REPUBLIC OF SOUTH AFRICA.

S.A. MINT.

Ref.: 16/3/3 (21)

103 Visagie Street,
P.O. Box 464,
PRETORIA.

3rd March, 1967.

The Secretary for Finance,
Union Buildings,
PRETORIA.

ANNUAL REPORT OF THE DIRECTOR OF THE SOUTH AFRICAN MINT FOR 1965/66.

I wish to submit the following report on the activities of the South African Mint during the financial year 1st April, 1965 to 31st March, 1966.

INTRODUCTION.

The manufacture of Ammunition was undertaken by the S.A. Mint during the year 1938 and this was expanded into a considerable section of the S.A. Mint during the Second World War. After the war the Ammunition Branch remained as a permanent section of the S.A. Mint until this Section was placed under the control of the Munitions Production Board on the 1st of December, 1964.

This Annual report is therefore, the first since 1938 which deals only with the coinage minting operations of the S.A. Mint. The year was further eventful in that the designs for the new series of silver, nickel and bronze coins were gazetted with effect from the 11th of May, 1965, and thus the change-over from the old silver and bronze coinage to the new series, for which provision had been made in the South African Mint and Coinage Act No. 78 of 1964, could be implemented.

The S.A. Mint does not have the equipment required for the processing of nickel and it was accordingly necessary to purchase nickel blanks ready for striking. Blanks were obtained from suppliers in Canada, West Germany and Switzerland. It is interesting to note that the nickel blanks from Canada were produced by the powder-metallurgy method.

In order to be able to mint the anticipated 300 million new coins required for the change-over to the new series of coins within a period of approximately 18 months, it was necessary to commission all the additional newly installed equipment reported previously as well as two new HME OP30 blanking presses at the former Ammunition Branch of the S.A. Mint for the production of bronze blanks for delivery to the Mint. By working on a permanent overtime basis it was possible to strike 2,161,969 silver, 187,073,723 nickel and 103,388,407 bronze coins by the end of the year, which was a considerable task for the S.A. Mint with its limited production facilities. During the same period 2,135,661 silver, 182,015,774 nickel and 83,729,106 bronze coins were issued.

The...../2.

The planned approach to the issue of the new series of coins was to withdraw the particular denomination in the old coinage which corresponded with a particular denomination in the new coinage, from a dimensional point of view, so as to avoid any possible confusion. When it was considered that the bulk of the coins of the old denomination was withdrawn, the new coin was released, having been distributed to the commercial banks in the required numbers. In accordance with this phased plan large numbers of old silver coins, mostly of 500 standard silver, were withdrawn from circulation. These coins were sorted, counted, melted down and cast into ingots. A contract was entered into with Messrs. Engelhard Hanovia of S.A. (Pty.) Ltd., for the refining of the silver-copper alloy and for the making available of the silver and copper separately. These metals were sold at the ruling market prices. By the 31st March, 1966 old silver coins to the value of R3,425,125 had been dealt with in this way.

In purchasing nickel blanks difficulty was experienced in maintaining the 2% weight tolerance laid down in the First Schedule to the S.A. Mint and Coinage Act 1964, and which had been the observed weight tolerance worked to at the S.A. Mint. It was accordingly found necessary to change the weight tolerance from 2% to 3%. In the interest of uniformity this was also done in respect of the new bronze coins and the First Schedule to the Act referred to was amended accordingly.

CHAPTER 1 : FINANCIAL.

Expenditure

There was a considerable decrease in the expenditure, which is due to the fact that this is the first report which deals with coinage operations only, after the transfer of the former Ammunition Branch to the Munitions Production Board.

The comparative figures for the last two financial years are as follows:-

Financial Year.	Amount.	Percentage increase or decrease compared with previous year.
1964/65	R3,392,963	27.26% increase
1965/66	R 925,329	72.73% decrease

Turnover

The turnover increased by 300% compared with the previous year.

The following statement shows the increases in respect of the various products:-

Financial...../3.

Financial Year.	Coinage.		Sundry Products.	Total.
	South African Currency (a)	Proof.		
	R	R	R	R
1964/65	1,889,105	202,093	1,649,264	3,740,462
1965/66	12,822,136 (b)	253,481	1,875,479	14,951,096

The large increase in respect of Currency is due to the change-over to the new nickel and bronze coins.

(a) Apart from the coins sold for circulation purposes in the Republic new coin was issued in replacement of the following old coin withdrawn from circulation:-

Silver coin: 1964/65 - R105,560 1965/66 - R3,425,125
Bronze coin: 1964/65 - R 22,721 1965/66 - Nil.

(b) Includes R48,656 in respect of cupro-nickel coins minted for the Reserve Bank of Rhodesia.

Profit

The nett profit for the year was R12,743,142 compared with R106,735 for 1964/65. This large increase is due to the change-over to the new nickel and bronze coins.

CHAPTER 2 : STAFF.

During the year there was a decrease of 278 in the number of staff employed as compared with the previous year.

The following comparative schedule shows the variations in respect of the different categories:-

Categories...../4.

Categories.	Number of persons in employment on:	
	31.3.1966.	31.3.1965.
(a) Administrative.	5	9
(b) Professional.	1	-
(c) Technical.	7	6
(d) Clerical.	14	25
(e) General Division (A and B) excluding items (g) - (i).	11	9
(f) Temporary employees against posts in categories (a) to (e).	12	20
(g) Special Craftsmen.	8	11
(h) Artisans and Toolmakers.	9	37
(i) Male Operators.	17	47
(j) Apprentices.	2	3
(k) Women Operators and Supervisors.	67	128
(l) Guards, Protection Officers and Nurse.	7	23
(m) Bantu Guards and Boss Boys.	11	35
(n) Bantu Messengers and Bantu Female Cleaners.	10	15
(o) Bantu Labourers.	97	208
	278	576

Recruitment:

A total of 161 appointments were made whereas the services of 172 employees were terminated.

Major Staff Changes:

(a) Mr. W.S. van As was promoted to the post of Administrative Officer with effect from the 1st January, 1966.

(b) Mr. J.J. Swart, Administrative Assistent, was transferred to the Public Service Commission with effect from the 13th December, 1965.

(c) Mr. L.G. Pretorius was promoted to the post of Accountant Grade II with effect from the 1st October, 1965.

(d) Miss...../5.

(d) Miss M. McDonald was promoted to the post of Accountant Grade II with effect from the 1st August, 1965.

(e) Mr. J.P.C. Muller, Senior Foreman of the Maintenance Section, retired on pension on the 28th February, 1966 after 25 years service with the S.A. Mint.

(f) Mr. W. Roux was appointed Senior Foreman of the Maintenance Section in the place of Mr. J.P.C. Muller.

(g) Mr. D.N. Swart, Senior Operator, died on the 13th March, 1966.

Visitors:

The S.A. Mint had 4375 visitors during the year, this being 634 more than during the previous year. The visitors consisted of 1287 adults and 3088 scholars and included 73 overseas visitors.

CHAPTER 3 : GOLD.

Basic Selling Price of Gold.

The basic price of gold remained constant at R25.10 per oz. fine plus 1% (the basic price plus ½% is paid to the S.A. Reserve Bank).

The preparation charge of granules and dental gold remained unchanged.

Gold Coins.

A total of 12,048 gold proof coins (6,024 of R2 and 6,024 of R1 coins) were struck for sale in 5,099 proofsets of 9 coins (R2 - 1c) and 925 proofsets of 2 coins (R2 - R1).

In addition to the above 10,366 non-proof R2 coins and 10,232 non-proof R1 coins were minted for sale as well as 300,000 R2 coins for the Transvaal and O.F.S. Chamber of Mines.

Chapter...../6.

CHAPTER 4 : MINT BULLION OFFICE.

Gold Transactions.

There was an overall increase of approximately 27.2% in the total weight of gold transactions as compared with the previous year.

Weight of Gold Transactions in 1965/66 Compared with 1964/65.

Different carat grades converted to fine oz. troy:-

	1965/66	1964/65.
Received from S.A. Reserve Bank etc.	56,960.28	45,995.70
Granulated and dental gold sold	57,283.41	48,842.54
Medals, wire and sheet gold sold ...	268.50	236.42
Weight of 2 rand and 1 rand coins ..	5,771.10	3,043.67
Transferred to Die and Medal Section.	742.30	324.16
Received from Die and Medal Section.	238.14	133.07
Transferred to Coinage Section.....	4,102.53	-
Received from Coinage Section.....	-	-
	125,366.26	98,575.56
Approximate value at basic price of R25.10 per fine oz.	R3,146,693.00	R2,474,246.00

Silver Transactions.

Weight of Silver Transactions Converted to Fine Oz. troy:-

	1965/66.	1964/65.
Bought from Rand Refinery Ltd., and Sundry Persons	916,584.27	1,156,756.32
Coin withdrawn from circulation (500 Std. 800 Std.)	26,150,860.86	70,771.78
Granules and strip sold	378,398.06	358,127.08
Medals and other items sold	6,129.60	12,121.55
Issues to Die and Medal Section.	4,609.40	9,306.08
Received from Die and Medal Section	358.94	-
Issues to Coinage Section	891,682.05	841,767.48

Received...../7.

	1965/66.	1964/65.
Received from Coinage Section (not coin)	[illegible]	[illegible]49.9[illegible]
Coin received from Coinage Section	859,074.38	1,145,187.6[illegible]
Issued for various alloys.	4,745.02	5,016.6[illegible]
	29,212,642.58	3,599,104.5[illegible]

Purchase of Silver.

Approximately 916,518.00 oz. fine were purchased from the Rand Refinery Ltd., mainly for the manufacture of silver coin and granules.

Basic Selling Price of Silver.

It was necessary for the Mint, with Treasury approval, to vary its basic selling price of silver in conformity with the rise and fall in the overseas market price. This ranged from 92 cents to 94 cents per oz. fine.

Coin Received and Issued. (Old series.)

It was necessary for the Mint, during April and May, 1965, to strike 500 Std. coins for distribution despite the change-over to the new decimal coins which had already commenced. (800 Std. silver and nickel.)

The following is a comparative schedule of gold, silver and bronze (1c - ½c) coins received from the Coinage Section and issued by the Bullion Office.

Value...../8.

Value of Gold, Silver and Bronze Coin (1c - ½c) received from Coinage Section and Issued to Banks etc.

Denomination.	Receipts from Coinage Section during		Issued to Banks etc. during	
	1965/66.	1964/65.	1965/66.	1964/65.
	R c	R c	R c	R c
Gold				
2 rand	32,780.00	15,988.00	25,302.00	19,728.00
1 rand	16,256.00	9,866.00	12,688.00	9,629.00
Silver				
50 cents	779.50	21,364.00	1,432.00	68,563.50
20 "	311.80	781,406.20	679.20	851,543.40
10 "	27,955.90	311,184.40	18,274.90	381,285.30
5 "	77.95	147,686.00	211.65	192,645.65
2½ "	52.72½	515.72½	225.67½	2,871.62½
Bronze				
1 cent	14,085.59	101,040.28	12,300.38	105,188.01
½ "	7.79½	35,771.73	10.26½	37,537.54
Totals	92,307.26	1,424,822.33	71,134.07	1,668,992.02½

The issues of £.s.d. Coinage during the year were as follows:-

£. s. d.	£. s. d.	£. s. d.
£1 2,134.0.0	5/- 10.0.0	1d 3.4.10
£½ 1,012.10.0	2/6 315.5.0	½d 0.11.5½
	3/- 82.16.0	¼d 0.0.9¾
	1/- 85.17.0	
	6d 11.19.0	
	3d 24.12.9	
£3,146.10.0	£530.9.9	£3.17.1¼

Nickel...../9.

Nickel Transactions.

Weights of Nickel in oz. troy:-

	1965/66.
Blanks purchased for Coinage	33,768,622.23
Weight of coins received	27,392,653.06
Transferred to Die and Medal Section	10,110.55
	61,171,385.84

Coin Issues and Receipts. (New series.)

The following is a comparative schedule in respect of silver (800 Std.), nickel and bronze coins received from Coinage Section and issued by the Bullion Office.

The large increase as compared with the previous financial year is due to the change-over to the new series of 800 standard silver, nickel and bronze coins.

Value of Silver, Nickel and Bronze coin received and issued

Denomination.	Receipts from Coinage Section during		Issued to Banks etc. during	
	1965/66.	1964/65.	1965/66.	1964/65.
	R c	R c	R c	R c
Silver				
1 rand	2,161,969.00	85.00	2,135,661.00	85.00
Nickel				
50 cents	6,086,238.00	274.00	4,137,685.00	27.00
20 "	11,689,057.00	-	11,682,711.80	-
10 "	5,522,174.30	256.00	5,381,351.30	30.00
5 "	2,953,612.50	316,664.80	3,075,666.60	193,045.05
Bronze				
2 cents	1,064,889.78	164,210.02	1,108,320.74	86,717.82
1 "	501,439.18	-	283,130.69	-
	29,979,379.76	481,489.82	27,804,527.13	279,905.77

Proofsets...../10.

Proofsets.

The Mint made 5,099 nine coin proofsets (R2 - 1c) 925 gold proofsets (R2 - R1) and 19,889 seven coin proofsets (R1 - 1c).

Withdrawal of 800 Std. and 500 Std. Silver Coin for Remelting.

Since the change-over to the new coin series in May, 1965, a large quantity of 800 and 500 standard silver coin were withdrawn for remelting. The withdrawals up to 31st March, 1966 amount to:-

1951 - 1964	R8,696,719.26	(800 standard)
1964 - 1965	R 113,800.00	do
1965/- 1966	R14,611,200.00	(500 and 800 standard)
	R23,421,719.26	

To the end of March, 1965 the alloy was used for recoinage. As a result however, of the change-over to nickel coins, the alloy in the coins received since that date is refined in the United States of America by a private company and the silver and the copper are sold, on behalf of the S.A. Mint, on the London Metal Exchange.

Included in the above figures is a very small quantity of 500 standard coin which was mutilated whilst in circulation or damaged by fire.

Withdrawal of £.s.d. Bronze Coin.

During the year coins to the value of R9.090.00 were withdrawn from circulation.

Withdrawal of One Cent Bronze Coin.

The change-over to the new coin series and the issue of the new two cents and one cent bronze coins resulted in a surplus of the old one cent bronze coin, and during the year surplus coins to a value of R215,290.00 were withdrawn from circulation. As the metal of these old coins cannot be used economically for recoinage, the coins are flattened and defaced by passing them through a rolling mill, after which the metal is sold by public tender.

Non-Ferrous...../11.

Non-Ferrous Bullion Transactions in the Bullion Office.

The following are (1) the receipts of, and (2) the transactions in non-ferrous metals. Most of this was issued to the Coinage Section for the production of silver coin, but a small amount of copper was issued for the alloying of gold.

(1) Receipts of non-ferrous metals (all in lbs. avoirdupois)

Copper:	Brass:	Total.
19,307.00 lb.	405.00 lb.	19,712 lb.

(2) Non-Ferrous Metals Transactions:

	lb.
Issued to Coinage Section for Silver Coin.	8,544.88
Weight of bronze coin received from Coinage Section	828,436.48
Weight of bronze blanks received from Pretoria West Metal Pressings	1,017,788.00
Weight of metals issued for alloying ...	1,281.82
Transferred to Die and Medal Section ...	16,975.00
	1,873,026.18

For practical reasons all blanks for bronze coinage were supplied by Pretoria West Metal Pressings.

Packing and Despatch Section.

The number of parcels despatched by post and by rail compared with the despatches during the previous year, were:-

	1965/66.	1964/65.
Parcels despatched by post	9,012	8,092
Parcels, other than coin, despatched by rail	242 (3,100 lb.)	173 (446 lb.)
Boxes of coin despatched by rail	9,925 (994,207 lb.)	3,328 (376,953 lb
Rhodesian coin despatched by rail	-	7,200 (1,080,000 l
Bags of coin despatched by rail	67,908 (784,066 lb.)	9,635 (61,245 lb.)

Chapter...../12.

CHAPTER 5 : MINT MUSEUM AND LIBRARY.

The activities of the Museum were very limited during the year and no purchases were made.

The following gifts were received:-

Messrs. Lawson & Kirk (Pty.) Ltd.,	1 Set of 7 Danish coins (5 kroner - 1 ore)
State Historical Museum, Sweden	1 Set of 9 Swedish coins (5 kroner - 1 ore)
President of "Prince Edward Island" Numismatic Society	1 Cent coin dated 1871 and a set of 3 medals (silver, bronze and aluminium) Charlottetown 1864 - 1964.
Reserve Bank of Rhodesia	1 Set of 1964 proof coins (25c - 5c)
Italian Mint	2 Silver coins, 500 Lire.

CHAPTER 6 : COINAGE SECTION.

SMELTING SECTION:

A smelting team of 2 Whites and 13 Bantu's was appointed during the year as the smelting team from the Ammunition Branch, which had undertaken all the coinage smelting in the past, was no longer available due to the transfer of the Ammunition Branch to the Munitions Production Board.

The following is a schedule of the smelting activities during the year:

Metals and Alloys Smelted (output).

Bronze:	Coinage bronze smelted.	29,202 lbs.
Silver:	800 Std. silver for Coinage.	1,783,985.81 ozs.
	925 Std. silver for D and M.	10,354.97 ozs.
	Fine silver granules.	313,756.00 ozs.
	Total.	2,108,096.78 ozs.

Gold...../13.

Gold:	Fine gold granules.	1,609.55 ozs.
	22 Ct. gold for Chamber of Mines.	317,215.84 ozs.
	22 Ct. gold granules.	25,664.20 ozs.
	18 Ct. gold granules and bars.	2,682.18 ozs.
	9 Ct. gold granules and bars.	28,608.14 ozs.
		375,779.91 ozs.
	500 Std. and 600 Std. silver coin remelted for refining.	13,208.000 ozs.

ROLLING SECTION:

The production in this section was:

Bars Rolled and Blanked.

800 Std. silver	1,974,439.54 ozs.
22 Ct. gold.	288,977.46 ozs.
	2,263,417.00 ozs.

Blanks Annealed and Cleaned:

800 Std. silver (R1).	2,203,000
22 Ct. gold (R2).	309,000
Nickel 20c and 5c.	78,350,000
Bronze 2c and 1c.	111,621,396
	192,483,396

COINING SECTION:

The number of coin struck in this section during the year was:-

Gold.	332,646
Silver.	2,158,739
Nickel.	191,236,158
Bronze.	111,621,396
	305,348,939

To obtain this production overtime had to be worked during the whole of the period in question and for approximately six months two twelve-hour shifts per day were worked.

A section...../14.

A section was established to overlook, count and weigh, for subsequent melting, the silver coin withdrawn from circulation and handled the following:

50c	19,800	pieces
25c	10,044,600	"
20c	24,352,500	"
10c	20,884,500	"
5c	26,769,000	"
	82,070,400	pieces.

Coin...../15.

COIN PRODUCTION

Denomination.	Bars cast. Oz.	Bars rolled. Oz.	Blanks coined. Oz.	GOOD COIN 1955-1966 No.of pieces	PRODUCED 1964-1965 No.of piece
Gold R2			4,208.10	16,390	7,994
R1			2,087.62	16,256	9,886
Total			6,295.72	32,646	17,860
800 Std. Silver R1	1,783,985.81	1,974,439.54	1,040,718.40	2,158,739	85
Total	1,783,985.81	1,974,439.54	1,040,718.40	2,158,739	85
Nickel. 50c			3,719,568.54	12,161,024	508
20c			11,302,951.16	58,445,285	256
10c			7,103,050.94	55,224,303	1,560
5c			4,787,359.41	65,405,546	6,332,000
Total			26,912,930.05	191,236,158	6,334,324
Bronze			lbs.		
2c			463,627.26	61,479,228	8,210,531
1c			340,133.48	50,142,168	
Total			803,760.74	111,621,396	8,210,531
Chamber of Mines	ozs.	ozs.	ozs.		
Gold R2	317,215.84	288,977.46	77,052.09	300,000	
Total	317,215.84	288,977.46	77,052.09	300,000	
Bronze. 1c					10,104,028
½c					7,154,346
Total					17,258,374
500 Std. Silver 50c					42,728
20c					3,907,031
10c					3,111,844
5c					2,953,720
2½c					20,629
Total					10,035,952
Cupro Nickel; Rhodesia 2/6					11,502,048
2/-					10,502,048
1/-					15,502,048
6d					13,502,048
Total					51,008,192
GRAND TOTAL				305,348,939	92,865,318

PROOF COIN STRUCK AND DELIVERED TO MINT OFFICE.

R2 and 1 Rand	=	925 sets.
R2 - 1c	=	5099 sets.
R1 - 1c		19,889 sets.

CHAPTER 7 : DIE AND MEDAL AND GENERAL PRESS SECTION.

The production in this section amounted to:

Dies produced	11,179 Units
Medals and badges	26,200 "
Various jewellers articles	5,897 "
General Press	106,038 "
	149,314 Units.

CHAPTER 8 : ENGINEERING AND MAINTENANCE SECTION.

Due to the exceptionally high production of coins during the year the Section was kept very fully occupied in maintaining the production plant, ancillary services and the supply of press tools for the coining presses.

One side of the duplex mill, No. 2 Rolling Room, was converted to deface the large quantity of old 1c coins returned to the Mint; overlooking belts and coin counting machines were installed in portion of the General Press Room to deal with returned coins. Both steam boilers were prepared for the annual inspection.

The following installations were also carried out:

2 New Schuler coining presses and 4 Taylor and Challon overlooking belts in the Coining Room;

New milling machine, surface grinder, universal grinder, radial drill, lathe, power saw and pedestal grinder in the Maintenance Workshop;

Shaper and 2 lathes in the Die and Medal Section and a power saw in the Store.

In addition 13 power presses were removed from the General Press Room and installed in the former recreation room in the Die and Medal block.

The following work was carried out by the Department of Public Works:-

the electric power supply for the machines in the former recreation room:

an enclosure for storing coke was built on the site of the former gas holders;

the...../17.

the floors in the annealing room and blank cleaning room were relaid with acid proof bricks;

plastic tiles were laid on the floor of the Bullion Office;

plastic tiles and Masonite were laid on the floors of the Jeweller's block;

interior painting of canteen and Jeweller's block.

The relining of all the pit-fires in the Melting House was carried out by Cullinan Refractories Ltd.,

CHAPTER 9 : ASSAY OFFICE.

The following is a summary of the work done by the Assay Office Staff during the year:-

Precious Metal Melting And Recoveries:-

Gold Troy Ounces.	Silver Troy Ounces.	Decription of Melts.
227.61		Bars for Mint Office.
7.98		Mint Office reclamations.
1,024.15		Bars for Badge and Medal Section.
	95.32	Assay Office reclamations.
1,259.74	95.32	

Precious Metal Assays:-

Gold:-	Mint Office	558 Samples
	S.A. Bureau of Standards	323 "
	Pyx	6 "
		887 Samples

Silver...../18.

Silver:-	Bars	717 Samples
	Pyx	78 "
	Mint Office, Badge and Medal Section	162 "
	S.A. Bureau of Standards	157 "
		1,114 Samples

9 Gold samples and 6 silver samples submitted for assay by the Bureau of Standards were below standard:

Counterfeit Coins:-

15 Pieces were handed in as alleged counterfeit of which 12 proved to be counterfeit after investigation.

General Chemical Analysis:-

Mineral Prospecting:

24 Samples were received on which 27 determinations were done.

Illicit Gold Trade:-

Assays of 371 exhibits in connection with 278 Court cases were carried out for the S.A. Police, Gold Staff.

341 Pieces of gold were cast for trapping purposes.

In one case the Assayer was subpoenaed to give evidence in Court.

Miscellaneous:-

152 Coins and 4 sets of coins were cleaned for the Mint Office. 2611 Nickel blanks were chemically analysed in order to determine compliance with specification.

DIRECTOR OF THE S.A. MINT.