers is crucial to the future of the whole country.

"Our diverse communities, with diverse opinions, mean we need to keep as many newspapers going as possible. They need to be economically viable though — otherwise there's no chance of real freedom of expression.

"Old divisions between newspapers are no longer logical. There must be competition, but somehow we have got to get together to work out the best longer term solutions such as rationalisation and diversification."

"There's a lot of thinking going on about the marriage of newspapers and magazines and the electronic media. It's imperative."

So will newspapers survive in the end?

Says Mr Miller: "I have a picture in mind of the year 2000 where we find a slippered gentleman sitting in his study with a good cigar and a good brandy — browsing through his newspaper.

"Browsing through a paper — turning to the leader page to read the editorial opinion on current affairs and in turn also becoming absorbed in an article on the facing page; looking in the small ads with the intention of buying a refrigerator and ending up buying a VW Beetle.

"Electronics don't allow browsing, which makes newspapers unique. I can't expect a computer to make me chuckle. I need to read Punch for that.

"Browsing — in preference to listening to a cachophony of electronic sounds — that's the magic of newspapers. And why I for one will still be buying them at the end of the century. But then again, allow for the fact that I'm a conservative old newspaperman."

CAPE TIMES 8/2/86

Agreement in vendor dispute

FOLLOWING discussions between the Argus Company, Allied Publishing and a delegation led by Dr Allan Boesak who represented community organizations, an agreement has been reached after news vendors were dismissed on January 18 for striking over a pay dispute.

In a joint statement in Cape Town yesterday Allied Publishing Limited and the Media Workers Association of South Africa, who represented the vendors, have accepted that a wage agreement signed in November 1985 was still valid, and the dismissed vendors will be taken back in terms of that agreement. — Sapa

SASJ on 'tragic closure' of the Cape Herald

ARGUS 27/2/86

195

IF the management had taken note of and acted on journalists' views about the Cape Herald the newspaper's "tragic closure" might not have been necessary, the Argus chapel of the Southern African Society of Journalists said today.

It noted with distress the loss of jobs caused by the closure of yet another Argus newspaper, especially in the light of financial sacrifices made by the newspaper's staffers last year in an effort to reduce the running costs of the newspaper.

"The committee notes with concern the contention of Herald staff that the newspaper's declining circulation could have been remedied by a shift in editorial policy and a change of editor."

● The Argus Company has announced that Mr E J (Ted) Doman, editor of the Cape Herald, had asked to be released from his position. The company has with regret acceded to his request.

It was announced yesterday that the Cape Herald would cease publication at the end of March. — Staff Reporter and Sapa.

Cape Times 27/2/86

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Cape Herald to close

Staff Reporter

ANOTHER South African newspaper, the Cape Herald, is to close next month with the final edition appearing on March 29.

The move follows the closures last year of three leading newspapers, the Rand Daily Mail, the Sunday Express and The Friend.

In a late development yesterday the Argus Company announced that the editor of the Cape Herald, Mr E J (Ted) Doman, had "asked to be released from his position". The company had "with regret" acceded to his request.

The paper's closure was confirmed yesterday by the chairman of the Argus Company, Mr Hal Miller.

Circulation

He said in a statement that a further decline in circulation, coupled with the recession, had worsened the Cape Herald's financial position in spite of efforts last year to reduce costs.

"The losses being experienced are greater than in the past and are no longer acceptable."

Mr Miller said two new community newspapers would be launched to provide advertisers with improved opportunities to reach their markets and readers with community news from their areas.

They would be distributed free.

The manager of the Argus, Mr Fred Collings, said "there was a possibility that staff, including editorial staff members, could be made redundant".

The paper's news editor, Mr Dougie Oakes, who is also chairman of the Staff Association ad hoc committee, said staff were shattered by the news but not surprised.

Staff members would know today who would be employed on the community newspapers and who would be retrenched, he said.

The editor of Rapport Ekstra, Mr Conrad Sidego, said he was "sorry" about the paper's closure.

"I think of the journalistic contributions of the newspaper over the years and also the employment opportunities it created for many of our black journalists when the so-called white papers did not employ half the numbers it now employs.

Dr Richard van der Ross, rector of the University of the Western Cape, who is a past editor of the newspaper, said he thought of the paper with certain nostalgia.

The Cape Herald had been the training ground for a number of "coloured journalists" who had "cut their teeth" on the paper.

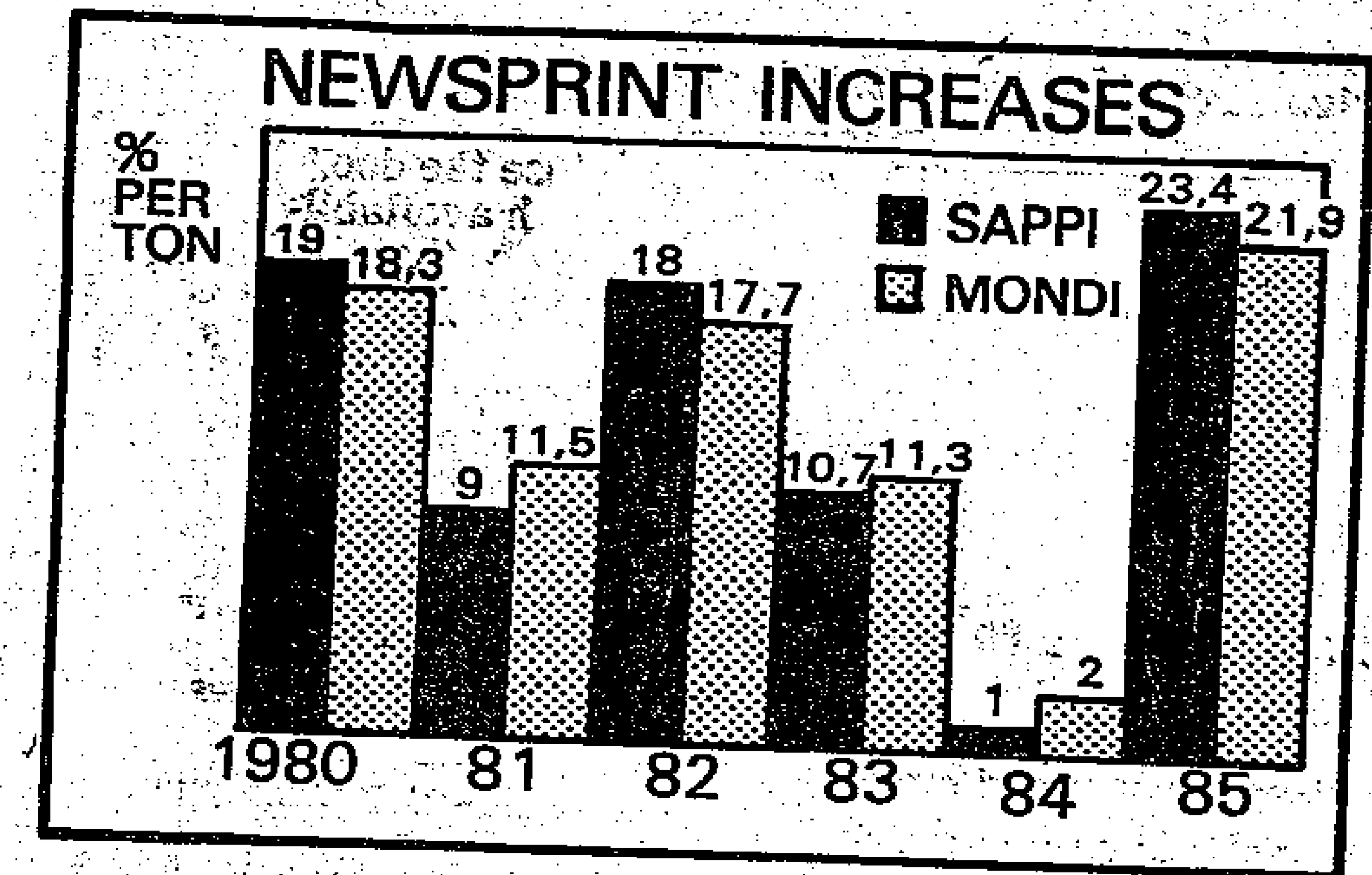
"The newspaper had come into existence in response to a certain need. That need was an interesting one, supplying a particular readership — the coloured community — with news that interested them," Dr Van der Ross said.

Cape Herald assistant editor Mr Colin Dedricks said he was "sad to see the paper go down the drain".

"The Cape Herald was the training ground, the nursery school and university for so-called coloured journalists. With the paper gone where will they go today?"

The executive committee of the Argus chapel of the Southern African Society of Journalists said yesterday: "We note with distress the loss of jobs caused by the closure of yet another Argus newspaper, the Cape Herald, especially in the light of financial sacrifices made by the newspaper's staffers last year in an effort to reduce the running cost of the newspaper."

The Cape Times executive of the SASJ endorsed the Argus SASJ statement.



Bus Day (195)

Newsprint rise might trouble publications

LAWRENCE BEDFORD

SHARP increases in the price of newsprint could spell trouble for some publications.

Hal Miller, executive chairman of the Argus Printing Company and chairman of the Newspaper Press Union (NPU) industry committee that negotiates with papermills, confirmed yesterday that talks were going on with Sappi and Mondi.

However, he refused to comment on claims by industry sources that the mills were claiming increases of 17%. The sources added that an announcement on an increase for the first six months of 1986 was due shortly, possibly this week.

Describing the present talks as routine, Miller said: "To say more than that we are negotiating to keep the increase as low of possible would be counterproductive at this stage of discussion."

He added: "Behind the scenes, there is negotiation going on about the possibility of a new newsprint contract with the mills to replace the existing one. We're also talking about the current price of newsprint."

Sappi and Mondi officials refused to comment beyond saying they expected a price announcement to be made through the NPU this week.

However, Mondi newsprint marketing manager Sandy Blades said demand for newsprint last year — when several titles, including the *Rand Daily Mail* and *Sunday Express*, disappeared — fell more than 15%.

Demand for newsprint has almost halved since 1975, when suppliers were looking at sales of about 250 000 tons a year. The 1985 newsprint requirement was about 130 000 tons.

Newsprint prices were adjusted twice in 1985 to take into account the switch to thinner paper.

195

Print industry keeps closed shop

Labour Reporter

THE National Industrial Council for the Printing Industry has rejected an appeal from the Paper, Wood and Allied Workers' Union (PWAWU) to abandon the closed-shop system.

It is a condition of employment in the industry that employees must belong to the South African Typographical Union (Satu).

Although the council has been granting exemptions to Africans so they can leave Satu and join the PWAWU without losing their jobs, it has refused to grant exemptions for white, Indian and coloured workers.

The PWAWU, an affiliate of the Congress of South African Trade Unions (Cosatu), says Satu is an "apartheid" union which divides the union into branches according to members' race.

White members are in the A branch, coloured and Indian workers in the B and Africans in the C branch.

The PWAWU appealed to the council to abandon the closed-shop system and allow workers to join the union of their choice. This appeal was rejected and though they can join the PWAWU, they have to retain membership of Satu to keep their jobs.

According to a statement from the PWAWU, the union has written to the employers' association asking how they justify "racist decisions", whether they are aware of the decisions and whether they intend to campaign to reverse those decisions.

The union has been told its request will be discussed at a meeting on February 11.

(195)

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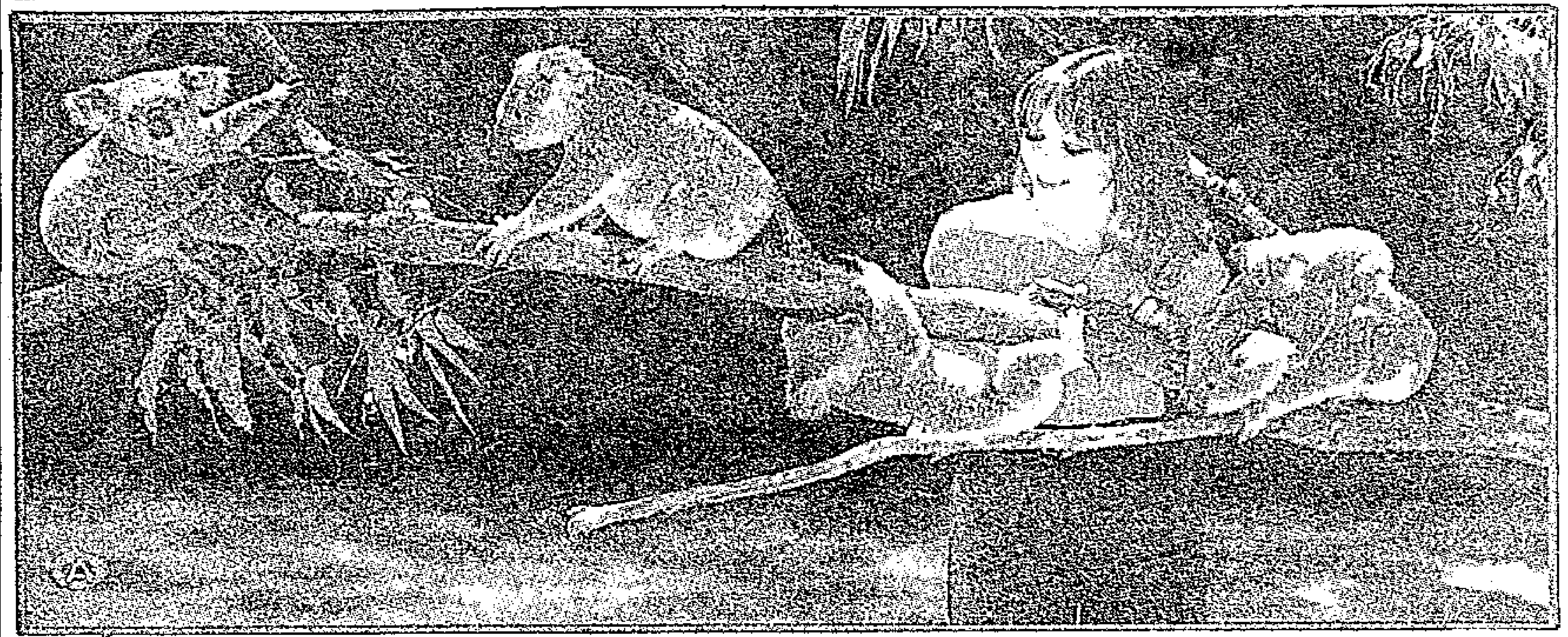
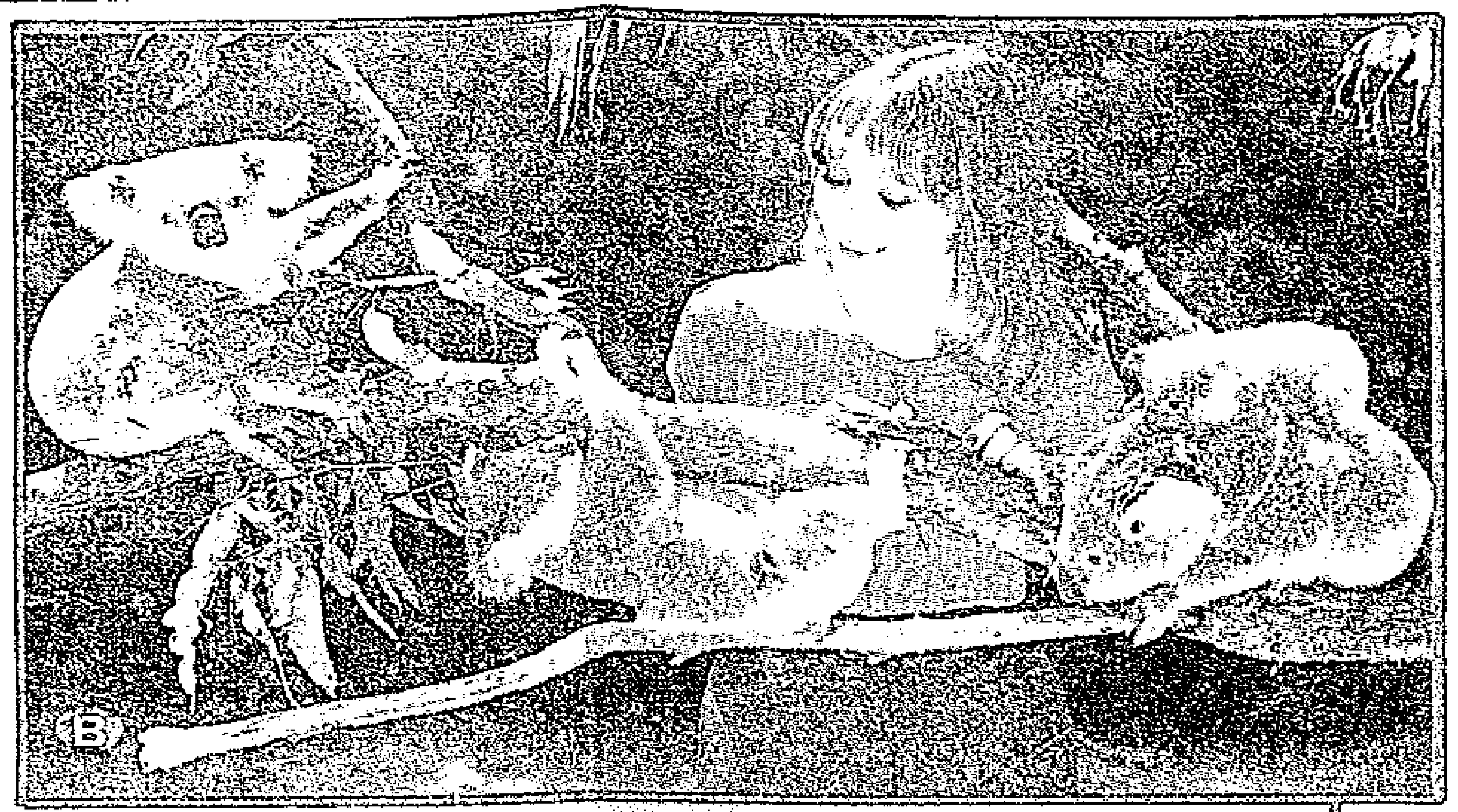




Spot the difference . . . Ⓐ is the original picture. In Ⓑ, the award-winning reproduction, one of the koalas, and a large section of the tree have been cut out. How? To find out, read the story alongside.

Winning awards on the Edit Statio

SPOT the difference! The picture, left, of a girl with a family of koala bears was horizontal and unsuitable to the vertical format needed on a magazine cover. A highly sophisticated electronic process was used to "cut" undetectably elements from the picture and produce the cover on the right.

The picture was scanned from a colour transparency using a Hell 300B laser scanner. This scanner acts as an "input device" for the Scitex Page make-up System at Unifoto, a city process house. The complete image was stored as digital data on a diskpack from where it could be displayed on a colour monitor.

On the Edit Station, which is part of the system, the picture was first adjusted for colour and density. The section to the left of the picture was then electronically "cut" out of the main picture and placed closer to the centre in order to achieve the required format.

The background had to be kept uninterrupted, so an accurate mask had to be created, to place only the koala bear and the tree in the exact position where it met with the right hand side of the picture. To get exact placing, instant read-outs of any position on the picture were obtained by merely pressing a button. Using the same principle of placing parts of the picture through masks, all remai parts of the underlying image v deleted.

The system's "airbrush" and "m ing" functions were utilized to fina the job.

An electronic stylus and a magn tablet are attached to the colour m tor screen. These can be used a number of tools including an brush, a densitometer, a cutting k for masking, or a ruler.

The operator can also "zoom in any area in the picture to make "touching up" easier and accurat the result of the whole operatio not satisfactory then the last s may be recalled without spoiling original or the work done so far.

After the work on the Edit Sta was completed and the type had b combined with the picture, the p was exposed onto film.

For the final exposure an Electr Laser Plotter was used, which car out pictures to all printing speci tions up to a size of 1 m x 1.8 m. whole working procedure happe by manipulating digital data; t was no manual or conventional m od used.

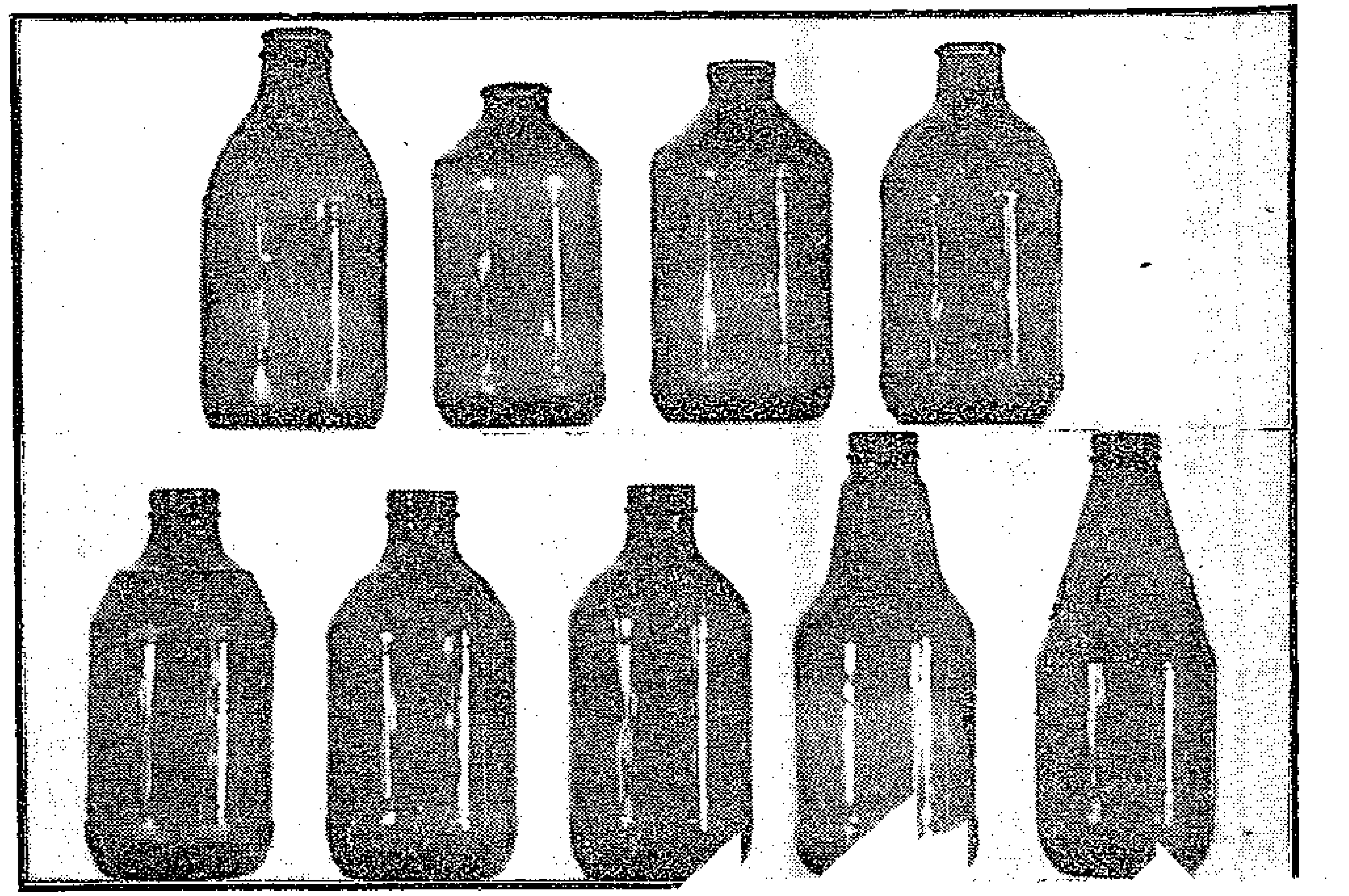
Subsequently the final product for Unifoto the National Kodak/ phix reproduction award.

PagePlanner cuts work and errors

PROSET-FLEXOPLATE, a leading Cape Town-based typesetting and repro house, was among the first to install the newly released PagePlanner typesetting and page composition software. This software, which is IBM PC-based, enables book and magazine page assembly — previously a manual, labour-intensive operation — to be carried out on an IBM PC, ensuring greater speed and accuracy.

"This new system additionally allows us to receive data from clients produced on their IBM PC compatible systems and format it to their type setting requirements, thus saving re-keyboarding and proof-reading," says MD Raul Frederico.

Basically, anyone presently using an IBM PC or compatible machine to capture text using almost any word-processing programme, can have his work converted into typeset form, without any re-keyboarding required. Furthermore, this captured data is then manipulated according to clients instructions, to produce complete pages ready for reproduction.



A highly sophisticated new dumpy bottle, incorporating an embossed logo for the first time in this country, has been designed and produced for South African Breweries. The new bottle was designed in South Africa with the back-up of the satellite link-up to the high technology programmes of Owens-Illinois of the USA, the largest glass container manufacturer in the world. The 340 mℓ non-returnable dumpy beer bottle has celebrated its silver anniversary in South Africa, and forerunners to the latest design are shown here: Top: left to right, 1960, 1964, 1964, 1976. Bottom: 1977, 1983, 1984, 1984, and the latest and most sophisticated in the line.

Reconciling colour shops and printers

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25/3/86

COLOUR trade shops and colour printers have been at war for years.

The reason: colour separations that produced beautiful colour proofs using conventional proofing technology often generated headaches for the press operators who tried to match the press sheet to the colour proof.

Now, the new Kodak Signature colour proofing system generates positive or negative proofs that look more like an actual press proof than ever before. Engineers and designers have developed a system based on innovative liquid colour electro-photographic technology that combines consistency and flexibility.

Although this system has been built on the technology used in office copiers, the image quality requirements of the graphic arts have required several innovations.

One major difference is the size of the "marking" or image-producing particles that are suspended in the toning inks. These pigment-containing particles are micron-sized because they must not be discreetly visible in halftone dots that can be as small as 20 to 30 microns. By comparison, the marking particles used in office copiers are often as large as 100 microns.

Unfortunately, particles that small are difficult to manage as dry toners. The only alternative is to use a solvent with insulating properties, hence the decision to use a liquid process.

One advantage of the Kodak Signature toning inks is that they are produced from the same pigments used to formulate Specification Web Offset Publications (SWOP) inks.

The Signature system works from four-colour separations, as do the other systems currently on the market. Unlike the other systems, however, it allows proofs from either positive or negative colour separations simply by changing the charge on the Signature PC film to negative or positive. With this feature the operator does not have to change materials or equipment to accommodate different types of originals. He or she merely has to push a button.

The Signature system combines consistency with output flexibility, the two key elements for an off-press colour proofing system. One area of flexibility is in the choice of proofing stocks. Proofs can be made onto any coated stock, from 36-pound web to 14-point or heavier cover stocks. This flexibility makes it easier for the colour trade shop or printer to account for the effect of printing stocks on colour, gloss and tone reproduction.

Various feedback quality control checks are built into the automated on-line operation. These process controls, based on mathematical models of the process, film and toning inks, are contained in a computer memory chip (PROM).

After the film is imaged, the operator must carry it to the laminator where it is placed emulsion up in contact with the proofing stock. To make this easy, the film will be notched, indicating which is the emulsion side.

The film/paper sandwich is placed in the laminator, where heat and pressure transfer 100 percent of the image to the paper. The unit beeps at the end of the lamination cycle, indicating it is time to remove the sandwich. When the sandwich is peeled apart, the operator has a finished proof.

3/9/86 Bus Day

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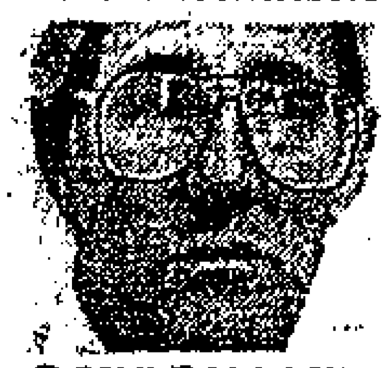
Mulholland promises action

Business Day Reporter

STEPHEN MULHOLLAND, SA Associated Newspapers' (SAAN) new MD and chief executive, wants immediate action to sort out the company's dire financial situation.



● MULHOLLAND

"I will not vacillate. We must achieve as much rationalisation as quickly as possible. We are looking at straightforward cost-cutting," he said last night.

Mulholland said he would rely on the expertise of John Featherstone, MD of Natal Newspapers, seconded at Mulholland's request for six months to SAAN as deputy MD.

Featherstone recently piloted the multi-newspaper merger in Natal into a new company, Natal Newspapers.

"Featherstone has the necessary skills and experience," he said.

Mulholland added that it made "a great deal of sense for SAAN and the Argus company to share facilities wherever possible without impinging on each other's status as independent publishers".

Pointing to SAAN losses — R17m in the last financial year — Mulholland said it was obvious that "urgent remedial action must be taken".

He declined to put a time-scale on the operation but said the period of Featherstone's appointment indicated its urgency.

He said the primary motivation of the board and of major shareholder Johannesburg Consolidated Investment was "the sustenance and survival of a vigorous English-language Press. Clearly JCI is in business and is interested in profits and I share its view that we need to make this company profitable."

Mulholland said his appointment had come as a surprise "and it was not something I sought. I would hope to structure the company so that I could resume some editorial responsibilities".

Mulholland — who said his "stonemason father came here from Ireland to work on the Voortrekker Monument" — got his first taste of journalism as a sports reporter on *The Daily News* in 1955.

A swimming scholarship took him to the US for six years where he took a degree in economics at the Southern Methodist University in Dallas, Texas, spent six months in the US Army and trained with stockbrokers Merrill Lynch in New York.

Mulholland returned to SA to join *The Star* as a reporter in 1962. He joined the *Sunday Times* in 1965 and worked his way up to assistant editor before being appointed editor of the *Financial Mail* in 1979.

When *Business Day* was launched in May 1985 Mulholland became editor-in-chief of the *FM* and *Business Day*.

He was appointed to the SAAN board in July.

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Cape Times 2/4/86

SAAN appoints new chairman

Own Correspondent

THE board of directors of South African Associated Newspapers (SAAN) has announced that Mr Patrick Retief, an executive director of Johannesburg Consolidated Investments, has been appointed as company chairman.

In a major board restructuring, Mr Steve Mulholland has been appointed as SAAN's managing director and chief executive.

Mr Mulholland will remain editor-in-chief of Business Day and the Financial Mail.

He will be succeeded as editor of the Financial Mail by Mr Nigel Bruce, previously editor of Business Day. Mr Ken Owen will succeed Mr Bruce as editor of Business Day.

Mr J G King has resigned as acting chairman, chief executive and from the board of SAAN, but will continue to act as technical consultant to the group. The board said it would like to record its appreciation for the contribution of Mr King during a difficult stage for SAAN.

At the request of Mr Mulholland, Mr J G Featherstone, managing director of Natal Newspapers, will be seconded to SAAN as deputy managing director for six months from today.

He will be responsible to Mr Mulholland for the restructuring of the administration, accounting, marketing and production activities to achieve the maximum possible reduction in operating costs.

In a statement the board said SAAN would remain a newspaper proprietor, with its editors appointed by and responsible only to its board of directors.

It would continue the independent publications of the Sunday Times, Financial Mail, Business Day, the Cape Times, Eastern Province Herald and the Evening Post.

"SAAN will use its best endeavours to dispose of its building and surplus printing presses as soon as possible to improve the liquidity of the group," the statement said.

Mulholland plans 'urgent action'

Own Correspondent

JOHANNESBURG. — Mr Stephen Mulholland, SAAN's new managing director and chief executive, plans immediate action to sort out the company's dire financial situation.

"I will not vacillate. We must achieve as much rationalization as we can as quickly as possible.

"We are looking at straightforward cost-cutting. No more titles will go and no journalists will lose their jobs," Mr Mulholland said last night.

He said he would rely on the expertise of Mr John Featherstone, managing director of Natal Newspapers and now SAAN's deputy managing director.

Mr Featherstone recently piloted the multi-newspaper merger in Natal into a new company, Natal Newspapers.

He said it made "a great deal of sense for SAAN and the Argus company to share services wherever possible without impinging on each others status as independent publishers".

Referring to SAAN losses — R17-million in the past financial year — Mr Mulholland said it was obvious that "urgent remedial action must be taken" for the company to turn around.

He said the period of Mr Featherstone's appointment indicated its urgency.

Asked about possible redundancies in the company, Mr Mulholland said only that "certain things must change".

He said the primary motivation of the board and of major shareholders Johannesburg Consolidated Investments (JCI) was "the sustenance and survival of a vigorous English language press in South Africa".

"Clearly JCI is in business and is interested in profits, and I share their view that we need to make this company profitable in order to ensure that the English language press survives and prospers."

SAAN all set for purge on running costs

STAR 2/4/85

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By Peter Farley

A purge on costs, reduction of debt via the sale of assets and rationalisation will be the main initial tasks of new SAAN MD Mr Stephen Mulholland.

He told *The Star* that the Argus group's Mr John Featherstone had accepted the post of deputy MD at SAAN for a six month period to assist in effecting this rationalisation. Mr Mulholland said Mr Featherstone had successfully conducted a similar exercise in Natal and was the ideal man for the job.

While Mr Mulholland said every avenue of sharing joint services with the Argus group and Caxtons would be examined, he emphasised SAAN will retain its separate identity as a viable, independent company. Nevertheless, he noted the "supportive role" being played by JCI, whose director Mr Pat Retief has just been appointed SAAN chairman.

Cost cutting and sharing of services will inevitably lead to staff reductions throughout the group, but Mr Mulholland said the board will make every effort to find alternative jobs with associate companies and others for those whose services are no longer required.

He would not specifically comment on SAAN's current financial position, but said the figures for the 15 months to end-March would be brought out as soon as possible. In the 12 months to December 31, SAAN lost more than R17 million.

Nevertheless, Mr Mulholland did say negotiations for the sale of both the building and the three printing presses were proceeding on a "very satisfactory course". This should substantially reduce debt, understood to be almost R40 million.

Industry sources point out, however, that once SAAN's debt burden is reduced to manageable proportions both the *Sunday Times* and *Financial Mail* should contribute extensively to profits, while *Business Day* and the coastal papers should also be able to chip in.

The publishing company has been through a torrid time over the past two years, but is now showing signs that positive action is being taken. There will be no immediate turnaround, however, but shareholders will probably now show a bit more confidence in the group's longer term future.

Saan clears decks — and debts

(195)

6/4/86

Business Times Reporter

SA ASSOCIATED Newspapers, proprietor of the Sunday Times, Financial Mail, Business Day and other publications, will be transformed under new managing director Stephen Mulholland.

The company is selling nearly all its assets to liquidate debt. It will change from an industrial operation, owning millions of rands of property and machinery, to a service-type company where the main assets are skilled people and computers.

Mr Mulholland says: "Our main asset will be the journalistic resource."

Savings

Saan's printing in Johannesburg, Cape Town and Durban is being or will be undertaken by production partnerships with Argus. Allied Publishing has taken over Saan's distribution. Joint printing and the publishing arrangement will result in large savings.

Saan's properties in Johannesburg and Cape Town will no doubt be sold. Amaprop has apparently decided in principle to buy Saan's two big Johannesburg properties for between R8-million and R10-million. The head office will not move until most of the machinery has been sold.

Asset sales could realise more than R30-million. Mr Mulholland is confident the proceeds will liquidate most debt, although realisations will take time.

"I won't consider a sale as having taken place until the machinery is on the water and the letter of credit is in my hand."

Cost cutting

The company's priority will be to cut costs. The board has undertaken not to close any publications. Large savings are expected to be made in further rationalisation.

Mr Mulholland says: "We face a static advertising scenario. The pie won't get any bigger, so the only way to make money is to cut costs." He says it will take time for surgery to have an effect.

Mr Mulholland is a no-nonsense man, an unapologetic believer in free enterprise and profits and does not gladly suffer those who disagree with him.

In the past, management and editorial stayed strictly off each other's turf. Now the gap narrows. Mr Mulholland will not only be managing director. He will be editor in chief of both Financial Mail and Business Day.

The traditional division between management and editorial was to protect editorial integrity from commercial pressures. In Saan's case it often led to editorial blindness to commercial reality, waste, polarisation and poor morale. Saan editors in future will be far more profit minded.

This week's shake-up should be positive for shareholders. Essentially, the company has kept its revenue earners and is cutting its costs drastically. If Mr Mulholland's strategies pan out, from 1987 profits could be substantial. The shares have bounced from a low of 750c to 850c.

Newspaper group's boss reassures staff

Staff Reporter

THE managing director of South African Associated Newspapers, Mr Stephen Mulholland, says the purpose of negotiations between Saan and the Argus Company is to ensure the survival of the Cape Times.

Replying to a statement by the Saan Cape Town chapel of the Southern African Society of Journalists on the Cape Times, Mr Mulholland said he would be more than happy to meet the staff to discuss the rationalisation of Saan and Agrus newspapers as soon as possible, reports Sapa.

He said: "But I must emphasise that the purpose of what we are doing is the opposite of what the SASJ statement says is their concern — our purpose is the survival of their publication, the Cape Times."

The chapel statement yesterday deplored the "secrecy" surrounding the rationsalition, noted that no concrete details had been released, expressed grave concern about the rationalisation talks and said it believed the negotiations between Saan and Argus managements would jeopardise both the Cape Times editorial independence and its future existence.

Mr Mulholland replied: "My sense of the arrangements with the Argus Company is that these are motivated on both sides by the determination to return Saan to profitability and, with that return, ensuring the survival of the existing Saan titles.

"My sense of the negotiations is that they are being conducted in a fair and reasonable spirit on both sides and I am confident that this will continue to be the case.

NON-NEGOTIABLE

"As regards the nuts and bolts of the day-to-day developments in the process of rationalisation, I must say that the situation is fluid and it is simply not realistic to give a running commentary on these developments."

He assured staff that editorial independence was a non-negotiable issue. The prime objective is the return of the Saan group — of which the Cape Times is a member — to profitability from a "very difficult financial position".

Cape Times 16/4/86

SAAN moves: SASJ hits at 'secrecy'

Staff Reporter

AN emergency meeting of the SAAN Cape Town Chapel of the Southern African Society of Journalists, representing most journalists on the Cape Times, was held on Monday.

Members unanimously expressed grave concern about the imminent "rationalization" of the Cape Times and Argus newspapers.

This statement was issued on behalf of the executive committee:

"We deplore the secrecy surrounding the 'rationalization' and note that no concrete details have been released on the imminent process whereby the two newspapers will be rationalized. We have had to request a meeting with our management on the matter.

"The Chapel believes the current negotiations between the Argus and SAAN management will jeopardise both the Cape Times' editorial independence and its future existence.

"The meeting resolved:

"To request an urgent meeting with SAAN MD, Mr Stephen Mulholland, and Mr Gordon Waddell of JCI — the major shareholder in SAAN and Argus — to answer questions on the implications of the merger for the Cape Times.

"To request a meeting in Cape Town with the Argus management, Johannesburg.

"The concern of the chapel has also been expressed by employees in other departments of the Cape Times as well as members of the SA Typographical Union."

● An ad hoc committee of Cape Times employees has also requested a meeting with Mr Mulholland.

● Mr Mulholland said last night he would be "more than happy to meet with the staff of the Cape Times to discuss the issues involved as soon as possible.

"But I must stress that the purpose of what we are doing is the opposite of what the SASJ statement says is their concern — our purpose is the survival of their publication, the Cape Times.

'Fair spirit'

"My sense of the arrangements with the Argus company is that these are motivated on both sides by the determination to return SAAN to profitability, and with that return, the ensuring of the survival of the existing SAAN titles.

"My sense of the negotiations is that they are being conducted in a fair and reasonable spirit on both sides, and I am confident that this will continue to be the case.

"As regards the nuts and bolts of the day to day developments in the process of rationalization, I must say that the situation is fluid at the moment, and it is simply not realistic to give a running commentary on these developments.

"But the the staff of the Cape Times and of SAAN can rest assured that editorial independence is a non-negotiable issue.

"Our prime objective is the return of the SAAN group, of which the Cape Times is a member, to profitability, from a very difficult financial position.

"Journalists and others must understand that the company is in trouble, and our shareholders have been very understanding and supportive, to a degree which is more than one can reasonably ask under the circumstances.

"We are working day and night to sort out the problems we are facing. I have been a journalist for 31 years and I hold as sacred the principle of editorial independence," he said.

Cape Times 18/4/86

Argus and Times workers unite

Staff Reporter

THE Argus chapel of the Southern African Society of Journalists yesterday voiced its support for workers at the Cape Times and called

Judge warns on 'extended' rationalization, page 9

on the managements of SAAN and Argus to make an "immediate announcement" regarding the future of the Cape Times.

The chapel statement said: "The Argus editorial chapel wishes to indicate its support for fellow media workers at the Cape Times following moves by SAAN (South African Associated Newspapers) and the Argus Company to rationalize the Argus and Cape Times newspapers.

"This chapel deplores the secrecy surrounding the moves and calls on Argus and SAAN managements to make an immediate announcement clearly stating their intentions regarding the future of the Cape Times.

"We understand the talks are already far advanced, yet the people most directly involved — those who stand to lose their jobs — have been left entirely in the dark.

"Rumours about what the 'rationalization' will

To page 2 B

C.T. 18/4/86

B From page

entail are rife. They include:

"● That several hundred SAAN employees — among them Cape Times staff — will lose their jobs.

"● That the continued commercial viability of the Cape Times, at present one of the few SAAN publications not losing money, will be put in jeopardy by the rationalization moves.

"Rumours such as these already have currency outside the industry and are fuelling speculation that the final aim is to have one major daily newspaper in each city at whatever cost to press freedom and the public's right to know.

"A statement is all the more urgent in view of this."

ARGUS 18/4/86

Argus support for Cape Times call

THE Argus chapel of the Southern African Society of Journalists has called on the managements of South African Associated Newspapers (SAAN) and The Argus to make their intentions for the future of the Cape Times known immediately.

The call was made in a statement in support of colleagues at the Cape Times who have expressed concern about negotiations between the managements to rationalise some of the operations of The Argus and the Cape Times.

This chapel said it deplored the secrecy surrounding the moves and called on the managements to make an "immediate announcement clearly stating their intentions".

Cape Times 18/4/86 195

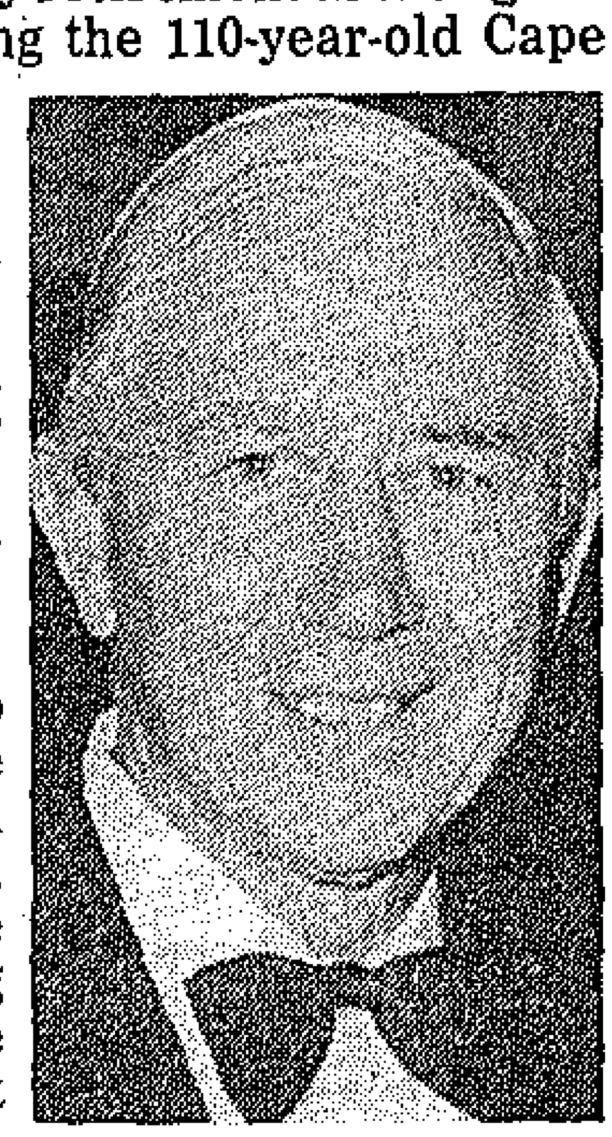
Judge warns on 'extended' rationalization

Chief Reporter

THE retiring managing director of the Cape Times, Mr Walter Judge, warned this week against the Cape Times losing, through "extended" rationalization, the entrepreneurial approach that had kept it alive, profitable and vibrant through difficult years.

He was referring to the recently-announced plans of SA Associated Newspapers (SAAN) and the Argus group to rationalize on non-competitive operations such as printing and distribution, to effect major economies.

Mr Judge is going on early retirement at the age of 59, after successfully taking the 110-year-old Cape Times into the electronic era ahead of every other newspaper in Africa, and keeping it profitable in difficult times.



Mr Judge

Speaking at a farewell dinner given in his honour by Mr Leycester Walton, chairman of the local management board of the Cape Times, he said:

"Our views in regard to the rationalization of the printing and distribution operations are well known. Since they are service functions, combining forces makes sense, the only provisos being that the implementation of rationalization should mean no loss of quality and also substantial cash savings to both parties.

"What we are now faced with is not only rationalization of the printing and publishing operations, but the holus-bolus absorption by the Argus of all other departments, such as origination, accounting, advertising and management.

"You could call this an extension of rationalization, but let me warn you that if this course is followed you are going to lose the entrepreneurial approach which has kept the Cape Times alive, profitable and vibrant over the past difficult years."

Mr Judge warned: "There is naturally great concern about editorial independence, but if you lose management and marketing initiative, your loss will be just as great.

"Your editorial message can be inspiring, but if you are not following the marketing principle of giving value for money, you are a dead duck."

Cape Times 'firsts'

● Apart from being the first newspaper in Africa to be completely electronically edited, computer-set and litho-printed (in 1978), the Cape Times has introduced many "firsts" in Cape Town, many of which have been copied, not just locally but also throughout the country.

These "firsts" include the "finders" (Homefinder, Jobfinder, Carfinder and other tabloids such as "Your Money"), free birth notices, wrap-arounds, full-colour property advertisements, illustrated lineage, free ads to private advertisers, and Budget and matric-result supplements.

And latest figures show that the Cape Times' share of the newspaper advertisement market in Cape Town has risen from 21,7 percent in 1980 to 25,5 percent this year.

The Cape Times' readership (the total number of people who read the newspapers sold) is, according to the authoritative All Media and Products Survey (AMPS), the highest of any daily in the Cape.

Cape Times 2/4/86 (195)

Rapport objects to Breytenbach's views

Staff Reporter

THE board of directors of the Afrikaans Sunday newspaper, Rapport, yesterday announced that it had "serious objections" to the opinions expressed by Afrikaans poet Breyten Breytenbach when he received its Rapport Prize for Literature in Pretoria last week.

Breytenbach told an invited, and mostly Afrikaans, audience that he had come to South Africa to receive his prize because he was "irrevocably tied to Africa" and that he "identified with the liberation struggle of South Africans". He also said that:

- "The Afrikaner constituted the world community's secreted insanity".
- "The Afrikaner's contribution to the richness of our world's spiritual heritage is specific — erecting and enthroning racism as an ideal state and then, as a sacrament to this idolatory, enshrining apartheid",
- "Our rottenness is unique and our self-destruction will certainly also be unrepeatable".
- The Afrikaans churches were "morally bankrupt".

Breytenbach's speech was greeted with shock and outrage in Afrikaans church circles.

Professor Johan Heyns, moderator of the Northern Transvaal synod of the Ned Geref Kerk, said Breytenbach approached facts in a "playful but immoral manner".

"He attacks the churches and the thinking establishment in a way that makes it clear that he does not know what is happening in our country."

The Rev Tappies Möller, moderator of the Western Cape synod and editor of Die Kerkbode, said that at least the Afrikaans churches had not encouraged violence but "spread the message of conciliation".

In a front-page announcement in Rapport yesterday, the chairman of its Board of Directors, Dr Willem van Heerden, said that although the board did not wish to comment on the decision to award the prize to Breytenbach, it had "serious objections" to "aspects surrounding the event".

"The board expresses its disapproval of Mr Breytenbach's attacks on the Afrikaans churches, his uncontrolled use of language in public at the prize-giving, which was a painful embarrassment for many guests, and of his political gesture of using part of his prize money in such a way that it conflicts directly with Rapport's policy," the announcement said.

Breytenbach said at the prize-giving he would donate part of his R15 000 prize to unspecified organizations working to help political prisoners.

Cape Times 22/4/86

Staff 'will fight SAAN press sale'

Staff Reporter

EMPLOYEES at the Cape Town branch of South African Associated Newspapers, owners of the Cape Times, have taken legal advice and representatives said yesterday they will fight any attempt by SAAN management to sell the press on which the Cape Times is printed.

It was confirmed yesterday that employees in all departments of SAAN, Cape Town, are in the final stages of establishing a staff association which will represent the staff but which will not have any trade union functions or take over present union activities.

Representatives said the association was being formed as rumours mounted of extensive "rationalization" of the Cape Times with the Argus and fears that this could lead to retrenchments on the Cape Times.

Members of the association's steering committee said strong rumours had done the rounds in the newspaper world that SAAN intends selling two presses in Johannesburg and the SAAN, Cape Town, press to cover debts and to pay off its overdraft.

Attorneys acting for the committee confirmed yesterday that they have advised the association they are exploring the possibility of bringing an interdict to restrain SAAN from disposing of the Cape Town press.

The steering committee of the staff association heard at its meeting yesterday that the Cape Times is a viable newspaper which has not made a loss in its 110 years of existence.

Members of the committee felt yesterday that financial problems being experienced by the SAAN group nationwide were not in any way the result of the Cape Times's trading position, and that the Cape Times "should not suffer the consequences of bad management elsewhere".

Man beat lover with iguana

Own Correspondent

NEW YORK. — A man who beat his girlfriend with her pet iguana, and then tried to make her eat it, will be jailed on charges of aggravated assault and animal cruelty, a judge said yesterday.

The court was told that Harry Kostic, 32, attacked Miss Beverly Swain, 25, when she arrived at his home to remove her belongings, including the pet.

Kostic threw the lizard against the wall, clubbed Miss Swain with it, cut it into pieces and tried to force them down her throat. Kostic will be sentenced on Friday, Judge Elliot said.

Saan property sale heralds major change

STAR 23/4/86 195

South African Associated Newspapers has launched into a sweeping new rationalisation programme with the sale of both its head office at 171 Main Street in Johannesburg and its large Paarden Eiland printing plant in Cape Town.

The moves are seen as key elements in a drive by the new management hierarchy to pull Saan out of financial troubles that caused the closure of the *Rand Daily Mail* and the merger of the *Sunday Express* with the *Sunday Star*.

Saan managing director Mr Stephen Mulholland has confirmed the two property sales but declined to name the buyers or disclose the price tag on the deals. He said no date had been set to vacate the Main Street head office and Saan was considering various alternatives to house editorial staff.

RATIONALISATION

He said Saan would be looking at "more modest accommodation", although still as close as possible to the Sauer Street offices of *The Star* and the Argus Printing and Publishing Company, with which large-scale rationalisation schemes are being worked out. Saan, he said, was remodelling itself along the lines of the American Newspaper Preservation Act, under which newspapers shared all services up to editorial level.

In response to reports that staffers at the *Cape Times* were consulting lawyers about a possible interdict to prevent the sale of the Paarden Eiland plant, which prints the newspaper, Mr Mulholland said the deal would go ahead.

He said rationalisation aimed to enable such newspapers to survive and prosper.

marathon.

C/T Times 23/4/86

'Deal on press can't be undone'

Staff Reporter

THE managing director of South African Associated Newspapers (SAAN), Mr Stephen Mulholland, yesterday said an agreement had already been concluded for the sale of the press on which the Cape Times is printed and that "the deal could not be undone".

Mr Mulholland was reacting to the announcement that SAAN (Cape Town) staff had taken legal advice and would fight any attempt by its owners, SAAN, to sell the printing press at Paarden Eiland.

SAAN also disclosed yesterday that it had sold its head office building at 171 Main Street, Johannesburg. Neither the price nor the buyer has been disclosed.

The steering committee of a staff association, formed to represent staff from all departments at SAAN in Cape Town, said the Cape Times was a viable newspaper which had not made a loss in its 110 years of existence.

Mr Mulholland disputed claims that the Cape Times was a profitable publication saying that "without the contract to print the Sunday Times it is a loss maker".

It was always the objective to move the press at Paarden Eiland to Johannesburg, where it would have been part of the joint printing operation with the Argus Company, he said.

He said that after ne-

To page 2

C.T. 23/4/86

From page 1

gotiations it was decided to do without that press.

An agreement had already been concluded for its sale but his approach was that the sale took place only when the money was in the bank, he said.

Attorneys acting for the steering committee of the staff association are exploring the possibility of bringing an interdict to restrain SAAN from disposing of the press.

Mr Mulholland yesterday said "the deal could not be undone".

He said it was ludicrous to suggest that the staff of a company could stop the sale of assets owned by that company.

"We are taking action to turn the Cape Times into a highly profitable publication through rationalization on the lines of the Newspaper Preservation Act of 1969 of the United States, a country that is a paragon in upholding press freedom," he said.

He said SAAN's aim was to enable newspapers like the Cape Times to survive and prosper.

Responding to reports that a consortium of businessmen may make a take-over bid for the Cape Times, Mr Mulholland said he could not speak for the majority shareholders but he suspected that they would not be sellers.

Approached for comment, members of the steering committee said they were not prepared to speak until they had met Mr Mulholland and the deputy managing director, Mr John Featherstone, tomorrow.

It is understood that Mr Mulholland and Mr Featherstone will also be talking to a general meeting of staff tomorrow afternoon.

● SAAN sells head office building, page 10

BUSDAY 25/4/86 195

PHARMACY PHOTO processing QUICK printing FAST FOODS shoe repairs FRANCHISING A Business Day Survey

Print — at a profit

SOUTH AFRICA would appear to be well serviced with fast-print outlets. There are five major franchises with approximately 85 outlets countrywide and a current market value of about R30m. Prontaprint is estimated to have 50% of the market, while Minit Print has about 31%, Jetline 8,3%, Kwik Copy 6% and Sir Speedy 4,7%.

Is this the time then to get into that market? Kwik Copy thinks so. David Adam, who heads the organisation in SA, says there is always room for a better product or service, and he quotes the company theme: in search of excellence.

While only just beginning to make its presence felt in SA, Kwik Copy is a giant in the US and has franchises in Canada, Europe and the UK that make it probably the largest international chain of printing centre owners. "Competition is healthy; we don't want to be the biggest, but the best," Adam says. Kwik Copy founder Bud Hadfield built the corporation on that cliche.

The five outlets already in operation in SA are at Benmore, in Sandton, in Boksburg, in East London and two in the Cape. "We provide a service to business that is in growing demand and is unaffected by dips in business cycles," says Adam.

"The technology has been proved effective, simple, automated and easy to master. Profit potential is good, but a franchise costs R30 000 plus equipment. Statistically, about 60% of new businesses fail within five years. With national franchising the failure rate is less than 4%. With us, less than 2%.

"Printing experience is not necessary. Experience in running a business is. We undertake site selection, supply equipment, adhering to image, and franchisees spend three weeks at head office in Houston for training.

"We also offer hands-on guidance, financial advice, training videos and perks, such as insurance, pensions, etc."

He predicts that another six outlets will be open by the end of the year.

Demand for expertise is rising

☐ COLLINS ... fidelity, understanding, persuasion and education

AS FRANCHISING continues to grow, potential franchisors are turning to outside professionals to help solve their marketing and management problems.

Global Franchising Consultants (GFC), based in Johannesburg, is one such firm providing expertise for a wide area of services enabling franchisors to get over the initial hurdles and plan an economical, smooth course for the future.

According to MD Michael Collins, the firm's performance involves four basic characteristics: fidelity, understanding, persuasion and education.

"As our clients range from individuals to large corporations, Global acts as a fiduciary who must consider what we owe to our clients in terms of responsibility, candour, ability and willingness to turn down an assignment which doesn't appear to be what the client really needs.

"The client must have confidence in us as the key element of communication and mutual understanding must exist. It's much like a marriage," he says.

ANNABELLE GORDON

Past experience has shown that current or prospective franchisors may require professional consulting services for the following:

☐ Evaluation of image and overall operations, to determine their suitability for franchising or to improve performance and/or profitability.

☐ Specialised knowledge or skills applied to a particular project, such as training manuals, promotional materials, sales forecasting, audiovisual presentations, personnel recruiting or publicity.

☐ Quick action as a catalyst to get an important job done quicker than could be done with existing staff.

☐ An outside, impartial viewpoint providing a fresh, objective approach (For example, realistic determinations of a franchise value and royalty fees can be made).

☐ Continuous franchise and management consulting on a retainer basis (Long-term consultants obviously have greater interest in the franchisor's well-being than an adviser called in for brief study).

In establishing fees, consultants include the principal costs of the project, such as personnel, travel and overheads (including supplies, special services and research).

The SA Franchise Association says: "Beware of consultants who attempt to secure assignments by offering free services, guaranteeing results or savings, or proposing a fee contingent on the findings or results of services.

"Such inducements are not compatible with sound professional practice. Knowledgeable clients realise they cannot get services for nothing."

☐ The speed of deliveries to Family Circle pharmacies has been enhanced with the aid of this computerised vertical carousel picking machine.

25/4/86 BUSDAY

Pharmacy franchising is powerful medicine

THERE ARE three major pharmacy franchises: Family Circle, Link and Plus, as well as a regional chain, Bonus, in the Eastern Cape.

They franchise with a difference. The pharmacies use their own names but make it clear to which franchise they belong by their signage.

There is no franchise fee as such, just a monthly payment based on turnover.

"Think Link," says SA Druggists' GM of Link, Benzie Joffe. "We claim this franchise has proved, by consistent sales growth, that our strategies create high consumer response and that it is the most innovative chain in the retail pharmacy sector."

As a result, recent research has shown 95% consumer awareness of the name, he says.

Link claims to have franchised 23% of all pharmacies in SA. In the main, established pharmacies convert to Link, but management can arrange to set up for a franchisee if it is required, using the company's expertise in research, siting, signage and everything that is required down to merchandising.

Lex Tannenbaum, executive chairman of E J Adcock, which franchises the 12-year-old Family Circle chain, says his company offers all the usual support with siting, research, design, documentation, merchandising.

"The franchisee simply brings us a signed proposition and could well go away on vacation and just come back for the opening — we do it all."

There are now 30 outlets in all provinces apart from the Cape.

"It costs R160 a month to belong, and R100 000 to set up. There is no starting fee, but the obligation is to buy wholesale from the parent company," says Tannenbaum.

SAAN chief assures staff

Cape Times 25/4/86

Chief Reporter

THE managing director of SA Associated Newspapers (SAAN), Mr Stephen Mulholland, assured the staff of the Cape Times yesterday that the editorial independence of the Cape Times would be guaranteed in SAAN/Argus rationalization moves now being made.

He confirmed that the Cape Times press at Paarden Eiland had been sold and that the newspaper's office building in Burg Street was being sold. The Cape Times would, from a date yet to be fixed, operate from the Argus Building in St George's Street and all departments other than editorial would be merged with those at the Argus.

He was unable to say anything at this stage about the future employment of members of the Cape Times staff other than those in the editorial department.

● Before Mr Mulholland addressed an urgently-called meeting of the Cape Times staff, the Editor, Mr A H Heard, said he had been informed of certain guarantees and binding arrangements which appeared, at face value, to secure the paper "for a very long time to come and on a basis which is economically sound."

He added: "I am in the process of making certain comments and proposals, and am hopeful that my views will, in essence, be met by those who decide the paper's destiny. If this happens, then I shall, publicly and openly, endorse and defend the arrangements".

● Full report, page 11

Cape Times building being sold, says MD

ARGUS 25/1/86

Staff Reporter

THE Cape Times building in Burg Street is being sold and the newspaper will operate from The Argus building from a date still to be decided.

According to a report in the Cape Times today the managing director of South African Associated Newspapers (Saan), Mr Stephen Mulholland, said the move was part of Saan/Argus rationalisation plans.

Mr Mulholland also confirmed that the Cape Times press at Paarden Eiland had been sold.

All departments other than editorial would be merged with those of The Argus.

Addressing Cape Times staff yesterday Mr Mulholland guaranteed the newspaper's editorial independence, the report said.

He was unable to say anything at this stage about the future employment of staff other than those in the editorial department.

Mr Mulholland said the newspaper industry was going through tough times and Saan — of which the Cape Times was a wholly-owned subsidiary — was faced with having to wipe out an accumulated debt of R45-million.

The rationalisation steps embarked on in the past few weeks were based on commercial judgment and seemed to him to be the only rational, logical approach to the problem.

Cape Times 25/4/86

195

Guarantees on future of Times

By ROGER WILLIAMS
Chief Reporter

THE managing director of SA Associated Newspapers (SAAN), Mr Stephen Mulholland, told staff of the Cape Times yesterday — at a meeting requested urgently by them — that the Cape Times's continued editorial independence would be guaranteed in SAAN/Argus rationalization steps now being taken.

The rationalization plan was designed to ensure the continued existence of the Cape Times on a profitable basis, he added. It would also ensure that the Editor would continue to be responsible to SAAN and to no-one else.

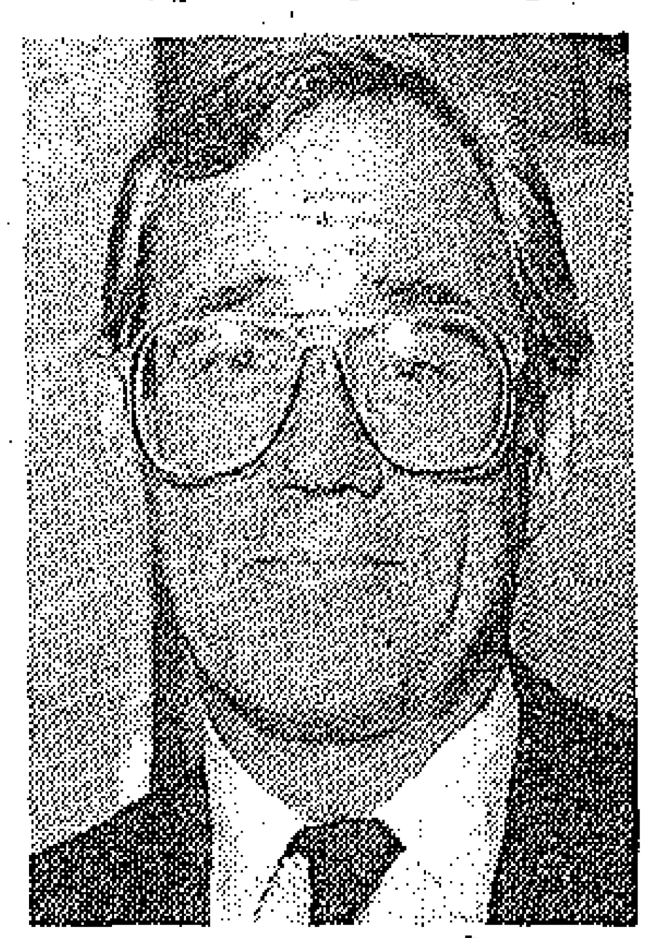
Mr Mulholland said the Cape Times's printing press at Paarden Eiland had been sold and that its building in Burg Street was in the process of being sold. The newspaper would continue to be produced under its present Editor and editorial staff from within the Argus Building in St George's Street.

... not been de-

paper for a very long time to come and on a basis which is economically sound.

"I am in the process of making certain comments and proposals, and am hopeful that my views will, in essence, be met by those who decide the paper's destiny.

"If this happens then I shall, publicly and open-



Mr Mulholland

ly, endorse and defend the arrangements."

Mr Mulholland was accompanied yesterday by Mr John Featherstone, managing director of Natal Newspapers, who has been seconded to

logical approach to the problem.

"We have the best minds in the country working on it — and I'm sure the end result will be a viable Cape Times in the long term."

Asked about problems raised by Argus concerning the printing of the Saturday edition of the Cape Times, Mr Mulholland said he could give an assurance he would fight for a six-day Cape Times.

He said: "I took on this job on the basis that there would be good faith between Argus and SAAN, and everything that has happened so far indicates to me that there is good faith on both sides, and that the Cape Times will survive, in a profitable state.

"I understand there has been talk of a 'hidden agenda', or of some sort of sinister plan on the part of Argus — and perhaps of SAAN as well — to ensure that the Cape Times will gradually be submerged into the maw of Argus; that the Cape Times will ...

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2/6/86 SOWETAN (195)

Union's showdown looms

A LEGAL showdown is looming between the Media Workers' Association of South Africa and the rival South African Typographical Union following disclosures yesterday that some managements were forcing Mwasa members to join Satu.

At Mwasa's regional meeting yesterday, workers from the Afrikaans publishing company, Perskor in Doornfontein, and others from Sherman Sales in Crown Mines, alleged that they had been harassed by their bosses since they joined Mwasa.

Workers from Perskor said they were promised an increment of R4,50 if they agreed to join Satu. It was also reported at the meeting that there was tension at Perskor on Friday following the distribution of pamphlets in which Mwasa warned members of their legal rights to belong to a union of their choice.

Some workers from Sherman Sales said they had unwillingly signed Satu's application forms, because they were threatened with retrenchment if they refused to sign.

Mwasa's regional chairman, Mr Sam Mabe, yesterday said he was disturbed by what workers from Perskor and Sherman Sales had said at the meeting. He said the matter would be taken up with the two managements this week.

Saan losses soar to almost R23-m

3/6/86 STAR 195

By Peter Farley
Investment Editor

A grim picture emerges from the announcement that SA Associated Newspapers (Saan) lost almost R23 million in the 15 months to end-March, with losses in the final quarter of that reporting period running at an annualised rate of some R22 million.

But even more worrying is the fact that the net R9 million profit on the sale of assets — principally the printing presses — was more than absorbed by the costs of closures and rationalisations. This resulted in extraordinary, below the line, losses of more than R2 million.

The debt mountain therefore remains at R43 million, with no immediate sign of coming down, meaning a gearing in excess of 300 percent. The only other meaningful asset that can be sold — apart from titles — is the Johannesburg building.

No final deal has yet been struck in this area, and Saan appears set to remain in the premises at least until next year. But even if something were to be concluded quickly, it is likely that the realisation would be substantially below R10 million. This would leave Saan with still some R35 million of debt to service.

Finance charges, at current rates, are therefore likely to remain in excess of R5 million in a full year — against the R6,8 million paid out in the past 15 months.

There is little doubt that the new management team — comprising new MD Mr Steven Mulholland and deputy MD Mr John Featherstone — are making great strides to reduce overheads and return the operating side to profits.

In addition, it is widely acknowledged that Caxton MD Mr Terry Moolman is playing an important strategic role in the new direction of Saan's management.

Nevertheless, it seems that the newspapers are going to have to swing from a loss of R12,2 million to a profit of more than R6 million this year for the company to just break even.

Certainly the joint printing agreements with the Argus Group, which are currently being implemented, will have a beneficial impact. But whether it will be sufficient in the current year remains to be seen.

After passing all dividends in the past 15 months, shareholders look set to wait for some time before there is a resumption of payments. Nevertheless, the share price has virtually doubled from the 700c low seen earlier this year to around 1 500c.

Given immediate prospects, however, buyers at these levels must be extremely optimistic.

Adding to the group's problems is the continuing erosion of advertising income and falling circulations on many publications. The consolidation of much of the marketing with the Newspaper Marketing Bureau should put some of this to rights, but the turnaround will not be spectacular.

However, one still gets the impression that Saan has a long way to go before it restores confidence in both its staff and its shareholders. And the hiring of the Touch Down restaurant for the final test match last weekend, when the the group is under such financial pressure, will hardly build the kind of support Saan needs at this point in time.

The share price now stands at more than double the net worth of the group, after last year's losses slashed net asset value to under 700c from over 1 800c 15 months ago. It has never been at such a high premium over net worth and looks dangerously overvalued given its immediate prospects.

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Beltel has been developed in three phases of which the public service will be the last. Olivetti SA, in co-operation with the UK-based company Systems Designers, were responsible for the hardware and software development of the new system, which has been installed in major cities, where it is connected to Beltel management centre.

SAAN (195) FW MAIL 6/6/86

Cash coming

As expected, SA Associated Newspapers' (Saan) results for the 15 months to end-March show further deterioration after the previously reported loss (after extraordinary items) of R17m for the 12 months to end-December. The loss for the extended period climbed to R22,8m, and was more than triple the figure for the year to end-December 1984.

However, in view of restructuring and other changes that were embarked upon since March, these figures are of limited significance. They give little indication of the benefits to come from assets that have been sold and others planned to be sold. During March, three printing presses were sold to overseas buyers for a total R19m, while Saan's wholly-owned head office building in Main Street, Johannesburg, was sold to JCI for R4,6m; this amounts to R23,6m against the March 30 debt of R43m.

The preliminary announcement does show under extraordinary items a profit of R9m, described as a profit on fixed assets less provision for anticipated loss on disposal of assets no longer required. However, none of the cash has yet been received for the assets sold. Financial manager Lawrence Clarke says cash from the building should be received within weeks, and that from the presses as each press goes on board ship. This will happen at the end of July, August and September. Assets yet to be sold include another press and four Ferag insert machines, which together should raise "a further substantial sum."

As part of the rationalisation, a retrenchment programme has started, while some staff will move to the Argus group and to the joint printing company. It is also expected that Saan's head office will move to new premises during the next few months. All these will reduce overheads and ease pressure on working capital and interest payments.

The annual report, due for publication later this month, will offer a clearer picture. But it is no use expecting to see a dramatic change quickly: interest payments will remain high until at least the fourth quarter of this year, and the operating position — which showed a loss of R12,2m for the 15 months — will not be turned around in a hurry. The advertising industry is shrinking but typically lags the rest of the economy. The second half of the 1987 year is probably the earliest that real recovery could be expected.

Andrew McNulty

SOWETAN 9/6/86

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Labour Beat

by LEN MASEKO

THE Media Workers' Association of SA has been granted recognition at Johannesburg-based Sherman Sales.

The two parties' agreement was preceded by a four-hour work stoppage by Mwasa members in demand for recognition of their union last Friday.

In terms of the recognition agreement, Mwasa will represent its members during wage negotiations with the company.

Mwasa was granted recognition after notching up victory in a membership ballot in which the company's employees were asked to choose which union they wished to belong to. Mwasa recorded 79 percent of votes while its rival, the SA Typographical Union (Satu), clinched the remaining votes.

Mwasa's regional chairman, Mr Sam Mabe, said: "The victory over Satu heralds the beginning of an offensive to be launched by Mwasa against the union in places where the two groups organise workers."

Meanwhile the National Union of Mineworkers (Num) is to resume wage negotiations with Anglo American's East Rand Gold and Aluminium.

Num members at the mine demand a 45 percent across-the-board wage increase compared to the 14 percent offered by the Anglo subsidiary.

Scores of Num members staged a four-picket demonstration outside the mine's Brakpan premises last week, demanding the wage increase.

CNA earnings steady despite weak demand

BUS DAY 9/6/86 195

STEPHEN ROGERS

CHAIRMAN Tony Bloom believes CNA Gallo will show increased earnings in the current year after maintaining earnings last year.

However, trading conditions in the current year are likely to be no less severe than last year.

Imports of journals, magazines and other publications are expected to remain expensive in a market experiencing declining consumer spending. As a result, product unit volumes in the retail division are expected to decline further.

In the entertainment division, piracy and potential boycotts are seen as the main problems, but the group plans to rationalise manufacturing costs.

The group faced many problems last year. The rand's fall pushed up the cost of imported goods, and the contraction of the market was exacerbated by school stayaways, consumer boycotts and rising unemployment.

The fall in profitability could not be recovered fully through pricing, as it was considered impractical to raise prices in the face of a shrinking market and rising consumer resistance.

The retail division enhanced its position as mainstay of group turnover, with its contribution to group sales rising to 75% (70%). On lower group pre-tax profits, its contribution rose significantly to 50% (R8,4m) from 44% (R8m).

Price competition in the retail trade put pressure on trading margins, while losses on markdowns and unsold magazines took their toll on gross profits.

The entertainment division experienced a 13% decline in sales, and its group contribution dropped to 19% from 23%. The division's profitability fell drastically, with pre-tax profits crashing to R930 000 (R3,1m).

A contraction in the market for pre-recorded audio and video tapes, and the growth of tape piracy, added to the problems.

The support division increased its profitability, running on a pre-tax profit of R6,1m (R5,6m) on sales of R20,1m (R21,3m).

The balance sheet remains strong, with gearing down slightly to 30% (32%) and the current ratio unchanged at 1,3.

With the rand at its present low and consumer spending still depressed, the share looks fairly priced.

Saan — a brighter picture

11/6/86 SAAN (195)

Additional information from South African Associated Newspapers indicates that Saan could cover its "debt mountain" of R43 million by the sale of assets and investments and that the picture is brighter than stated in two reports in *The Star* last week.

As things stand now, the debt figure will reduce to below R17 million when cash from confirmed asset sales has been received. Further assets and investments available for sale are estimated by Saan to be worth more than R20 million.

The Star reports concluded that the "debt mountain" was likely to remain at about R35 million after sale of assets. This was incorrect. It was an assumption drawn from a Saan preliminary announcement on June 3. This announcement mentioned the outstanding debt of R43 million as at March 31 but did not state that R26,3 million in cash from asset and building sales would become available to offset against borrowings.

The Star concluded that this had already been done. It also underestimated considerably the value of remaining assets that can be sold. It is happy now to set the record straight. The following additional points emerge:

1. Saan has sold its building at 171 Main Street and is negotiating a lease for alternative premises which it expects to occupy by November 1986.

2. Saan's unsold assets — including one Goss Metro press, four Ferag inserting lines, warehouses and other properties and investments — it estimates to be worth R20,8 million.

3. Total likely proceeds from sale of assets/investments are therefore estimated at more than R47 million, but Saan is committed to investments totalling R9,5 million in M-Net and other publishing activities. Depending on when the cash is received, the cost of servicing debt will drop sharply.

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Cape Times 20/6/86

Saan dispute settled

Own Correspondent

JOHANNESBURG. — The dispute between the SA Typographical Union (Satu) and South African Associated Newspapers Ltd has been settled.

Satu said in a statement yesterday that members of the union who were not offered employment at the Argus Company in Cape Town or Johannesburg would be paid retrenchment benefits in line with the policy of the company.

20/6/86 BUS DAY

Satu, Saan settle dispute

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Business Day Reporter

THE dispute between the SA Typographical Union (Satu) and South African Associated Newspapers Ltd has been settled.

Satu said yesterday union members who were not offered employment at the Argus Company in Cape Town or Johannesburg would be paid retrenchment benefits in line with the company's policy.

Satu said agreement followed "lengthy and amicable discussions between officials of the union and management concerning the retrenchment of union members as a result of the rationalisation and sharing of services between Saan and the Argus Company".

Prudent CNA-Gallo braced for boycotts

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25/6/87 By Michael Menof

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CNA-Gallo has invoked the generally accepted accounting practice Statement AC 103, which deals with prior year adjustments, in its 1986 annual report.

The director's report mentions that an adjustment was made to the 1985 results with a note that during the year the basis of accounting for music and video contract advances has changed. Previously, video and music contract advances were written off over the contract period after taking into account sales levels.

Now these advances are to be written off on payment or release of the product, whichever comes first. To effect the change, the retained income brought forward from 1985 has been reduced by R6,2 million or 16,6c a share. The directors believe their actions are prudent and realistic in the face of threatened artists' boycotts and unstable currency and market conditions.

Some may argue that 1986 has been made to look somewhat better through window-dressing if one considers that earnings attributable to ordinary shareholders for 1986 were R8,2 million or 26,2c a share compared with 1985's R8,2 million or 26,12c a share.

Had the previous accounting policy been used, it is estimated that earnings would have been 27,2c a share in 1986, but more important 1985's comparative would have been 42,8c a share — a significant drop of 36 percent. The 1986 trading results were far from satisfactory due to difficulties which saw lower profits than forecast. The entertainment division's poor performance really hurt the group.

In 1985, sales were R66,2 million with a pre-tax contribution of R3,1 million. In 1986, sales declined to R57,8 million with a pre-tax profit of only R930 000.

Mr Bloom predicts that problems in the entertainment division will remain. Shareholders need to know how the accounting change in 1986's annual report will affect 1987's results and just how quickly the division's problems can be resolved.

Will the annual general meeting tomorrow provide the answers and reassure shareholders?

SAAN hopeful of better times

STAR 2/7/86 195

South African Associated Newspapers expects a small operating profit in the current year and will be well placed to achieve meaningful profits in 1987-88, but it is unlikely that a dividend will be paid for the 1986-87 year.

Chairman, Mr Pat Retief says in the annual report that operating profit, however, will only be realised if "the economy does not deteriorate further and the rationalisation programme proceeds as planned. . ."

During the year SAAN received R26,5 million from the sale of three presses to a US publishing company, the sale of 171 Main Street to JCI and the Cape Town building to Syfrets.

This will result in interest savings of about R3,8 million a year. Lower occupancy charges and depreciation costs are expected to swell this saving to about R6 million a year. The sale of other assets and certain investments will bring in another R21 million.

Of this, says SAAN, about R9,4 million will be used to fund the group's share of the joint printing and publishing operations in Sauer Street and its 23 percent holding in M-Net.

The balance will substantially reduce the interest burden.

In the year under review, SAAN's total loss after extraordinary items was R22,8 million.— Sapa.

Hortrio profits up, dividend cut

Cape Times 3/7/86

JOHANNESBURG. — Although Hortors Trio Rand lifted turnover in the year to March to R155,7m (R97,5m), net profit rose only to R3m (R2,2m) and the dividend has been cut to 3c (7c) a share, making a total of 6c (18c).

Chairman H W Miller said yesterday that the rise in profit had been small because of the amortization of the newspaper and magazine titles acquired from Caxton which amounted to R5 864 000.

"In fact, income before taxation and title amortization amounted to R10m in spite of further unavoidable foreign exchange losses of R951 000."

The chairman said that although the debt equity ratio had been brought within acceptable limits, the liquidity ratio in the group was still unsatisfactory and the directors had maintained their conservative dividend policy by increasing the cover to three times, compared to 2,5 times last year, in proposing a final dividend of 3c.

"Most of our foreign purchases were covered forward but the fall in the value of the rand nevertheless led to a total loss of R951 000 on capital items acquired in the year and on debts outstanding from the previous year."

The chairman said the acquisition of Caxton was tantamount to a reverse takeover.

The group had benefited from the marketing skills of the senior management of the Caxton group.

And the financial structure of the group's balance sheet showed an improvement in the debt:equity ratio from 108% to 59%.

"Our Cape Town printing and packaging units have, in the main, achieved their budgeted turnovers and income.

"The property in Parow, in which the main activities are located, was acquired towards the end of the financial year for R6m. The purchase is of distinct benefit to the group because the market value is estimated to be in excess of R10m.

"The printing and packaging operations in the Transvaal had to contend with intensive competition in the face of depressed markets and increased costs of raw materials.

"We have, however, rationalized production in several areas and this should improve performance in the new trading year," the chairman said.

The newspaper and magazine division had suffered from a reduction in the overall volume of advertising in real terms and in the amount allocated to the printing media in competition with television and radio. — Sapa

Strong demand for house bonds

Own Correspondent

JOHANNESBURG. — The value of building society bonds for new houses increased by a huge 57,8% to R120,3m in the first quarter, compared with the January-March period last year, according to Central Statistical Services.

The number of bonds issued in the period rose by 74,2% to 2 615. The average value of the bonds fell by 9,4% to

year with the same period this year was misleading as it was comparing a trough with a peak.

Demand for bonds for black and coloured housing remained strong, however, while demand from whites for housing bonds was weakening because of the continuing recession.

Robinson Group scheme published

BUSDAY. 3/7/86. 195

Own Correspondent

DETAILS of a scheme which will diminish SA Associated Newspapers' (SAAN) interest in the Robinson Group were published today.

The scheme will also ensure the editorial independence of the editor of the *Natal Mercury* in the hands of existing family shareholders

Shareholders (except for SAAN) in Robinson & Co, which used to own the *Natal Mercury* directly, are to be offered one share in a new company, Robinson Group Holdings (Robhold) which will hold 51% of Robinson & Co.

They will also receive either R16,89 a share or a combination of R6 in cash plus a further share in Robhold.

There is to be a repayment of R3,8m in share premium to Robinson & Co shareholders.

The proposals have to be approved by shareholders on July 31, and if approved by them and the Supreme Court, come into effect on August 27.

The effect of the scheme is that SAAN will continue to hold 49% of Robinson & Co and Robhold 51%. SAAN will receive about R1,86m in cash.

FIN MAIL 4/7/86 (195)

WALKING A MINEFIELD

Current emergency regulations which have caused journalists and newspaper proprietors much heartache could also affect printers, whether they are under contract or not.

This has already caused anxiety at Keartlands-Nasionale Litho, printers of the South African edition of the US's *Time* magazine and the *FM*.

Keartlands refused to print the three-page story on SA in last week's *Time* on the advice of their attorneys, probably because they feared the plant could have been seized. The weekly magazine duly appeared with three blank pages.

A decision has apparently not been taken by the *Time* head office in New York on whether to continue printing in SA under current circumstances. A spokesman in Johannesburg refused to comment, saying that the contract with Keartlands was "a private matter between *Time* and Keartlands."

Keartlands GM Neil Henderson says that in the same circumstances he would refuse to print a dangerous article in the *FM*: "I can't afford to jeopardise our business. As the law is not clear, we cannot be too careful."

It is fairly obvious that printers who regard the news as a business rather than as a mission will err on the other side of caution.

In the same week, *Time's* rival *Newsweek*, which is printed overseas and distributed by International Magazine Distributors (Intermag), did not appear on SA news stands. This was on the advice of Intermag's lawyers, after a mutual agreement with *Newsweek*.

This week both magazines appeared with passages deleted. ■

FIN MAIL

SAAN 4/7/86 (195)

Structural changes

SA Associated Newspapers' (Saan) preliminary financial figures for the 15 months to end-March offered some hair-raising reading, but a more encouraging picture emerges from the annual report. After the current rationalisation programme, debt will be considerably reduced, operating costs will be slashed and almost all of the unprofitable interests will have been disposed of.

As end-March borrowings stood at R43m and gearing was 300%, priority has been placed on sales of assets, with proceeds used to repay debt.

The group has now disposed of three presses, and land and buildings, for a total of R26,5m. These sales have ensured that as the cash flows in over the next couple of months, borrowings will be cut to R16,5m and the debt:equity ratio brought down to a less harrowing 1,18.

The directors estimate that, based on current overdraft rates, use of this cash to repay debt will result in an annual saving in interest of some R3,8m. This represents some 55% of the R6,8m interest bill for the 15 months to end-March but as the cash for plant and equipment sold will only be received as assets are shipped, full benefits won't be felt this year.

Asset sales are not yet over. Other items to be disposed of include: a Goss Metroliner Press; product assembly and despatch equipment ordered during the ill-timed capital expansion programme embarked on in 1984 (the programme required expenditure of some R16m on fixed assets in the 1986 financial year); a warehouse in Village Main, Johannesburg, land and buildings in Polly Street, Johannesburg, and land and buildings in Paarden Eiland, Cape Town.

These and other sales are expected to raise at least another R21m, of which about R9,4m will be used to fund the group's share of the joint printing and publishing operation with Argus, and its 23% stake in Electronic Media Network (M-Net). Borrowings should fall to about R10m; on the end-March shareholders' funds of R14,026m, debt:equity will decline to a more acceptable 0,71.

The entire cost structure will also have changed. Accommodation savings will result when the Johannesburg staff moves to new offices later this year, depreciation will be radically lower, and the salary bill will be drastically cut by retrenchments and transfers to Argus and the joint printing and publishing operation.

Attributable earnings will also be helped by the board's decision to dispose of all minority investments which are neither strategic nor profitable. In the 1986 year, there was an attributable loss of R1,9m (R504 000 profit in 1984) on associated companies and the joint venture. The 50% interest in the loss-making *Sunday Star* was relinquished from April 1, the 30% stake in Jonathan Ball

Directors cash in at a battered Saan

8/7/86 SAAL 195

"I report to you on a most difficult period in the history of your group. The loss after extraordinary items for the 15 month period to March 31, 1986 of R22,8 million and the sharp deterioration in gearing ratios clearly reflects the adverse circumstances encountered."

So commences South African Associated Newspapers chairman Mr P F Retief in his latest annual statement issued with the accounts.

However, during this period directors' emoluments were increased to R1,2 million from R193 000 and R492 000 was lent to six senior staff members (nearly half being interest-free).

Net worth per share during the period fell to R6,99 from R18,37 or 40 percent less than the current share price of R11,25 on which no dividend has been paid for almost two years.

In a note with the accounts, audited by Pim Goldby, Saan states that the increase in directors' emoluments to R1,16 million was in respect of four executive directors (1984 one) and other non-executive directors and included a payment of R275 000 for accumulated leave (1984 nil).

The ambitious expansion programme begun in 1984 was ill-conceived by previous management.

During the past 15 months, Saan's problems have featured prominently. The ripple effect, which started with the closure of the *Rand Daily Mail* and *Sunday Express* in April 1985, has spread to a merger of the operations in Natal in 1985.

Urgent steps became necessary during the past year to save Saan. Borrowings at March 1986 totalied R43 million, giving a debt to equity ratio well in excess of 3 to 1, resulting in an interest expense of R6,8 million (1984: R981 000) for the 15 months to end March.

New management was appointed with three objectives — to restore profitability; restructure the balance sheets; and to

implement a wide and rapid rationalisation programme.

Major assets were realised for R26 million by March 1986, with a further R21 million in the pipeline from anticipated sales subsequent to year-end.

Some shareholders probably never realised how close Saan came to insolvency, but it was saved through fixed asset sales. Share capital and reserves of R36,8 million at December 1984 had crashed to only R14 million by March 1986.

Hence, the R18 million profit from the presses has ensured that Saan remains afloat. It is imperative to restore profitability forthwith to strengthen and keep capital intact.

Advertising revenues will continue under pressure, and Saan's R3 million investment in M-Net in 1986 with a further R4 million earmarked for 1987 is not expected to be profitable until after 1988.

New MD Mr S Mulholland, having risen through the ranks of journalism, must still prove his management ability. He was the right man for the hatchet part of the rationalisation programme, but can he communicate with and motivate his drastically reduced staff to restore Saan to its former glory?

Head office moves soon to 11 Diagonal Street, close to Argus where joint printing operations are in progress. Newspaper distribution is handled by Allied Publishing. Saan holds 35 percent of the printing and 29 percent of the distribution joint venture with Argus.

Advertising and circulation revenues declined in the 15 months ended March 1986 to R157 million (1984: 12 months R137 million, grossed up to 15 months R171 million).

Clearly, TV advertising has gained at newspapers' expense. The net loss was R20,3 million before extraordinary items, which included R1,86 million from Saan's associated companies including a 50 percent interest in the *Sunday Star*. Extraordinary net losses of R2,49 million increased the overall loss to R22,8 million.

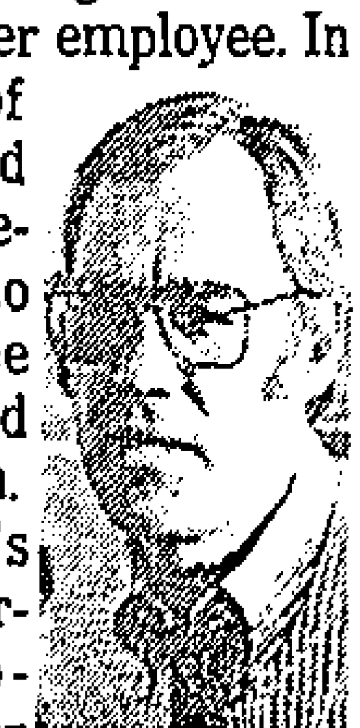
At March 1986, Saan's R14 million capital was invested in R6 million fixed assets and R8 million investments. Working capital equates out, with current assets R63,7 million virtually equal to current liabilities. Net worth per share has declined significantly from R18,37 only 15 months ago to R6,99.

Saan is now delicately poised as any further losses will result in a negative working capital position, unless long-term financing can be arranged. Fixed assets, which could have been given as security, have been sold. The composition of the extraordinary net loss of R2,49 million included some hefty losses and provisions.

Getting rid of past directors cost R405 00, which was included in the massive leap in directors' emoluments from R193 000 to R1,16 million.

Loans of more than R75 000 to directors and managers — for purchase of houses previously owned by Saan — bear interest at one percent below building society rates, while loans of R75 000 or less are interest-free.

The loans to Mr Mulholland (R75 000) and Saan director and *Sunday Times* editor Mr Tertius Myburg (R73 000) escape any interest. The loan of R112 000 to ex-MD Mr Clive Kinsley in 1985 was repaid. There are two substantial loans, those to *Cape Times* editor Mr Anthony Heard (R118 000) and Mr Nigel Twidale (R129 000), a former employee. In addition, loans of R75 000 and R22 000 respectively were made to former employee Mr Rex Gibson and to Mr Rory Wilson.


Mulholland

To test Saan's image in the marketplace I approached a number of stockbrokers. All refused to be named for fear of upsetting Mr Gordon Waddell, key figure behind the re-organisation. All the brokers supported rationalisation as a positive step.

They also felt Saan's moving closer to Argus might lead to the latter's success rubbing off.

Most agreed that Saan should be viewed from the sidelines until profitability is restored. All felt that the economy could still hurt Saan considerably.

The group is now smaller and well rid of its dead wood. Some will argue that rationalisation is nothing more than re-arranging the deckchairs on the Titanic. Others will admire management's courage in recognising the problem and taking brave corrective action.

Bus. DAY (195) 17/7/86

SAAN now to be charged

Own Correspondent

THE charge under the Internal Security Act against *Cape Times* editor Anthony Heard for having quoted ANC leader Oliver Tambo in the newspaper is to be withdrawn and the owner-company, SA Associated Newspapers, will be prosecuted instead.

Cape Deputy Attorney-General F W Kahn, SC, informed Heard's legal advisers yesterday that "SAAN, being the owner and publisher of the *Cape Times* newspaper, will be prosecuted in terms of Section 56 (1) (p) (ii) of Act 74 of 1982 arising out of the publication of an interview with Oliver Tambo in that newspaper on November 4, 1985. — Sapa.

CAPE TIMES 18/7/86 (18)

'A fair skin the passport to job'

Political Reporter

A "FAIR SKIN" was a passport to a job in the printing industry, a former factory worker told the "Western Cape Roots and Realities" conference at the University of Cape Town yesterday.

In her paper, "Women at Work: Machines or Human Beings?", Ms Pat Fahrenfort, a factory worker turned academic, told of her experience on the factory-floor and the working life of women in the printing industry.

Comparing the plight of women after recent interviews with a sample of four women and her own experience in 1966, Ms Fahrenfort said nothing had substantially changed in the quality of life for the women behind the machines.

Because the majority of skilled printers were white it was difficult for persons of other race groups to stage a breakthrough in this sector of industry in the 60s. The situation had only slightly eased since.

"Workers were invariably selected by officials on the basis of their fair skins. A fair skin during this period was one of the key facilitators for gaining white identification papers. It was quite a commom phenomenon for 'coloured' women to form relationships with white men, some of which led to emigration and then marriage."

Ms Fahrenfort said a common feature at one of the places she worked at was that most of the married women talked freely of their extra-marital relationships.

Workers in the printing industry remained loyal to their employers in spite of the extremely difficult working conditions. One of the reasons for this was that there was little if any union activity which promoted worker interests.

BUS DAY.

COMPANIES

22/1/86.

Saan pulls back into black

195

PRISCILLA WHYTE

SAAN (South African Associated Newspapers) was making profits after interest charges, chairman Pat Retief said at the annual meeting yesterday.

He added that it had made a rapid and pleasing turnaround.

Prospects had improved since the release of the annual report for the 15 months to March when a trading loss of R22,8m was reported.

In the annual report, he had said SAAN would make a small operating profit this year and achieve meaningful profit in the 1987/8 year.

He declined to elaborate yesterday.

He did not expect advertising revenue to grow this year. Newsprint, representing 20% to 25% of total running costs, was expected to increase.

The proceeds from the sale of assets already amounted to more than R30m. Disposal of other assets would not involve the sale of titles.

According to Dutton, profits for the first quarter to end-May are ahead of projections. With assessed losses of R29m, he adds, earnings should be tax-free for quite a few years.

Given the depressed state of the building and furniture industries short-term prospects might be thought unexciting. Dutton disagrees. He believes Interboard can increase market share: "We have always operated in a depressed market and since inception three years ago have increased market share annually. We now hold 8%." Undoubtedly, though, Interboard will find it increasingly difficult to grow off a higher base.

Future export potential

Unlike industry leader Bisonbord, Interboard's export market is limited. Dutton points out, however, that Interboard NV recently made a large investment in Swaziland. With 50% of the Swazi company's output geared for foreign markets, Dutton believes it is better placed for exports, especially with growing threats of sanctions. The Swazi operation will not be injected into Renhold until it is profitable.

Expectations of major acquisitions have pushed the share price 50% higher to 45c in less than two months. As the forward p:e of 11 is not unrealistic, minorities are unlikely to accept the buy-out offer.

Patric Ho

SAAN 25/7/86 FM.

End of trauma? 195

At the AGM this week, chairman Pat Retief gave unequivocal assurance that the ailing group has begun to turn around. "We are now making profits after interest and all overheads," he said, adding that the group still has to see the full benefits of recent massive rationalisation. Revenues from advertising and circulation are ahead of budget and operating costs are falling.

In pulling the company back to break even level, management has had to adopt a more disciplined approach, says MD Stephen Mulholland. Indiscriminate discounting of advertising space — which damaged the group's integrity — has been brought under control. Although an aggressive pricing policy was followed, circulation figures for key publications remain buoyant.

SAAN's Mulholland ... more discipline

The Sunday Times, for example, has maintained circulation at just under 500 000, despite the recent 53% hike in the cover price — a clear indication, says Mulholland, of its standing in the market. The *FM*, following a 50% price hike, initially lost some circulation, but "very rapidly regained it," to continue its domination of the financial magazine market.

Given the state of the market, says Mulholland, "the only way we can return to profits is by maintaining market share, while simultaneously cutting costs. And that is happening." The impending move to Diagonal Street is likely to be "both costly and traumatic," but once Saan is settled in, it can look towards sustained recovery.

Asset sales have gone well, and at end-March R26,5m had been raised from the disposal of presses and the Main Street building. Remaining disposals are expected to bring Saan's once heavy debt load down to around R12m. At this level, says Mulholland, the group should easily fund potential finance costs.

With a company like Saan, which has a sorry recent history of losses, the real issue is cash flow. If management can confidently predict positive cash flow after all running costs, it is unquestionably on the road to recovery. On the evidence of recent months, says Mulholland, Saan has indeed moved into positive cash generation.

Neville Glaser

CONS MURCHISON

Can interest revive?

The June quarter brought pre-tax profit for the year to June 30 to R11,046m, as near as doesn't matter to the R11m I projected on April 25. However, the surge in capex to R4,25m (R726 000 in March) enabled a tax write-back of R1,4m, equivalent to virtually everything provided earlier in the year, so the 12-month net profit was ahead of expectations, at R10,7m. But the annual capex of R9,4m and dividends of R2,5m (60c a share, just as I forecast) dug into reserves, absorbing R11,9m.

QUARTERLY PROFITS

The ups and downs — in R000

	1983	1984	1985	1986
March	1 091	4 346	4 753	2 556
June	1 995	9 151	3 792*	2 538
September	2 628	4 755	317*	—
December	3 243	2 323	4 805	—

* Adjusted for exceptional gold sales

NEW CAPE LISTING

Cape Town-based Pennypinchers, a discount building supplies chain, plans a DCM listing in November via a private placement of 10% of share capital.

Chairman and MD Fasie Malherbe says final details of the issue, to be handled by Quaestor 4, are still being worked out. He puts turnover from the 17 branches employing 450 people at around R35m a year. Covering some 30 000 m² of retail space throughout the Cape Province, Pennypinchers is building a 8 000 m² flagship branch at the new Blue Downs mass housing scheme on the Cape Flats (*Business*, July 18).

Other directors are Percy Bishop, David King, John Collier, Garnet Carr, Gerhard Conradie and Graham Burchell, most of whom have been with the group since its start seven years ago.

The target market ranges from bulk supplies for major developments to owner-builders and DIY enthusiasts, with different outlets geared to different emphasis. Malherbe maintains performance has not been dented by the building slump in the region. He sees the listing as a means of protecting the operation from hungry predators, while continuing with an aggressive expansion programme.

Cashbuild, which operates in a similar market to Pennypinchers, recently received a euphoric JSE reception. If Pennypinchers can show a good track record, its debut may be equally successful.

Gordon Kling

Cape Times 1/8/86 (195)

Cape Times leaves Burg St

By ROGER WILLIAMS
Chief Reporter

PICTURES, back-numbers of the newspaper, memorable "howlers" and long-forgotten relics that go deep into the 110-year history of the Cape Times have been unearthed this week as staff members have packed and prepared to vacate "The Old Lady of Burg Street" tomorrow.

Today is the last day on which the Cape Times will be put together at 77 Burg Street, the home of this newspaper for more than 50 years, and memories of people and events have come flooding back in the massive task of preparing for the move.

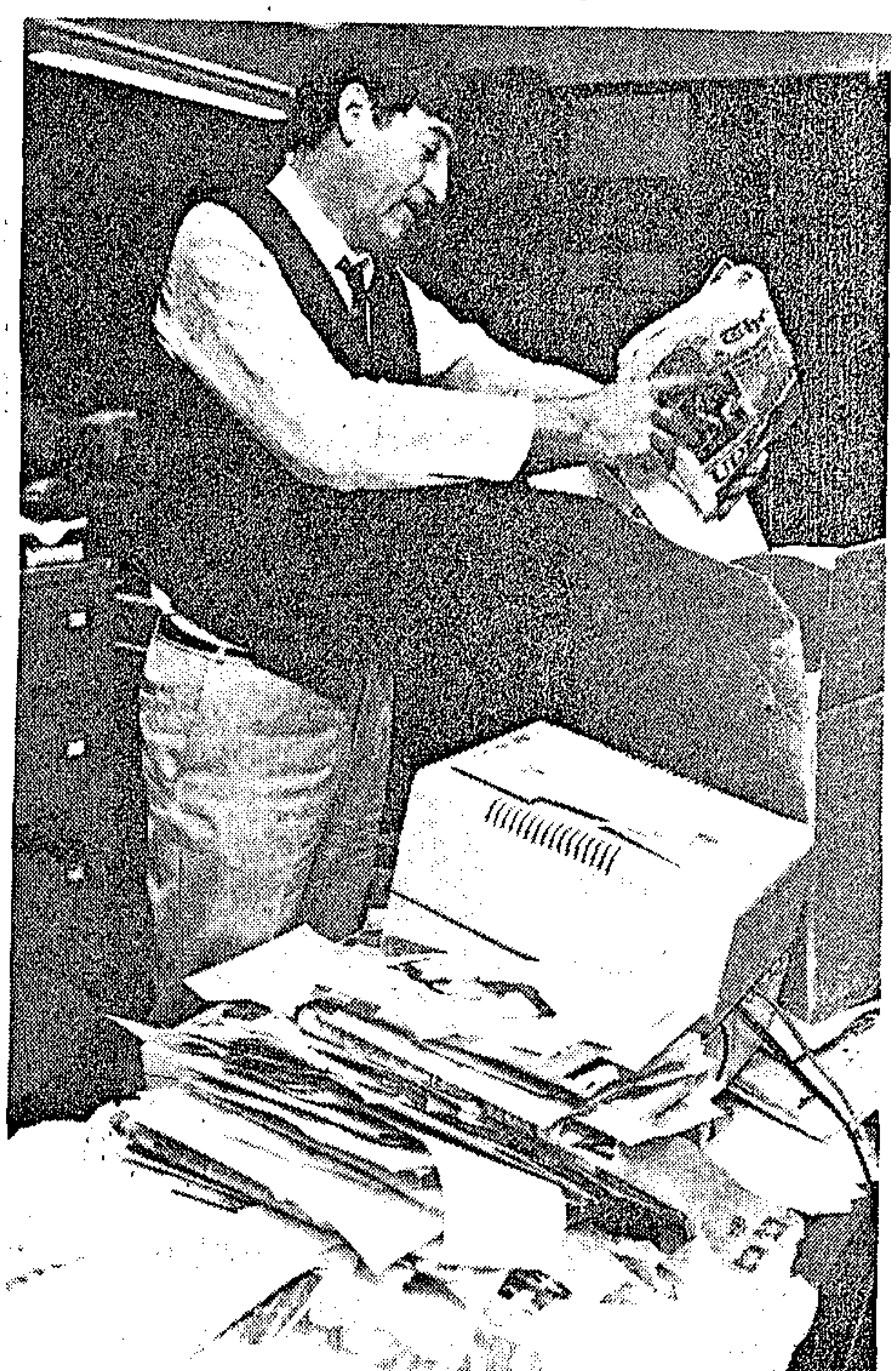
From Sunday, a new chapter in the story of South Africa's oldest daily newspaper will begin from within Newspaper House, St George's Street, the new name given to the former Argus Building. The Cape Times editorial department will resume operations on the fifth and sixth floors of the building.

The move from 77 Burg Street after half a century — previous Cape Times addresses were Keerom Street and St George's Street — follows the agreement reached recently between SA Associated Newspapers (SAAN) and the Argus Printing and Publishing Company to rationalize the activities of their newspapers in Cape Town.

In terms of this agreement, all Cape Times departments other than editorial have been merged with those of Argus, but the continued editorial independence of the Cape Times, under SAAN, has been guaranteed.

The big editorial move has to be completed tomorrow, to enable Cape Times staff to bring out Monday's edition of the newspaper, as usual, from the new offices.

● The telephone number of the Cape Times — 24-2233 — will remain unchanged after the move. The entrance to the relocated editorial offices will be on the sixth floor of Newspaper House.



Willem Steenkamp, Cape Times columnist and defence correspondent, packs piles of personal documents from his unique "filing system" into cardboard boxes, in preparation for the move to Newspaper House.

Head Librarian Barbara Crook (centre), flanked by assistants Jane Dederick and Lewis September, pack away historic volumes in preparation for the move of the Cape Times editorial department tomorrow.

Haddons increases interim to 30c

BD DAY 11/8/86 (195)

LIZ ROUSE

GENCOR-controlled printing supplies group Haddons achieved substantial real growth in the first six months of the year to enable it to raise the interim dividend to 30c (27c).

Directors predict equal growth in the second half of the year, subject only to a major change in the political situation.

An almost 30% rise in interim earnings on a bigger issued share capital is a major improvement on last year's static performance.

The capital base will have to be strengthened because of the substantial growth and inflationary demands. Various methods to achieve this end are being investigated.

Haddons' turnover rose by 39%, compared with the first half of 1985. This increase was spread throughout all product groups with the exception of capital equipment. This division showed a marginal decline, reflecting the lower level of capital spending throughout the economy.

Also significant was the shift in demand to locally-manufactured paper and sundry graphic products because of increasing costs of imports. The shift in sales had a minor negative effect on gross profit margins.

Operating income advanced almost as fast as turnover — up 38,3% to R8,2m (R5,9m). Finance costs increased by over 8% to R1,7m (R1,6m) on higher borrowings to finance increased levels of stocks and debtors in line with the rise in sales. The debt/equity ratio increased to 84,4% (61,1%).

Net attributable income was 30% higher at R2,8m (R2,2m). Earnings rose to 96,7c a share on the increased share capital from the 1985 half-year's 75,3c a share.

Haddons directors make no dividend prediction in the interim report. However, given similar profit growth in the second half of the year, the final dividend could be raised to 40c, lifting the total to 70c (64c last year).

At the current market price of 750c, potential dividend yield is 9,3%. The share should enjoy a run this week. However, the small issued capital of 2,9-million shares inhibits trade.

● More company news on Page 11

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Sunday Star claim belied by figures

Business Day Reporter

SAAN MD Stephen Mulholland has struck back at the *Sunday Star* over a claim that it has eclipsed the *Financial Mail*.

He said yesterday research SAAN had commissioned showed quite conclusively that the *Financial Mail* remained dominant in the field of weekly financial magazines. It was disappointing to see a reputable organisation publish statistics which could only have been designed to mislead.

"Sunday is the biggest newspaper reading day in SA.

"However, the *Sunday Star* has less than half the daily *Star's* circulation and less than two-thirds of the *Star's* Saturday edition — and this in spite of sending copies of the paper to parts of the country where the daily and Saturday *Star* do not circulate."

The *Financial Mail* was a publishing phenomenon, he said. In the face of a 50% increase in its cover price, circulation had remained above 32 000, with bouyant advertising revenue and substantial profits.

It was not targeted at homes — which was the basis of the *Sunday Star's* distorted and misleading research. It was aimed — and highly successfully — at businessmen and women among whom it was recognised as SA's most authoritative and reliable business journal.

In the words of London's prestigious *Financial Times, the Financial Mail* was "required reading for all serious observers of the SA scene".

He said he was at a loss to understand how the market research firm concerned could compare the two publications. It was like comparing *The Economist* in London with an obscure Sunday paper in the provinces.

Having failed to make any inroads into the circulation of the *Sunday Times*, SA's most profitable newspaper, the *Sunday Star* appeared to have decided, with curious logic, to attack the *Financial Mail*.

"Our own research, logically based on target markets, confirms the view of advertisers — as evidenced in their sensible allocation of client' funds — that SAAN publications remain a dominant and growing force in the field of business advertising.

"This research, entitled *South African Business Research Evaluation*, is being launched this week on a nationwide basis to agencies and clients. Based on a sample of 2 000 business people, it is the largest yet undertaken in SA," he said.

Newspapers: why it is an up-and-down circulation situation

195

STAR

14/8/86

By Jo-Ann Richards

Most English and black-readership newspapers in Johannesburg have risen steadily in circulation during the past two years, while Afrikaans newspapers have nosedived.

Analysts point to a number of factors which have affected newspaper circulation — the death of competitor newspapers, TV, free-sheets, price, the economic and political situation in the country — but not all newspapers were hit in quite the same way.

Circulation of existing English newspapers has definitely been helped by the disappearance of the *Rand Daily Mail* — noticeably in the case of *The Citizen*. Research by Marketing and Media Research shows that 22 percent of white *Mail* readers and six percent of its black readers moved to *The Citizen*.

But a large number of these black readers could buy the newspaper only twice a week for the racing coverage, according to MMR.

MAIL READERS

The Star gained 11 percent of white and five percent of black *Mail* readers, while *Business Day* gained 23 percent of white *Mail* readers. The black readership newspapers, *Sowetan* and *City Press*, gained nine percent and three percent of black *Mail* readers respectively.

English newspapers have finally been making a comeback since the advent of TV, according to Professor Gavin Stewart, head of the Department of Journalism at Rhodes University.

They appeared, particularly in the case of *The Star* and the *Weekly Mail*, to be giving readers more than they could get from TV — meaning they provided value for money.

Business Day has steadily, but not dramatically, been rising in circulation since it started last year. According to Professor Stewart, it was still in the process of finding a readership, but it "appeared to be moving slowly".

The decline of Afrikaans newspapers must be qualified by the fact that *Beeld's* six-monthly circulation figures — after falling steadily since 1984 — showed a rise for the January to June 1986 period.

But, according to Professor Stewart, their general nosedive had much to do with TV. Research was being done on this, but "tentatively, I would think they are not providing more than people can get from TV", he said.

Afrikaans readers could also have been more affected by unemployment and the recession than English readers.

Another reason for their drop, according to MMR, was the advent of free-sheets. While free-sheets complemented *The Star's* main circulation areas, they reached every home in precisely those areas where the readership of Afrikaans newspapers was highest.

"They're mostly bilingual and have great parochial interest — all over the world it's been shown people enjoy reading matters of parochial interest," said the managing director of MMR, Mrs Jocelyn Kuper.

Black readership newspapers such as *Sowetan* and *City Press* have been growing by leaps and bounds — but this in not a new trend. "The black press has had a massive growth in the black community that goes back beyond 1975," Professor Stewart, said.

And, the political situation in the country for the past two years had created a favourable climate for informative newspapers, Professor Stewart said, citing *The Star* and *Weekly Mail*.

The *Weekly Mail's* circulation jumped from 8 635 for the last six months of 1985 to 13 598 for the first six months of 1986. However, the *Weekly Mail* was still in the process of finding readers and its circulation had not levelled off, he said.

The slight decline of the *Sunday Times* in the past year appeared to mean *The Sunday Star* had been cutting in on their circulation, Professor Stewart said.

UPPER BRACKETS

According to MMR, research had shown that, although there was duplication of readership, upper income brackets saw *The Sunday Star* as "an intelligent, informative read". The *Sunday Times*, with its image of an exciting, entertaining read, was more likely to be seen as "distateful, cheap and sensational" than *The Sunday Star*.

Of course, newspaper circulation is also affected by mundane details such as whether it is too rainy for John Citizen to walk to the shop for his evening paper. This could account for a strange dip in the six-monthly circulation figure for the *Sowetan* — which otherwise has shown a consistent rise — at the start of 1985.

Most of their sales occur on the street. And those months were unusually rainy.

And of course, there is the price.

At the end of 1984, most English and Afrikaans newspapers dropped in circulation. A general price rise has been cited for this, plus the fact that newspapers became very cost-conscious and cut down distribution that was not cost-effective.

Book your ticket

23/7/86 CITYPR

185

FOREIGN publishers are snapping up South African works.

Several releases by Skotaville Publishers are going to be published in Europe and the United States soon, according to a spokesman for the publishing house.

- Neville Alexander's collection of political essays, *Sow the Wind*, will be published in German in October, and is due to be launched at the prestigious Frankfurt Book Fair.
- Peter Magubane's book *June 16* is due for publication in the United States.
- The theological work *The Unquestionable Right to be Free* is due for release in the US at the same time.

The book – initially banned in South Africa – is now available in SA bookstores while the ban is being reviewed, according to the Skotaville spokesman.

- Skotaville's collection of Desmond Tutu's sermons is going to be published in Dutch – the fifth translation of his work.

Skotaville's illustrated book *Makhanda* is also doing well – it has received a citation in the prestigious Noma Awards for publishing in Africa.

★ See book reviews, Page 8

BUSINESSMAN OF THE WEEK

Cape Town printing group heading for the big time

W/C ARGUS 23/9/86

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By TOM HOOD

AN INNOVATIVE Cape Town printing group which has almost trebled its sales in two years is planning a listing on the Johannesburg Stock Exchange.

The group, Edson-Clyde Holdings, has made its mark in the continuous stationery, general printing and commercial stationery fields and expects to treble its sales to R15-million in the year to September 30 from the R4,7-million achieved two years ago.

"We are now one of the largest suppliers of computer stationery in the Cape, and have between 30 and 35 percent of the market," says the 42-year-old managing director Ron Woulidge.

He studied marketing and management here and overseas and built up a strong management team which, he says, is the key company's success.

He believes business systems must be kept basic and that there is no substitute for hard work.

Executives, in fact, regularly travel abroad to keep abreast of the latest ideas in their industry.

The group comprises continuous stationery manufacturer Federal Business Forms, Edson-Clyde Press, and Disa Printers (its colour process division).

Ron Woulidge . . . team spirit.

Federal Business Forms recently expanded its production capacity by one third with the acquisition of three additional presses valued at R1,5-million.

The company acquired the presses when parent Edson-Clyde Holdings bought the assets of Computer Process. The company has also opened a second plant in Montague Gardens.

However, in spite of enlarged group production facilities, the Woodstock continuous stationery plant needs to work 24 hours a day for five days a week to meet orders, stopping only for maintenance on Saturdays.

The group also includes Warrior Stationery, whose commercial stationery arm is Mason Stationery Products, and the business also incorporates Mardi Agencies, producing fancy stationery, writing paper and cards.

The holding company, Edson-Clyde Holdings, is owned by two family trusts.

Mr Woulidge attributes the success of the group to sizeable investments in new equipment and technology, an aggressive marketing policy and "a fantastic team spirit".

In 1982 the directors decided to enter the highly competitive continuous stationery market and over the last three years bought the latest continuous stationery plant.

They did this after an in-depth study of the industry both in the United States and Europe.

"We did our homework and applied an aggressive marketing policy linked with a good team spirit, high productivity and backed by the very latest equipment we were able to make inroads into this highly competitive field."

The group is also investigating other high-tech printing techniques, including printing on plastic, something which is not done in this country, says Mr Woulidge.

"We are aiming for a stock exchange listing within the next two years either in the Development Capital sector or through acquisition for a possible listing on the main board.

"We have built up a good track record and we are confident of maintaining this by boosting turnover by a minimum of 25 percent for the next two financial years.

The money raised by a shares issue would be spent on innovative printing processes for specialised fields to produce increases in turnover and profit.

One of the keys to success is the team effort — "we play 15-man rugby here" — while management works a 12-hour day and more.

BUSINESSMAN OF THE WEEK

Cape Town printing group heading for the big time

W/C News 23/9/86

195

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CAPE TIMES 12/9/86 (195)

C Struik buys Timmins

By GORDON KLING
Financial Editor

THE Cape Town-based publishing group C Struik has purchased Timmins Publishers (formerly Howard Timmins) from Mills Litho for an undisclosed sum.

Struik MD Gerry Struik yesterday confirmed verbal agreement had been reached on the deal, which would be signed in a matter of days and become effective retroactive to September 1.

Timmins was acquired by Mills following the collapse of the financial interests of controversial Cape Town businessman Tony Ashworth. Ashworth fled the city two years ago, a step ahead of creditors.

Struik, 50%-owned by CNA/Gallo and 50% by the Struik family, acquired Map Studio publishers in April. Now in its 24th year, the firm is in what Gerry Struik describes as an "expansion phase".

"We plan to develop Timmins and bring it back into its former glory," said Struik.

Timmins has 95 current titles, more than half of which are rubbish, according to Struik. He intends to weed out the losers and pump money into the rest.

Sowetan 18/9/86

Perskor workers down tools

SIXTY workers at Perskor's Benoni plant were on a work stoppage yesterday demanding the recognition of their union, the Media Workers Association of SA, writes LEN MASEKO.

The workers also demanded the reinstatement of a worker who was fired this week.

After meeting Mwasa officials yesterday, management undertook to have further talks with the union on September 23.

The workers returned to work conditionally.
The conditions were:

Conditions

- Management stop coercing Mwasa members to join the SA Typographical Union (SATU);
- A ballot be held to determine Mwasa's support;
- Recognition of Mwasa if supported by the majority of workers;
- Non-victimisation of workers involved in the work stoppage;
- Management refrain from referring to Mwasa members as "bobbejane" or "kaffirs."

RAND DAILY 28/10/85

Sapa seeks to make deep staffing cuts

DEEP staffing cuts to the SA Press Association (Sapa) are among several proposals aimed at rationalising the news agency.

A Sapa and Press groups' sub-committee aims to cut by ten the agency's 26 staff in Johannesburg.

Sapa manager Wim Van Gils said yesterday: "This would cut costs in line with similar moves that have taken place recently in the newspaper industry.

"No firm go-ahead has been given to the proposals, which will be decided upon at a meeting on October 29."

Sapa staff were advised of the "experiment" earlier this week.

Cape Times 24/10/86

Mwasa consolidates new unified stance

JOHANNESBURG. — The Media Workers' Association of South Africa (Mwasa) consolidated its reunification when it adopted a new constitution at its national congress held in Soweto this week.

The new president and other officials will be announced after the next national council meeting of the organization.

The appointment of Mr Tyrone August as full-time general secretary was confirmed.

Among the resolutions passed were a call for the lifting of the state of emergency, the release of all detainees and political prisoners and a rejection of the pass laws in their "new form".

The government was criticized for its refusal to grant visas to 13 foreign trade unionists and journalists who were to attend the congress as observers.

"Obviously the government, previously delighted we had split, is now shattered Mwasa is again alive and kicking," said spokesman Mr Mazwai Thami.

The congress held a service to commemorate the banning of three newspapers and the detention of scores of leaders on October 19, 1977. — Sapa

CNA wage strike possible

29/10/86 Star

About 1 000 workers at CNA countrywide are considering whether or not to strike after the collapse of wage talks this week.

The Commercial, Catering and Allied Workers' Union (Ccawusa) rejected a final wage offer by CNA of an R85 a month across-the-board increase, the company said yesterday.

The union said it was sticking to demands for a R105 a month increase.

Negotiations between the parties began in mid-May. At that time the union demanded a R200-a-month across-the-board increase to become effective on August 1. The union also demanded that May 1 and June 16 be paid public holidays.

CNA says the union declared a dispute in July, refused to take part in mediation, and applied for the conciliation board which was granted at the end of September and met without success on October 8.

NEWS ANALYSIS

195 BUSDAY 14/11/86

Competition Board cleans up news world

Business Day Reporter

THE Competition Board (CB) has come knocking on the door of the newspaper industry, leaving in its wake speculation of cuts in several areas.

News executives predicted the visit would bring:

☐ Lower newsprint costs;

☐ The possibility of slightly reduced advertising commissions;

☐ An outside chance of reduced cover prices for some newspapers sold in shops.

The board's anti-cartel stance spells doom for the 14-year agreement between SA's two newsprint mills — Sappi and Mondi — and the Newspaper Press Union of SA (NPU).

The present contract, due to expire in 1988, is now being redrawn.

Sources involved in the negotiations, who asked not to be identified, said the new terms would almost certainly be beneficial to the newspaper industry.

It is understood the contract is close to being finalised.

The CB would have to approve the new contract, which could take effect immediately.

Neither Sappi nor Mondi would comment on the ongoing negotiations with the NPU until the contract has been agreed to.

The ending of fixed commissions and agency accreditation in the advertising industry has already been felt in the newspaper industry, but its ultimate effects remain the source of conjecture.

Association of Advertising Agencies (AAA) president Hennie Klerck predicted the new era would bring "slight benefits to the publishing industry".

While some large agencies would "laugh all the way to the bank," increased competition from smaller firms willing to accept lower conditions would ultimately favour newspapers, he said.

Argus MD Peter McLean termed ad agency deregulation "a moderate plus" for newspaper owners.

The ad agencies have come under fire from the CB for controlling access to the industry, and for price collusion.

SA Associated Newspapers MD Steve Mulholland said he had always been in favour of allowing a free market to set prices, and he therefore felt comfortable with the new advertising regulations.

NPU GM Philip Kotze pointed out that increased competition among the media for advertising revenue had already broken down much of the rigidity in the ad industry.

☐ The eventual banning of resale price maintenance for newspapers was also on the cards, said sources close to the CB.

14/11/86
BUSDAY
195

COMPANIES

CNA Gallo ups shares

MERVYN HARRIS

CNA GALLO has reinstated the interim dividend with a payout of 4c a share for the half-year to end-September.

The resumption comes in the wake of the company more than trebling earnings from 2,8c to 9,8c a share on increased sales while holding operating expenses and net interest to a low increase of 3,2%.

The directors expect group companies to trade favourably through the second half of the financial year to March, and say shareholders can look forward to improved results.

Turnover rose from R134,2m to R148,6m, pushing up trading income from R3,7m to R4,8m. The fall in the interest bill to R1,3m (R2,4m) was offset by a rise in tax to R1,47m (R898 000), leaving taxed profit of R2m (R818 000).

Outside shareholders' interest and preference dividends were slightly higher at R378 000 (R303 000), but with Silveray Stationers and Struik Book Publishing trading well, share of retained earnings of associated companies surged to R1,46m (R373 000).

This boosted attributable earnings to R3,08m compared with R888 000 in the same period last year.

The sale of the group's quoted investments in Argus and Lucem realised an extraordinary profit of R3,27m, but were not included in the figures.

The new basis of accounting for video and music contract advances implemented in the last financial year had no material effect on the results.

There was a slight drop in capital employed by the group from R106,3m to R101,5m, while borrowings were down from R31,5m to R26,8m.

Financial director Malcolm James said the entertainment division was trading well, while the boom in the retail industry appeared to be filtering through to CNA, the group's other major division.

CNA Gallo shares slipped 10c to 285c ahead of the results, slightly off its recent peak of 300c.

195

Joint operations solve problems

SAAN-Argus agreement is 'sound practice'

CHRIS CAIRNCROSS

JOINT operating agreements (JOA) like that entered into between SA Associated Newspapers (SAAN) — owners of *Business Day* — and Argus have become common and good business practice in several countries, as a means of solving many newspaper problems.

Major Dutch newspaper publishing group Sijthof Pers MD Jan Nouwen said such agreements provided a number of benefits, not least to the public served by the newspapers. His company has successfully negotiated two JOAs with competing newspaper companies in The Hague and Rotterdam.

Nouwen told the annual *Cape Times* Businessman of the Year function in Cape Town — the award went to Picbel chairman Jan Pickard — a typical JOA was: "Agreements which are meant to solve financial and economic problems of one or more newspapers by money-saving co-operation in one or more areas of production, sales, advertising and administration, while keeping the editorial activities of the newspapers involved completely apart.

"Or, if some co-operation on that side is introduced, maintaining the editorial style, face and independence of the newspaper or newspapers involved."

Relating his company's experience with JOAs in The Hague, Nouwen said a feature of the agreement was a stipulation that advertisers could no longer advertise in only one of the two newspapers concerned.

He said: "They can only put their advertisements in the total circulation of both newspapers at the same time." Advertisers had accepted the new arrangement without any problems.

The benefit of such a JOA arangement to the society the two papers served, and to the advertisers concerned, was clear-cut.

Nouwen said: "First, the newspaper companies involved were strengthened, which goes to the benefit of the independence of the Press and assures readers — to their benefit and that of advertisers — that they are informed fully, and only on the basis of the formula of the relevant newspaper.

"On the basis of that strength we can say: 'Go to hell' to everybody, including the government'."

The arrangement also maintained the diversity of the Press, allowing readers a choice between newspapers.

And, the advantage to newspapers was that they knew their message was getting across to devoted readers even though, in some cases, they might have to pay more.

Having had the opportunity to speak to a number of important South Africans during his two-week visit to the country, Nouwen — who is also vice-president of the International Federation of Newspaper Publishers — said he would not pretend to understand fully all the problems of the complex situation in which SA found itself.

Nevertheless, he said, it was clear apartheid had to go. Nouwen said: "It is a system unworthy to human beings of all sides.

"It is in itself a form of violence. It has caused havoc. It will have to go quickly, so as not to impair the future of this beautiful country."

Nouwen said the only solution was negotiation, and not mere consultation, without any pre-conditions from all sides, leading in the end, to complete political and social equality of all human beings.

● See Page 7.

Argus profits rise to R6,7-m

195
21/11/86

The Argus Group bounced back strongly in the first half of the current financial year, with interim profits up to R6,7 million from R2,4 million. Dividends have been doubled to 100 c.

All divisions improved profitability after a difficult first six months last year when profits collapsed by over 60 percent.

All editions of The Star did particularly well, but the circulation of all other group newspapers — except *The Sowetan* — fell in the past six months.

There were also major contributions from CNA-Gallo and printing company CTP.

● See Page 14.

Cape Times 22/11/86

Argus income doubles

JOHANNESBURG. — The Argus Group more than doubled its net income in the six months to the end of September, with bottom-line profits surging to R6,7-million from R2,4-million in last year's first half.

The interim dividend has also been doubled to 100 cents per share from 50 cents last year.

Full year figures, therefore, should be considerably enhanced by the improved utilization of plant and equipment.

Operating margins were assisted by both advertising tariff increases and higher circulation revenue, but somewhat blunted by the continuing decline of advertising revenue in real terms.

While all editions of The Star increased circulation virtually all other publications, bar The Sowetan, produced lower sales figures.

The Argus group has a 49,9 percent stake in Caxton.

Caxton is enjoying tremendous demand from advertisers for its suburban "free-sheets".

In the past year, Argus has particpated in the new M-Net television service, with a stake of a little over 20 percent. The directors report that initial results are ahead of budget. However, it is likely to be more than two years — the budgeted break-even — before any positive contribution comes back to Argus shareholders.

With earnings look set to exceed substantially the 466c a share earned last year, after posting 345c at the halfway stage, there is still upside potential. — Sapa

BUS DAY 24/11/86. 195

Argus forges ahead to double net income

THE Argus Group more than doubled net income in the six months to the end of September, with bottom-line profits surging to R6,7m from R2,4m in last year's first half.

The interim dividend has also been doubled to 100c per share from 50c last year.

Full year figures, therefore, should be considerably enhanced by the improved utilisation of plant and equipment.

Operating margins are still not enormous, with the pre-interest return only edging up by 10% to 5,5%.

These margins were assisted by both advertising tariff increases and higher circulation revenue, but somewhat blunted by the continuing decline of advertising revenue in real terms.

While all editions of *The Star* increased circulation during the period under review, virtually all other publications — bar *The Sowetan* — produced lower sales figures.

On the investment side, both CNA-Gallo and printing group CTP increased their contribution to profits, while an almost 50% increase in investment income to just under R1m was attributed to higher dividends from the shareholding in Maister Directories.

However, this figure could leap once 39% associate company Saan has resumed the payment of dividends.

No mention is made of either the group's 49,9% stake in Caxton — now the controlling shareholder in the Hortors printing group — or the joint control of the Newspaper Marketing Bureau that Argus shares with Caxton.

The influence of Caxton's Terry Moolman and Noel Coburn should not be underestimated in the revived profit performance of the group as a whole.

In the past year, Argus has participated in the new M-Net television service, with a stake of a little over 20%.

The directors report that initial results are ahead of budget.

It is, however, likely to be more than two years — the budgeted break-even — before any positive contribution comes back to Argus shareholders.

The group's share price has roared ahead this year, to a recent new peak of R70 a share from a 1985 low of a shade above R36.

With earnings looking set to substantially exceed the 466c a share earned last year, after posting 345c at the halfway stage, there is still upside potential.

The interim dividend has been doubled to 100c per share from 50c last year. — Sapa.

Cape Times 26/11/86.

SAAN swings into the black

From MERVYN HARRIS

JOHANNESBURG. — South African Associated Newspapers (SAAN) has made a dramatic turnaround from a loss of 251c to earnings of 182c a share in the six months to end September.

The sharp reversal in the group's fortunes came in the wake of a new marketing approach, improved efficiencies, joint printing with Argus in Johannesburg, a joint operating agreement in Cape Town, and a 42% reduction in staff.

MD Stephen Mulholland said the group had overcome its major problems and now had only objectives and challenges.

He cautioned, however, that with the change of the financial year to end March, the second half contained weaker months of publication and profits would be less than those of the first half.

Shareholders could expect to be compensated with a resumption of dividend payments once the group was making decent profits.

Turnover rose from R64,4m to R68,8m despite the closure of the Rand Daily Mail and Sunday Express. With all three Johannesburg publications trading profitably, the swing at operating level was from a loss of R1,8m to a profit of R6,4m.

SAAN's coastal newspapers were also profitable.

While investment income fell to R96 000 (R132 000), the interest bill increased marginally to R2,8m (R2,7m).

R3,6m profit

With no tax payable, profit before extraordinary items was R3,6m against losses of R5m in the same period last year and R19,3m in the 15 months to end March 1986.

This brought profits after extraordinary items to R7,1m against the previous interim loss of R8,8m and a swing of R28,3m from the loss of R21,2m in the 15 months to end March.

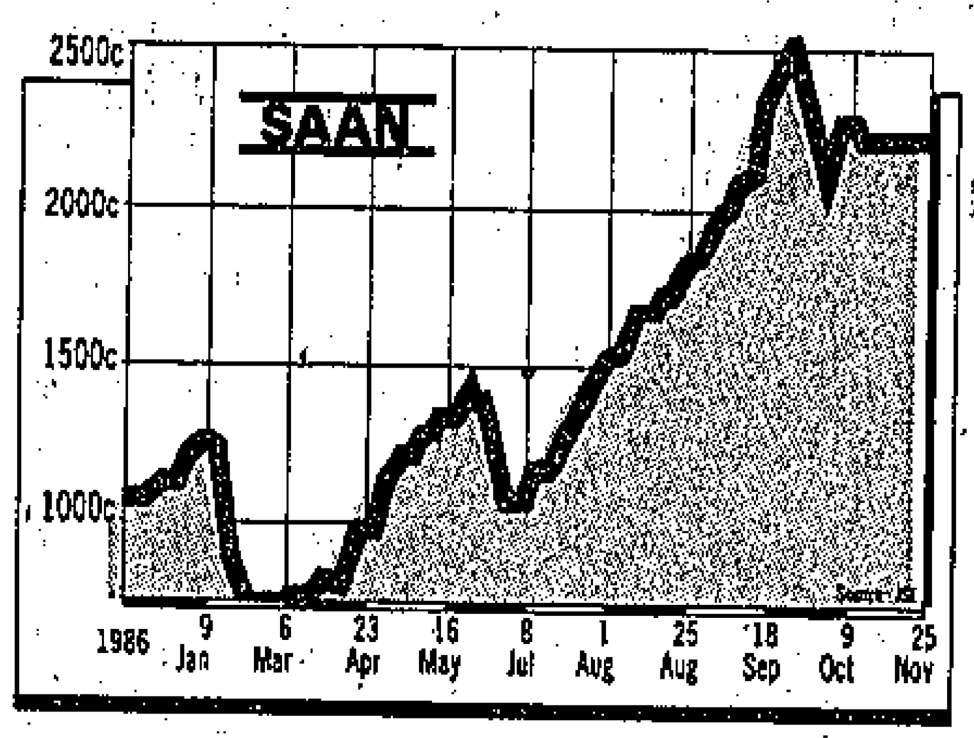
This translated into earnings a share of 355c (loss of 440c and 1 060c respectively).

The balance sheet has been strengthened with shareholders' funds rising to R18,6m (R11,5m) and borrowings down R10m to R32,9m.

Borrowings, down R10m to R32,9m, will be further reduced by the sale of assets since September of R6,2m. A further R16,7m is expected before the end of March from assets already sold but for which payment is not yet due.

However, an outlay of about R4m will be made on further investment in M-Net, retrenchement costs and funding the joint operation in Cape Town, to leave borrowings of about R12m at end March.

This figure will be reduced further on proceeds from the disposal of properties and equipment, estimated at about R8m, which are not yet sold.



SAAN back to profits

195

BusDay 24/11/86

MERVYN HARRIS

SAAN, shaken up by new management, has made a dramatic turnaround from a loss of 251c to earnings of 182c a share in the six months to end-September.

The sharp reversal in the group's fortunes came in the wake of a new marketing approach, improved efficiencies, joint printing with Argus in Johannesburg, joint operating agreements in Cape Town and a 42% reduction in staff.

MD Stephen Mulholland said the group had overcome its major problems and now had only objectives and challenges.

He said: "We have great products and fine people and there is no reason why the profit trend should not continue."

He cautioned, however, with the change of the financial year to end-March, the second half contained weaker months of publication and profits would be less than the first half.

Shareholders could expect to be compensated with a resumption of dividend payments once the group was making decent profits.

Turnover rose from R64,4m to R68,8m despite the closure of the *Rand Daily Mail* and *Sunday Express*.

With all three Johannesburg publications — *Sunday Times*, *Financial*

● To Page 2

SAAN makes dramatic recovery

● From Page 1

195

BusDay 26/11/86

Mail and *Business Day* — trading profitably, the swing at the operating level was from a loss of R1,8m to a profit of R6,4m.

Mulholland said the *Cape Times* and company newspapers in Port Elizabeth and Durban were also making profits.

While investment income fell to R96 000 (R132 000), the interest bill increased marginally to R2,8m (R2,7m).

The rise was due to borrowings only coming down towards the end of the period and interest payments to Argus on the shortfall of capital regarding the joint printing agreement.

With no tax payable, profit before extraordinary items was R3,6m against losses of R5m in the same period last year, and R19,3m in the 15 months to end-March 1986.

The profit of R3,5m on the extraordinary items (previous loss of R3,8m) was on the sale of assets and investments after taking into account reorganisation and retrenchment costs.

This brought profits after extraordinary items to R7,1m against the previous interim loss of R8,8m and a swing of R28,3m from the loss of R21,2m in the 15 months to end-March.

This translated into earnings a share of 355c (loss of 440c and 1 060c, respectively).

The balance sheet had been considerably strengthened with shareholders' funds rising to R18,6m (R11,5m) and borrowings down R10m to R32,9m.

Borrowings will be further reduced by proceeds from the sale of assets since end-September of R6,2m. Another R16,7m is expected to be received before end-March from assets already sold, but for which payment is not yet due.

However, an outlay of about R4m will be made on further investment in M-Net, retrenchment costs and funding of the joint operation in Cape Town.

This will leave borrowings of about R12m at end-March.

This figure will be reduced further on proceeds from the disposal of properties and equipment, estimated at about R8m, which have not yet been sold.

SAAN gets back into the black

STAR 19/5 26/11/86

SA Associated Newspapers has turned the corner dramatically.

Profit after interest and (nil) tax rose to R3,64 million in the six months to end-September compared with a loss of R4,44 million in the same period last year.

Profit after extraordinary items was R7,12 million (previous: minus R8,83 million).

Earnings a share have climbed to 182c before extraordinary items and 355c after these items, compared with negative earnings of 251c and 440c respectively in the same period last year.

The directors have decided, however, "It would be premature to declare a dividend at this stage."

The change of the year-end to March 31 means the comparative figures for the previous half-year, to end-September 1985, are estimates, based on monthly management reports and the audited financial statements for the 15 months to end-March 1986.

A feature of the extraordinary items in the latest six months is the R4,21 million profit on the sale of assets and investments and adjustments to the provision for diminuition in their value.

Closure of publications cost R738 000 compared to R5,13 million in the previous interim.

The directors comment that: "Borrowings will be reduced further by the proceeds from the sale of assets received since end-September, amounting to R6,2 million.

"A further R16,7-million is expected to be received before 31 March 1987 from assets already sold but for which payment is not yet due.

"On the other hand, approximately R4 million will be outlayed on further investment in M-Net, retrenchment costs and funding of the joint operation in Cape Town." So borrowings are expected at end-March next year to be around R12 million. — Sapa.

195 BUS DAY 28/11/86

Mediation fails to end CNA strike

ALAN FINE

MEDIATION yesterday failed to resolve the four-week-old wage strike involving the CNA and the Commercial, Catering and Allied Workers' Union (Ccawusa).

The company and the union met Paul Pretorius of Independent Mediation Services of SA yesterday. However, a CNA spokesman said there was no movement on either side and there were no plans for further attempts at mediation.

Just under 600 CNA employees from stores and warehouses on the Rand, Pretoria and Durban are striking in support of a R105 across-the-board monthly increase. The company is offering R85.

Ccawusa were not available for comment.

Pullout could cost dearly

28/11/86

SAAN FINWEEK

New era

195

Sweeping changes to the group's cost-structure over the past year have helped South African Associated Newspapers (Saan) move firmly back into profits in the six months to end-September.

After-tax profits showed a R8,1m turnaround, swinging from a R4,4m loss to a profit of R3,6m. These are the first results published since the rationalisation programme started taking effect in the second quarter of 1986 — and they leave little doubt that further substantial improvements in earnings are in the pipeline.

The beauty of the Saan figures is that, unlike many of the hard-hit companies which have reported profit improvements in the past five months (see *Leaders*), Saan's recovery was generated entirely at operating level — but the group will soon be receiving additional impetus derived from reductions in the interest bill.

There was only limited help from turnover growth, although sales did increase by 6,7% despite the closure in April 1985 of the *Rand Daily Mail*. Even so, the previous pre-interest loss of R1,8m was turned into a profit of R6,4m, which gives a respectable profit margin of 9,3%.

Although the balance sheet has steadily strengthened, and by March will look radically different from the dangerously overgeared position of March 1986, the interest bill actually increased slightly to R2,8m in the interim period. This, however, included interest payments made on the shortfall on capital which Saan contributes to the joint printing venture with the Argus group.

By September 30, debt had been slashed by R10m, down from the March 31 figure of R43m to R33m. With the increase in shareholders' funds to R18,6m (R11,5m), debt: equity has been whittled down from 373% to a still high 177%. Since the balance sheet date though, borrowings have been further reduced by R6,2m received from the sale of assets, and another R16,7m should be received before March 31 from assets already sold.

About R4m is expected to be laid out on further investment in M-Net, retrenchment costs and funding of the joint operation in Cape Town, which will leave borrowings of around R12m by end-March 1987. On present shareholders' funds, this would bring gearing down to about 64%. The figure would continue to decline, as the group still holds properties and equipment which it plans to sell and which are valued at about R8m.

SAAN REBOUNDS

Six months to Sep 30	1985	1986
Turnover (Rm)	64,5	68,8
Operating profit (loss) (Rm)	(1,8)	6,4
Interest paid (Rm)	2,8	2,8
Pre-tax profit (Rm)	(4,4)	3,6
Extraordinary items (Rm)	(3,8)	3,5
Earnings (c)		
— before extraordinary items	(251)	182
— after extraordinary items	(440)	355

Continued improvement could also be seen in operating profits, given that much of the restructuring that enabled the recovery only happened around mid-year. MD Stephen Mulholland attributes the turnaround in the trading performance to a number of factors, particularly more efficient marketing — the group is far more disciplined on discounts — generally tighter management and the substantial changes to the cost structure.

Since last June, the major Transvaal publications have been printed by the Saan/Argus joint printing venture; staff has been cut by 43% from 2 135 a year ago to 1 219; and the group moved in mid-October to new premises at fixed rental costs. All this greatly reduced overheads — and depreciation — with the full benefits still to flow through. The joint printing venture will allow both Argus and Saan to enjoy economies of scale.

For some years ahead, all of these favourable developments will flow directly through to the bottom line. No tax was paid for the interim period, and the group has an assessed tax loss of R39m. Earnings a share before extraordinary items were 182c against the previous loss of 251c. The board has decided that payment of a dividend "would be premature at this stage;" but these figures clearly show there is potential for a dividend in the second half.

A major area for concern must be the state of the advertising market. Mulholland says that conditions in the market place "remain difficult and highly competitive." Once the restructuring is complete, the group's fortunes will become more closely linked to growth in advertising revenue — unless it moves into new ventures. Mulholland notes that "it would be reasonable to expect us to seek opportunities in due course."

Andrew McNulty

ARGUS

Printing profits

After predicting no more than a modest increase in earnings in its 1986 annual report, the Argus Printing and Publishing Company made headlines with a threefold increase in earnings for the interim period to end-September.

According to a company spokesman, profits are larger than expected owing to the recovery in consumer spending and because the group experienced better savings than it anticipated from the rationalisation of printing and publishing activities with South African Associated Newspapers (Saan); both Argus and Saan are enjoying economies of scale. CNA Gallo also made a better contribution, and CTP Holdings improved its net income by some 40%.

The benefits accruing from the Argus/Saan rationalisation are expected to continue in the second half, which suggests the group could improve on last year's second half earnings of 344c a share. Added to the 345c made in the first half, the group could make close to 700c for the year. While this would represent a substantial improvement on the past two years, it is still way off 1984 earnings of 1 147c a share (annualised).

The spokesman says the benefits from the merger of the Durban newspapers, *The Daily News* and *The Natal Mercury*, are already flowing through strongly. The building housing *The Daily News* in Field Street is up for sale — a figure of about R11m has been put on the building, but this could not be confirmed.

In Cape Town, benefits of the joint operating arrangement have only just begun to emerge, and greater gains are expected to accrue in the second six months. *The Star's* works in Johannesburg began printing the *Sunday Times* and *Business Day* from June and, as a result, greater benefits of this rationalisation are expected in the second half of the year.

While the group's advertising volumes declined, tariff increases and higher circulation revenue helped to improve profits. The higher revenue was in part due to the inclusion of the *Mercury* for the first time and to the increased holding in the *Sunday Star* — Argus bought Saan's 50% share in the period under review to take its holding to 100%.

ARGUS ADVANCES

Six months to	Sep 30 '85	Mar 31 '86	Sep 30 '86
Turnover (Rm)	319,2	385,6	377,1
Operating Profit (Rm)	15,8	24,8	20,9
Attributable Profit (Rm)	2,4	6,7	6,7
Earnings (c)	122	344	345
Dividends (c)	50	100	100

Apart from an improved trading margin (5,5% versus 4,9% a year ago), Argus cut back borrowings from R92,7m to R82,3m, and this, combined with lower interest rates, saw the interest bill fall by almost 40%. While there is no indication of what borrowings for the full year might be, the interest bill will be substantially lower than last year thanks to lower rates.

Improving earnings trends from CNA Gallo and CTP Holdings, a better performance from Saan which could result in some dividend income for Argus in the second half, the revival in commercial activity and continued rationalisation benefits all point to a better second half for Argus, and in reflection of the improved prospects, the share price has reached a 12 month peak at R70, almost double the January price of R37.

Kerry Clarke

US diplomats visiting Namibia ... ings.

Back to work at Gallo

1/12/86 STAR 195

About 130 workers at two Gallo plants who went on strike in sympathy with 600 strikers at CNA, have agreed to return to work today, said the company.

Gallo said the 130 workers from Gallo Bedfordview and Steeledale were members of the Commercial Catering and Allied Workers' Union of SA (Ccawusa) and had been on strike for three weeks.

"On Friday, Gallo mangement held a meeting with shop stewards at which a return-to-work agreement was signed."

No Gallo employee who took part in the strike would be dismissed. Employees would be reinstated in their previous jobs and there would be no victimisation, the company said. Seasonal workers would also be reinstated.

The union could not be reached for comment.

Govt pays R33 800 to Raditsela family

3/12/86 STAR

The family of Mr Andries Raditsela, a senior shop steward who died just days after being detained by police on the East Rand, had been paid R33 800 by the Minister of Law and Order, said a union statement today.

The Chemical Workers Industrial Union (CWIU) said Mr Raditsela left a wife and baby.

He was detained at 9 am on May 4 last year. At lunchtime his parents saw him at the Tsakane Administration Board offices. He could not stand.

While in police custody he was admitted to hospital with head injuries. He died on May 6 in the Baragwanath Hospital. An inquest into his death is currently under way in the Johannesburg Magistrate's Court.

The CWIU assisted the Raditsela family in bringing a legal action against the Minister of Law and Order.

In an out-of-court settlement, the Minister agreed to pay the family R33 800.

● See Page 4M.

600 CNA strikers to return to work

STAR 145

3/12/86

By Sheryl Raine

A month-long strike involving 600 CNA workers has ended after nine hours of talks between the company and union officials, CNA said.

The Commercial Catering and Allied Workers' Union of SA (Ccawusa) has agreed to get workers in the Transvaal and Natal to return to work tomorrow.

Ccawusa accepted an R85-a-month increase, backdated to August 1, which will give workers an average wage of more than R500 a month. The minimum wage is now R400 a month.

CNA has also agreed to grant one day's paid leave for either May 1 or June 16.

Workers who took part in the current wage strike will not be victimised and will qualify for their normal Christmas bonus, CNA says. Hardship cases arising from the strike will be considered and in some cases salary advances granted.

5. CLAUSE 31.—SICK PAY FUND FOR THE BUILDING INDUSTRY

(1) Substitute to the following for subclause (4) (a) and (b):

"(4) *Payments from the Fund.*—(a) An employee who by reason of sickness or accident, confirmed by production of a medical certificate issued by a medical practitioner, is unable to follow his employment, and who qualifies for benefits in terms of this subclause, shall be entitled to sick pay equal to the percentage specified hereunder of the minimum basic wage prescribed in clause 16 (1) for every work-day, but excluding public holidays, on which the member is absent in a cycle of 365 calendar days:

Work days absent	Class of employee	Percentage of basic wage
	Employees for whom wages are prescribed in—	
1st to 10th	Clause 16 (1) (a) to (k)	60
11th to 130th............	Clause 16 (1) (a) to (g), (i), (j) and (k)................................	50
11th to 25th	Clause 16 (1) (h)	50
26th to 130th............	Clause 16 (1) (h)	33

(b) Notwithstanding the provisions of paragraph (a), employees shall not be entitled to benefits until 26 consecutive weeks' contributions have been made to the Fund: Provided that contributions interrupted by a period of unemployment or a change of employer within the Industry shall count as consecutive contributions. No benefit shall be payble in respect of absence exceeding 130 work-days in a cycle of 365 calendar days, such cycle to commence on the day the member is first entitled to sick pay at 60 per cent of the basic wage.".

Signed at Cape Town, on behalf of the parties, this 15th day of July 1986.

H. Mc CARTHY,
Chairman.

R. G. SIMMONS,
Vice-Chairman.

J. J. KITSHOFF,
Secretary.

5. KLOUSULE 31.—SIEKEFONDS VIR DIE BOUNYWERHEID

(1) Vervang subklousule (4) (a) en (b) deur die volgende:

"(4) *Uitbetaling uit die Fonds.*—(a) 'n Werknemer wat weens siekte of 'n ongeluk, gestaaf deur 'n sertifikaat wat deur 'n mediese praktisyn uitgereik is, nie in staat is om sy werk voort te sit nie en wat ingevolge hierdie subklousule vir bystand in aanmerking kom, is geregtig op siektebesoldiging gelyk aan die persentasie, soos hieronder aangedui, van die minimum basiese loon soos voorgeskryf in klousule 16 (1) vir elke werkdag, uitgesonderd openbare vakansiedae, wat 'n lid in 'n siklus van 365 kalenderdae afwesig is:

Werkdae afwesig	Klas werknemer	Persentasie van basiese loon
	Werknemers vir wie lone voorgeskryf word in—	
1ste tot 10de	Klousule 16 (1) (a) tot (k)..........	60
11de tot 130ste	Klousule 16 (1) (a) tot (g), (i), (j) en (k)................................	50
11de tot 25ste...........	Klousule 16 (1) (h)..................	50
26ste tot 130ste..........	Klousule 16 (1) (h)..................	33

(b) Ondanks paragraaf (a) is werknemers nie op bystand geregtig voordat hulle 26 agtereenvolgende weke tot die Fonds bygedra het nie: Met dien verstande dat bydraes wat onderbreek word deur 'n tydperk van werkloosheid of 'n wisseling van werkgewer binne die Nywerheid as aaneenlopende bydraes moet tel. Geen bystand is betaalbaar ten opsigte van afwesigheid van meer as 130 werkdae in 'n siklus van 365 kalenderdae: Met dien verstande dat sodanige siklus 'n aanvang neem op die dag wat die lid die eerste keer geregtig is op siektebesoldiging teen 60 % van die basiese loon.".

Namens die partye op hede die 15de dag van Julie 1986 te Kaapstad onderteken.

H. Mc CARTHY,
Voorsitter.

R. G. SIMMONS,
Ondervoorsitter.

J. J. KITSHOFF,
Sekretaris.

No. R. 2578 **5 December 1986**

LABOUR RELATIONS ACT, 1956

195

PRINTING AND NEWSPAPER INDUSTRY.—AMENDMENT OF PENSION FUND AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 December 1986, upon the employers' organisations and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or union; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 December 1986, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

No. R. 2578 **5 Desember 1986**

WET OP ARBEIDSVERHOUDINGE, 1956

DRUK- EN NUUSBLADNYWERHEID.—WYSIGING VAN PENSIOENFONDSOOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1986 eindig, bindend is vir die werkgewersorganisasies en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of vereniging is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (a), met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1986 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Ondernemeing, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

NATIONAL INDUSTRIAL COUNCIL OF THE PRINTING AND NEWSPAPER INDUSTRY OF SOUTH AFRICA

PENSION FUND AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between

The South African Printing and Allied Industries Federation

and

The Newspaper Press Union of South Africa

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and

The South African Typographical Union

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being the parties to the National Industrial Council of the Printing and Newspaper Industry of South Africa to amend the Pension Fund Agreement, published under Government Notice R. 165 of 10 February 1984, as amended and renewed by Government Notices R. 502 of 8 March 1985, R. 20 of 3 January 1986, R. 296 of 21 February 1986 and R. 930 of 16 May 1986.

1. SCOPE OF APPLICATION

The provisions of this Agreement shall be observed in the Printing and Newspaper Industry—

(1) by all employers who are members of the employers' organisations and by all the employees who are members of the trade union who are engaged or employed in the Industry as defined;

(2) in the Republic of South Africa, excluding the port and settlement of Walvis Bay.

2. ANNEXURE A TO THE AGREEMENT

Section 1.—Retirement Allowances.—In subsection (2), substitute the figures "R65,35" and "R38,79" for the figures "R56,03" and "R33,26", respectively.

The employers' organisations and the trade union having arrived at the Agreement set forth herein, the undersigned authorised officers of the Council hereby declare that the aforegoing is the Agreement arrived at and affix their signatures thereto.

Signed at Cape Town this eighth day of July 1986.

M. R. WATERMEYER,

Employers' Representative Chairman of the Council.

R. F. CROWTHER,

Secretary of the Council.

L. R. FINDLEY,

Employees' Representative.

NASIONALE NYWERHEIDSRAAD VIR DIE DRUK- EN NUUSBLADNYWERHEID VAN SUID-AFRIKA

PENSIOENFONDSOOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen

The South African Printing and Allied Industries Federation

en

The Newspaper Press Union of South Africa

(hierna die "werkgewers" of die "werkgewersorganisasies" genoem), aan die een kant, en

The South African Typographical Union

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Druk- en Nuusbladnywerheid van Suid-Afrika, om die Pensioenfondsooreenkoms gepubliseer by Goewermentskennisgewing R. 165 van 10 Februarie 1984, soos gewysig en hernieu by Goewermentskennisgewings R. 502 van 8 Maart 1985, R. 20 van 3 Januarie 1986, R. 296 van 21 Februarie 1986 en R. 930 van 16 Mei 1986, te wysig.

1. TOEPASSINGSBESTEK

Hierdie Ooreenkoms moet in die Druk- en Nuusbladnywerheid nagekom word—

(1) deur alle werkgewers wat lede is van die werkgewersorganisasies en deur alle werknemers wat lede is van die vakvereniging wat betrokke is by of in diens is in die Nywerheid, soos omskryf;

(2) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nedersetting van Walvisbaai.

2. BYLAE A VAN DIE OOREENKOMS

Klousule 1.—Aftreetoelaes.—In subklousule (2), vervang die syfers "R56,03" en "R33,26" deur onderskeidelik die syfers "R65,35" en R38,79".

Nademaal die werkgewersorganisasies en die vakvereniging tot die Ooreenkoms geraak het wat hierin uiteengesit word, verklaar ondergetekende gemagtigde beamptes van die Raad hierby dat bogenoemde die Ooreenkoms is waartoe daar geraak is en heg hulle hul handtekeninge daaraan.

Op hede die agste dag van Julie 1986 te Kaapstad onderteken.

M. R. WATERMEYER,

Werkgewersverteenwoordiger Voorsitter van die Raad.

R. F. CROWTHER,

Sekretaris van die Raad.

L. R. FINDLEY,

Werknemersverteenwoordiger.

No. R. 2580 5 December 1986

LABOUR RELATIONS ACT, 1956

PRINTING AND NEWSPAPER INDUSTRY, R.S.A.—RENEWAL OF LABOURERS' BENEFIT FUND AGREEMENT

I, Mattheus Willem Johannes le Roux, Director: Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices R. 909 of 6 May 1983, R. 2309 of 26 October 1984 and R. 932 of 16 May 1986 to be effective from the date of publication of this notice and for the period ending 31 December 1988.

M. W. J. LE ROUX,
Director: Manpower.

No. R. 2580 5 Desember 1986

WET OP ARBEIDSVERHOUDINGE, 1956

DRUK- EN NUUSBLADNYWERHEID, R.S.A.—HERNUWING VAN ARBEIDERSHULPFONDSOOREENKOMS

Ek, Mattheus Willem Johannes le Roux, Direkteur: Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings R, 909 van 6 Mei 1983, R. 2309 van 26 Oktober 1984 en R. 932 van 16 Mei 1986 van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1988 eindig.

M. W. J. LE ROUX,
Direkteur: Mannekrag.

No. R. 2555 **5 December 1986**

BASIC CONDITIONS OF EMPLOYMENT ACT, 1983

CONTINUOUS WORKING

I, Petrus Jacobus van der Merwe, Director-General: Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 33 (1) of the Basic Conditions of Employment Act, 1983, declare the manufacture of pulp and paper as carried out by Sappi Fine Papers (Pty) Ltd, Port Elizabeth, to be an activity with respect to which work may be performed continuously in three shifts per 24 hours, seven days a week: Provided that the conditions of employment, as published under Government Notice R. 2167 of 28 September 1984, or any Government Notice published in substitution thereof, are adhered to.

P. J. VAN DER MERWE,
Director-General: Manpower.

No. R. 2571 **5 December 1986**

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LABOUR RELATIONS ACT, 1956

PRINTING AND NEWSPAPER INDUSTRY.—AMENDMENT OF MAIN AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 December 1986, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (a), 5 and 6 in so far as it amends clause 19 (1) (e) (i), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 December 1986, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

NATIONAL INDUSTRIAL COUNCIL OF THE PRINTING AND NEWSPAPER INDUSTRY OF SOUTH AFRICA

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between

The South African Printing and Allied Industries Federation

and

The Newspaper Press Union of South Africa

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and

The South African Typographical Union

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being the parties to the National Industrial Council of the Printing and Newspaper Industry of South Africa,

to amend the Main Agreement published under Government Notice R. 2744 of 24 December 1982, as amended and renewed by Government Notices R. 1363 of 1 July 1983, R. 2423 of 4 November 1983, R. 2746 of 14 December 1984, R. 19 of 3 January 1986, R. 295 of 21 February 1986 and R. 929 of 16 May 1986.

1. SCOPE OF APPLICATION

The provisions of this Agreement shall be observed in the Printing and Newspaper Industry—

(1) by all employers who are members of the employers' organisations and by all employees who are members of the trade union who are engaged or employed in the Industry, as defined;

(2) in the Republic of South Africa, excluding the port and settlement of Walvis Bay.

2. SECTION 11.—PAYMENT OF REMUNERATION

Insert the following proviso at the end of subsection (1):

": Provided that, by mutual agreement between the employer and employee concerned, remuneration shall become due and be paid monthly not later than the normal closing time on the last working day of each month or on termination of employment, whichever is the earlier.".

3. SECTION 12.—HOURS OF WORK

(1) Insert the following proviso at the end of subsection (2):

": Provided that, by arrangement with the Chapel, an interval of at least half an hour may be implemented.".

(2) Insert the following proviso at the end of subsection (6):

": Provided further that, by arrangement with the Chapel, an interval of at least half an hour may be implemented.".

4. SECTION 17.—TERMINATION OF CONTRACT OF EMPLOYMENT

In subsection (1), delete the words "where the necessary exemption to authorise his payment on a monthly basis has been obtained.".

5. SECTION 18.—CONTRIBUTIONS

In subsection (4), substitute the figure "R7,40" for the figure "R5,40".

6. SECTION 19.—CONTRIBUTION STAMPS

In subsection (1), substitute the figures "54,44", "30,41", 25,61", "14,53" and "10,78" for the figures "52,44", "28,41", "23,61", "12,53" and "8,78", respectively.

7. SECTION 21.—DEDUCTIONS

Substitute the following for the tables in subsection (1):

"1986

Value of stamp	R 54,44	R 30,41	R 25,61	R 14,53	R 10,78
General Fund	0,11	0,10	0,10	0,10	0,10
Employee Benefit Fund	0,50	0,25	0,25	0,25	0,25
Pension Fund	17,07	10,38	8,13	2,92	0,79
Medical Aid Fund	3,70	3,70	3,70	3,70	3,70
	21,38	14,43	12,18	6,97	4,84

Value of stamp	R 47,04	R 23,01	R 18,21	R 7,13	R 3,38	R 3,09	R 1,50
General Fund	0,11	0,10	0,10	0,10	0,10	0,10	0,10
Employee Benefit Fund	0,50	0,25	0,25	0,25	0,25	—	—
Pension Fund	17,07	10,38	8,13	2,92	0,79	0,79	—
Labourers' Benefit Fund—Pension Fund	—	—	—	—	—	—	0,28
Medical and Sick Pay Fund	—	—	—	—	—	0,12	0,12
	17,68	10,73	8,48	3,27	1,14	1,01	0,50

General Fund cash contribution	R0,60
General Fund	R0,20".

No. R. 2555 **5 Desember 1986**

WET OP BASIESE DIENSVOORWAARDES, 1983

AANEENLOPENDE WERK

Ek, Petrus Jacobus van der Merwe, Direkteur-generaal: Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby kragtens artikel 33 (1) van die Wet op Basiese Diensvoorwaardes, 1983, dat die vervaardiging van pulp en papier soos uitgevoer deur Sappi Fine Papers (Pty) Ltd, Port Elizabeth, 'n bedrywigheid is met betrekking waartoe daar aaneenlopend in drie skofte per 24 uur, sewe dae per week, gewerk kan word: Met dien verstande dat die diensvoorwaardes, soos gepubliseer by Goewermentskennisgewing R. 2167 van 28 September 1984, of enige Goewermentskennisgewing gepubliseer ter vervanging daarvan, nagekom word.

P. J. VAN DER MERWE,
Direkteur-generaal: Mannekrag.

No. R. 2571 **5 Desember 1986**

WET OP ARBEIDSVERHOUDINGE, 1956

DRUK- EN NUUSBLADNYWERHEID.—WYSIGING VAN HOOFOOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1986 eindig, bindend is vir die werkgewersorganisasies en die vakvereniging wat die Wysigingsooreekoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of vereniging is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousles 1 (1) (a), 5 en 6 vir sover dit klousule 19 (1) (e) (i) wysig, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1986 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreekoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

NASIONALE NYWERHEIDSRAAD VIR DIE DRUK- EN NUUSBLADNYWERHEID VAN SUID-AFRIKA

OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhouginge, 1956, gesluit deur en aangegaan tussen

The South African Printing and Allied Industries Federation

en

The Newspaper Press Union of South Africa

(hierna die "werkgewers" of die "werkgewersorganisasies" genoem), aan die een kant, en

The South African Typographical Union

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Druk- en Nuusbladnywerheid van Suid-Afrika,

om die Hoofooreenkoms gepubliseer by Goewermentskennisgewing R. 2744 van 24 Desember 1982, soos gewysig en hernieu by Goewermentskennisgewings R. 1363 van 1 Julie 1983, R. 2423 van 4 November 1983, R. 2746 van 14 Desember 1984, R. 19 van 3 Januarie 1986, R. 295 van 21 Februarie 1986 en R. 929 van 16 Mei 1986, te wysig:

1. TOEPASSINGSBESTEK

Hierdie Ooreenkoms moet in die Druk- en Nuusbladnywerheid nagekom word—

(1) deur alle werkgewers wat lede is van die werkgewersorganisasies en deur alle werknemers wat lede is van die vakvereniging wat betrokke is by of in diens is in die Nywerheid, soos omskryf;

(2) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nedersetting van Walvisbaai.

2. KLOUSULE 11.—BETALING VAN BESOLDIGING

Voeg die volgende voorbehoudsbepaling in aan die einde van subklousule (1):

": Met dien verstande dat, by onderlinge ooreenkoms tussen die betrokke werkgewer en werknemer, besoldiging maandeliks verskuldig word en maandeliks betaal moet word voor of op die gewone sluitingstyd op die laaste werkdag van elke maand of by diensbeëindiging, naamlik op die vroegste datum.".

3. KLOUSULE 12.—WERKSURE

(1) Voeg die volgende voorbehoudsbepaling in aan die einde van subklousule (2):

": Met dien verstande dat, deur reëling met die Kapel, 'n pouse van minstens 'n halfuur toegestaan kan word.".

(2) Voeg die volgende voorbehoudsbepaling in aan die einde van subklousule (6):

": Voorts met dien verstande dat, deur reëling met die Kapel, 'n pouse van minstens 'n halfuur toegstaan kan word.".

4. KLOUSULE 17.—BEËINDIGING VAN DIENSKONTRAK

In subklousule (1) skrap die woorde "as die nodige vrystelling verkry is om sy betaling op 'n maandelikse basis te magtig. moet.".

5. KLOUSULE 18.—BYDRAES

In subklousule (4), vervang die syfer "R5,40" deur die syfer "R7,40".

6. KLOUSULE 19.—BYDRAESEËLS

In subklousule (1), vervang die syfers "52.44", "28,41", "23,61", "12,53" en "8,78" deur onderskeidelik die syfers "54,44", "30,41", "25,61", "14,53" en "10,78".

7. KLOUSULE 21.—AFTREKKINGS

Vervang die tabelle in subklousule (1) deur die volgende:

"1986

Waarde van seël	R 54,44	R 30,41	R 25,61	R 14,53	R 10,78
Algemene Fonds	0,11	0,10	0,10	0,10	0,10
Werknemersvoordelefonds	0,50	0,25	0,25	0,25	0,25
Pensioenfonds	17,07	10,38	8,13	2,92	0,79
Mediese Hulpfonds	3,70	3,70	3,70	3,70	3,70
	21,38	14,43	12,18	6,97	4,84

Waarde van seël	R 47,04	R 23,01	R 18,21	R 7,13	R 3,38	R 3,09	R 1,50
Algemene Fonds	0,11	0,10	0,10	0,10	0,10	0,10	0,10
Werknemersvoordelefonds	0,50	0,25	0,25	0,25	0,25	—	—
Pensioenfonds	17,07	10,38	8,13	2,92	0,79	0,79	—
Arbeidershulpfonds—Pensioenfonds	—	—	—	—	—	—	0,28
Mediese- en Siektebesoldigingsfonds	—	—	—	—	—	0,12	0,12
	17,68	10,73	8,48	3,27	1,14	1,01	0,50

Algemene Fonds kontantbydrae	R0,60
Algemene Fonds	R0,20".