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PRESIDENT KAUNDA'S PROPOSALS:
GROUP'S ZAMBIAN COMPANIES' STATEMENT

In a joint announcement this week to shareholders and employees, Zambian Anglo American and the Group's mining companies in Zambia refer to President Kaunda's recent proposals regarding the mining industry and mineral rights.

"While these proposals will require study in detail, it appears that mining operations will continue without prejudice to shareholders or customers," says the announcement.

"A new mineral tax based on profitability will take the place of the existing royalty and export tax system which is related to prices on the London Metal Exchange. The tax will be at the rate of 51 per cent of profit. In addition, the balance of the profit will be liable for income tax, the current rate of which is 45 per cent. Although the overall tax rate remains high, the changeover to a profitability formula is welcomed. The mineral tax will not apply to The Zambia Broken Hill Development Company where, it is understood, a royalty system will continue to operate on an amended basis, subject to the provisions for royalty remission announced by the Government in 1968.

"The President also indicated Government's wish to acquire a 51 per cent interest in the equity of the mining companies. It has since been made clear that this does not apply to holding companies. The President stated that the purchase price would be 'a fair value represented by the book value'. He pointed out that following the acquisition of a 51 per cent interest by Government, the companies would no longer be subject to exchange control in respect of the remission of mining profits outside Zambia.

"Your directors have in the past advocated the principle of Government's participation in the share capital of the mining companies," continues the announcement. "The main issues which arise from the President's request are, first, the establishment of equitable values and payment arrangements in respect of Government's participation and, secondly, in view of Government's wish to hold a majority position in the companies, the negotiation of suitable agreements which will ensure the continued operation of the mines on the present efficient basis.

"The satisfactory resolution of these matters will require time and may involve the modification of the corporate structure of the companies in the Anglo American Group. Shareholders and employees will be kept informed of developments."

PRESIDENTIAL VISIT TO ORAPA

The President of Botswana, Sir Seretse Khama, and Lady Khama, fly from Gaborone to the diamond pipe at Orapa on Monday August 26, for a one-day visit. They will be accompanied by Mr A. Wilson, the De Beers director responsible for Botswana operations, the Hon. G. Devlin and Dr L.G. Murray, consulting geologist. This will be the President's first visit to Orapa.

BOART STAND AT MINING EXHIBITION

Drilling equipment valued at R20,000 is being displayed at the Boart and Hard Metal Products' stand at the Mining Exhibition in Johannesburg. The theme is "drills, drilling and cutting" and the stand features a wide variety of the company's diamond and tungsten carbide products.

The centre point of the exhibit is the oil drilling sec-

tion. Boart recently established, with Christensen Diamond Products, manufacturing facilities for oil well drilling equipment in South Africa. It is believed that the market for these products will grow considerably in the light of increased prospecting, particularly after the encouraging finds on the Agulhas Bank.

H.M.S. DIAMOND

H.M.S. Diamond, which was "adopted" by De Beers in 1952, arrives in London today for a five-day visit, during which some 50 members of the staff of De Beers group companies and their wives will be entertained at a cocktail party on board. Later other staff members will be given the opportunity to visit the ship. In return, De Beers and associate group companies in London will hold a dance for crew members. A cricket match has also been arranged between both parties at the Royal Navy College ground at Greenwich.

On her recent eleven-month tour of duty to the Far East, H.M.S. Diamond called at Simonstown, South Africa, and during her stay De Beers invited crew members to visit Kimberley where they saw diamond mining, recovery and sorting operations.

DEATH OF MR R.W. PRIOR

Mr R.W. Prior, company secretary in the Group's coal division, died suddenly in Johannesburg this week at the age of 56. He matriculated from Parktown High School and joined the accounting section of African and European Investment Company in 1933. He became chief clerk in 1953 and in 1959 - a year after the Corporation had taken over African and European - he was appointed to the coal division.

During the war he served with the South African forces in the Western Desert and was taken prisoner.

APPOINTMENT

ACCIDENT AT WESTERN REEFS

The No. 4 Shaft at Western Reefs was out of commission for 30 hours this week as a result of a broken rope on the Blair hoist. No one was hurt in the accident, but production was affected to a small extent.

ZAMBIAN SCHOOLS ART EXHIBITION

The Zambian Minister of Education, Mr W.P. Nyirenda, will officially open the fourth National Schools Art Exhibition at the Art Centre, Lusaka, on September 4.

The exhibition, sponsored and organised by Anglo American Corporation (Central Africa) Limited, in liaison with the Ministry of Education, features 200 paintings selected from over 1,400 entries from teacher training colleges, secondary schools and upper primary schools throughout Zambia.