

# Industrial Development Corporation of South Africa, Limited

Address by Dr. H. J. van der Bijl, Chairman of the Corporation, at the Fifth Ordinary General Meeting of Shareholders at Escom House, Johannesburg, on the 1st November, 1944.

GENTLEMEN,

You have before you for your consideration and approval the Report of the Directors, the Balance Sheet and Profit and Loss Account for the year ended 30th June, 1944.

This year the Corporation issued a further 750,000 "B" Shares of £1 each, making the total issued capital £2,001,000. The whole of this issue was taken up by the Government of the Union for cash.

**Balance Sheet and Accounts:**—The Balance Sheet shows total loans and advances and disbursements in respect of companies to be formed amounting to £274,642 19s. 9d. This figure compares with loans and advances last year of £268,276 8s. 10d. The small net increase of £6,366 10s. 11d. in this section of the Corporation's business of course reflects repayments of loans during the year, but the following factors also contributed towards a relatively smaller amount of loan business generally. You are aware of the fact that loans do not rank as capital employed in trade for excess profits duty purposes, and consequently industries are disposed to issue Preference Shares at a somewhat higher preferential dividend rate rather than accept a loan, or loans, at a lower rate of interest. Often also the nature of an industrial undertaking dictates the desirability of financing a programme of expansion by means of Preference or Ordinary Shares instead of by means of loans. As the general strength of the companies concerned is an important consideration when making loans, I feel I can safely say that this asset of the Corporation's Balance Sheet is healthy.

The Corporation now has stocks and shares in industrial undertakings at cost less amounts written off, of £825,503 2s. 6d., after placing to reserve an amount of £46,000 which, together with the amount of £4,000 previously placed to reserve, makes a total of £50,000. Last year the figure for stocks and shares in industrial undertakings amounted to £430,809 6s. 8d., and if this figure is deducted from £871,503 2s. 6d., which is the amount of this asset, before allowing for the £46,000 placed to reserve, it leaves £440,693 15s. 10d. In spite of the difficulties encountered in assisting industries during the war, due to the uncertainty of production programmes, the delays in obtaining raw materials, labour, plant

and machinery, the assistance which the Corporation has been able to give during the past year is considerable.

The item in the Corporation's Balance Sheet under the heading of "Sundry Debtors" amounted to £46,216 1s. 8d. This figure mainly includes dividends declared before the 30th June, 1944, and which the Corporation did not receive until after that date.

In terms of Section 12 (5) of the Industrial Development Act, funds not required for the immediate purpose of your Corporation have been deposited on short-term and at call, and this account stands at £839,500. This figure amply covers contingent commitments of £659,611 9s. 9d. in respect of undertakings by the Corporation to provide financial assistance to industrial concerns under certain conditions, and taken together with the cash at bank of £23,513 1s. 10d., should provide the Corporation with sufficient cash resources for the ensuing year.

The figures shown under "Contingent Commitments" are an indicator of the work of development your Corporation has in hand, and the potential development of industries possible under more favourable world conditions for obtaining plant and machinery, and more favourable conditions of taxation. With regard to taxation, the Honourable the Minister of Finance has publicly stated that certain aspects of taxation necessary in war-time will be withdrawn after the war to allow industry to play its rightful role in the development of the country, and thereby promote favourable conditions for full employment.

**Profit and Loss Account.**—From this account you will notice that interest, dividends (less amounts written off stocks and shares), rents, fees, including administration fees charged to Wool Washeries, and profits on realisation of stocks and shares, amounted to £118,321 18s. 11d. This figure compares with a figure of £61,914 13s. for last year. The figure for sundry revenue amounted to £8,110 16s. 8d., and comprises various items of a non-recurring nature.

The profit which the Corporation derived from its Wool Washeries amounted to £7,737 against a figure of £3,123 2s. 10d. last year. The increased

profits which accrued to the Corporation were due to a general increase in the efficiency of production, and the uninterrupted supplies of grease wool arriving from the British Wool Commission.

In terms of Section 4 of the Amending Act No. 27 of 1942, your Board has transmitted to the Honourable the Minister separate accounts covering your Congella Wool Washery and Pinetown Wool Washery (Pty.) Ltd. These accounts call for no special comment, but I shall refer to the contribution made by the Wool Washeries to the general development of the wool processing industry in the Union later.

The total revenue derived by the Corporation amounts to £134,169 15s. 7d. This has been achieved with a relatively small increase in administration expenses, which show in the Profit and Loss Account as £60,881 12s. 8d. and to which must be added depreciation amounting to £1,682 18s. 6d. The profit for the year therefore amounts to £71,605 4s. 5d., out of which provision has been made for 1943 taxation of £3,471 4s. and a transfer of £46,000 to reserve account leaving a balance carried forward of £22,134 0s. 5d. to which must be added last year's carry forward of £537 7s. 7d.

While the accounts show satisfactory and substantial progress I wish to repeat the warning I gave last year that we are approaching a critical period of re-adjustment, which is bound to occur after the war. The same satisfactory results achieved this year may, therefore, not be maintained. However, the considerable investigatory and development work now being done should pave the way for expansion of industry under more settled conditions.

**Wool Processing.**—Plans now being made anticipate that your Corporation will play an important part in the development of a wool processing industry in South Africa. Considerable experimental work on the treatment of effluent from wool washeries has been carried out, with the dual object of obtaining wool grease which plays an important part in several industries and has been in critically short supply during the war, and of effecting economies in the use of soap and soda in the washeries themselves. Treatment plant has been perfected which has for the past year supplied grease for lubricant purposes, particularly for the rolling of steel, and has effected such savings in soap and soda that it has been possible to make similar plants available to other washeries throughout the Union on terms which should prove favourable to all parties. Further experimental work is proceeding on novel lines which may yield more important results.

You will remember that at the end of 1941 members of the Wool Council made an approach to the Corporation which resulted early in 1942 in a unanimous resolution by the National Wool Growers Association to raise funds by means of a levy in order

to become a sole partner with the Corporation in a wool processing enterprise. The opening of negotiations in December, 1941—January, 1942, was really made possible by the Wool Council's informing the Corporation that a levy would be imposed to raise the necessary capital beginning with the immediately succeeding wool season. As a result of this and the National Wool Growers Association's resolution, your Corporation considered that it would be dealing with a body with substantial funds at its command.

After we had submitted an agreement to the National Wool Growers Association—drafted to the satisfaction of both sides—it appeared that the Association at the time did not have the statutory powers to impose a levy for the purpose of acquiring shares in a processing company. Up to the present the Association has not been able to overcome this difficulty, and no agreement has yet been signed between the Corporation and the Association. Since the matter of establishing a wool processing concern jointly by the Corporation and the National Wool Growers Association has received much publicity, it is necessary for me to draw attention to this fact and to the fact that an essential feature of the original negotiations was the availability of funds for firm investment in a scheme when submitted. Your Corporation cannot be bound by agreement to a body which has neither the power nor the funds to enter into negotiation with it. Our ideas as to how to go about the development of wool processing have considerably matured since the first conversations with the Wool Growers' representatives took place three years ago. We are at present making arrangements which, I think I can say, cover all the more important avenues of development other than the production of goods manufactured by the "woollen" process. Only the difficulty of procuring machinery has prevented these developments from becoming established facts before now. It should be realised that such an arrangement with the National Wool Growers Association as was visualised could only apply in certain of these avenues. However, it was agreed last year that the matter be left open until 31st December, 1944. Your Board is now in a position to submit a suitable project to the Association and to invite the Association to participate in the manner originally arranged. Should the Association not be in a position to avail itself of this offer, the Corporation will be free to proceed with the project as it thinks fit.

**Cotton Textile Industry.**—Your Corporation's plans for the development of a cotton textile industry to manufacture certain lines on a relatively large scale have now reached a further stage, and the question of forming a company to which the public would be invited to subscribe is under consideration. Owing, however, to present uncertain conditions in obtaining plant and machinery from overseas, the establishment of the scheme may be still further delayed.

**Food Yeast.**—Great interest has been shown on the subject of Food Yeast production and utilisation lately. Your Corporation is only interested in the variety produced from the culture "Torulopsis Utilis" which variety appears to offer best prospects of cheap production. Our attention to the valuable work done overseas in the production of this Food Yeast was first drawn by Major Rees-Davies, Superintendent of the Low Temperature Research Laboratories of the Department of Agriculture and Forestry at Cape Town. We thereupon made contact with the National Physical Laboratories, Teddington, England, who were responsible for developing this strain of culture and the production technique, and who willingly supplied us with the culture and production details. Major Rees-Davies and his staff have established this technique on a continuous basis for us, and have recently successfully demonstrated the process on a pilot-plant in Durban on our behalf. We are now preparing to proceed to semi-commercial production in collaboration with members of the Sugar industry, with a view to ascertaining the cost of production and the design of a full-size commercial plant; such semi-commercial production would also provide the National Nutritional Council and other interests with a sufficient quantity for thorough nutritional tests to be carried out. It appears that in Food Yeast we may have a powerful weapon to aid in combating malnutrition in South Africa, but it must be realised that considerable work still remains to be done, both in the technical and nutritional fields.

**National Feeds, Limited.**—The history of this Company, I am pleased to say, has been one of continuous expansion, and during the year the capital was increased to £200,000 by your Corporation's underwriting further issues of shares to co-operative societies, amounting to £75,000, most of which amount was taken up by the Corporation. The Co-operative Societies whose members are important consumers of the Company's products hold a substantial number of shares, and it is hoped in due course they will acquire a greater proportion. With this in view your Corporation gave an option to Co-operative Societies up to the 30th June, 1944, to acquire your Corporation's shares should it wish to sell. This option, which was at par, has now lapsed, but your Corporation is still willing to let Co-operative Societies purchase shares from it at a price commensurate with the financial position and profitability of the company, which I am happy to say has gone from strength to strength in spite of the difficulty of obtaining raw materials. One of the principal reasons why the Company's products have been so well received is that the Directors of the Company have carried out a policy of supplying only the best ingredients for balanced rations at the lowest possible profit margin. The Company is now a large and important consumer of protein-rich ingredients for animal feeds, which it mixes and manufactures and

distributes in a scientific manner to ensure correct and optimum use in the feeding of livestock.

The farmers have given the Company outstanding support and have been quick to realise the important service rendered by "Nasfeed" in providing a properly balanced ration supplementary to the natural feeds which they have on the farm, and which are periodically deficient in certain vital food elements. A further important service is that a farmer in a maize growing area can get a maize-free ration, likewise a farmer in a lucerne growing area can obtain a lucerne-free ration which constitutes an important saving in costs.

**Underwriting.**—During the year the Corporation underwrote five issues of shares to the public. The total amount involved in these issues was £1,209,150. As the total number of applicants was 2,964, the average amount allotted per applicant was £408, showing that the small investor was well catered for. Our intention is to try to gain the confidence of the investing public by providing a sound outlet for their savings on a long-term basis. Your Corporation is not concerned with issues of a speculative character.

If we finance an industrial undertaking we have reasonable confidence in the future of the industry, and while it is the function and intention of the Corporation in due course to make most of its holdings available to the public, at this stage it is necessary to have some of our money invested in good securities or shares, which will give us current income. Originally when the Industrial Development Corporation was started an important principle was that it could be financed by means of the transfer of Iscor "B" Shares; in other words, instead of the Government putting up further money to assist in the development of South Africa's industries, the money originally subscribed by the Government in establishing Iscor could be used over and over again to assist in the financing of other industries. This would mean that the Government would pay for your Corporation's shares by means of the Iscor "B" Shares, which were already returning a dividend. It was further stipulated in the Act that the whole of the £5,000,000 of the Corporation's capital would be paid up by March, 1943.

Any large organisation must incur a certain amount of basic expenditure, and must have a basic income to meet that expenditure, before there is any question of paying dividends. This I think was clearly visualised when, as an alternative to paying for the Corporation's shares in cash, provision was made in the Act for the transfer of Iscor "B" Shares. However, things turned out differently, and all shares issued up to the present have been paid for in cash. Not only, therefore, did the Corporation work with a smaller amount of capital than originally visualised, but it also worked without the basic income which

it would have obtained from the Iscor "B" Shares. It is essential, therefore, if the Corporation is to pay its way that it should have an income from investments in order to carry on its operations. When the whole of the £5,000,000 capital has been issued it is obvious that the Corporation will then have to keep on turning over its money. It will have to dispose of existing holdings in order to finance fresh schemes and undertakings, and accordingly the whole volume of its activities will be very much greater than it is now.

Since the inception of the Corporation in October, 1940, propositions for financial assistance aggregating some £16 million have been received from all parts of the Union and from overseas people wishing to establish manufacturing subsidiaries or new concerns in South Africa. Of these 46 have been accepted by the Corporation to date, involving £1,759,757 as follows:

Class 1	Raw materials	£70,200
Class 2	Stone, Clay, etc.	172,666
Class 3	Wood	263,000
Class 4	Metals, Engineering	280,597
Class 5	Food, Drink, etc.	547,294
Class 6	Clothing, Textiles, etc.	358,000
Class 7	Books, Printing, etc.	53,000
Class 11	Chemicals, etc.	15,000

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£1,759,757

The Corporation's work has, however, not been confined to a consideration of specific propositions and to the activities to which I have already referred, but has included investigations and surveys of the potentialities of various aspects of the Union's economic requirements, the future development of which is inevitably linked with industrial expansion. With this end in view, a survey of the labour and manpower resources of the Transkeian territories has been made as a result of which valuable information has been gained.

In order to assist in the correct location of industries a regional survey of the Union on broad lines has been undertaken, which has provided valuable data for future reference; a survey of the clothing requirements of the country's white population has been made and we have also conducted a detailed investigation into the Union's timber resources with a view to ascertaining the possibilities of industrial development in this field.

**General.**—In accordance with sound business principles, the rate of interest called for by the Corporation is based on the ruling rate of the money market, the period of the loan, or any redeemable preference shares taken up, the future prospects of the industry concerned, and the degree of security offered. Your Corporation does not provide cheap money for the indiscriminate establishment of indus-

trial concerns, which may lead to mushroom development, and undesirable and inefficient production methods. It is rather the aim of the Directors to give preferent assistance in the extension, rationalisation, and strengthening of existing industrial concerns, but when occasion demands assistance is provided to others in the same branch of industry. In our consideration of such propositions, we adhere strictly to the injunction in our Act, that every application or proposal is dealt with strictly on its economic merits, irrespective of all other considerations whatsoever.

Section 5 (c) of the Act says that generally the activities of the Corporation shall be directed towards guiding and assisting others in financing the establishment or development of industry and that so far as may be practicable the Corporation shall not be called upon to provide an unduly large proportion of the capital which is necessary. You will see from the Balance Sheet that loans, advances, disbursements in respect of companies to be formed and stocks and shares in industrial undertakings amount to £1,100,146 2s. 7d. after allowing for the £50,000 placed to reserve. At the 30th June, 1944, the amount of money invested by private enterprise in the industries which the Corporation has assisted amounted to approximately £4,700,000. The Corporation has thus carried out its functions of financially assisting in the development of South Africa's industries by providing approximately twenty-three per cent. of the capital required during the year under review.

Due to the assistance and advice of your Corporation, a number of industries have been started or expanded. This is quite apart from industries which have been started in the Union by overseas concerns interested in preserving their South African market, and which, but for the interest stimulated by your Corporation, would not have started in South Africa at all.

Taking everything into account during four difficult war years, I think your Corporation has reason to be satisfied with its progress.

When, at the request of the Government, before this Corporation was formed, I accepted the Chairmanship thereof, I did so on the understanding that I would remain only long enough to help in guiding your Corporation during its initial years. I realised that with the plans I then had for important developments in steel and ancillary industries (which were temporarily brought to a standstill by the war) it would not be possible for me to do justice to the work of your Corporation. Every proposition or scheme put to the Corporation must be carefully considered and pondered, and this has necessarily meant that I, in common with the other members of your Board,

have had to devote a considerable amount of time to detailed work and thought in connection with every proposition submitted.

With my increasing duties and responsibilities it is becoming very difficult to find the time to do this work. I, therefore, had to ask the Government to release me from the Chairmanship of your Corporation. To have to do so was a matter of regret to me because throughout the four years of your Corporation's existence, it has been a real pleasure to me to have worked with and to have had the able support of the members of your Board and of an enthusiastic and capable staff. The completely unmarred pleasant atmosphere in which we all worked together has contributed greatly to the solution of the many difficult problems which one can expect in the initial stages of the life of a concern which is without precedent in South Africa.

It gives me real pleasure to say that the Government has been pleased to appoint Dr. H. J. van Eck as Chairman in my stead. He will also continue his duties as your Managing Director. I shall watch the progress of your Corporation with great interest, and will continue to do all I can to help it on its way because I know that the progress it has made so far is but a small indication of what is yet to come. The Corporation will play a big part in South Africa's industrial future.

I now move that the Directors' Report and audited Accounts as submitted be approved and adopted and that all acts and things undertaken and performed by the Directors on behalf of the Corporation be and are hereby confirmed.

# Nywerheid-ontwikkelingskorporasie van Suid-Afrika, Beperk.

Rede deur dr. H. J. van der Bijl, Voorsitter van die Korporasie,  
op die Vyfde Gewone Algemene Vergadering van Aandeelhouders,  
in Escom-gebou, Johannesburg, op 1 November 1944.

HERE,

U het voor u vir u oorweging en goedkeuring die Verslag van die Direkteure, die Balansstaat en Wins- en Verliesrekening vir die jaar geëindig 30 Junie 1944.

Vanjaar het die Korporasie 'n verdere 750,000 B-aandele van £1 elk uitgereik, sodat die totale uitge-reikte kapitaal £2,001,000 bedra. Die hele van hierdie uitgifte is teen kontant deur die Regering van die Unie opgeneem.

**Balansstaat en Rekenings.**—Die Balansstaat toon totale lenings en voorskotte en uitbetalings ten opsigte van maatskappye wat te stigte is, ten bedrae van £274,642 19s. 9d. Hierdie syfer vergelyk met lenings en voorskotte verlede jaar ten bedrae van £268,276 8s. 10d. Die klein netto vermeerdering van £6,366 10s. 11d. in hierdie afdeling van die Korporasie se besigheid weerspieël natuurlik ook terugbetalings van lenings gedurende die jaar, maar die volgende faktore het ook bygedra tot 'n betreklik kleiner bedrag aan leningsbesigheid oor die algemeen. U is bewus van die feit dat lenings nie vir oorwinstbelasting-doeleindes in aanmerking geneem word as kapitaal wat in die handel gebruik word nie en gevolglik is nywerhede geneig om voorkeuraandele teen 'n ietwat hoër voorkeur-dividendkoers uit te reik eerder as om 'n lening of lenings teen 'n laer rentekoers aan te neem. Dikwels bepaal die aard van 'n nywerheidsonderneming ook die wenslikheid om 'n program van uitbreiding deur middel van voorkeur- of gewone aandele in plaas van deur middel van lenings, te finansier. Aangesien die algemene sterkte van die betrokke maatskappye 'n belangrike oorweging is wanneer lenings aangegaan word, voel ek dat ek met veiligheid kan sê dat hierdie bate van die Korporasie se Balansstaat gesond is.

Die Korporasie het tans aandele en effekte in nywerheidsondernemings teen kosprys min bedrae afgeskryf, ten bedrae van £825,503 2s. 6d., nadat 'n bedrag van £46,000 op reserwe geplaas is wat tesame met die bedrag van £4,000 voorheen op reserwe geplaas, 'n totaal van £50,000 maak. Verlede jaar het die bedrag ten opsigte van aandele en effekte in nywerheidsondernemings £430,809 6s. 8d. bedra en as hierdie bedrag afgetrek word van £871,503 2s. 6d., wat die bedrag van hierdie bate is, voordat toegelaat word vir die £46,000 wat op reserwe geplaas is, laat

dit 'n bedrag van £440,693 15s. 10d. Ondanks die moeilikhede wat ondervind is om nywerhede gedurende die oorlog by te staan, weens die onsekêrheid van produksie-programme, die verdragings om grondstowwe, arbeid, toerusting en masjinerie te bekom, is die hulp wat die Korporasie gedurende die afgelope jaar kon verleen, aansienlik.

Die item in die Korporasie se Balansstaat onder die opskrif „Diverse Skuldenaars” bedra £46,216 1s. 8d. Hierdie bedrag sluit hoofsaaklik dividende in wat voor 30 Junie 1944 verklaar is en wat die Korporasie nie tot ná daardie datum ontvang het nie.

Ingevolge Artikel 12 (5) van die Nywerheid-ontwikkelingswet, is fondse wat nie vir die onmiddellike doel van u Korporasie nodig was nie, vir kort termyne en dadelik oproepbaar gedeponeer en hierdie rekening bedra £839,500. Hierdie bedrag dek meer as voldoende voorwaardelike verpligtinge ten bedrae van £659,611 9s. 9d. ten opsigte van ondernemings deur die Korporasie om finansiële hulp onder sekere voorwaardes aan nywerheidsondernemings te verleen en behoort, tesame geneem met die kontant in die bank ten bedrae van £23,513 1s. 10d., die Korporasie van genoegsame kontantbronne vir die komende jaar te voorsien.

Die bedrae aangetoon onder „Voorwaardelike Verpligtinge” is aanduidend van die ontwikkelingswerk waarmee u Korporasie besig is, asook die potensiële ontwikkeling van nywerhede moontlik onder gunstiger wêreldtoestande vir die verkryging van toerusting en masjinerie en gunstiger belastingtoestande. Wat belasting betref, het die Agbare Minister van Finansies in die openbaar verklaar dat sekere aspekte van belasting wat in oorlogstyd nodig is, ná die oorlog ingetrek sal word ten einde nywerheid toe te laat om sy regmatige rol in die ontwikkeling van die land te speel en daardeur gunstige toestande vir volle werksverskaffing te bevorder.

**Wins- en Verliesrekening.**—Uit hierdie rekening sal u merk dat rente, dividende (min bedrae wat van effekte en aandele afgeskryf is), huurgelde, fooie, insluitende administrasiefooie wat teen wolwasserye gehê is, en winste op realisasie van effekte en aandele, £118,321 18s. 11d. bedra het. Hierdie bedrag

vergelyk met die bedrag van £61,914 13s. vir verlede jaar. Die syfer vir diverse inkomste het £8,110 16s. 8d. beloop en behels verskillende items van 'n nederkerende aard.

Die wins wat die Korporasie verkry het van sy wolwasserye het £7,737 bedra teenoor 'n bedrag van £3,123 2s. 10d. verlede jaar. Die vermeerderde winste wat die Korporasie toegekrom het, was te danke aan 'n algemene toename in die doeltreffendheid van produksie en die ononderbroke voorrade vetwol wat van die Britse Wolkommissie aangekom het.

Ingevolge artikel 4 van die Wysigingswet no. 27 van 1942, het u Raad die Agbare Minister voorsien van afsonderlike rekenings ten opsigte van u wolwassery by Congella en die Pinetown Wool Washery (Pty.) Ltd. Hierdie rekenings vereis geen spesiale kommentaar nie, maar ek sal later kommentaar lewer op die bydrae van die wolwasserye tot die algemene ontwikkeling van die wolverwerkingsbedryf in die Unie.

Die totale inkomste wat die Korporasie toegekrom het, bedra £134,169 15s. 7d. Dit is verkry met 'n betreklik klein vermeerdering in administrasiekoste wat in die Wins- en Verliesrekening aangetoon word as £60,881 12s. 8d. en waarby getel moet word waardevermindering ten bedrae van £1,682 18s. 6d. Die wins vir die jaar beloop derhalwe £71,605 4s. 5d. waaruit voorsiening vir belasting vir 1943 ten bedrae van £3,471 4s. en 'n oordrag van £46,000 na reserwerekoning gemaak is, latende 'n balans van £22,134 0s. 5d. om oorgedra te word, waarby getel moet word verlede jaar se oordrag van £537 7s. 7d.

Hoewel die rekenings bevredigende en aansienlike vordering toon, wil ek die waarskuwing herhaal wat ek verlede jaar gegee het, naamlik dat ons 'n kritieke tydperk van her-aanpassing nader wat noodwendig ná die oorlog moet voorkom. Dieselfde bevredigende resultate wat vanjaar behaal is, kan derhalwe miskien nie gehandhaaf word nie. Die aansienlike ondersoek en ontwikkelingswerk wat tans gedoen word, behoort egter die weg te baan vir aansienlike uitbreiding van nywerheid onder meer stabiele toestande.

**Wolverwerking.**—In planne wat tans gemaak word, word rekening daarmee gehou dat u Korporasie 'n belangrike rol sal speel in die ontwikkeling van 'n wolverwerkingsbeërf in Suid-Afrika.

Aansienlike proefondervindelijke werk is gedoen in verband met die behandeling van affoopwater uit wolwasserye met die tweeledige doel om wolvet te verkry wat 'n belangrike rol in verskeie nywerhede speel en waaraan daar gedurende die oorlog 'n ernstige tekort bestaan het, en om besparings aan te bring in die gebruik van seep en soda in die wassery self. Behandelingstoerusting is vervolmaak wat gedurende die afgelope jaar ghries vir smeerdoeleindes verskaf het, veral vir die wals van staal en het sodanige

besparings ten opsigte van seep en soda aangebring dat dit moontlik was om soortgelyke toestelle beskikbaar te stel vir ander wasserye dwarsdeur die Unie, op terme wat gunstig vir alle partye behoort te wees. Verdere proefondervindelijke werk is aan die gang langs nuwe weë wat belangriker resultate mag lewer.

U sal onthou dat lede van die Wolraad aan die end van 1941 die Korporasie genader het, wat vroeg in 1942 as gevolg gehad het 'n eenparige besluit deur die Nasionale Wolkwekersvereniging om fondse deur middel van 'n heffing in te samel ten einde die enigste vennoot met die Korporasie te word in 'n wolverwerkingsonderneming. Die instelling van onderhandelings gedurende Desember 1941—Januarie 1942 is in werklikheid moontlik gemaak deurdat die Wolraad die Korporasie meedeel het dat 'n heffing vanaf die onmiddellik daaropvolgende walseisoen opgelê sou kon word om die nodige kapitaal in te samel. Ten gevolge hiervan en die besluit van die Nasionale Wolkwekersvereniging, het u Korporasie gemeen dat hy sou handel met 'n organisasie met aansienlike fondse tot sy beskikking.

Nadat ons 'n ooreenkoms aan die Nasionale Wolkwekersvereniging—opgestel ter bevrediging van albei partye—voorgelê het, het dit gebyk dat die Vereniging op daardie tydperk nie die wetlike gesag het om 'n heffing op te lê met die doel om aandele in 'n verwerkingsmaatskappy te verkry nie. Tot op die huidige tydperk was die Vereniging nie in staat om hierdie moeilikheid te oorkom nie en nog geen ooreenkoms is tussen die Korporasie en die Vereniging onderteken nie. Aangesien die saak van die daargestelling van 'n wolverwerkingsonderneming gesamentlik deur die Korporasie en die Nasionale Wolkwekersvereniging veel publisiteit geniet het, is dit vir my nodig om aandag op hierdie feit te vestig asook op die feit dat 'n noodsaaklike aspek van die oorspronklike onderhandelings die beskikbaarheid van fondse was vir vaste belegging in 'n skema wanneer dit voorgelê word. U Korporasie kan nie deur ooreenkoms verbind wees met 'n liggaam wat nóg die wetsgesag, nóg die fondse het om onderhandelings met hom aan te knoop nie.

Ons idees oor hoe om die ontwikkeling van wolverwerking aan te pak, het aansienlik gevorder, sedert die eerste gesprekke met die verteenwoordigers van die wolkwekers drie jaar gelede plaasgevind het. Ons tref op die oomblik reëlins wat mynsinsiens al die belangrikste gebiede van ontwikkeling behels behalwe die produksie van goedere vervaardig volgens die „wolproses.“ Slegs die moeilikheid om masjinerie te bekom, het verhoed dat hierdie ontwikkelings al gevestigde feite geword het. Daar moet besef word dat 'n reëling met die Nasionale Wolkwekersvereniging, soos dié wat in die vooruitsig gestel is, slegs op sekere van hierdie gebiede van toepassing kon wees. Verlede jaar is egter ooreengekom dat die saak tot

31 Desember 1944 oopgelaat word. U Raad is nou in 'n posisie om 'n geskikte voorstel aan die Vereniging voor te lê en om die Vereniging te nooi om deel te neem op die manier wat oorspronklik gereël is. As die Vereniging nie in 'n posisie is om gebruik van hierdie aanbod te maak nie, sal dit die Korporasie vrystaan om na goeiddunke met die onderneming voort te gaan.

**Katoentekstiel-bedryf.**—U Korporasie se planne vir die ontwikkeling van 'n katoentekstiel-bedryf om sekere artikels op 'n betreklik groot skaal te vervaardig, het tans 'n verdere stadium bereik en die vraagstuk van die stigting van 'n maatskappy waarin die publiek genooi sal word om in te skryf, word oorweeg. Weens huidige onsekere toestande ten opsigte van die verkryging van toerusting en masjinerie uit die buiteland, kan die daarstelling van die skema egter nog verder vertraag word.

**Voedselgis.**—Groot belangstelling is in die jongste tyd getoon in die onderwerp van die produksie en benutting van voedselgis. U Korporasie is slegs geïnteresseerd in die soort geproduseer van die kultuur „Torulopsis Utilis,” welke soort blykbaar die beste vooruitsigte op goedkoop produksie bied. Ons aandag is vir die eerste keer deur maj. Rees-Davies, Superintendent van die Laetemperatuur-navorsingslaboratorium van die Departement van Landbou en Bosbou in Kaapstad, gevestig op die waardevolle werk wat in die buiteland gedoen word in verband met die produksie van hierdie voedselgis. Ons het daarna in aanraking gekom met die National Physical Laboratories, Teddington, Engeland, wat verantwoordelik was vir die ontwikkeling van hierdie ondersoort kultuur en die produksietegniek, en wat ons bereidwillig voorsien het van die kultuur en die besonderhede van produksie. Maj. Rees-Davies en sy personeel het hierdie tegniek op 'n deurlopende grondslag vir ons daargestel en het onlangs die proses met sukses namens ons in 'n proefinstallasie in Durban gedemonstreer. Ons tref nou voorbereidings om tot half-kommersiële produksie oor te gaan in samewerking met lede van die suikernywerheid, met die doel om die produksiekoste en die ontwerp van 'n kommersiële toerusting van volle grootte te bepaal; sodanige half-kommersiële produksie sal ook die Nasionale Voedingsraad en ander belange van 'n toereikende hoeveelheid voorsien om deurtastende voedingsproewe te kan uitvoer. Dit wil voorkom dat ons in voedselgis 'n kragtige wapen kan hê om te help met die bestryding van ondervoeding in Suid-Afrika, maar daar moet besef word dat aansienlike werk nog gedoen moet word op sowel tegniese as voedingsgebiede.

**Nasionale Voedingstowwe Beperk.**—Dit doen my genoë om te kan verklaar dat die geskiedenis van hierdie maatskappy een van voortdurende uitbreiding was en gedurende die jaar is die kapitaal vermeerder tot £200,000 deurdat u Korporasie verdere uitgiftes van aandele ten bedrae van £75,000, die grootste

gedeelte van welke bedrag deur die Korporasie opgeneem is, aan koöperatiewe verenigings onderskryf het. Die koöperatiewe verenigings wie se lede belangrike verbruikers van die maatskappy se produkte is, hou 'n aansienlike aantal aandele en daar word gehoop dat hulle met verloop van tyd 'n groter gedeelte sal aankoop. Met die oog hierop het u Korporasie koöperatiewe verenigings 'n opsie tot 30 Junie 1944 gegee om u Korporasie se aandele te koop indien laasgenoemde sou verkies om te verkoop. Hierdie opsie wat teen pari was, het tans verval, maar u Korporasie is nog gewillig om koöperatiewe verenigings aandele van hom te laat koop teen 'n prys in ooreenstemming met die finansiële posisie en winsgewendheid van die maatskappy, wat my aangenaam is om mee te deel, van krag tot krag toegeneem het ondanks die moeilikheid om grondstowwe te bekom. Een van die vernaamste redes waarom die maatskappy se produkte so goed ontvang is, is dat die Direkteure van die maatskappy 'n beleid uitgevoer het om slegs die beste bestanddele vir gebalanseerde rantsoene teen die laags moontlike winsmarge te verskaf. Die maatskappy is nou 'n groot en belangrike verbruiker van eiwitryke bestanddele vir diervoedsels wat dit op 'n wetenskaplike manier vermeng; vervaardig en distribueer ten einde die juiste en beste gebruik in die voeding van lewende hawe te verseker.

Die boeregemeenskap het uitstekende steun aan die maatskappy verleen en het gou besef watter belangrike diens „Nasfeed” lewer in die voorsiening van 'n behoorlik gebalanseerde rantsoen wat die natuurlike voersoorte wat hulle op die plaas het, aanvul en wat van tyd tot tyd ten opsigte van sekere lewensbelangrike voedingselemente tekort skiet. 'n Verdere belangrike diens is dat 'n boer in 'n mielie-streek 'n mielievrye rantsoen kan kry, terwyl 'n boer in 'n lusernstreek insgelyks 'n lusernrye rantsoen kan kry wat 'n belangrike besparing ten opsigte van koste is.

**Onderskrywing.**—Gedurende die jaar het die Korporasie vyf uitgiftes van aandele aan die publiek onderskryf. Die totale bedrag wat hy hierdie uitgiftes betrokke was, was £1,209,150. Aangesien die totale aantal applikante 2,964 was, was die gemiddelde bedrag wat per applikant toegewys is, £408 en dit dui aan dat die klein belegger goed in aanmerking geneem is. Ons voornemens is om die vertroue van die beleggende publiek te probeer verwerf deur 'n gesonde afsetgebied vir hulle spaargeld op 'n langtermyn-grondslag te verskaf. U Korporasie het geen belang by uitgiftes van 'n spekulatiewe aard nie.

As ons 'n nywerheidsonderneming finansier, het ons redelike vertroue in die toekoms van die nywerheid en hoewel dit die funksie en voorneme van die Korporasie is om mettertyd die meeste van sy besittings vir die publiek beskikbaar te stel, is dit op hierdie stadium nodig dat 'n gedeelte van ons geld belê is in goeie sekuriteite of aandele wat ons van 'n lopende



inkomste sal voorsien. Oorspronklik, toe die Nywerheid-ontwikkelingskorporasie begin is, was dit 'n belangrike beginsel dat hy gefinansier kon word deur middel van die oordrag van „B”-aandeel in Yskor; met ander woorde, in plaas van dat die Regering verdere geld verskaf om te help met die ontwikkeling van Suid-Afrika se nywerhede, kon die geld oorspronklik deur die Regering verskaf in die oprigting van Yskor, oor en oor gebruik word om te help met die finansiering van ander nywerhede. Dit sou beteken dat die Regering vir u Korporasie se aandele sou betaal deur middel van „B”-aandeel in Yskor wat reeds 'n dividend afgewerp het. In die Wet is verder bepaal dat die hele £5,000,000 van die Korporasie se kapital teen Maart 1943 opbetaal sou wees.

Enige groot organisasie moet 'n sekere bedrag van basiese uitgawe beloop en moet 'n basiese inkomste hê om daardie uitgawe te bestry voordat daar enige moontlikheid is om dividende te betaal. Dit is mynsiens duidelik ingesien toe voorsiening in die Wet gemaak is vir die oordrag van „B”-aandeel in Yskor as alternatief vir die betaling van die Korporasie se aandele aan kontant. Sake het egter anders verloop en vir al die aandele wat tot op die huidige tydstip uitgereik is, is kontant betaal. Die Korporasie het derhalwe nie alleen met 'n kleiner kapitaalbedrag gewerk as wat oorspronklik in die vooruitsig gestel is nie, maar hy het ook gewerk sonder die basiese inkomste wat hy van die „B”-aandeel in Yskor sou verkry het. Dit is derhalwe noodsaaklik dat as die Korporasie homself in stand moet hou, hy oor 'n inkomste van beleggings moet beskik ten einde sy werksaamhede voort te sit. Wanneer die hele kapitaalbedrag van £5,000,000 uitgereik is, is dit duidelik dat die Korporasie dan sal moet aanhou om sy geld om te sit. Hy sal bestaande besittings moet vervreem ten einde nuwe skemas en ondernemings te finansier en gevolglik sal die hele volume van sy bedrywighede baie groter wees as wat dit tans is.

Sedert die instelling van die Korporasie in Oktober 1940 is voorstelle vir finansiële hulp tot 'n totale bedrag van sowat £16 miljoen ontvang uit alle dele van die Unie en van buitelandse mense wat ondergeskikte vervaardigingsondernemings of nuwe ondernemings in Suid-Afrika wou daarstel. Hiervan is 46 tot op datum deur die Korporasie aangeneem en daarby was betrokke 'n bedrag van £1,759,757, as volg saamgestel:—

Klas 1	Grondstowwe	£70,200
Klas 2	Klip, klei, ens.	172,666
Klas 3	Hout	263,000
Klas 4	Metale, ingenieurswese	280,597
Klas 5	Voedsel, drank, ens.	547,294
Klas 6	Kleding, Weefstowwe, ens.	358,000
Klas 7	Boeke, drukwerk, ens.	53,000
Klas 11	Chemikalieë, ens.	15,000
		<hr/>
		£1,759,757

Die Korporasie se werk was egter nie beperk tot 'n oorweging van spesifieke voorstelle en tot die bedrywighede waarna ek reeds verwys het nie, maar het ondersoek en opnames ingesluit van die potensialiteite van verskillende aspekte van die Unie se ekonomiese vereistes, waarvan die toekomstige ontwikkeling onvermydelik met nywerheidsuitbreiding geskakel is. Met hierdie doel voor oë is 'n opname van die arbeids- en mannekragbronne van die Transkeise gebiede gemaak ten gevolge waarvan waardevolle inligting verkry is.

Ten einde te help met die korrekte lokalisering van nywerhede, is in breë trekke 'n streekopname van die Unie onderneem wat waardevolle gegewens vir toekomstige gebruik verskaf het; 'n opname van die kledingbenodigdhede van die land se blanke bevolking is gemaak, terwyl ons ook 'n gedetailleerde ondersoek na die Unie se timmerhoutbronne ingestel het ten einde die moontlikhede van nywerheidsontwikkeling op hierdie gebied te bepaal.

**Algemeen.**—Ooreenkomstig gesonde sakebeginsels, is die rentekoers vereis deur die Korporasie, gegrondves op die heersende koers van die geldmark, die tydperk van die lening, of enige aflosbare voorkeuraandele wat opgeneem is, die toekomstige vooruitsigte van die betrokke nywerheid en die graad van sekuriteit aangebied. U Korporasie verskaf nie goedkoop geld vir die onoordeelkundige daarstelling van nywerheidsondernemings nie wat kan lei tot skielike maar onbestendige ontwikkeling en onwenslike en ondoeltreffende produksiemetodes. Dit is eerder die oogmerk van die Direkteure om by voorkeur hulp te verleen in die uitbreiding, planmatige ontwikkeling en versterking van bestaande nywerheidsondernemings, maar wanneer omstandighede dit vereis, word hulp aan andere in dieselfde vertakking van nywerheid verleen. In ons oorweging van sodanige voorstelle, hou ons ons stiptelik by die bepaling in ons Wet dat elke aansoek of voorstel streng op die ekonomiese verdienste daarvan, afgesien van alle ander oorwegings wat ookal, behandel moet word.

Artikel 5 (c) van die Wet bepaal dat in die algemeen die werksaamhede van die Korporasie daartoe moet strek om andere te lei en te help om die stigting of ontwikkeling van nywerhede te finansier en dat sover doenlik nie van die Korporasie vereis kan word dat hy 'n oormatig groot deel van die nodige kapitaal moet verskaf nie. Uit die Balansstaat sal u merk dat lenings, voorskotte, uitbetalings ten opsigte van maatskappye wat te stigte is en effekte en aandele in nywerheidsondernemings, £1,100,146 2s. 7d. bedra nadat toegelaat is vir die £50,000 wat op reserve geplaas is. Op 30 Junie 1944 het die bedrag geld bestee deur private onderneming in die nywerhede wat deur die Korporasie bygestaan is, naastenby £4,700,000 bedra. Die Korporasie het derhalwe sy werksaamhede om finansiël te help met die ontwik-

keling van Suid-Afrika se nywerhede, uitgevoer deur naastenby drie-en-twintig persent van die kapitaal wat gedurende die jaar onder oorsig nodig was, te verskaf.

Met die hulp en advies van u Korporasie is 'n aantal nywerhede begin of uitgebrei. Dit is heeltemal afgesien van die nywerhede wat in die Unie begin is deur oorsese belange wat hulle Suid-Afrikaanse mark wil behou en wat, as dit nie was vir die belangstelling wat deur u Korporasie gestimuleer is nie, glad nie in Suid-Afrika sou begin het nie.

Alles in aanmerking geneem gedurende vier moeilike oorlogsjare, meen ek dat u Korporasie rede het om tevrede te wees met die vordering wat hy gemaak het.

Toe ek, voordat hierdie Korporasie gestig is, op versoek van die Regering die Voorsitterskap daarvan aanvaar het, het ek dit gedoen met die verstandhouding dat ek slegs lank genoeg sou aanbly om te help om u Korporasie gedurende sy aanvangsjare te lei. Ek het toe besef dat met die planne wat ek destyds gehad het vir belangrike ontwikkelings ten opsigte van staal- en aanverwante nywerhede (wat tydelik deur die oorlog tot stilstand gebring is) dit vir my onmoontlik sou wees om reg aan die werk van u Korporasie te laat geskied. Elke voorstel of skema wat aan die Korporasie voorgelê word, moet noukeurig oorweeg en bedink word en dit het noodwendig beteken dat ek in gemeen met die ander lede van u Raad, 'n aansienlike hoeveelheid tyd aan gedetailleerde werk en oorweging moes bestee in verband met elke voorstel wat ingedien is.

Met my toenemende pligte en verantwoordelikhede, word dit uiters moeilik om die tyd te vind om hierdie werk te doen. Ek moes derhalwe die Regering versoek om my te onthef van die Voorsitterskap van u Korporasie. Dit is met leedwese dat ek so 'n stap moet doen want gedurende die vier jaar van u Korporasie se bestaan, was dit vir my 'n werklike plesier om te kon saamwerk met en die bekwame steun te geniet van die lede van u Raad en van 'n geesdriftige en bekwame personeel. Die heeltemal onverstoorte aangename atmosfeer waarin ons almal saamgewerk het, het in groot mate bygedra tot die oplossing van talle moeilike vraagstukke wat mens kan verwag in die aanvanklike stadiums van die lewe van 'n onderneming wat sonder voorganger in Suid-Afrika is.

Dit doen my werklik genoë om mee te deel dat dit die Regering behaag het om dr. H. J. van Eck tot Voorsitter in my plek aan te stel. Hy sal ook sy pligte as u Besturende Direkteur voortsit. Ek sal die vordering van u Korporasie met groot belangstelling volg en sal nog steeds alles doen wat ek kan om dit vorentoe te help omdat ek weet dat die vordering wat dit dusver gemaak het, slegs 'n klein aanduiding is van wat nog sal kom. Die Korporasie sal 'n groot rol in Suid-Afrika se nywerheidstoekoms speel.

Ek stel nou voor dat die Direkteursverslag en geouditeerde rekenings, soos voorgelê, goedgekeur en aangeneem word en dat alle daade en dinge wat deur die Direkteure namens die Korporasie onderneem en uitgevoer is, hierby gekragtig word en is.

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