

PRICES

GENERAL

1-1-81 — 31-7-81.

Lower
RDM 3/1/81
income

groups
(244)
are hit
hardest

By VITA PALESTRANT
CONSUMER MAIL

THE Consumer Price Index for all income groups rose by 0,8% in November and by 14,9% during the 12-month period ending in November

Low income groups continued to be hardest hit by inflation with the CPI increasing by 18,6% between November last year and November this year. And during last month the CPI increased by 1,1% for low income groups

Middle income groups increased by 0,9% last month and 16,1% over the 12-month period

Inflation for high income groups rose less steeply, increasing by 0,7% last month and by 13,5% over the year

Food, which is running well ahead of the CPI, increased by 2% last month and by a massive 28% during the period

(During September food rose by 5,6% and 4,8% during October)

The high inflation rate for the low income group is in part attributable to large food price increases

Food swallows up a large proportion of the low income family budget. While middle income groups spend about 25% of their income on food, low income groups spend between 50% and 70%

Meat alone rose by 5,7% last month and by a staggering 57% during the past year

Other increases in the food sector in November were grain 0,4%, fish 0,3%, milk, milk products and eggs 1%, fats and oils 0,6%, fruit 0,9%. Vegetables dropped by 4% and coffee and tea 1%

During the past year increases were grain 13,3%, fish 8%, milk, milk products and eggs 12,6%, fats and oils 12,8%, fruit 5%, vegetables 20,2% and coffee and tea 6%

Clothing and footwear rose by 0,6% and by 9,9% during the 12-month period

Housing went up by 0,3% in November and by 11,3% during the year

Household operations increased by 0,4% and by 7,5% over the year, with cleaning materials alone increasing by 0,7% and by 12,4% over the year

Domestics were given a dismal November increase — 0,3% — and during the 12-month period their salaries went up by only 4,0% — emerging as one of the lowest moving figures in the CPI

Every month the Department of Statistics analyses masses of information about the cost of goods and services in 11 major urban areas

Consumer Mail publishes the full CPI every month as a service to its readers

	Nov 1980	Oct 1980	Nov 1979
ALL ITEMS	187 8	186 3	163 4
Lower income group	189 1	187 0	159 4
Middle income group	189 1	187 4	162 9
Higher income group	186 8	185 5	164 6
FOOD	208 2	204 1	162 7
Grain products	187 6	186 9	162 8
Meat	229 5	217 2	146 1
Fish	203 4	202 7	188 3
Milk milk products & eggs	177 0	175 3	157 2
Fats & oils	207 4	206 2	183 8
Fruit	172 4	170 8	164 1
Vegetables	193 0	201 0	160 6
Sugar	263 1	263 1	238 3
Coffee & tea	244 5	242 0	230 7
Other	186 8	185 9	163 2
COLD DRINKS	196 4	196 4	170 6 11 5
ALCOHOLIC DRINKS	162 18 2	162 18 2	150 2
CIGARETTES CIGARS & TOBACCO	157 4	157 4	150 8
CLOTHING & FOOTWEAR	160 3	159 3	145 8
Clothing	152 1	151 0	139 2
Footwear	203 8	202 7	181 3
HOUSING	158 1	157 7	142 0
L & POWER	239 6	239 5	212 8
FURNITURE & EQUIPMENT	164 8	164 5	150 0
Furniture	146 9	146 9	133 4
Appliances	160 0	160 0	147 2
Other	176 1	175 2	159 3
HOUSEHOLD OPERATION	214 6	213 7	199 6
Cleaning materials etc	203 3	201 8	180 8
Domestic servants	217 2	216 5	207 3
Other services	198 1	198 1	184 7
MEDICAL CARE	175 5	175 5	151 5
TRANSPORT	212 8	211 6	197 9
Vehicles	196 3	193 9	171 3
Running costs	248 8	248 2	241 4
Public transport	168 1	168 1	156 4
COMMUNICATION	114 5	114 5	101 3
RECREATION & ENTERTAINMENT	174 5	174 5	158 1
READING MATTER	248 3	248 3	107 3
EDUCATION	201 9	201 9	176 9
PERSONAL CARE	176 6	176 6	160 3
OTHER	187 8	184 7	160 8

Saturday, January 3, 1981

Kindler ²⁰⁴ cuts in ²⁰⁴ the PF butchery

Own Correspondent

PORT ELIZABETH — In an irregular market trend, red meat prices at the Port Elizabeth abattoir have dropped substantially.

Despite warnings of prices as high as R10 a kilogram by Christmas, prices have continued to fall, with super beef selling this week at about R1,88 a kilogram compared with the September record of R2,68.

Lamb and mutton prices have also dropped. Super lamb and prime mutton both sold at about 80c a kilogram less than three months ago.

And it seems consumers will benefit from the drop in prices.

Regional manager of the concern running meat departments in two large supermarkets in Port Elizabeth, Mr L. Kuyper, said meat prices in both stores had been lowered across the board by 4c, with some cuts taking bigger drops.

The chairman of the Port Elizabeth, Uitenhage and Despatch Meat Traders' Association, Mr D G Futter, said some butchers had already dropped prices on certain cuts.

"If the present market trend continues, consumers can look forward to a general reduction in small butchers' prices in the new year," he said.

The Port Elizabeth Meat Board manager, Mr K Slabbert, said the reason for the lower prices was a substantial drop in demand over the holiday season, which was normally a peak period with demand outstripping supply.

"In the past, people have waited until the last minute before the Christmas period to buy their meat, placing a great strain on supplies and sending prices up.

'Panic buying as far back as October and Checkers' chicken imports were also causes of the drop in demand.'

Because of this, the Meat Board had been buying in beef and sheep carcasses almost daily. On Tuesday, 1 200 sheep carcasses were bought, Mr Slabbert said.

A bulk buyer and supplier, Mr W J Kolesky, said panic buying before the start of the holiday season had caused a sharp drop in demand later.

Butchers were ordering considerably less meat over the season compared with previous years, he said.

No early relief from food rises

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3/1/81

Own Correspondent

Consumers can expect no relief from rocketing food prices in early 1981.

This was confirmed in Pretoria by the South African Agricultural Union (SAAU) which has warned that housewives will have to bear the brunt of the fertiliser price increase announced last year.

In a statement the union said the higher fer-

tiliser prices have once again brought about an increase in farmers' production costs

"This means that the housewife will ultimately be the one who will have to pay more for food, but farmers should not be blamed for this

HARVEST

"As in the past, farmers will do their utmost to counter the effects of high fertiliser prices by

increased efficiency in food production," the union said

Because the latest fertiliser prices were somewhat lower than in the past, consumers could expect food price increases to be less drastic.

This was expected to come about only after the next season's harvest. The current harvest had been planted with last year's fertiliser which cost 17 percent more than the previous year's had

MEAT COST

Next week the SAAU will meet to discuss the price increase for dairy products. It is expected this will be split in two, to give a total increase of 26 percent.

Farmers are confident the government will grant this to prevent their slaughtering herds to take advantage of high meat prices.

Retailers have predicted that food inflation this year will be higher than last year's 25,2 percent.

They warned consumers that practically all household commodities will rise in price during the first quarter of this year.

Mr Johan Willemsse of the SAAU has forecast a food inflation rate of 30 percent this year — 18 percent higher than that predicted for the United States.

Egg price

increase

will hit

blacks

Consumer Reporter

BLACK people in particular will be hit by a rise of 2c a dozen in the price of eggs next week, said the Cape chairman of the Housewives League of South Africa, Mrs Peggy Borckenhagen, today.

Eggs will go up in some parts of the country because of increased costs to the producers.

During 1980 the price of eggs rose five times in the Western Cape to reach double the price charged in December 1979.

Now the Egg Board is expecting a shortage because of the increased demand as a result of the high price of red meat.

'Any rise in the price of eggs will hit the poorer families, which use more eggs because they are the cheapest form of protein,' said Mrs Borckenhagen.

'This rise has been threatened for some time and I suppose we must be thankful it is not a bigger one. I hope it will not be followed by another before long.'

Putco fares rise: traffic loss to railways likely

By Tony Duigan and
Mervyn Harris

Putco bus fares in the Pretoria area went up by 5 to 6 percent today as the new rail service between Pretoria's northern black townships and the city slowly got into gear.

The fare rise — the result of cost increases — comes when Putco faces a cutback of its Pretoria services as a result of the new rail link between Soshanguve and Pretoria.

The rail service began operating last week and a Putco spokesman said today he expected the next two weeks to show how many commuters would swing from Putco to the railways.

Putco now carries about 40 000 passengers each way between Soshanguve — Mabopane and Pretoria. Company executives expect about 40 percent of these commuters to swing ultimately to the railways.

A railways spokesman said today he expected the number of commuters using the rail service to pick up this week as offices and factories began opening after the holidays.

Putco's Mabopane route has been under the spotlight after a Star investigation revealed that the company could be receiving hundreds of thousands of rands a year in excess subsidies on this route.

Subsidies paid by the Government on Putco's routes are based on passengers carried and kilometres travelled.

Last year Putco got a subsidy of R40-million and it appeared that on the Mabopane-Pretoria route up to 8 000 passengers a day who had season tickets for the whole route — and were later subsidised for

the full distance — were getting off along the way into the city.

Last month the Department of Transport announced, following inquiries by The Star, that it intended to investigate subsidised bus companies.

Today increased fares came despite a threat last year of a boycott by black commuters, reports our Pretoria Bureau

Putco's Pretoria public relations officer, Mr Dan Rolt, said there were no signs of a boycott early today.

He said the new fares did not take into account the latest wage increases.

Average increases on shorter routes were one cent a trip and on longer ones two cents.

Mr Rolt said Putco did not lose passengers to the railways. Buses carried 4 500 passengers from Mabopane to Pretoria early today.

Putco is paying an interim dividend of 3c a share on its increased capital.

The shares ended the year at 390c, after soaring from 165c in September

118 1/2
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Provincial Reporter

CAPE residents will face increases in both hospital fees and motor licence fees early in 1981, in a year which is likely to demand more 'belt-tightening' than last year.

Without referring to inevitable tax increases, the Administrator, Mr Gene Louw, said in his New Year message that '1981 will undoubtedly be another difficult year for the Cape Province, financially and otherwise

POSTPONEMENT

'The decision not to increase hospital and motor licence fees now is basically a postponement of something that will happen — it is just a matter of when,' Mr Louw said in an interview in October

The Administrator has repeatedly drawn attention to the Cape's special needs — not only is it larger in area than the rest of the Republic, but it has not shared in the economic upswing

In his New Year statement the Minister of

Hospital licence fees may rise

Finance, Senator Owen Horwood, gave no hint of recognising the Cape's precarious position

1980 was a bad year for the Cape. Without the mining bonanza and industrial growth of the other provinces, it was an unsettling year of socio-political unrest

The Provincial Administration, too, has felt the pinch in enormously increased transport costs due to the size of the Cape, the consequences of severe drought, the sharp-

ly rising costs of medicines and hospitals, and growing backlogs in school maintenance and construction

In his New Year message, Mr Louw touched on some of these subjects 'In certain ways 1980 was a difficult and in some respects even a disturbing year,' Mr Louw said

'But it was definitely not a year of stagnation. The total estimated expenditure for the financial year is a record R908 753 000

'Much was therefore achieved'

He said 'Undoubtedly, 1981 will be another difficult year for the province, financially and otherwise, but difficulties bring out the best in man'

ALARMING

Mr Louw warned that building costs were 'escalating at an alarming rate,' but said he hoped the Administration would be able to honour its building obligations

Some of the achievements were the National Health Year and National Heart Effort, reduced school hostel fees and grants to local authorities with their own electricity generating plants in drought-stricken areas, and 'important achievements' in nature and environmental conservation

Mr Louw, on behalf of his family and himself, wished all people of the Cape 'a peaceful, prosperous and rewarding 1981.'

Call on Govt to cut price of petrol

RDM 6/1/81

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By GERALD REILLY
Pretoria Bureau

THE Automobile Association has called on the Government to reduce the price of petrol by cutting the big tax take from fuel.

And yesterday Government sources said they were confident that in spite of the age rise of 10% in crude oil prices, there would be no need for a local price rise for at least six months.

They declined to comment on the possibility of a petrol price, although it was conceded this would make a major contribution to damping down inflation.

The AA's director of public relations, Mr Henne Kleynhans, said that before the Budget, the Government should urgently review the costs elements making up the retail price of petrol.

"Surely, in its current strong financial position, the Government could consider reducing the big tax on fuel, and make a major contribution to combating inflation, which some economists warn could be 20% by the middle of the year."

Mr Kleynhans said that since the start of the climb in 1973, petrol had increased in price by a massive 422%.

"There is no other commodity price rise during the past

seven years to match this."

South Africa had stockpiled a two-year supply of oil, according to a statement by the then Minister of Industry and Commerce, Dr Schaik van der Merwe, last year.

"So in the view of the AA there are compelling reasons not only why the price of fuel should not be raised, but why it could be reduced," Mr Kleynhans said.

The director of the Motor Industries Federation, Mr Janne van Huyssteen, said the 10% Opec increase would boost the official price to a point close to prices being asked on the spot market.

"But there is a surplus of crude at present, mainly because of a switch from oil to coal on a substantial scale in the major oil-burning countries."

Unless something unforeseen happened, therefore, it was likely crude would be increased in price again before the middle of the year.

The fall-off in production because of the Iran-Iraq conflict had been compensated for by stepped-up production in other oil-producing countries.

Other sources said the huge petrol price rise in South Africa in June 1979 was big enough to absorb further rises in crude prices.

All food prices likely to rise again this year

Pretoria Bureau

THE price of all foods will rise again this year the director of the South African Agricultural Union, Mr Chris Cilliers, said in Pretoria yesterday

Although production costs during the past year had probably not risen to the same extent as in the previous year, substantial adjustments had to be made to producer prices

The SAU's commodity committees start a series of meetings next month at which farmers will formulate their price increase demands

Mr Cilliers said it was hoped the production cost rises would be less than the current 15% inflation rate

'However, no matter how high or low they are farmers have to be compensated fully for at least the higher costs of producing food' he said

The Jacobs Commission had recommended that farmers should be fully compensated for farming costs and this had been accepted by the Government, Mr Cilliers said

It is certain, therefore according to other agricultural authorities that the consumer price of maize and maize products of wheat and bread and of dairy products — including fresh milk — will rise again

this year

They emphasised that Government policy was directed at maximum agricultural production and basic to this was adequate producer prices

It was vitally important strategically that South Africa should be in a position to export basic foods to other Southern African countries which had shown themselves unable to grow enough to feed their own populations

These included Zambia, Zaïre, Mozambique and to a lesser degree, Zimbabwe, Botswana, Lesotho and Swaziland

Last year the former Minister of Agriculture, Mr Hendrik Schoeman emphasised that food was as important as guns in the Southern African context

He also said South Africa was one of the few countries on the continent with the ability to produce food surpluses

Meanwhile, a strong plea is expected during the coming parliamentary session from the Progressive Federal Party for higher State subsidies to cheapen basic foods

State food subsidies this year on maize, bread, milk, butter and cheese will exceed R200-million according to the Department of Agriculture

KENNISGEWING 114 VAN 1981
DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Desember 1980 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975=100	Basis April 1970=100
1 Kaapstad	183,9	287,1
2 Port Elizabeth	184,2	291,6
3 Oos-Londen	184,9	292,1
4 Kimberley	188,3	289,6
5 Pietermaritzburg	188,0	294,8
6 Durban	187,8	290,9
7 Pretoria	187,0	298,8
8 Witwaterstrand	194,2	306,6
9 Klerksdorp	186,7	293,5
10 Vaaldrichhoek	195,9	303,6
11 O V S-goudvelde	195,3	297,8
12 Bloemfontein	186,5	288,7
Beswaarde gemiddelde van die 12 gebiede	189,9	298,5

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspele of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderings wat van tyd tot tyd plaasgevind het.

NOTICE 114 OF 1981
DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for December 1980 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975=100	Base April 1970=100
1. Cape Town	183,9	287,1
2. Port Elizabeth	184,2	291,6
3. East London	184,9	292,1
4. Kimberley	188,3	289,6
5. Pietermaritzburg	188,0	294,8
6. Durban	187,8	290,9
7. Pretoria	187,0	298,8
8. Witwaterstrand	194,2	306,6
9. Klerksdorp	186,7	293,5
10. Vaal Triangle	195,9	303,6
11. O F S Goldfields	195,3	297,8
12. Bloemfontein	186,5	288,7
Weighted average of the 12 areas	189,9	298,5

Explanatory notes

The Consumer Price Indexes do not permit of urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each area, independently, the price changes which have taken place from time to time.

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Base:	
1	287
2	291
3	292
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5	294
6	290
7	295
8	306
9	293
0	303
1	297
2	288
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Met ingang van Julie 1979 is die Verbruikersprys-
indeks met basis April 1970=100 vervang deur 'n
Verbruikersprysindeks met die gemiddelde vir 1975 as
basis. Vir die doel van loon- en ander ooreenkomste is
die nuwe indeks aan die ou indeks geskakel ten einde 'n
aaneenlopende reeks te verkry met April 1970=100 as
basis. Hierdie indeks sal vir 'n beperkte tydperk gepu-
bliseer word om gebruikers van die indeks die geleent-
heid te bied om ooreenkomste wat op die indeks met
basis April 1970=100 betrekking het, te wysig
(6 Februarie 1981)

With effect from July 1979 the Consumer Price Index
with April 1970 as base has been replaced by a Con-
sumer Price Index with the average for 1975 as base.
For purpose of wage and other agreements the new
index has been linked to the old index in order to obtain
a continuous series with April 1970 as base. This index
will be published for a limited period to afford users
of the index the opportunity to amend agreements which
refer to the index on the base April 1970=100
(6 February 1981)

KENNISGEWING 111 VAN 1981

DIE SUID-AFRIKAANSE GENEESKUNDIGE EN
TANDHEELKUNDIGE RAAD

KENNISGEWING KRAGTENS REGULASIE 14
VAN GOFWERMENSKENNISGEWING R 2268
VAN 3 DESEMBER 1976

Die onderstaande besonderhede rakende geregi-
streerde persone wat kragtens die bepalings van die Wet
op Geneesheer, Tandartse en Aanvullende Gesondheids-
diensberoep, 1974 (Wet 56 van 1974), deur die Suid-
Afrikaanse Geneeskundige en Tandheelkundige Raad
skuldig bevind en gestraf is, word hiermee vir algemene
inligting bekendgemaak

NOTICE 111 OF 1981

THE SOUTH AFRICAN MEDICAL AND
DENTAL COUNCIL

NOTICE IN TERMS OF REGULATION 14 OF
GOVERNMENT NOTICE R 2268 OF 3 DECEM-
BER 1976

The following particulars concerning registered per-
sons who have been found guilty by the South African
Medical and Dental Council and upon whom penalties
have been imposed in terms of the Medical, Dental and
Supplementary Health Service Professions Act, 1974
(Act 56 of 1974), are published for general information

<i>Naam van persoon</i>	<i>Aard van aanklag waaraan skuldig bevind</i>	<i>Straf wat opgelê is</i>
Dr P G de Villiers	Onbetaamlike gedrag Reël 28 van Goewermentskennisgewing R. 2278/1976 oortree.	Gewaarsku
Dr B G. Duncan	Skandelijke gedrag Onjuiste mediese sertifikaat uitgereik	Geskors vir drie maande
Dr P G. Joubert	Skandelijke gedrag In hof skuldig bevind aan bedrog	Geskors vir ses maande
Dr J A Katz	Onbetaamlike gedrag Te hoë gulde gevorder.	Berispe en gewaarsku
Dr M J Levy	Skandelijke gedrag In hof skuldig bevind aan bedrog	Geskors vir ses maande wat op- geskort is vir drie jaar
Mnr J M Maseko (genees- kunde student)	Skandelijke gedrag In hof skuldig bevind aan bedrog	Geskors vir twee jaar
Dr J H B Mathey	Skandelijke gedrag Bevel gemaak kragtens artikel 51 van die Wet nie nagekom nie	Naam uit register geskrap
Dr C I Morkef	Onbetaamlike gedrag Reël 28 van Goewermentskennisgewing R. 2278/1976 oortree	Gewaarsku
	Ondersoek kragtens artikel 51 van Wet 56/1974	Toegetlaat om as intern te werk onder voorwaardes
	Skandelijke gedrag Versuim om pasiënt met betalings te krediteer	Geskors vir drie maande wat opgeskort is vir een jaar
	Skandelijke gedrag indien sy beroep in aanmerking geneem word in hof skuldig bevind aan aanranding	Geskors vir ses maande wat voorwaardelik opgeskort is vir drie jaar
	Skandelijke gedrag (a) Onjuiste mediese sertifikaat uitgereik (b) Gepraktiseer terwyl nie geregistreei nie	Geskors vir drie maande
	Skandelijke gedrag Onjuiste mediese sertifikaat uitgereik	Geskors vir ses maande wat voorwaardelike opgeskort is vir drie jaar
	Skandelijke gedrag Versuim om vorm MVA 13 te voltooi	Geskors vir drie maande wat voorwaardelik opgeskort is vir drie jaar
	Skandelijke gedrag indien sy beroep in aanmerking geneem word in hof skuldig bevind aan onwettige diamanthandel	Geskors vir drie maande
	Ondersoek kragtens artikel 51 van Wet 56/1974	Toegetlaat om te praktiseer on- der voorwaardes

10.4.2 Routing

Routing defines the work to be done and where it is to be performed.

This information is usually provided to production control by a product or process engineering function. It is used by production control to load and schedule.

Typical of the information and data received from engineering are:

(a) Detailed drawings of parts and assemblies

(b) Bills of material and quality specifications

(c) Sequence of operations to be followed at each work

centre

(d) Equipment

(e) Tools, jigs

(f) Feeds and

(g) Machine s

(h) Direct an

The following diagram shows

"This will be a grim year for the consumer. The genius of the housewife will be taxed to the utmost to balance her budget," said Mr Richard Cohen, director of Pick 'n Pay.

But good news is, that the price of chickens is likely to drop about 20c a kilogram within the next six weeks.

The price could drop to R1,60 a kilogram by the end of next month, in the wake of price drop in red meat over the past few weeks.

Other price increases in the pipeline for the first six months of the year include wine, sugar, rice, dairy products, oil, tyres and tubes.

The price of biscuits will rise between four and six percent in the first week of next month.

Tinned fruit, vegetables and jams will increase by 12,5 percent and a wide range of toiletries will go up by a like amount.

Plastic utensils and containers will go up between six and 15 percent within the next few days and paper products such as plates, serviettes, tissues and toilet rolls will go up an average of 14 percent.

Plasticware, paperware, biscuits, tinned foods and toiletries are first in a series of price increase blows which will hit the consumer this year.

Consumer Reporter

What you'll pay more for ^{STAR} 8/11/81 ²⁴⁴

AN-	FIXED	SET-UP	CYCLE	TAKE-DOWN	STD	TOTAL HRS
SEQ.	TIME	TIME	TIME	TIME	HRS	THIS SEQ.
ISSUE	UNIT	WASTE	ALLOW	SCRAP		
QUAN						
DATE	DRAWING	NO	DATE	DATE	DATE	PAGES
OF						

ORDER NO	PART NUMBER	
PRODUCT		
BASIC	MATERIAL	FORM
OUT D	SPEC	NO
MTL		
IN PROC	OPERATION DESCRIPTION	NO
CTR	WORK	NO

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Meat prices may stabilise during 1981

RDM 8/1/81

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RED MEAT prices were expected to stabilise this year at the levels of the past two months, but average prices for the year would probably exceed last year's averages, the general manager of the Meat Board, Dr Jan Lombard, said in a statement in Pretoria yesterday.

He also said he expected less red meat to be available this year than last.

Compared with 1979, price increases during 1980 were 49% for beef, 33% for mutton and 18% for pork.

There was a 4% reduction in the supply of all red meat and an estimated 39% increase in consumer spending on meat.

"Although the present economic upswing is expected to continue at least throughout 1981," Dr Lombard said, "it is doubtful whether the increase in consumer spending and purchasing power will continue at the same rate as last year."

Last year consumer spending on meat had increased faster than consumer spending in general, with the result that consumers had spent a larger proportion of their income on

meat. The slower increase in consumer spending would result in consumers returning to their normal meat expenditure pattern this year.

This meant that the demand for red meat would increase more slowly this year than average consumer spending.

Referring to red meat supplies, Dr Lombard said the relatively high production in 1980 had been made possible by reducing the national cattle herd from nine million in August 1979 to 8 400 000 in August last year.

"The herd has been reduced by 600 000, largely as a result of extra cow slaughterings. Hence the smaller number of cows in the country will produce less cattle for slaughtering this year, unless production efficiency increases dramatically."

It was highly probable, he added, that there would be 19% less beef available this year than in 1979, and that there would be 14% less red meat as a whole available if mutton and pork production remained unchanged — Sapa.

KENNISGEWING 13 VAN 1981
DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir November 1980 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

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	Basis 1975 = 100	Basis April 1970 = 100
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5 Pietermaritzburg	186,7	292,7
6 Durban	188,0	291,2
7 Pretoria	185,0	295,6
8 Witwatersrand	191,4	302,2
9 Klerksdorp	184,2	289,6
10 Vaaldriehoek	194,3	301,2
11 OVS-Goudvelde	193,9	295,7
12 Bloemfontein	186,6	288,9
Beswaarde gemiddelde van die 12 gebiede	187,8	295,2

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970 = 100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970=100 betrekking het, te wysig.

(9 Januarie 1981)

NOTICE 13 OF 1981
DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for November 1980 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

997357
9/1/81

Area	Index	
	Base 1975 = 100	Base April 1970 = 100
1 Cape Town	181,3	283,0
2 Port Elizabeth	183,3	290,2
3 East London	183,9	290,6
4 Kimberley	187,1	287,8
5 Pietermaritzburg	186,7	292,7
6 Durban	188,0	291,2
7 Pretoria	185,0	295,6
8 Witwatersrand	191,4	302,2
9 Klerksdorp	184,2	289,6
10 Vaal Triangle	194,3	301,2
11 OVS Goldfields	193,9	295,7
12 Bloemfontein	186,6	288,9
Weighted average of the 12 areas	187,8	295,2

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price change which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purposes of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970=100 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970=100.

(9 January 1981)

Probe called for into motor spare parts prices

RDM 10/1/81
20 122 244

THE Board of Trade and Industries has recommended that the Price Controller investigate complaints about abnormally high prices and gross profit margins on motor vehicle parts

A report by the board to the Minister of Industries, Commerce and Tourism Dr Dawie de Villiers, on monopolistic conditions in the supply and distribution of motor vehicle parts, was published in yesterday's Government Gazette

The board finds that certain trade practices in the supply of parts, components and materials are monopolistic, but that there are reasons why they should not be prohibited

Some of the monopolistic conditions are either justified in the public interest, the board says, or have already been self-eliminated by the parties concerned

However, the board recommends that the Minister should prohibit the situation in which

most motor vehicle manufacturers compel their agencies to keep in stock only certain approved parts, components and materials and to buy them only from the manufacturers

Dealing with complaints about abnormally high prices and gross profit margins on parts, the board says the Price Controller should be asked

• To investigate allegations that limits allowed in terms of agreements with the industry are sometimes exceeded

• To differentiate between various categories of parts and middlemen in the distribution channel regarding the profit margins and discounts allowed, with due regard to the economic functions performed

• To again investigate critically the costs allowed in respect of parts and accessories with a view to the reasonableness of the costs and allowable profit limits which may be determined on this basis — Sapa

Canned goods price rise yet another blow for consumers

By Caroline Mehliiss
Consumer Reporter

The hard-hit consumer has been dealt another blow. Prices of a wide range of basic tinned foods have been increased with immediate effect.

Langeberg Co-op, makers of Koo foods, and

H Jones and Co, makers of All Gold, IXL and Silver Leaf products, have announced increases of between 10 and 15 percent for a wide variety of canned goods.

These include jams, tinned fruit and vegetables, tomato sauce and

puree and pickles.

Consumers can now expect to pay about R1,22 (R1,09) for a 900 g tin of apricot jam.

Pineapple rings (410 g) will cost 45c (32c), pickled onions 75c (63c), a tin of soup 56c (45c), baked beans (410 g) 36c (29c),

and tomato sauce (750 ml) R1,06 (82c).

And to add to consumer woe, another round of price increases for tinned foods is planned for July 1.

This increase is expected to be about 12 percent.

THIRD INCREASE

The present price increases are the third for H Jones and Co in a year.

Last May it increased prices by five percent, and in September a further 14 percent.

A spokesman for the company said the increases were due to higher production and labour costs.

H Jones and Langeberg will merge in February. The new company will be called All Gold Foods.

It will control nearly 80 percent of the local tinned food market.

Dr J A Mouton, general manager of Langeberg, said the merger would enable the companies to rationalise their activities and keep prices down.

Service to consumers would also be improved, he said.

Heads could really spin over new wine prices

There could be a taste of sour grapes for wine drinkers today when the new minimum wine prices are announced.

The KWV Board is meeting in Paarl today to determine the 1981 minimum price paid to farmers for a hectalitre of grapes.

An increase of between 10 and 15 percent is expected.

Last year, the price was fixed at R27,63 for good wine, and R21,36 for distilling wine.

These were increases of

12 and 13 percent, respectively, on the previous year's prices.

Although the new price fixing will be announced later today, consumers will feel the pinch only next month.

After the price is published in the Government Gazette at the end of January, members of the Cape Wine and Spirits Institute will discuss the new retail price.

This will be passed on to the consumer towards the middle of next month.

Part of last year's increase was absorbed by the retailers and consumers paid an extra 15c to 25c for an average bottle of wine.

South Africa's wine consumption per capita is one of the lowest in the world.

South Africans drink an average of 8,8 litres of wine each a year.

The French drink 98,1 litres each a year, the Portuguese 91,3 litres and the Italians 91 litres each a year.

David Haddon Prize
For the best student of

Miss C Tredgold

in third year.

Molly Gohl Memorial Prize
For the best woman student

P A Rappoport

For a student who has
satisfactorily completed
1st, 2nd and 3rd major courses.

Helen Gardner Travel Prize

P F Dunkley

Sixth Year

For the best student in :-
of Architects' Prize
Cape Provincial Institute

ARCHITECTURE

FINE ART & ARCHITECTURE

SUM 14/1/81

Egg price goes up again by 2c

Own Correspondent

The wholesale price of eggs will go up about 2c a dozen this month to cover increased packaging and labour costs.

The profit margin of eggs is so small, most supermarkets would probably not absorb the increase.

The price increase is expected in the last week of the month after an increase in the Cape next Monday.

This increase and expected further egg price rises in June were purely increases in cost production and not loading of prices, chairman of the

Northern Transvaal Poultry Association, Mr I Bartlett, said.

The increases in the price of packing material was about 0,75c a dozen. There was also an increase in labour and electricity costs this month, he said.

In April or May, the maize price would be reviewed and probably increased.

An increase in the price of maize which was 70 percent of the feed would result in another egg price increase, he said.

Egg prices almost doubled last year when the price rose five times during the course of the year.

General J B M Hertzog Prize
For the best final year student.

D H Pryce Lewis

For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

David Haddon Prize

Miss C Tredgold

Molly Gohl Memorial Prize
For the best woman student in third year.

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SAB 14/1/81

Beer cheer-price won't go up soon

Own Correspondent

CAPE TOWN — Beer drinkers can relax and enjoy their tankards. No price rise is imminent.

Rumours of possible immediate beer price increases have been heard since the beginning of the year.

In November of 1979 there was a major reshuffle in the manufacturing companies when South African Breweries took over Intercontinental Breweries, which in return received a large slice of SAB's wine interests.

At that time an undertaking was given that wholesale beer prices would not be increased until this year.

There have been predictions of a 15 percent increase in beer prices before March this year.

But in Cape Town yesterday when the question was put to Mr Lionel Drey, acting general manager of a local brewery, he indicated prices would stay at their present levels for the time being.

"I know of no proposed changes in wholesale prices."

with

S A Read

General J B M Hertzog Prize
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P F Dunckley

Sixth Year

Cape Provincial Institute of Architects' Prize
For the best student in :-

ARCHITECTURE

Egg price is set to rise in Natal

NR 14/1/81 3 eggs 24¢

Mercury Reporter

THE price of eggs in Natal will be increased in the near future according to the Natal Poultry Producers' Organisation. This follows the announcement yesterday that the price is to be increased in the Cape on Monday.

According to the chairman of the Commercial Poultry Organisation, Mr Noel Leitch, a 3 percent increase was being considered. He said it had become necessary because of higher production costs and added that there had been no increase since last May. It was customary to review prices every January or February.

Mr Leitch said there was also a possibility of a major price increase in May when the minister would announce the increased price of maize.

According to Mr Leitch egg prices were similar throughout the provinces, with Cape prices being slightly higher than those in Natal. Transvaal prices were generally lower because maize transport charges were not as high there.

Natal has maintained a strategic reserve of eggs and this has resulted in a nice balance, he said.

Asked whether producers might take advantage of the adjustment and increase prices unfairly, Mr Leitch said it was unlikely.

We suggest a minimum increase and those who charge more are then subject to the normal market forces of supply and demand.

No producer would be forced to increase prices, he said.

Higher production costs send up egg price

Two cents a dozen

NH 17/1/81 (244) Eggs

Mercury Reporter

EGGS will cost at least 2 c more a dozen in Durban supermarkets from next month

And another price rise is scheduled for May when the Government will announce increases in the cost of animal and fowl feed, which retailers will also pass on to consumers

Next month's increase, of at least 2 c on the price of a dozen large and extra large eggs, is due, according to the chairman of the Commercial Poultry Organisation, to higher production costs

Mr Colin Clark, chief accountant for the Pick 'n Pay

group of supermarkets, said supermarkets would not be able to absorb the increase and it would have to be passed on to consumers.

The Mr Doug Milstead, chairman of the Natal Egg Co-operative Ltd, said producers had carried higher production costs but it was no longer possible for them to do so

'We have been forced to increase the price because of production costs,' he said.

The perishable goods buyer of Checkers, Mr Harry Schneeman, said his company would also not be able to absorb the increases

RDM 15/1/81 244

Higher wine price fixed

PAARL — The price of good and distilling wines had been increased by 10%, subject to approval by the Minister of Agriculture, the board of the KWV announced in Paarl yesterday.

The board announced it had fixed the minimum price of wine to the liquor wholesale trade after considering the 1981 production outlook.

This was in accordance with the powers vested in the KWV through the Wine and Spirits Control Act, but subject to the approval of the Minister.

The minimum price for good wine — for consumption, rather than distillation — has been

fixed at R30,39 per hectolitre, compared to R27,63 per hectolitre in 1980.

This is an increase of R2,76 per hectolitre, or 2,07c per 750ml bottle, which means the producer now gets 22,8c per bottle.

This adjustment represents an increase of 10% on the 1980 price.

The minimum price for distilling wine has been fixed at R23,50 per hectolitre, at 20% strength, compared to R21,36 per hectolitre in 1980.

This adjustment of R2,14 per hectolitre is a 10% increase on the 1980 price.

Faced with rising prices

and costs throughout the economy, the wine industry has been unable to avoid production cost increases," the board said.

It said the winegrower worked consistently at increasing technical efficiency, but even then could only partly counter cost increases.

The expansion of the table-wine market was an important factor which was also considered when prices were fixed, the board said.

It said it was expected the demand for good wine — currently about 44% of the crop — would continue, and that production would increase correspondingly.

AD 5/1/81
Rise in
egg
price

244
~~300~~

PORT ELIZABETH — Egg producers in the Eastern Cape and Border have decided to increase their price by 2c a dozen from February 2.

Mr. W. A. Ward, South African Poultry Association representative for the Eastern Cape, said, the price increase had been brought about by rising production costs.

These included a 15 per cent increase in packaging costs from January 1. Wages and general running expenses had risen continually since the last increase of 2c a dozen on June 2, he said.

Producers could not absorb these increased costs. He said wholesale prices had been stable for six months. Producers had been extremely responsible in pricing, particularly through the Christmas season, when eggs were in short supply temporarily.

He said the increase represented a 2.8 per cent increase on all grades. Eggs were still the best nutritional buy available.

Mr. Ward said there would also be increases in other regions, some of up to 3c a dozen — DDC

No change of tempo in price rise tango

Star 19/181

By Charles Bellum
The depressing part of consumerism is that you often know what's coming as sure as does a driver hitting forward a wall after his brakes have failed.

So strap in sit back let's take the brakes off and roll!
These are some of the things consumer car people — and no, not take pre-emptive action against — this year.

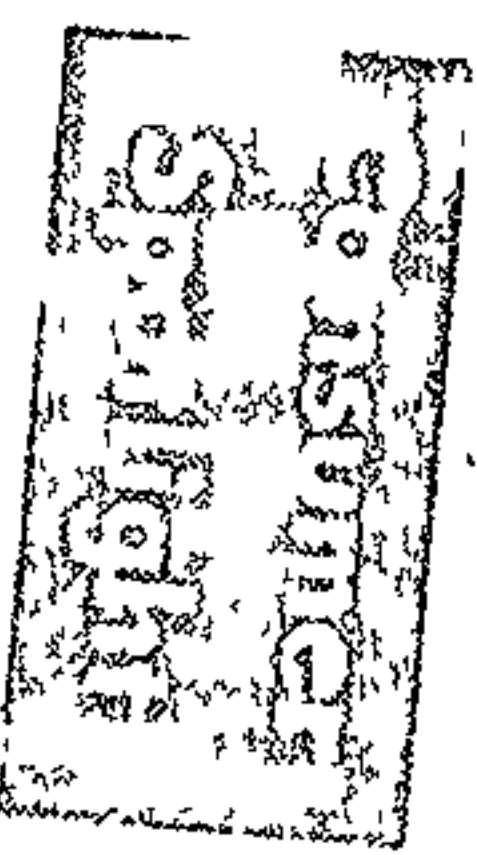
At the end of next week the milk companies of the SA Agricultural Union meet to discuss the list of two proposed

milk price increases this year.

It will probably signal the highest milk price increases in years. Farmers are hoping for at least 30 percent.

Others have threatened that if the increases don't match up they will follow former Agriculture Minister Hendrik Schoeman's almost symbolic example and sell their dairy herds.

Alternatively, the cows will be leg to the about-to-be instead of the milk-ing string.
The end of this month brings with it dog and car licence fee demands.



Randburg residents in particular must remember to display the moral regulation discs on their pets' collars.

Universities open again in February and bookshelves have suggested that students attend lectures first and then buy only the most vital books for their courses.

On prices — although

apparently not petrol — are set to rise at the end of next month.

Wise consumers will ensure the vehicles are properly tuned and will brush up on fuel conservation measures to cut down on those bills.

Consider using recycled oil — the Automobile Association uses nothing else in its cars.

It is much cheaper than new lubricants.
In December poultry farmers complained they were culling laying stocks to meet the increased demand for chicken, which

was selling at slashed prices.

Critical industry watchers predict that February will probably signal the first of the New Year's egg price increases.

March is when maize prices will probably go up. Stock up beforehand.

The bread price, it is confidently predicted by agricultural officials among others, will probably rise at least 2.5c a loaf in the Budget.

In April the price of paraffin usually goes up — or down as it did last year. An increase in steel prices is usually announced.

ced at this time which inevitably leads to increases in building cost and home appliances.

The coal price usually goes up in May and by June reports are already being written about coal and anthracite shortages — so place your order now.

The meat floor price usually goes up in June and although consumers will probably be told meat prices won't rise as a result you can bet your pork chop they will have started moving up by July.

Metro defies Tiger mealie price roar

By Ian Wynne

BATTLE lines have been drawn between two corporate giants following an attempt to force up the price of mealie meal, the staple diet of millions of South Africans.

Put up your prices or else, the giant Tiger Oats milling company told Metro Cash and Carry this week — and the wholesalers effectively told their suppliers to go to hell.

The result is that Tiger Oats has cut off supplies of mealie meal to part of the Metro group.

Metro chairman Lionel Katz is adamant he will not raise prices to levels demanded by Tiger.

"I will not be threatened," he said. I will not let any manufacturer, no matter how big, dictate to me the prices at which Metro will sell goods, not even Tiger, which is a major shareholder in Metro."

Tiger's chairman, Rudi Frankel, says his company is not practising retail price maintenance and is willing to discuss the matter with the authorities.

His decision to cut off the supply of mealie meal to the Louis Trichard and Tzaneen branches of Metro was made after an outcry from Indian and black traders who accused Tiger of giving preferential treatment to Metro when they saw mealie meal being sold at a price at which it was impossible for Metro to make a profit.

Metro is probably the biggest wholesaler of mealie meal in the country, buying almost R40 million worth a year from milling companies, of which Tiger Oats is one of the largest.

Tiger's actions are unlikely to cause a shortage, however, because there is a glut of mealie meal Metro is getting supplies from another source, Premier Milling.

Mr Katz says the clash between the two giants, Tiger and Metro, is confined to the Northern Transvaal but it could extend to other areas if disagreements are not resolved.

"It is the principle that is at stake should a manufacturer be able to

S. Tribune
18/1/87
244

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dictate the price at which his goods are re-sold? I say not — and I will fight all the way.

"I'm in business to bring the lowest possible prices to my customers."

Mr Frankel says: "We had to weigh the small fraction of business done by Metro against the goodwill of hundreds of traders in these areas."

Tiger has always backed Metro in its policy of serving the small trader. "But in this instance it was the small trader who was suffering and this price cutting was causing real grievances."

Top Govt main ^{21/1/81} wants food price clampdown ^{51m (244) 2/5}

Own Correspondent

A top Government finance official has called for a clampdown on rocketing food prices in South Africa.

Dr Joop de Looi, Director General of Finance, said in Pretoria today, it was vital food prices be kept in check as this would be one of the greatest contributions to an effective fight against inflation.

Speaking at the Agricultural Outlook Conference (Agrocon), Dr de Looi said the country's agricul-

tural industry had a critical duty to curb food price increases.

ACCELERATE

Productivity would have to accelerate at such a rate that other cost increases were neutralised to a large extent, he said.

Dr de Looi said the sharp increase in food prices was one of the main reasons for the sharp increase in consumer prices last year.

Compared with the same month the previous year, the total inflation

rate for November 1980, amounted to 15 percent while food prices had risen by 27.6 percent.

If food is excluded, the prices of other consumer goods and services rose by 10.7 percent during this period. Dr de Looi said.

In the 1980 food would be what oil had been in the 1970s — scarce and expensive.

Over the past 20 years South Africa's agricultural production had doubled in volume while the population growth had been

much slower.

However, the increase over the past 10 years was only 38 percent.

This means our average per capita production has virtually stagnated," he added.

GROWTH RATE

Referring to the country's economy, Dr de Looi said the country's growth rate for 1980 should be almost eight percent compared with a growth rate of less than half of this during 1979.

He said during 1981 the country could look forward to a satisfactory year, although it would not be as hyperactive as in 1980.

Dr de Looi also warned that cuts in food production due to homeland consolidation could adversely affect South Africa's state independence in food supply due to the need for large-scale food imports.

© Wellfed Africa
ally — Page 22

Meat prices to rise as food production drops

Stork 27/1/81

juve.

Meat prices will go up by 20 percent this year.

This was said by Dr Jan Lombard, general manager of the Meat Board, at the Agricultural Outlook conference in Pretoria yesterday.

He said expected supply and demand changes would however cause a slower rise in meat prices this year than had occurred last year.

The demand for red meat this year would increase about 18 percent in current money terms.

On the supply side, the national herd of

8,5-million would produce 1,9-million head of cattle.

This would take place at the expense of a further reduction in the national herd of 200 000 head

Total beef production would decrease by 15 percent from 449 000 to 380 000 tons.

Taking possible imports into account, available beef would amount to 426 000 tons — a drop of 14 percent.

Mutton production would remain constant.

Pork and poultry production would be expected to rise.

In another paper at the conference, Dr James Howard, the United States Agricultural Attache in Pretoria predicted that there would be less food per person for a growing world population for the 1980s.

Dr Howard said limitations in the world's resources for food production and the backlog of technology for adoption in the years immediately ahead suggested a slowdown in food supply growth in the 1980s.

"We are becoming aware that the world's land and water supplies are finite," he said.

Dr Howard said population growths in the 1980s

were also expected to decline, but not as much as the decline in food production

Poor grain yields in the United States, Russia and China would result in shortfalls this year.

World grain stocks were likely to be 35-million tons lower than the 190-million tons carried over from last season, he said

World food production had declined by about 2,5 percent in 1979 and would show a further decline on last season

"These two years of decline stand out in sharp contrast to the relatively steady 2,8 percent annual increases recorded in production from the 1950s to the 1970s."

1980 inflation one of the worst for SA

RDM 23/1/81
244

By HOWARD PREEZ
Financial Editor

THE overall cost of living soared by 15.8% in South Africa last year — and for most blacks the rise was a massive 20%-plus.

Inflation in 1980 was one of the worst in the country's history. A huge increase of nearly 30% in food prices was a crucial reason.

However, South Africa also had a real economic growth rate of more than 8% last year — the highest level of any major non-oil-producing country.

Millions of workers thus got large wage and salary increases which exceeded — or at least equalled — the spiralling Col.

But the jump in prices is clearly bearing more heavily on the poorest groups — primarily blacks — than on the middle and upper income groups.

The overall official consumer price index (CPI) rose by 15.8% in 1980. But the subdivisions show a rise of 20.65% for lower incomes, 16.9% for middle incomes, and 14.1% for higher incomes, according to the Department of Statistics. This means workers in the lower income

ARCHITECTURE
(Continued)

National Development
For the Building
Book Prizes
For the best study of
course.

First Year

J A L Chapman

Second Year

C S Jones

Third Year

B de Jong

Fourth Year

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millions of blacks) will need to have had wage rises of 20% over the past year just to keep level with the runaway Col.

The 29.5% rise in food prices last year — a meat bonning the way — was vitally

important to lead to reaction from Opposition MPs and trade union leaders for to be exempted from the General Sales Tax.

There is no indication the Government will accede to this — but it might be willing to give a significant boost to food subsidies in the Budget.

The acute inflation problem, however, makes it highly unlikely there will be many tax concessions in the Budget.

It also points to further hikes in interest rates — including the home loan mortgage rate.

GERALD REILLY reports that some economists warned last night that the upward trend in inflation would continue over the first half of this year.

Reasons included:
O Continued pressure on pay because of the chronic shortage of skilled workers,
O New Government-administered food price rises — bread, dairy products, maize and wheat — which will be announced before mid-year,
O Imported inflation.

Reserve Bank's chief economist Dr Johan Kloete, said South Africa was facing a potential inflation rate of 18%.

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BUILDING

Inflation at 15,8% last year

244
RDM
23/1/81

By HOWARD PREECE

Financial Editor

CONSUMER prices rose by a whopping 15,8% in South Africa last year. This is one of the worst inflation records in the country's history.

It also puts South Africa among the worst performers of Western industrial countries.

There is, however, one important consolation

South Africa last year enjoyed a real economic growth rate of 8% — the highest of any major non-oil producing country.

The two cannot be put in separate compartments as though the one had no connection with the other

That does not mean that there were no policy options that might have allowed somewhere close to the same rate of growth but with a lower rate of inflation

Even so, I doubt that inflation, as measured by the consumer-price index, CPI, could ever have been kept below the 12% to 13% range.

There is no doubt, however, that the extent of the rise of the CPI for 1980 will have come as an unpleasant surprise not only to the Government and its financial policy-makers but to nearly all private sector economists.

One economist who will not be so shaken is Dr Johan Cloete of Barclays National Bank.

He warned consistently that inflation could hit 15%-plus in 1980 and indeed his gloomy predictions for inflation have unhappily been the most accurate of any economist for the past three years.

The CPI rose in December by 1,12% to 187,9 from 187,8 in November and 184 in December.

That gave a year-on-year rise of 15,79%.

It compares with annual rises in the CPI of 14% in 1979, 11,6% in 1978, 11,1% in 1977, 10,8% in 1976, 11,7% in 1975, 14,1% in 1974 and 9,9% in 1973

Food prices soared 29,5% in 1980 to play a heavy role in the overall CPI.

These bore particularly heavily on the poorer sections of the population — that is, essentially, the overwhelming majority of blacks

The sub-division of the CPI shows that the rise in 1980 for the lowest-income groups was 20,05%, for the middle-income groups it was 16,9% and for the upper-income groups it was 14,1%.

There are some profound political and social implications in those figures

Most of the damage seems to have come in the second half of the year.

Between June and August the year-on-year inflation rate eased from 14,6% to 11,9%.

Admittedly this was distorted by the fact that the heavy petrol price rise in July 1979 was then absorbed into the index, but it did seem encouraging.

Alas, over the second half of 1980 the CPI rose by 8,8% — an annual rate of 17,6%.

To what extent this was caused by, or was the cause of, the exceptional rise in the money supply during that period raises one of the most vexed and contentious issues of modern economics

What is much clearer is that South Africa continues to face a severe inflationary problem, to which there are no simple answers.

Any pretence otherwise is a silly deception.

But given the magnitude of the problem it emphasises yet again that the Budget in March is likely to be pretty conservative in approach

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Cape Provincial Institute
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ARCHITECTURE

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A 20% RDM 23/1/81 increase in ⁽²⁴⁴⁾meat ~~meat~~ prices forecast

By GERALD REILLY
Pretoria Bureau

Meat prices would rise by about 20% this year, and farmers' incomes would escalate to R880-million, compared with R704-million last year, Dr Jan Lombard, general manager of the Meat Board, said in Pretoria yesterday.

Addressing the "Agricultural Outlook Conference 1981", Dr Lombard said meat consumption was likely to drop this year, and poultry consumption to rise further.

He said lower beef production and increased consumer spending pointed to further price rises.

During 1980 consumer spending on food had increased by 23%.

However, spending on food was likely to increase by less than that this year because of an expected economic decline.

Dr Lombard said poultry could be expected to compete more keenly with red meat this year than in 1980.

This would lead to a further drop in spending on red meat.

The actual demand for red meat in current money terms was expected to rise by about 18% during 1981.

Production efficiency was in a downward phase because of low profitability between 1976 and 1979.

However, it was projected that the national herd of 8 500 000, would produce 1 700 000 head of slaughter stock.

Producers could reasonably expect an income growth of between 20% and 25%.

Too high an income, Dr Lombard said, should be avoided because of tax considerations.

The expectation for 1981 was, therefore, that 1 900 000 cattle would have to be slaughtered, and that this would happen at the expense of a further herd reduction of 200 000.

Speaking of mutton, Dr Lombard said prospects for wool prices in 1981 were not good.

This meant that sheep slaughterings would probably be increased to maintain incomes.

Demand for poultry had increased sharply last year, necessitating the importation of limited quantities of poultry meat.

Poultry meat producers had planned, and were already implementing, major expansion programmes and the resultant substantially higher production would manifest itself in 1982.

Consumption of poultry was likely to rise by 7% to 247 000 tons in 1981.

R A van Rosenveid.

third year.

For the best work in

John Perry Prize

D H Pryce Lewis

year.

For the best work in fourth

Osbourn Prize

S A Read

For the best final year student.

General J B M Hertzog Prize

D H Pryce Lewis

of Professional Practice.

(Surveying) in the subject

Architecture (or Quantity

For the best student of

David Haddon Prize

Miss C Tredgold

in third year.

For the best woman student

Molly Cohl Memorial Prize

P A Rappoport

1st, 2nd and 3rd major courses.

satisfactorily completed

For a student who has

Helen Gardner Travel Prize

He said meat production would drop in total by 6,6% this year, mainly because of an expected 15,4% decline in beef production.

This would be offset partly by an expected 3% rise in poultry meat production and a 7% rise in pork production.

Lower production and higher consumer spending pointed to a price rise in 1981, he said, and year-average prices were likely to be higher.

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FINE ARCHITECTURE

Lowering of food prices 'now urgent'

RDM 24/1/81 (244)

By GERALD REILLY
Pretoria Bureau

LABOUR leaders and Opposition spokesmen yesterday called for urgent action by the Government to make basic foods and other essential living costs cheaper.

They said this should include larger food subsidies and the removal of GST from essential commodities, and emphasised that the hunger and hardship being caused by South Africa's runaway inflation could aggravate political and security problems.

The Department of Statistics announced this week that prices rose on average by nearly 16% last year. Food prices alone rocketed by nearly 30%.

And the Director-General of Finance, Mr Joep de Loor, warned this week that food in the 80s would be like oil in the 70s — scarce and costly.

Opposition spokesmen said the Government was heading for another massive Budget surplus after one of the greatest growth years in South Africa's history.

At least part of this could be used to hold in check the prices of basic foods.

In the first half of this year, there are certain to be further price increases on cheese, butter, milk, bread and maize products, including mealie meal.

Barclays Bank chief economist Dr Johan Cloete said South Africa was skating towards a potential inflation rate of 18% this year, and businessman and economist Dr Fred du Plessis thinks it could be even higher — 20%.

The Progressive Federal Party's finance spokesman, Mr Harry Schwarz, said urgent action was needed to make basic necessities cheaper for the poor.

Pleas in the past for larger food subsidies had been ignored by the Government — but they were now urgent.

Mr Schwarz said that in the euphoria created by last year's phenomenal growth, the country's massive unemployment problem — estimated reliably at much more than a million — and the associated problems of

poverty and hunger, had almost been forgotten.

"The Minister of Finance is not short of money," he said. "The country can afford to give the relief so desperately needed by the unemployed, pensioners, and those living on fixed incomes."

Mr Schwarz criticised the Governments "obvious" inability to cope with inflation. A few years ago, when inflation was not nearly so serious, the Government had spearheaded a national anti-inflation campaign.

"It now seems to have thrown in the towel and decided to accept as inevitable a high rate of inflation."

A major cause of inflation was the acute shortage of skilled workers.

"For the past 25 years the Government has neglected to set up the education and training facilities needed to provide for the labour needs of a sophisticated economy. We are now reaping the whirlwind in training and labour bottlenecks."

Mr Schwarz said the Minister of Finance should act urgently to deal with the excessive money supply problem. He should also postpone the increased PAYE deductions until after the Budget.

Most of those affected by the higher deductions were wage and salary earners who could ill afford the increases now.

The South African Institute of Race Relations also called for cheaper basic commodities.

The director, Mr J Rees, said basic commodities were becoming luxuries in many black homes, and for the large number of workless blacks, high living costs were making even existing difficult.

The Trade Union Council of South Africa (Tucsa) also called for higher food subsidies and the removal of GST from basic commodities.

F Dunckley
 student who has
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 2nd and 3rd major courses.
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 Gohl Memorial Prize
 ne best woman student
 3rd year.
 Tredgold

Cape Provincial Institute
 of Architects' Prize
 For the best student in :-

ARCHITECTURE

244

24/1/8

S F Richardson

Management.
dissertation in Building
a first class pass for a
For the best student obtaining
LTA Prize

R W Kohne

student of the degree course.
For the best final year
George Strachan Prize

R W Kohne

Fourth Year

B de Jong

Third Year

C S Jones

Second Year

J A L Chapman

First Year

course.
year of study of the degree
For the best student in each
Book Prizes

for the Building Industry
National Development Fund

M R I Ness

structure and design.
For the best project in
R Stubbs Award

J G Kirkman

design work.
best use of bricks in his
For the student who has made
S A Brick Association Prize

Miss M F J Sandilands

first year.
For the best work in
Mrs. Thornton White Prize

Price of milk may go up by 8c a litre in April

By GERALD REILLY
Pretoria Bureau

A BIG increase in the price of milk — possibly as high as 8c a litre — is considered certain towards the end of April.

Yesterday the fresh milk committee of the South African Agricultural Union met in Pretoria to discuss price recommendations.

These will be forwarded to the Dairy Board, which will submit recommendations to the Marketing Council.

The Cabinet is expected to approve of a price rise during March.

Yesterday the chairman of the fresh milk committee, Dr Louis Theron, declined to say what the recommendation was. However, other authorities believed a reasonable price rise would be between six and eight cents a litre.

Dr Theron did say, however, that by April milk farmers' production costs would have increased by 22% in the previous 12 months.

This included an expected rise of 15% in milk transport charges.

Yesterday the Dairy Board said a shortage of fresh milk had developed mainly because of drought conditions in the major producing areas. Milk production was shrinking because of lack of profitability.

Farmers claim the public and Press have become too emotional about the milk price.

Their view is that the milk price rise should be compared with the extent of price rises in other sectors of the farming industry as well as in the manufacturing and retail industries.

ARCHITECTURE
(Continued)

Anger at predicted milk price increase

RDM 26/1/81 (244)

(3 milk)

Staff Reporter

A MILK price rise of 8c a litre, predicted for April, has met with a stormy response from consumer organisations

Mr Louis Theron, chairman of the fresh milk committee of the South African Agricultural Union, has declined to say what recommendations were made at a meeting of the committee in Pretoria on Friday, but authorities suggested a reasonable price rise would be between 6c and 8c a litre

Mrs Joy Hurwitz, president of the Housewives League, said her organisation would definitely object to such a high increase

"Milk is a basic protein food and with the high meat, fish and chicken prices and the egg shortage, every effort must be made to keep the price reasonable," she said

She condemned the slaughtering of dairy stock by farmers to take advantage of the

meat prices, and said this would "inevitably lead to soaring costs for the consumer"

"It is a deplorable situation — dairy farmers owe some allegiance to consumers who are already having to pay ridiculously high prices"

Mrs Hurwitz said any increase in the price of a basic food should be carefully investigated, with consideration for the effect it could have on the health of the consumer

Mr Eugene Roelofse, consumer ombudsman for the South African Council of Churches, said if such an increase were to take place it could be blamed on the Government's attempts to maintain the support of farmers for the forthcoming election

"We have a Government of farmers who are reliant on the votes of farmers — and they will always put their needs first," he said

"I have yet to see one act by

the Government which demonstrates concern for the consumer"

Mrs Betty Hirzel, chairman of the Consumer Union, said "I am going to take a very strong line at the discussion with the Dairy Board, but I doubt if there is anything we can do — this price rise is inevitable"

Mrs Sheena Duncan of Black Sash said such a price rise would be appalling, as the prices of most foodstuffs were already beyond the means of the poor

She said that with the rapid rise in food prices the poor experienced inflation to a greater degree because a bigger proportion of their incomes was spent on food

• The milk price rose 15% on June 9 last year to 49c a litre for milk sold in cafes on the Witwatersrand. The predicted increase would raise the price to 57c a litre

D H Pryce Lewis

David Haddon Prize
For the best student of
Architecture (or Quantity
Surveying) in the subject
of Professional Practice.

Miss C Tredgold

Molly Gohl Memorial Prize
For the best woman student
in third year.

P A Rappoport

Helen Gardner Travel Prize
For a student who has
satisfactorily completed
1st, 2nd and 3rd major courses.

P F Duckley

Sixth Year

Cape Provincial Institute
of Architects' Prize
For the best student in :-

ARCHITECTURE

FINE ART & ARCHITECTURE

PFP will ask Govt for aid on food

RDM 27/1/81

244

By GERALD REILLY
Pretoria Bureau

THE Progressive Federal Party is to urge the Government to raise food subsidies and scrap General Sales Tax from basic foods

The PFP's finance spokesman, Mr Harry Schwarz, and labour leaders called yesterday for urgent action to cheapen basic household commodities.

They emphasised the Government would have a huge Budget surplus and part of it should be used to relieve the severe financial pressures on the low income groups, pensioners and those living on investment interest.

Last year, according to the Department of Statistics, the inflation rate reached a record 15,8% with a massive food price rise during the year of nearly 30%.

And economists forecast an inflation rate of 20% before the end of the year.

Before the middle of the year a price increase in bread, milk and all other dairy products, and maize products will be authorised by the Government. These are expected to range between 15% and 20%.

Labour leaders said this year would see a further lowering of living standards.

Barclays Bank's chief economist, Dr Johan Cloete, says South Africa is skating on a potential inflation rate of 18% and businessman/economist Dr Fred du Plessis thinks it could go to 20% this year.

Mr Schwarz said pleas, ignored by the Government, had been made in the past for bigger food subsidies. However, the issue had now become extremely urgent.

In the euphoria created by last year's phenomenal growth, the country's massive unemployment problem — estimated reliably at well over a million — and the associated problems of poverty and hunger had virtually been forgotten.

"The Minister of Finance is not short of money. The country can afford to give relief so

desperately needed," Mr Schwarz said.

The Government should urgently review the whole food subsidy policy to ensure that those who merited help were getting it.

Mr Schwarz criticised the government's "obvious" inability to cope with the inflation problem. A few years ago when inflation was not as serious, the Government had spearheaded a national anti-inflation campaign.

"It now seems to have thrown in the towel, and decided to accept as inevitable, and live with, a high rate of inflation."

For the past 25 years the Government had neglected to set up the education and training facilities needed to provide for the labour needs of a dynamic economy.

The Minister of Finance should act urgently to deal with the excessive money supply problem. He should also postpone the increased PAYE deductions until after the Budget.

Most of those affected by the higher deductions were wage and salary earners who could ill afford the increases at this stage.

The director of the South African Institute of Race Relations, Mr J Rees, said the massive rise in the costs of food during the past two years, and inflation forecasts for this year, were adequate reasons why the Government should intervene urgently to bring relief.

Basic household commodities were becoming luxuries in many black homes, he said.

For some, especially the large number of unemployed blacks, the living costs "make even existing difficult."

Tucsa's vice-president, Mr Ronnie Webb, said Tucsa supported any demand for bigger food subsidies and the removal of GST from basic commodities.

Mr Webb, a member of the economic committee of the President's Council, said he would fully support this attitude.

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ARCHITECTUR

Mrs. Thornton White Prize
For the best work in
first year.
Miss M F J Sandilands

S A Brick Association Prize
For the student who has made
best use of bricks in his
design work.
J G Kirkman

R Stubbs Award
For the best project in
structure and design.
M R I Ness

National Development Fund
For the Building Industry
Book Prizes
For the best student in each
year of study of the degree
course.

First Year
J A L Chapman

Second Year
C S Jones

Third Year
B de Jong

Fourth Year
R W Kohne

George Strachan Prize

For the best final year
student of the degree course.
R W Kohne

LTA Prize

For the best student obtaining
a first class pass for a
dissertation in Building
Management.
S F Richardson

Anthracite coal to rise in price

*sum
bold 81*

By Charlene Beltramo
The price of coal and anthracite has been increased substantially from today, amid complaints from retailers that they have had no supplies from mines since November

The coal price has increased by 11 percent and anthracite by R3,81 a ton or a minimum of 60c more for a 70 kg bag

The price increases come into affect at the same time for retailers and at the pithead.

Mr. W. Stoloff of the Coal Retailers' Association bitterly attacked the mines. "We have standing orders that have not been filled since they were placed in November last year

"Retailers usually start stockpiling for winter in December. Our image will be blotted with this price increase because people will think we have been holding back supplies

CPI

244

Inflation perspective

FM 30/1/81

The average rate of inflation in SA in 1980 accelerated slightly to 13,77%, after 13,2% in 1979, according to the Department of Statistics. This figure is substantially lower than the 15,8% cited by recent press reports on inflation.

The 15,8% measures merely the percentage increase in the overall level of average prices, subject to Departmental definition, between December 1979 and

December 1980. It is derived from measuring in percentage terms the extent to which the broad index rose in that particular 12-month period, which need not be more representative than any other period of the same duration.

This is not to deny that a rise of 15,8% over 12 months is excessive and a fitting object of national concern. But in terms of the way in which national inflation rates are measured worldwide, according to one economist, it would be misleading to infer from it that SA is now labouring under an annual inflation rate of nearly 16%. Its average annual inflation rate is, by international metrical convention, actually below 14%. What is more, the increase in the rate itself decelerated in 1980, during which it rose by about 0,5 percentage points, against nearly 2,5 points in 1979.

Rising prices remain, however, a matter of grave concern, especially as the money supply growth last year, at 30%, is only beginning to influence price levels. The worst is yet to come.

The average annual inflation rate is derived from taking the average level of the index during the year and measuring the extent to which it increased over the previous year's average, measured in percentage terms. This yields the *average rate at which prices in general increased* during the period in question, which is the rate of inflation as most of us

understand it.

It also yields a far more modest figure, but this is not the prime reason for stressing it. As economists point out, inflation may be regarded as an economic disease, but its causes lie in a variety of non-economic factors, one of which is expectations. Expectations of persistent rises in the overall cost structure motivate producers to raise their prices, and consumers to press for higher wages. And the information on which expectations feed and flourish need not be fully examined, tested and proved when it emerges at a collective level. Though it is, by a certain definition, wrong, the general belief that the average rate of inflation in SA is now nearly 16% can gain a destructive currency in no time at all.

By the same statistical token, the average annual inflation rate for food in 1980 was 18,9%, and the rates for the lower, middle and higher income groups were 14,9%, 14,4% and 13,2% respectively.

- (1) a fall in the demand
- (2) a rise in the supply
- (3) a leftward shift
- (4) a rightward shift

10. A rise in the price of refrigerator components would probably lead to

- (1) price of the good
- (2) price of a substitute good
- (3) price of a complementary good
- (4) income of the consumers
- (5) tastes and preferences

9. A shift in the demand curve could be caused by a change of any of the following except

- (1) all women
- (2) unemployed women
- (3) unemployed men
- (4) both (1) and (3)
- (5) both (2) and (3)

8. In an election, a candidate promises to introduce a law requiring that women be paid 20% more than men for doing the same job. This proposal should be supported by



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See full list see GJ

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Vol. 187]

PRETORIA, 30 JANUARIE 1981
JANUARY 1981

[No 7390

GOEWERMENTSKENNISGEWING

**DEPARTEMENT VAN MINERAAL- EN
ENERGIESAKE**

No. R. 167 30 Januarie 1981
PRYSBEHEER

MAKSIMUM PRYSE VAN STEENKOOLO

Ek, Elias George de Beer, Pryscontroleur, handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), bepaal hierby, met ingang van 2 Februarie 1981, soos volg

1. Die maksimum pryse waarteen die produsente van steenkool in Natal asook Spitzkop Steenkoolmyn hulle steenkool (uitgesonderd smidsteenkool, antrasiet, gassteenkool en steenkool wat in metallurgiese en chemiese prosesse gebruik word) aan enigeen mag verkoop, is soos volg

- (a) Newcastle Platberg Steenkoolmyn 2 157,0c per metrieke ton,
- (b) Natal Cambrian Steenkoolmyn 2 037,0c per metrieke ton;
- (c) Hlobane Steenkoolmyn. 2 017,0c per metrieke ton,
- (d) Northfield Steenkoolmyn 2 088,0c per metrieke ton,
- (e) Zimbutu Steenkoolmyn 1 969,0c per metrieke ton,
- (f) Umgala Steenkoolmyn 1 977,0c per metrieke ton;
- (g) Spitzkop Steenkoolmyn 1 791,0c per metrieke ton

Met dien verstande dat—

(i) wanneer steenkool in ertjegrootte gegradeer word die steenkoolmyn 'n bedrag van hoogstens 60c per metrieke ton kan byvoeg,

(ii) 'n diskonto van 50c per metrieke ton ten opsigte van stofsteenkool toegelaat word; en

(iii) wanneer steenkool per spoor aan die koper of aan die order van die koper vervoer word, die maksimum prys vry-op-spoor steenkoolmyn is

2 Die maksimum prys waarteen 'n produsent (uitgesonderd Spitzkop Steenkoolmyn) van Transvaalse of

509—A

GOVERNMENT NOTICE

**DEPARTMENT OF MINERAL AND ENERGY
AFFAIRS**

No. R. 167 30 January 1981

PRICE CONTROL

MAXIMUM PRICES OF COAL

I, Elias George de Beer, Price Controller, acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964), do hereby prescribe, with effect from 2 February 1981, as follows

1. The maximum prices at which the producers of coal in Natal as well as Spitzkop Colliery may sell their coal (excluding smithy coal, anthracite, gas coal and coal used in metallurgical and chemical processes) to any person, are as follows

- (a) Newcastle Platberg Colliery. 2 157,0c per metric ton.
- (b) Natal Cambrian Colliery: 2 037,0c per metric ton,
- (c) Hlobane Colliery: 2 017,0c per metric ton;
- (d) Northfield Colliery 2 088,0c per metric ton,
- (e) Zimbutu Colliery: 1 969,0c per metric ton,
- (f) Umgala Colliery 1 977,0c per metric ton,
- (g) Spitzkop Colliery 1 791,0c per metric ton.

Provided that—

(i) when coal is graded into pea size, the colliery may add an amount not exceeding 60c per metric ton,

(ii) a discount of 50c per metric ton is allowed in respect of duff coal,

(iii) where any coal is railed to or to the order of the buyer, the maximum price shall be free on rail colliery

2 The maximum price at which any producer (excluding Spitzkop Colliery) of Transvaal or Orange

7390 *

RDM
Beer
31.1/81
prices ~~22~~
up on ⁽²⁴⁴⁾
Monday

By MARTIN FEINSTEIN

SOUTH African Breweries (SAB) — the country's only beer brewer — is to increase its wholesale beer prices by an average 9,5% next month

The increase — effective on Monday — is expected to push up retail prices by between 10% and 12%

The lowest increase, 6%, is for large cans. The highest, 13,4%, is for big "dumpies"

Small cans will cost liquor outlets 6,9% more. Quarts will cost 9,5% more, pints 10,3% and small "dumpies" 12,2%

SAB does not set retail liquor prices, and company executives could only estimate point-of-purchase increases as "between 10% and 12%"

Approximate increases across the counter, based on yesterday's prices at a central Johannesburg outlet, will be

Forty cents for 12 pints (current price about R4,09), 70c for 12 quarts (now R7,55), 39c for 12 small cans (now R3,95), 49c for 12 big cans (now R4,99), 36c for 12 small "dumpies" (now R3,65) and 34c for 8 big "dumpies" (now R3,39)

The general manager of SAB's beer division, Mr Peter Lloyd, blamed inflation and the higher cost of raw materials and wages for the increase.

"Inflation during these last two years has been 30,1%, and we see no reason to believe that inflation will not remain at a high level and perhaps even accelerate in 1981," he said.

Mr Lloyd said the cost of beer's three main ingredients — barley, malt and hops — had risen by 35%, 31% and 40% respectively in the last two years.

Wages and salaries cost 33% more in the same period.

"Certain raw material savings in cans have been passed on to the public, which is the reason for the smaller increase on cans," Mr Lloyd said.

SAB last increased its beer prices by 4,5% in February, 1979.

Spirits will be next to go up; say hoteliers

S. Times 244 192
11/2/81

THE announcement by South African Breweries that beer is to be increased by an average 9.5 percent from tomorrow is just the first of widespread liquor increases, hoteliers believe

By GRAHAM SPENCE

The latest hefty increases in South Africa's favourite tipple are expected to hit the man in the street in some cases by as much as 12 percent.

Although there have been no official announcements, many hoteliers say they have been reliably informed that prices of many spirits will also be increased within the next couple of weeks.

The "grapevine" in the liquor industry is so well informed that price increases rarely comes as a surprise to the retailers and the past week has seen large-scale stockpiling by most outlets.

"I have been told that whiskey is going up by 15 a case," a barman at a central Johannesburg hotel said.

We are taking no chances and are stocking up as much as

possible. If there are further increases we will continue to sell at old prices as long as our stocks last."

Most other hotel managers questioned said they were also gearing themselves for further liquor increases.

Announcing the bad news for beer drinkers this week, the general manager of S.A. Breweries beer division, Mr Peter Lloyd, said inflation was running high and likely to increase even further during the year.

This is only the second beer price increase within two years, and Mr Lloyd blamed inflation and higher costs of raw materials and wages.

South Africans are heavy beer drinkers and the price hike now puts the country in a unique position — it is probably the only place in the world where a bar pint of beer costs the same as a tot of Scotch whiskey. It also now puts beer in the category of a "rich man's drink."

Dumpies up

A quick survey shows that in many men's bars, a pint of beer costs 50c (Amstel 55c) and a tot of whiskey 55c. A 10 percent increase — which will be the minimum — will bring beer up to 55c as well.

In countries such as Zaire and Japan whiskey (when available) costs more than R30 a bottle.

Another interesting feature of the price hikes is that the previously cheaper dumpies will now cost the same as cans. Mr Lloyd said this was due to certain raw materials savings in cans.

The increases which come into effect tomorrow are pints 10.3 percent, quarts 9.5 percent, small cans 6.9 percent, large cans 6 percent, small dumpies 12.2 percent, large dumpies 13.4 percent.

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- essor George Menzies Prize
- M Salmon
 - J Cumming
 - P Weeks
 - H Rens
 - F McClelland
- Fourth Year (Gold Medal)
- Miss N C Davidson
- Third Year (Silver Medal)
- Miss G C Littlewort
- Second Year (Bronze Medal)

For the best student in each
of the 2nd, 3rd and final years.

CHEMICAL

Food prices set to ³²soar again this year ²⁴⁴ ¹⁸⁶

By ALEX PETERSEN
Financial Reporter

CONSUMER PRICES, particularly in food, are set to take another jump again this year, with some forecasts predicting an increase for the year at least matching last year's six-year high of around 15 percent.

A survey of leading chain stores showed that prices from suppliers to the chains in new price lists ranged from five to 15 percent, and in some selected commodities were even higher.

But in most cases the new price increases will take "from two to three months to filter through to the public" said Mr John Barry, Western Cape general manager of Pick 'n Pay.

In food, canned meat and vegetables are at the top of the list, with suppliers' price increases ranging from 15 to 18 percent, and April may well be the cruellest month with expected price increases of 20 percent in milk, and 15 percent on sugar and maize.

These increases are likely to have a ripple effect on products based on these commodities.

The supplier's price of an-

other staple, rice, has already gone up 10 percent.

Prices of frozen vegetables, are in some cases set to rise from eight to 10 percent later this month, but the recent floods in the Cape are expected to take their toll with severe shortages predicted for later in the year, but retailers said their effects on prices were impossible to estimate at this stage.

The marketing director of Checkers, Mr Harold Greenstein, gauged the increase in the consumer price of food items as between 22 and 24 percent for the last 12 months, predicted that the figure would not be quite as high for the next 12 months, but only because a repeat of the recent steep meat price increases was unlikely.

Mr A Fabig, general manager, sales promotions, for OK Bazaars said from Johannesburg that he expected an overall inflation rate of about 15 percent.

While new suppliers' prices had been of this order, the retail increase would be less.

"What the customers will pay will be something different, because of the competition between the big retail chains." OK expect to see their price structure to increase by an overall level of 6½%, but this was in part dependent on maintaining an increase in turnover.

Retailers were agreed that a problem in predicting prices was an increasing tendency for

suppliers to reset their prices more frequently.

More suppliers contracted subject to price changes, particularly in commodities such as meat, but even in normally less volatile commodities.

A director of Clicks, Mrs June Kritzinger, said that even in household goods and electrical appliances, prices might be reset two or three times a year.

But although many price rises continue to be steep, all major retailers reported increased turnovers, most well up over 30% in November and December, with the trend continuing into January.

The increase in black and coloured spending was seen as a significant factor as well as a move by all customers to move up the price range, with increased volumes in luxury goods.

Slight drop
ACCUS 244
in meat
3/2/81 ~~3/2/81~~
prices ~~1/8~~

Consumer Reporter

PRICES at Cape Town abattoir auctions yesterday were slightly lower than a week ago, when fears that the floods would cut supplies sent up the prices of beef and lamb.

But they were still about 10c a kg higher than a fortnight ago.

A spokesman for the Meat Control Board said that farmers were still holding back animals. Yesterday 718 cattle were slaughtered, compared with the usual quota of 800, and 4 800 sheep compared with the usual quota of 5 000.

The price of super beef at yesterday's auction ranged from R2,29 to R2,35 a kg. The price of super lamb ranged from R2,29 to R2,38 a kg.

On Monday last week the price of super beef ranged from R2,35 to R2,48 a kg and the price of super lamb from R2,39 to R2,55 a kg.

RDM 3/2/87 (244) (41)

Get set: after the poll, the price deluge

Pretoria Bureau

A RASH of price and tariff rises is expected soon after the General Election on April 29, according to Pretoria sources

Goods expected to be affected include maize and maize products, cheese, butter and fresh milk, followed soon after by price rises for other milk products — and most disturbing of all, a bread price hike.

According to the Wheat Board, the present subsidy on bread amounts to R17-million a month — more than R200-million a year.

The subsidy was raised last October to avoid a further increase in the price of bread, which has remained at 31c a white loaf and 21c a loaf for brown and wholewheat since last April

A board official pointed out that bread consumption was rising sharply, mainly because better-paid blacks were switching from traditional mealie-meal to bread as a staple

The more bread sold, the bigger the subsidy has to be. In 1978-79 bread production was estimated at 1 192 911 tons. In 1979-80 it rose by 9,7% to 1 308 900 tons.

Pretoria sources say the extent of the subsidy on bread

would have been reviewed and included in the main Budget in April

There would also almost certainly have been a rise in the bread price

However, the main Budget will only be submitted to Parliament during the first session of the new Parliament in September or October

It is expected, therefore, that the Government will set aside new funds in the little Budget to hold the bread price at present levels, at least until the main Budget is presented

Then a bread price rise is expected

Farmers claim they can give strong reasons for price rises of between 20% and 26%

But, they add, in view of the Government's expected intensified campaign against inflation this year it would be unrealistic to expect price rises of more than 20%.

However, if the authorised increase is much less than 20%, an angry reaction from organised agriculture is certain.

According to the SA Agricultural Union, the Farming Requisites Index — the agricultural equivalent of the Consumer Price Index — rose by a massive 26% between October 1979 and last October.

And, according to the Department of Statistics, CPI food prices rose by nearly 30% last year

Other price rises which may be delayed until the main Budget is tabled include Railways and Post Office tariffs

The Minister of Transport, Mr Hendrik Schoeman, and the Minister of Posts and Telegraphs, Mr Hennie Smit, will introduce their little budgets in the Assembly later this month, and may give some hint of what can be expected

The chairman of the Federal Consultative Council of Railway Staff Associations, Mr Jimmy Zurich, said a combination of pay rises for the 250 000 Railways workers, and an expected fall-off in high-rated import traffic and in exports, would make it virtually impossible to keep tariffs at present levels

The Post Office, it is pointed out, will also have to find an additional R50-million or more to fund its share of the pay increases to be announced for all public sector workers later this month

This, coupled with a dynamic and costly continuing development programme, could necessitate further tariff rises.

FACULTY OF ENGINEERING

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For the best student in each
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Awarded on results of final
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Civil Engineering.

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best classwork in Engineering
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For the first year student
obtaining the highest average
mark.

G L Cragg

CT 5/2/81
**Bread
subsidy
to stay**
Political Staff

THE Minister of Agriculture and Fisheries, Mr P T C du Plessis, last night ruled out any possibility that the subsidy on bread might be abolished.

"There is absolutely no question of any such move."

The impact of an abolition of the subsidy — which would this year total about R170 million — would have far too serious an effect on the community for such a step to be even contemplated, he said.

Mr Du Plessis gave this assurance when asked to comment on the reported suggestion, by a senior official of the department of agriculture and fisheries, that the subsidy should be abolished.

Mr P A Myburgh, Progressive Federal Party spokesman on agriculture, drew attention to the suggestion yesterday and called on the minister to reassure the public.

Marketing boards slated for costs

RDM 9/2/81

~~South Africa~~ 244

FRIDAY OVER

By VITA PALESTRANT
Consumer Mail Editor

AGRICULTURAL marketing boards were accused yesterday of becoming big business in South Africa at the expense of the consumer and failing to stabilise the agricultural sector.

Mrs Yvonne Forshaw, vice-president of the Housewives' League, delivered the scathing attack.

Her criticism of the boards' role in agriculture was joined by top executives of two leading supermarket chains.

This followed a comment by Mr Chris Cilliers, director of the SA Agricultural Union, on a listener participation radio programme on Friday night.

Mr Cilliers said he would prefer to see the abolition of the free market operating on fresh foods.

This comes at a time when food inflation has soared to 30% and is at a level almost double that of the overall consumer price index.

Yesterday Mr Cilliers claimed marketing boards had kept food prices down, and said marketing controls on fresh fruit and vegetables — the only agricultural products that do not fall under a control board — would benefit the consumer.

"Free market mechanisms are not suitable for agriculture."

Mr Cilliers said there were 22 marketing boards employing 2 500 people at a total cost of R25 million.

"This means that only R1 per head of population is being spent to regulate the R10 000-million food industry and see to it that there is no exploitation — this is not excessive."

He said farmers' real income

had dropped by 30% during the past five years and only when they were placed "on a sound footing", would prices fall.

Mrs Forshaw countered: "Marketing boards have lost touch with their initial functions."

They have reached a non-stagnant stage where they are encouraging farmers to expect fantastic profits, and it's horrifying to think that extra controls should be introduced.

Mrs Forshaw said she had lost faith in the boards' ability to stabilise the agricultural sector.

"I can't understand why our maize and wheat prices are so high compared to world prices — and meat seems to be going that way too — when our labour costs are so low."

"Last year consumers were forced to subsidise our high cost of maize while surpluses were exported at a loss during a bumper year."

"We've seen how these boards do their marketing, with the present egg situation. As a result of the Egg Board ordering the culling of thousands of hens we have a shortage and will have to import eggs."

All round, they have not led to greater prosperity for the population as a whole — in fact there have been significant drops in consumption of these basic foods despite population growth and this is a worrying situation.

Top executives of two supermarket chains, Mr Harold

Greenstein, marketing director of Checkers, and Mr Richard Cohen, a director of Pick 'n Pay, joined Mrs Forshaw in her criticism of the boards.

Mr Greenstein said: "It's time the marketing skills of our boards were investigated."

"They have tended to place emphasis on the needs of the producers instead of having a balanced look at the needs of the marketing chain as a whole."

Mr Cohen said: "Given the present board structures and their poor track record they should be abandoned altogether."

"If one looks at maize farmers, who have been given a 70% price increase in the past three years and are likely to get a 15% increase this year, one wonders what is going on."

"It's not possible that their cost of production has risen this much."

Yesterday Mr Cilliers denied South Africa was exporting maize at a loss and claimed only wheat and dairy product exports fell into this category.

He said South Africa's vast low income group was better off than most people in Africa, the Middle East and some European countries.

"They are only spending about 33% of their income on food in the urban areas and this is not excessive."

Mr Cilliers said the cost of farming requisites had risen enormously and that in the past five years farm labourers' wages had doubled.

THE GREAT FOOD PRICE SCANDAL

For the best student in each Corporation Medals of the 2nd, 3rd and final years.

Round-table effort to beat crisis urged

By VITA PALESTRANT
Consumer Mail Editor

RDM 10/2/81

244

CONSUMER organisations, retailers and manufacturers backed a call yesterday for urgent national round-table talks to solve the growing food price crisis.

The appeal to retailers, wholesalers, producers and consumer organisations was issued through Consumer Mail by Mr Rex Glanville, managing director of Checkers.

Mr Glanville recommended the talks be held under the auspices of Consumer Mail because it has a reputation for "impartiality, accuracy and integrity in the interests of the consumer".

THE GREAT FOOD PRICE SCANDAL

The appeal was given added urgency by the news that more Railways tariff rises are expected later this month — which would push food prices even higher.

Consumer organisations, the Grocery Manufacturers Association (GMA) — which represents 37 leading manufacturers throughout the country — and the major supermarket chains have backed the call for talks.

Mr Glanville said "It is time for retailers, wholesalers, producers and recognised consumer bodies to get together to put a brake on these excessive increases.

"The food price increase for the last 12 months was 29.5% — which does not take into account the already numerous food price increases of 1981.

"The CPI in total rose only 15.8%, which suggests food prices have far outstripped those of other commodities. With inflation running at 15% plus and with at least a 7%

incidence of malnutrition, we see the South African situation as very volatile.

"It is now time for the food industry to forget past differences and to try collectively to solve this problem."

Mr J Hele, director of the GMA, said "We are concerned about the consumer. We'd love to do anything that could solve this problem."

The three major consumer groups — the Housewives' League, the Consumer Union and the Consumer Council — said only good could come of looking at the whole food marketing structure.

Mrs Betty Hrzuel, chairman of the Consumer Union, said "We need to locate problem areas, and any debate that can do this can only be a good thing."

The director of the Consumer Council, Mr Jan Cronje, said the council would support any round-table talks to help the consumer.

Mrs Joy Hurwitz, president of the Housewives' League, said "I can't see a solution unless we all meet to see what can be done."

Mr Richard Cohen of Pick 'n Pay said he would welcome the move as long as the talks included all the relevant parties in the marketing chain.

G P Mitchell

The executive director of Spar, Mr Sid Matus, also said the talks would help.

Mr Meyer Kahn, managing director of OK Bazaars, said he would take part in talks after finding out who would attend and what would be discussed.

"I have never yet come across a meeting of people with conflicting interests that will bring prices down. Prices only come down with aggressive competition and when production is expanded to bring unit costs down," he said.

Mr Chris Cilliers, director of the SA Agricultural Union, approved of the idea but said his executive would have to give the go-ahead for participation.

Meanwhile, the Progressive Federal Party spokesman on transport, Mr Rupert Lorimer, said from Cape Town yesterday it was "certain" the Minister of Transport, Mr Hendrik Schoeman, would announce a tariff rise in Parliament this month, **GERALD REILLY** of the Pretoria Bureau reports.

Economists warned this could hoist the inflation rate to between 18% and 20% later this year, and an SA Agricultural Union spokesman said higher rates would hit farmers hard and push up food prices.

For the best written report submitted in C F 214, desi

P C Watt

CHEMICAL
(Continued)

Wholesale price index rise slows

By HOWARD PREECE
Financial Editor

WHOLESALE prices rose by only 0,4% in December. The increase for 1980 was 16,8%, fractionally lower than the 12-month rate to November 16,95%.

Figures from the Department of Statistics appear to show that the upward appreciation of the rand has had some restraining effect on inflation.

The sub-division of the wholesale price index reports a 17,2% rise in the price of locally produced goods against 14,7% for imported commodities.

The fact, however, that the overall jump in the WPI was still 16,8% suggests that the overall significance of the movement of the rand should not be over-emphasised.

It is always hazardous to read too much into one month's figures, good or bad.

Within that limitation the slowing of the WPI in December is obviously welcome when there is little else of cheer on the inflation front.

The running 12-month wholesale price figures over the last three quarters of 1980 disclose a abrupt turnaround for worse

after several months of good news.

This is how the sequence went

- April 18,6%
- May 16,9%
- June 15,9%
- July 14,5%
- August 14,8%
- September 15,7%
- October 16,4%
- November 16,95%
- December 16,8%.

As can be seen there is a small drop of comfort in that the end result for 1980 was an improvement on the 12-month position at the end of April.

The increase in the consumer price index for 1980 was 15,8%.

That compares with a rate of about 14% as the average for the countries belonging to the European Economic Community.

A wider survey by the International Monetary Fund reports that consumer prices in industrial countries generally rose by 11,3% for the 12 months to the end of last October, the latest overview available.

South Africa obviously has little to boast about on this front although it did come top of the log in the critical area of real economic growth last year.

. . . and planned Bill ^{RDM} 11/2/81 may up food ²¹⁴ prices ²¹⁴

Political Correspondent

THE ASSEMBLY. — The Government will soon have sweeping powers to close down fresh produce markets outside the official marketing system — a move that could push up food prices even further.

This is the major implication of the Commission for Fresh Produce Markets Amendment Bill that was read in Parliament yesterday.

The Progressive Federal Party opposed the Bill because "it will be a severe blow to both farmer and consumer."

"The only people who will benefit are the wholesalers, the agents and all the middlemen involved in the official national marketing system," Mr Philip Myburgh, the Opposition spokesman on agriculture, said. "It will mean higher prices for housewives and lower prices for farmers."

Mr Myburgh was objecting to a clause in the Bill that reads: "The Minister may prohibit the owner of a fresh produce market erected in a controlled area without the prior written approval of the Minister from using or permitting the use of such market as a fresh produce market."

Although the Minister of Agriculture, Mr P du Plessis, had declined to give details, this clause was clearly aimed at fresh produce markets outside the national marketing system, Mr Myburgh said.

Some of these markets were set up by groups of farmers to market their produce at outlets independently of the official system. They did this to bypass all the middlemen thereby keeping down the prices to the public.

"By taking powers to prohibit these independent markets, the Government is clearly trying to protect vested interests in the national marketing system, and this will inevitably push up prices to the housewife and keep prices to the farmers very low," he said.

The 'middleman' situation had reached such serious proportions that last year a farmer would receive 10c for an item and the housewife eventually paid 30c for it.

"One would think during a food price crisis the Government would do everything in its power to encourage measures to keep the soaring inflation under control," Mr Myburgh said.

The Minister said a committee of the South African Agricultural Union had told him they agreed with the proposed amendments to the Act.

He said the measure had been introduced to rationalise the marketing system, and he hoped this would keep marketing costs as low as possible.

Control had little to do with poor producer and high consumer prices, Mr Du Plessis said.

SA 1000
RDM 12/2/81
cheapest
in West,
farmers
claim

By GERRAID REILLY
Pretoria Bureau

FARMERS claim South African consumers are pampered with probably the cheapest food in the Western world — most of the basics supported by huge State subsidies.

The bread price alone, they point out, is cushioned by a massive R180 million a year subsidy.

And in Pretoria yesterday, the president of the South African Agricultural Union, Mr Jaap Wilkens, said most white South Africans had little cause to complain about food prices.

However, the lower income groups, particularly blacks, who spent a larger percentage of their income on food, were affected seriously by continually rising prices.

Mr Wilkens was reacting to a call from a chainstore general manager for talks between consumer organisations, retailers, manufacturers and producers to try to solve 'the growing food crisis'.

According to the Consumer Price Index, food prices rose by nearly 30% last year.

Mr Wilkens said there was little the farmer could do except raise productivity and lower unit costs, and this, with continually escalating input costs, was extremely difficult.

"The farmer is at the end of the line," Mr Wilkens said.

For the past decade the prices of fertilisers, machinery, equipment and spares had risen, he said, and living conditions for black farm workers had also been improved on a continuous basis.

Mr Wilkens said if the total price of foods was analysed, it would be found that the retailer got the biggest slice of the cake.

He was sceptical about the talks. There was perhaps too much talk, too many commissions, and too little real effort to bring down prices.

A closer look should be taken at the profits of wholesalers and retailers.

Consumer opposition to price levels and farmers' complaints about lack of profitability, were not new developments. They had been a feature of South Africa's economic life for decades.

But it was apparent, if consumers and their organisations looked round them, that South African consumers were among the most fortunate in the Western world.

"Food in this country is among the cheapest in the world, and there are not many good reasons for complaints," Mr Wilkens said.

PDM 12/2/8

PFPP calls for probe into 'horrendous' food prices

By **GERALD REILLY**
Pretoria Bureau

244

A NEW anti-inflation manifesto was urgently needed to combat the horrendous price spiral the leader of the PFPP in the provincial council Mr Douglas Gibson said last night. Speaking in the part appropriation debate he stressed the increase in food prices had assumed acute proportions — no wonder it was called the great food price scandal.

The PFPP supported an investigation aimed at establishing exactly why it was that food prices

had got out of hand.
"If the consumer is not being ripped off then what else can possibly be the reason?"

Why in the name of humanity he asked cannot the GST of staple foods be removed?

Why was inflation allowed to run out of control? These questions had to be answered.

The Government had not refuted claims that it was responsible for the high rate of inflation.

The time had come for a representative cross section of qualified people to design a new anti-inflation manifesto.

He forecast that the economic plight of the ordinary man would become a prime election issue.

Ordinary men and women of South Africa were regarded by the Government as voting fodder. Their interests were totally neglected by the Government.

It was great that the country's growth rate was higher than any other country, but it was true too that the inflation rate exceeded that of other countries, and it was the lowest income

groups who suffered most with the shocking rate of 20.1%.

The horrendous inflation was a cause of great hardship to the underprivileged and those living on pensions and fixed incomes, he said.

The worst of the grim story was the savage increase in food prices of 30% last year. Authorities had predicted an inflation rate of 20% before the end of the year.

All who hoped for stability in South Africa must be concerned that inflation seemed to have gathered an unstoppable momentum.

RDM 12/2/81

Market Bill ²⁴⁴

under fire ^{3 general}

By HFLLEN ZILLE
Political Correspondent

THE ASSEMBLY In the face of strong Opposition protest, the Government yesterday pressed ahead with a Bill empowering it to shut down fresh produce markets outside the official marketing system.

The main implication of the Bill is that it could result in even higher food prices to the consumer and depressed prices to farmers.

Mr Rupert Lorimer (PFP Orange Grove) said the Bill was clearly aimed at protecting the vested interests in the official municipal marketing system — those of the middlemen, agents and bureaucrats while both the farmer and the housewife got a raw deal.

Farmers had taken steps to avoid this situation by setting up loose organisations to market their produce outside the official marketing system.

This cut out the wholesalers, agents and middlemen and benefited both the consumer and the producer.

Because the Minister of Agriculture Mr P T C du Plessis had declined to say which markets were likely to be closed down under the Bill, it was reasonable to assume that unofficial produce markets were the likely targets.

This was a blatant contradiction of the Government's verbal commitment to free enterprise Mr Lorimer said.

Instead of taking action against private marketing outlets, the Government should be encouraging any action that

could keep food prices steady and also give the farmers a better deal.

'At a time of a food price crisis one would expect the Government to shorten the route between the producer and the consumer, not extend it, he said.

The Bill was a prime example of unnecessary bureaucracy and red tape which crippled free enterprise protected vested interests and stopped farmers from selling their produce direct to the consumer.

"It should be the object of the Government to oil the wheel of the marketing system to the benefit of the farmer and the consumer", he said.

Mr Lorimer said he had visited the Johannesburg market on numerous occasions. He had found that greengrocers were forced to buy certain products at grossly inflated prices from wholesalers who bought up certain produce in bulk and resold it at a profit.

Instead of taking steps to stop farmers getting round this system the Government should be concerned at the racketeering, the inflated bureaucracy and control board system, all of which fuelled inflation.

Mr Du Plessis said the Bill was aimed at giving him the power to stop the operation of a market which in terms of the existing Act, had been erected without his permission.

Fresh produce markets were erected at a great capital cost to local authorities who needed State assistance to make such markets feasible.

Food^{RDM}
price^{12/2/81}
crisis^{2 general}
talks⁽²⁴⁴⁾

Consumer Mail

A NATIONAL round table conference on the growing food price crisis, involving producers, manufacturers, retailers and consumers, will be held within the next two weeks under the auspices of Consumer Mail

The talks have been organised in the wake of the announcement that the latest Consumer Price Index (CPI) shows that during the past 12 months food prices have increased by a massive 30% — almost double that of the general CPI

Consumer organisations are worried that consumers are fast reaching "breaking point," particularly those in the low income groups who have been especially hard hit

The talks will deal with administered food prices, the marketing boards, problems in the manufacturing and retailing sector, GST and food subsidies

The date of the talks will be announced shortly

○ See Page 2

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GF 7400

DEPARTEMENT VAN LANDBOU EN VISSERYE

No 261 13 Februarie 1981

WET OP BEHEER OOR WYN EN SPIRITUS, 1970
(No 47 van 1970)

MINIMUM PRYS VAN WYN VIR DISTILLERINGSDOELEINDES BESTEM, TYDPERK WAARIN KOOPPRYS BETAAL MOET WORD EN DIE RENTE BETAALBAAR OP AGTERSTALLIGE BETALINGS

Ingevolge artikel 5 (1) van die Wet op Beheer oor Wyn en Spiritus, 1970 (No 47 van 1970), maak ek, Pieter Theunis Christiaan du Plessis, Minister van Landbou en Visserye, hierby bekend dat die Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, kragtens die bevoegdheid hom verleen by gemelde artikel, ten opsigte van die jaar wat begin op 1 Januarie 1981—

(a) die vasgestelde minimum prys wat groothandelaars deur hom gevra gaan word vir wyn wat vir distilleringdoeleinde bestem is, bepaal het op R20,43 per hektoliter, bereken teen 'n sterkte van 10% alkohol volgens volume,

(b) die tydperk bepaal het waarin die koopprys van sodanige wyn betaal moet word, naamlik op die laaste dag van die maand wat onmiddellik volg op die maand waarin aflewering plaasgevind het, en

(c) die rente wat op alle agterstallige betalings betaal moet word, bepaal het teen 13 persent per jaar, bereken vanaf die dag wat volg op die datum waarop 'n betaling opeisbaar word tot op die datum waarop die betaling geskied

In hierdie kennisgewing het die woord "sterkte" die betekenis in artikel 14 van die genoemde Wet daaraan geheg

Alle belanghebbendes kan besware wat hulle teen die minimum prys, tydperk of rente in hierdie kennisgewing vermeld, binne 'n tydperk van 14 dae vanaf die datum van publikasie van hierdie kennisgewing skriftelik by die Direkteur-generaal van Landbou en Visserye, Privaatsak X250, Pretoria, 0001, inlewer

P T C DU PLESSIS, Minister van Landbou en Visserye

No. 262 13 Februarie 1981

WET OP BEHEER OOR WYN EN SPIRITUS, 1970
(No 47 VAN 1970)

MINIMUM PRYS VAN WYN, BEDRAG, TOESLAG EN OPBERGINGSGEIDE WAT BY SO 'N PRYS GEVOEG MOET WORD, TYDPERK WAARIN BETALING MOET GESKIED EN RENTE BETAALBAAR OP AGTERSTALLIGE BETALINGS

Ingevolge artikel 18 (1) van die Wet op Beheer oor Wyn en Spiritus, 1970 (No 47 van 1970), maak ek Pieter Theunis Christiaan du Plessis, Minister van Landbou en Visserye, hierby bekend dat die Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, kragtens die bevoegdheid hom verleen by gemelde artikel, ten opsigte van die jaar wat begin op 1 Februarie 1981—

(A) die minimum prys vir wyn van 'n sterkte van hoogstens 10 persent alkohol volgens volume voor versterking, teen R27,33 per hektoliter vasgestel het,

DEPARTMENT OF AGRICULTURE AND FISHERIES

No 261 13 February 1981

WINE AND SPIRIT CONTROL ACT, 1970
(No 47 OF 1970)

MINIMUM PRICE FOR WINE INTENDED FOR DISTILLATION PURPOSES, PERIOD WITHIN WHICH PURCHASE PRICE SHALL BE PAID AND THE INTEREST PAYABLE ON ARREAR PAYMENTS

In terms of section 5 (1) of the Wine and Spirit Control Act, 1970 (No 47 of 1970), I, Pieter Theunis Christiaan du Plessis, Minister of Agriculture and Fisheries, hereby make known that the Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, has, under the powers vested in it by the said section, determined in respect of the year commencing on 1 January 1981—

(a) the fixed minimum price to be charged by it to wholesale traders for wine intended for distillation purposes at R20,43 per hectolitre, calculated at a strength of 10% alcohol by volume;

(b) the period within which the purchase price of such wine shall be paid, viz on the last day of the month immediately succeeding the month in which delivery was made, and

(c) the interest which shall be paid on all arrear payments, at the rate of 13 per cent per annum, calculated from the day following the date on which a payment becomes due until the date of payment

In this notice the word "strength" shall have the meaning assigned to it in section 14 of the said Act.

All interested persons may lodge with the Director-General of Agriculture and Fisheries, Private Bag X250, Pretoria, 0001, in writing, within a period of 14 days from the date of publication of this notice any objections they may have to the minimum price, period or interest specified in this notice

P T C DU PLESSIS, Minister of Agriculture and Fisheries

No 262 13 February 1981

WINE AND SPIRIT CONTROL ACT, 1970
(No 47 OF 1970)

MINIMUM PRICE FOR WINE, AMOUNT, SURCHARGE AND STORAGE CHARGES TO BE ADDED TO SUCH PRICE, PERIOD WITHIN WHICH PAYMENT SHALL BE MADE AND INTEREST PAYABLE ON ARREAR PAYMENTS

In terms of section 18 (1) of the Wine and Spirit Control Act, 1970 (No 47 of 1970), I, Pieter Theunis Christiaan du Plessis, Minister of Agriculture and Fisheries, hereby make known that the Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, has under the powers vested in it by the said section, fixed in respect of the year commencing on 1 February 1981—

(A) the minimum price for wine of a strength not exceeding 10 per cent alcohol by volume, prior to fortification, at R27,33 per hectolitre;

Januarie
January
1980

R
000 000
500 000
108 000

820 261

662 137
621 438
088 056

599 742
190 874
32 745

194 992

015 253

(E) die tydperk vasgestel het waarin so 'n prys en enige so 'n bedrag, toeslae en opbergingsgelde betaal moet word, naamlik

(i) Ten opsigte van wyn verkoop voor die 1ste dag van Augustus 1981, moet betaling van so 'n prys en enige so 'n bedrag en toeslae gedoen word op die 15de dag van die tweede maand wat volg op die maand waarin aflewering plaasgevind het, of op die 31ste dag van Augustus 1981, watter datum ook al die vroegste is;

(ii) ten opsigte van wyn verkoop op of na die 1ste dag van Augustus 1981, moet betaling van so 'n prys en enige so 'n bedrag en toeslae gedoen word op die laaste dag van die maand wat onmiddellik volg op die maand waarin die verkoping aangegaan is of op die 31ste dag van Januarie 1982, watter datum ook al die vroegste is,

(iii) ten opsigte van enige opbergingsgelde moet betaling daarvan gedoen word op die laaste dag van die maand waarin aflewering plaasvind,

(F) die rente wat op alle agterstallige betalings betaal moet word, vasgestel het teen—

(i) 13 persent per jaar, bereken vanaf die dag wat volg op die datum waarop die betaling opeisbaar word tot op die datum waarop die betaling geskied of tot op die 31ste dag van Januarie 1982, watter datum ook al die vroegste is,

(ii) 14 persent per jaar op enige bedrag wat op die 31ste dag van Januarie 1982 nie betaal is nie, bereken vanaf die 1ste dag van Februarie 1982, tot op die datum van betaling

Alle belanghebbendes kan besware wat hulle teen die in hierdie kennisgewing vermelde minimum prys, bedrag, toeslae, opbergingsgelde, tydperke of rente het, binne 'n tydperk van 14 dae vanaf die datum van publikasie van hierdie kennisgewing, skriftelik by die Direkteur-Generaal van Landbou en Visserye, Privatevaatsak X250, Pretoria, 0001, inlewer

P T C DU PLESSIS, Minister van Landbou en Visserye.

(E) the period within which such price and any such amount, surcharges and storage charges shall be paid, viz

(i) In respect of wine sold prior to the 1st day of August 1981, payment of such price and any such amount and surcharges shall be made on the 15th day of the second month succeeding the month in which delivery was made or on the 31st day of August 1981, whichever date shall be the earlier;

(ii) in respect of wine sold on or after the 1st day of August 1981, payment of such price and any such amount and surcharges shall be made on the last day of the month immediately succeeding the month in which the sale was concluded or on the 31st day of January 1982, whichever date shall be the earlier,

(iii) in respect of any storage charges, payment thereof shall be made on the last day of the month in which delivery was made,

(F) the interest which shall be paid on all arrear payments, at the rate of—

(i) 13 per cent per annum, calculated from the day following the date on which a payment becomes due until the date of payment or until the 31st day of January 1982, whichever date shall be the earlier,

(ii) 14 per cent per annum, on any amount remaining unpaid on the 31st day of January 1982, calculated from 1st February 1982 until the date of payment

All interested persons may lodge with the Director-General Agriculture and Fisheries, Private Bag X250, Pretoria, 0001, in writing within a period of 14 days from the date of publication of this notice, any objections which they may have to the minimum price, amount, surcharges, storage charges, periods or interest specified in this notice

P T C DU PLESSIS, Minister of Agriculture and Fisheries

WHOLESALE PRICES FM 13/2/81

The index dips (24/4)

The wholesale price index dipped in December 1980 to register a year-on-year increase of 16.8%, according to Department of Statistics figures. This suggests another turning point in a cyclical pattern which started the year at nearly 19%,

moved steadily downwards to hit about 15% at mid-year, and then climbed again to 17% in November

The prime inflationary offender in the index, which measures price movements at the point of production, is the locally produced component, which at 17.2% compares unfavourably with the imported component at 14.7%. And the imported component index is the only one that shows a downward trend. So as the inflation rates of SA's main trading partners stabilise the imported price level is actually exerting a negative effect on the overall wpi

Similar considerations in related indices all militate against the local buyer. The total SA industry output price index in December showed a 15.7% annual increase, against a 17.2% rise for those goods intended only for SA consumption

One of the steepest individual rises in the SA manufacturing index is, predictably, shown by fresh meat, which rose no less than 55% over the year. The overall sectoral performance apart from this, with a number of notable exceptions, is broadly in line with the consumer price index which showed a 15.8% rise in the year to December

Among these exceptions are food, which at one end of the scale rose nearly 30% and at the other, petroleum products, which registered only a 3% rise. In fact, the index shows that the prices of high octane petrol actually declined by about 2% over the 12-month period

Face bricks and glass, however, rose by 20% and 40% respectively. These figures do not include sales tax. But surprisingly, with gst accounted for, the wholesale prices of construction materials as a whole rose by only 13%

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Medal)

Miss N C Davidson

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

For the best student in each of the 2nd, 3rd and final years.

Corporation Medals

CHEMICAL

'Govt helps monopolies to push up food prices'

Political Staff
CAPE TOWN — Fat-cat monopolies had, with government backing, pushed up food prices by nearly 30% last year, the Progressive Federal Party's Mr Rupert Lorimer, MP for Orange Grove, said yesterday

In a scathing attack on Government-controlled boards, Mr Lorimer said the "great food price scandal" had showed their marketing systems were failing

"Control boards are not only failing to stabilise prices but are in certain instances aggravating the inflationary spiral to such an extent that both the farmer and the consumer are getting a raw deal"

Speaking in the Part Appropriation debate, Mr Lorimer said in some cases farmers had been driven off the land because the gross incompetence of the control boards "has made it just not worth carrying on"

"They have failed to ensure that the gap between what the producer is getting for his product and what the housewife pays is fair and reasonable, and they have allowed fat-cat monopolies to flourish"

"In spite of higher pay, the average housewife is at her wits end in trying to balance her budget. The poor and people on fixed incomes are just not able to cope," he said



The PFP did not blame farmers but Government meddling had upset the free market mechanism

"One of these days the farmers are going to come to the realisation that they have been taken for a ride by the Government, and when that happens the National Party had better watch out"

South Africa had reached the stage where housewives could no longer afford to buy the meat, butter and eggs they needed

He said when there was a surplus of dairy products, the nonsensical Dairy Board had raised prices

A greater chapter of mismanagement could not be found than in the meat industry

"As far as the Government is concerned, they have allowed middleman monopolies to flourish and grow fat. They simply have not controlled the middleman"

Mr Lorimer also called on the Government to abolish General Sales Tax on staple foods because it was grossly unfair to tax the poor and unemployed on the food they needed to keep alive

Mr Lorimer also challenged Mr Owen Horwood to test public opinion about his mini-Budget by opposing him in the same constituency. Mr Lorimer will be standing in Durban North in the General Election

Reacting to the Budget, Mr Lorimer, whose old constituency disappears said "If the Minister really thinks that people are going to be fooled by his display of open-handedness today, why doesn't he offer himself for election?"

"He's never been elected in his life. Mr Horwood was the leader of the National Party in Natal so why did he not fight an election?"

"I could suggest to him that he come and fight an election in Durban North, then he can see what the voters of Natal think of him," said Mr Lorimer

Mr Pietie du Plessis, the Minister of Agricultural, interjected "Why are you running away from Harry?" (This was a reference to the fact that a large part of Mr Lorimer's old constituency has been incorporated in Yeoville, the constituency of Mr Harry Schwarz)

Mr Chris Cilliers, director of the South African Agricultural Union — one of the most powerful groups in the country — said on a radio programme recently he did not care about the poor. In the past he has described the Housewives League as “fat tannies”. Last week Consumer Mail’s PAT SIDLEY asked him about his views and ideals which have helped shape agricultural policy in this country over three decades. She found a man “unshakeable in his beliefs and in his desire to represent only the farmers’ interests



CHRIS Cilliers, director of the South African Agricultural Union, is a man who knows the value of public relations and the power of the media — he was, after all, a BBC announcer for nine years

So he understands he will be quoted widely and prominently when he says on radio “I do not care about our poor”

The SAAU is probably the most powerful lobby in South Africa, claiming to represent all farmers, who in turn form a powerful political voting bloc

The price of food, mostly produced by those farmers, has risen almost 30% in the past year — double the inflation rate — with meat alone having risen almost 60%

But through the din of outraged consumers the SAASU has been heard clearly — more than once — calling for higher prices.

Mr Cilliers is not a farmer, nor has he ever been one, neither did he study agriculture

After graduating with a BSc from Stellenbosch in 1938 he was awarded a Rhodes Scholarship and went to Oxford to study engineering science

When he completed the degree “it was 1942, the war was on and I couldn’t come back

“So I joined the BBC as an Afrikaans news reader and worked for them for nine years

“How I got into agriculture was purely fortuitous — they wanted me to broadcast an agricultural programme”

The job lasted until 1950

Then the Korean war broke out, and with a wife and three children Mr Cilliers felt “one

...and was fine; but

I’m not doing another”, and the family came to South Africa

For the first three years he organised the Van Riebeeck Fair (which celebrated the third centenary of Van Riebeeck’s landing), then he joined the SAAU in 1953 as its public relations officer

He will be retiring in April — to “do nothing”.

Mr Cilliers is an outspoken man with a firm set of beliefs surrounding agricultural policy which he has shared with the public over three decades — often to the dismay or plain shock of a great many people.

He vehemently disagrees with the often-expressed claim that South African farmers are inefficient, thereby pushing costs up

“It’s absolute nonsense — they compete with all-comers in maize, wool, hides and skins. One third of South Africa’s R2-billion of agricultural products are exported and they compete with the rest of the world”

But it is correct, he concedes, that 20% of the farmers produce 80% of maize — or that 80% of maize farmers only produce 20% of the crop

“Those 20% are super farmers”

Some of the others, he says, shouldn’t be there, and some earn less than his secretary

The maize price, Mr Cilliers says, is largely worked out on the average cost of production plus an “entrepreneurial award” This would include the uneconomic farmers as well

He does not believe in a free market for agriculture “especially in a country like South Africa”

“Demand in agriculture is inelastic, while the supply is elastic. You can’t plan your supply in any way because of the weather”

He cites tomatoes and onions as an example, the prices of which are subject to market fluctuations. A tomato board has been proposed by the SAAU, but was turned down by the Government

“I still think it would be a good thing for a tomato board to eliminate the fluctuations. The farmers would have a majority on the board — although all other interests would be represented.

“One must expect the Government to represent the interests of the consumers over the farmers

“For many years this country had a cheap food policy until the Jacobs Commission (into agriculture) It recommended that agricultural prices should be adjusted more realistically and more frequently”

Mr Cilliers believes the control boards do a good job and are worth the R25-million a year it costs to keep them running

They fulfil their role representing producers

“It was producers who asked for them. The British started the idea in the years of the depression. But the first thing our Marketing Act did in 1939 was to keep prices down for the consumers”

On his controversial statement that he did not care for the poor, said on radio about a week before his interview with Consumer Mail, Mr Cilliers said “I stand by my remark”

He had told listeners that he did not care about South Africa’s poor because they had it easier than in many other countries.

“Nobody has an inborn right to have excessively cheap food anywhere in the world. We happen to be more efficient and cheaper. Our bread price is so ridiculously low”

Mexico City, he said, had the next highest bread price — and it’s double the price of South African bread

“Why should a worker in Johannesburg claim the right to pay less than elsewhere?”

Asked how he felt if increased prices lead to increased malnutrition among blacks who formed the majority of the poor, and the possible threat to security, he said “Malnutrition would not be a case to depress the farmers’ prices — it would be a case for the welfare authorities

“Eating habits are according to income. In our country the only thing the poor can afford is maize, and that is what they live on

“We supply food to our lower income groups at a much lower level than in most other countries. We have done our

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 244
 RDM
 17/2/81

**‘NEVER
 MIND
 THE FAT
 TANNIES
 — IT’S
 THEIR
 MEAN MEN’**

CONT

duty to get food to the poor. There is no security threat. The whites should see to it that they (black workers) are paid more”

“When the bus fares went up, I gave more money to my maid to cover the increased cost.

“Really, it gets my goat when housewives in Johannesburg whose husbands underpay workers in their factories, say farmers underpay. Especially in Johannesburg. Look what their hus-

bands are doing. They underpay their workers. They don’t bother about farmers’ workers”

And onto the famed “fat tannies” remark Mr Cilliers was reported criticising the women of the Housewives League for being “fat tannies” who “gorge themselves on cheap food we produce”, spend money on makeup and then call boycotts

“That was not my remark. It was the Minister’s. But I thought it was funny so I repeated it



SAAU's outspoken director Chris Cilliers. Really it gets my goat when housewives in Johannesburg whose husbands underpay workers in their factories say farmers underpay

Picture JIHAN KUUS

Rand Daily Mail, February 17, 1981

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They do spend more on liquor in this country than on red meat — but then they tell us they have to drink after the high prices

But it seems to be the husbands of the league who inspire Mr Cilliers' vitriol "Of course they all underpay their workers. Where did the riots start? Industrialists all underpay their workers. There were no riots on the farms"

Commenting on Mr Cilliers' remarks after the radio programme, the current issue of the Financial Mail had called him an "outmoded socialist"

"Oh dear, oh dear. They are completely wrong. Farmers are the only true capitalists. I'm an enlightened capitalist"

Mr Cilliers had participated on the panel of a listener-participation programme on the English service called "Microphonem", along with Mr Raymond Ackerman, chairman of Pick 'n Pay. The subject was "Are food prices unrealistically high?" and angry listeners' questions caused Mr Cilliers to lose his temper

"That programme wasn't good for public relations," he said. "If only I did not lose my temper"

"I did not try to argue with Ackerman. The chain stores are doing a jolly good job. The concept of consumer co-operatives never took off and I ascribe this to the efficiency of our chain stores in keeping prices down"

"But they do abuse their power. He (Mr Ackerman) forced Langeberg (the fruit canning co-op) to sell to him at a lower price than they sell to wholesalers in London — and then it still landed up cheaper on a London housewife's table"

"The profit is much higher here"

There is no room at present in Mr Cilliers' scheme of thought for a lowering of prices

"If you want to subsidise I don't believe in subsidies. Then subsidise the people who count. Take the subsidies and put it into meat, he pap"

"If we can prove in South Africa we are doing better than in half the rest of the world, we have no reason for complaint"

are so completely spoilt by lower food prices

"I predicted a red meat and egg shortage — and now it's here. And now I predict a shortage of milk and dairy products"

(The SAAU has called for a significant rise — and more than one — this year in the price of milk and dairy products. Otherwise it says, farmers will have to stop farming)

"The Government is more influenced by what consumers say than by the 70 000 farmers. There are more votes in consumers than in producers"

He attributes the better times of farmers to the Jacobs Commission, which he says was responsible for putting the prices up

Mr Cilliers said that if South Africa had to import and pay world prices, it would "come as a shock"

Before the Jacobs Commission, he said, farmers were not paid for their costs

"Farmers have improved their efficiency and this efficiency is passed on almost wholly to the consumer"

He does not believe sales tax should be removed from foods, although when its introduction was under discussion the SAAU had recommended that the tax be left off food

The FCI (Federated Chamber of Industries) and the mines thought it should be left off capital equipment — the means of production

"We thought it should be left off food. But then to compensate, other higher levels would have had to have been introduced on other commodities"

Anyway "Food prices in South Africa are so low you don't have to take measures to drop them"

At one stage when Mr Cilliers had looked at the question of importing food, the only available commodity that could have been imported at a rate cheaper than it was available in South Africa was one type of cheese

"My worry is that consumers in South Africa must not push farmers so that they have to start importing — the food may not always be available"

He blames local industry for some high costs

"I wish local industry was more efficient. If we could import duty free, costs would be lower. But I agree with protecting local industries"

"I'm sorry they're so damned inefficient"

His firm commitment to his agricultural ideals have been reinforced over the years to the extent that he still stands by apparently anachronistic passages in reports, quoting him in 1956 on such controversial topics as export losses

In an interview in 1956 he said: "It's not possible to increase the local price to make up the loss on exports, as public opinion will not stand for this." He said farmers would lose if exports were sold overseas for less than they were sold in South Africa

But he remains unimpressed with the generally accepted view that South Africa does export maize at a loss. According to this view, the stabilisation fund pays for the export losses. This fund is paid for by the farmer in the form of a levy taken from the higher domestic prices of the maize

The maize stabilisation fund is broke at the moment due to heavy expenditure — or losses — on exports. The fund has had to take a loan from the Government to bail it out temporarily and which will probably be paid back out of the next maize price increase, expected in May

Mr Cilliers, on the other hand, believes maize is not exported at a loss. When confronted with the Maize Board's claim that it is, he explains that the maize farmers' needs are calculated in advance and some idea is available in advance of how large the crop will be. The domestic price is calculated with this information and any funds from exports is a bonus on top of this

"They may make a slight mistake, but that's why there's the stabilisation fund"

He stands, in fact, by all his comments, — "and I'll say the same in 10 years" — not only reinforcing them but exaggerating them, and does this with an unashamed laugh and charming openness

'We're not cashing in'

244 NM 18/2/81

Finance Reporter

DURBAN industrialists have reacted strongly to suggestions that they are using the current boom in the economy as a smokescreen for unjustified price increases.

Addressing industrialists in Prospecton last week, Dr S J Kleu, chairman of the Board of Trade and Industries, said price increases by the manufacturing sector during buoyant trading conditions inevitably led to the perpetuation of inflation.

But most industrialists canvassed yesterday hotly denied that they were capitalising on the present boom or that their price increases were excessive when the current rate of inflation in the economy was taken into account.

Mr Clive Hooper, managing director of Dunlops, which turned in record profits last year, said of the company's price controlled tyre operation — 'a 10,6 percent increase is hardly capitalising on a boom.'

The chairman of Romatex, Mr J J Ward, which also increased its profits last year, said 'The inflation rate last year was fractionally under 16 percent. In none of the principal sectors in which we operate did our average selling price increase exceed this figure — in most cases price increases were significantly lower.'

Examples of the company's recent price increases were Floor coverings less than

Industrialists deny boom 'smokescreen'

10 percent, fabrics 8,1 percent, packaging less than 10 percent and yarns less than 10 percent.

Profit growth, said Mr Ward, was attributable to increased capacity and increased production through better utilisation of capacity, rather than increased costs.

Restraint

Other industrialists said that the normal competitiveness of the market was enough to restrain them from excessive profiteering through abnormally large price increases.

'We're under extremely competitive pressure in the market place and we certainly haven't been able to climb on any bandwagon,' said a management spokesman for Bakers.

Mr Roland Fieakes, director of the Natal Chamber of Industries, said it was unfair to say that manufacturers were profiteers.

Fair

'Such an assertion cannot lightly be made in the first place because of the effects of double digit inflation, company financial statements frequently reflect greater profitability than really is the case. Real profitability is invariably

ably lower than that reflected in the accounts.

'Secondly, in order to make a fair assessment one must examine the rate of return on capital rather than cite large percentage increases on absolute profits.'

'It is necessary to make comparisons in respect of a company over a period of years, and not simply compare one year with the previous year when a company may have even experienced a loss position. I don't believe that Dr Kleu would deny that profit is not a dirty word and that profitability is the only real motivation for further investment and continued economic growth.'

Two for the see-saw

FM 20/2/81

244



The story being told these days in the corridors of bovine power concerns the church raffle held in Middelburg, Transvaal, recently First prize was a side of beef, second prize a new Mercedes-Benz

It has been a heavy year for inflation, with the consumer price index having risen 15,8% in the 12 months to December. But what has shocked housewives more than anything has been the 29,5% hike in food prices during that period. However, the first thing to realise is that two commodities, meat (up 57,3%) and vegetables (up 29,6%), have been responsible for most of the increase. The average rise for food items *excluding* meat and veg was only 10,9%.

Both commodities are subject to special circumstances. Meat prices move in a 5-6 year cycle, and the rate of increase is likely to level off again after this big movement. The last big jump was experienced in 1974, when meat prices in the 12 months to December rose 23,3%. The increases in the following three years were only 0,5%, 7,3% and 2,1%. In 1978 they rose by 16% and in 1979 by 17,5% — in both cases slightly more than the average food inflation rate. But over the five years the average increase was only 8,7% which was *below* the average for food as a whole.

Meat is a peculiar commodity in that the farmer's product and his capital are the same thing. As soon as the price goes up, ranchers get the cue to expand, which can only be done by withdrawing cattle from the market and using them for breeding to expand the herds (It's an example of the theory of rational expectations). This exacerbates the shortage for a period, but when the stocking up phase is over, supplies move sharply up and there are likely to be several years of price stability.

The present tight situation is the climax of several years of difficulties. First, because of low prices farmers began selling off their herds and switching to other products, thus further depressing prices. Just as the supply/demand imbalance seemed to be improving there was last year's drought, which forced more selling of cattle. The national herd fell from 9,4m head to 8,4m head in 18 months.

In 1979, according to the Meat Board, beef was 27% oversupplied. In December that year, applications for permits to slaughter sheep at one abattoir, Maitland, were four times the 100 000 head monthly capacity of the abattoir.

Only last May, says the Board, did farmers start to break even, and since then the market situation has changed dramatically. But the rising price of beef has had a marked effect on consumption

which fell last year by 3,3% after rising by an average of 7% a year for the previous five years.

The fact that price did not in turn respond to the decline in consumption, suggests either that the market is being manipulated — a charge the Meat Board rejects — or that demand still exceeds supply.

The latter explanation must be playing a significant part. Per capita consumption has risen from 56,7 kg a year in 1977 to 59,6 kg in 1978 and 61,6 kg in 1979, and would have only levelled off in 1980 because rising population roughly matched the overall decline in consumption.

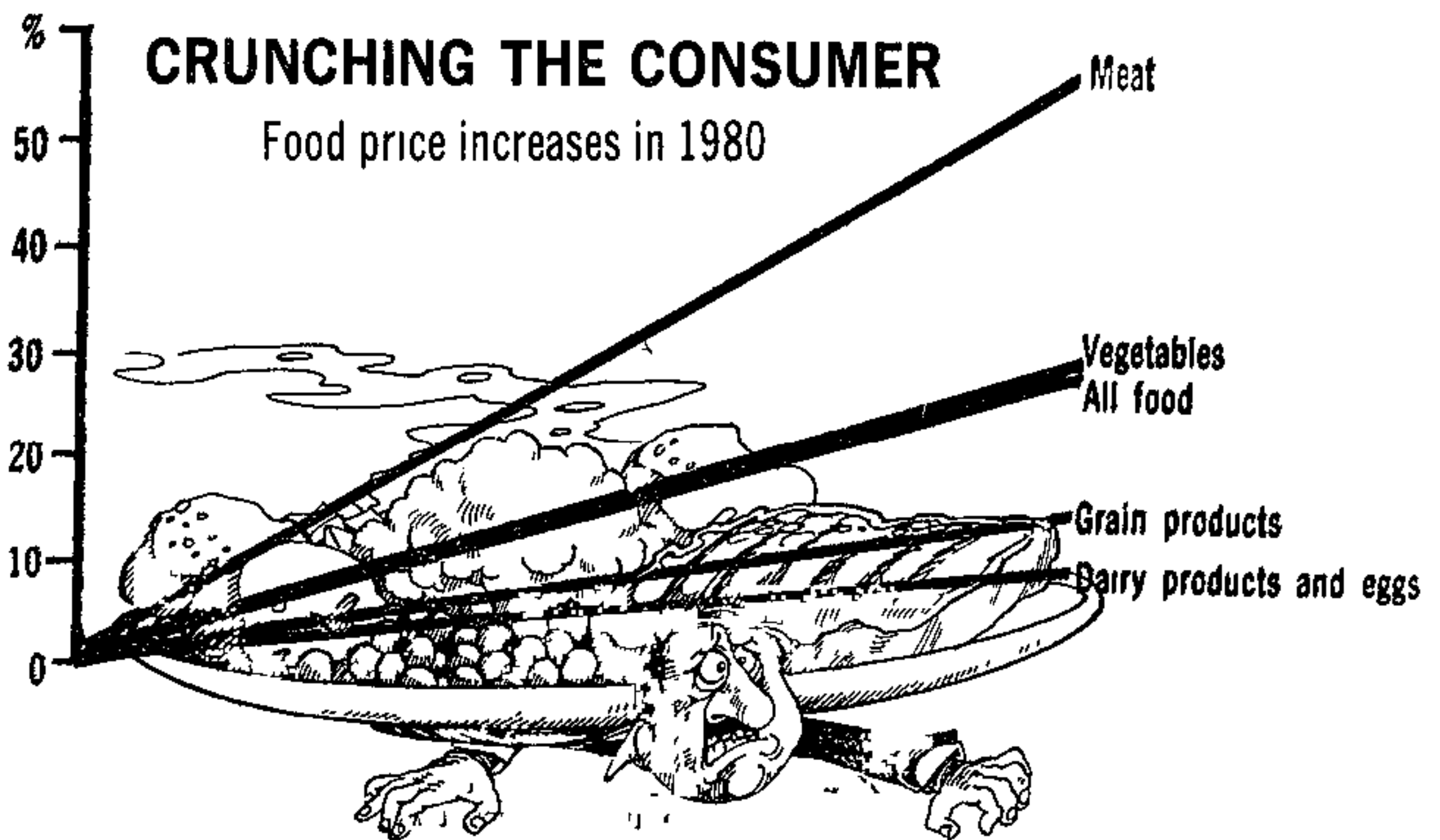
The other problem area is vegetables. Prices are particularly volatile, and the past year has seen supplies decline concomitant with a sudden take-off in consumer demand. In certain parts of the country weather has been a factor, but in general, farmers tend to plant vegetables as a means of generating cash flow when they are hard up. As soon as returns on maize, meat, tobacco and other commod-

systems and more sophisticated organisation of produce selling as there is in the United States," he says. "Prices go sky-high for out-of-season commodities, but better stockholding and refrigeration could provide a cushioning effect."

"We buy about 70% of our produce from the markets and 30% direct from the farmers. But if big retailing chains like ours could bypass the produce markets to a greater extent, we could get better deals from the farmers by offering them fixed firm prices."

"A lot of the markets try to prevent that happening. But official control is the last thing we want. We are in favour of less control."

Certainly, the middleman seems to be taking an excessive share of the cake. The producers' shares of the consumer costs amounted in 1979 to 34% in the case of vegetables, 54% in the case of meat and 49% for the total food basket. Thus, on average, the so-called middleman is getting 51% of what the consumer pays, and it's a share that is rising. It was only 46%



ities improve (as they did last year), they switch out of vegetables, thus hitting supply.

On the other hand, consumer demand among blacks is responsive to economic trends. In bad times they eat more maize meal and bread, and in good times they switch to vegetables. Among whites, fruit plays a similar role.

At the same time, the free market is not always operating as well as it might. One reason, says Pick n Pay chairman Raymond Ackerman, is that produce farmers' marketing methods are relatively unsophisticated.

"We need more competitive marketing

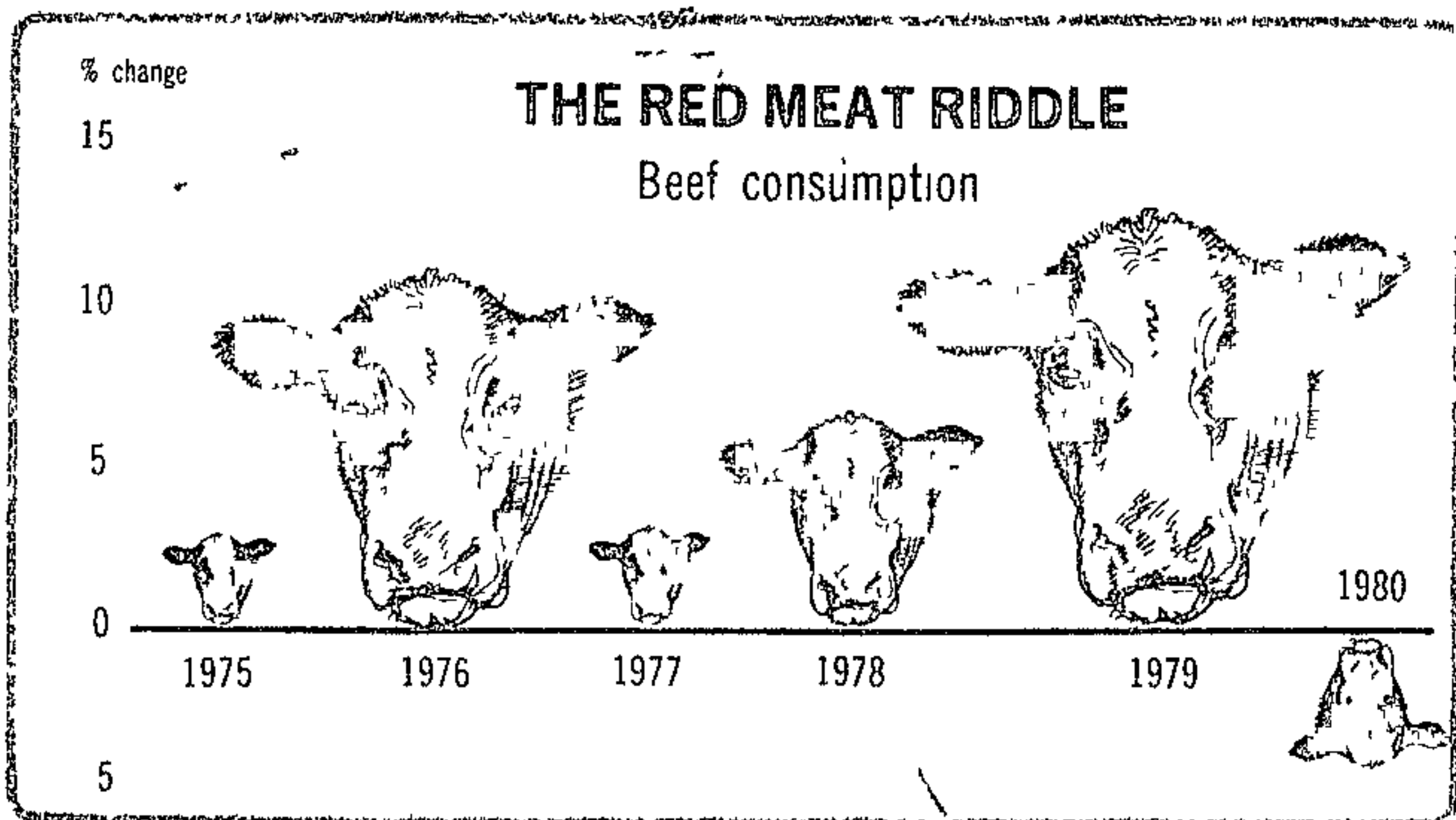
in 1975

Peter Venter, Johannesburg City Council's director of produce markets, points out that there is inadequate market information available to vegetable farmers. What's needed, he says, is an information bureau which will monitor acreages planted with each kind of vegetable in relation to demand trends, and thus give farmers an indication of impending surpluses or shortages.

Producers' costs are, of course, climbing sharply. Climatic conditions — first drought, then excessive rain — have played havoc with produce yields in the last two years, thus raising unit costs

RE BE C D E F G H I J K L M N O P Q R S T U V W X Y Z

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 ...meats...
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Transport costs shot up during the course of 1979. Overall, they rose by 27% but running costs climbed by 53% which would quickly be passed on by hauliers.

This no doubt contributed substantially to the rise in produce prices during 1980, particularly on the Reef which is a long way from its main supply area the eastern Transvaal lowveld. Apart from Cape Town and Durban, most major markets are a long way from their producing areas.

Not all forms of protein have been equally hard hit. Fish prices rose only 10% last year, though over three years they have been among the biggest movers. But chicken prices rose by about 30% last year as consumers switched from more expensive red meat. Beef rose 49%, mutton 33% and pork 18%. The only controls on red meat prices (administered by the Meat Board) are a floor price and a support price, both of which act to prevent prices falling but are largely irrelevant in the present inflationary climate. The floor price of 140c/kg for super beef is far below the current market price.

The average farmer's return on a 196.5 kg carcass in the third quarter of 1980 was R314.79. From this must be deducted various tariffs, levies and slaughtering costs, totalling R45.38. The farmer then was getting back R14.23 for the offal and R10.52 for the hides and skins, yielding him a net R294.16, or just under R1.50/kg. By the time this reached the consumer the price was nearly double that.

Three products with possibly the largest multiplier effects in the agricultural economy are maize, wheat and oilseeds, because they are so widely used in stockfeed and in manufacturing other food products. Maize went up by 22% last May contributing to an average increase of grain products for the whole year of 15%. With an election in the offing, there will be pressure from farmers to give another substantial hike to administered prices, particularly of maize and wheat. It's too early to tell whether these pressures will be exceeded by consumer pressures to keep prices down.

"The government has a very difficult

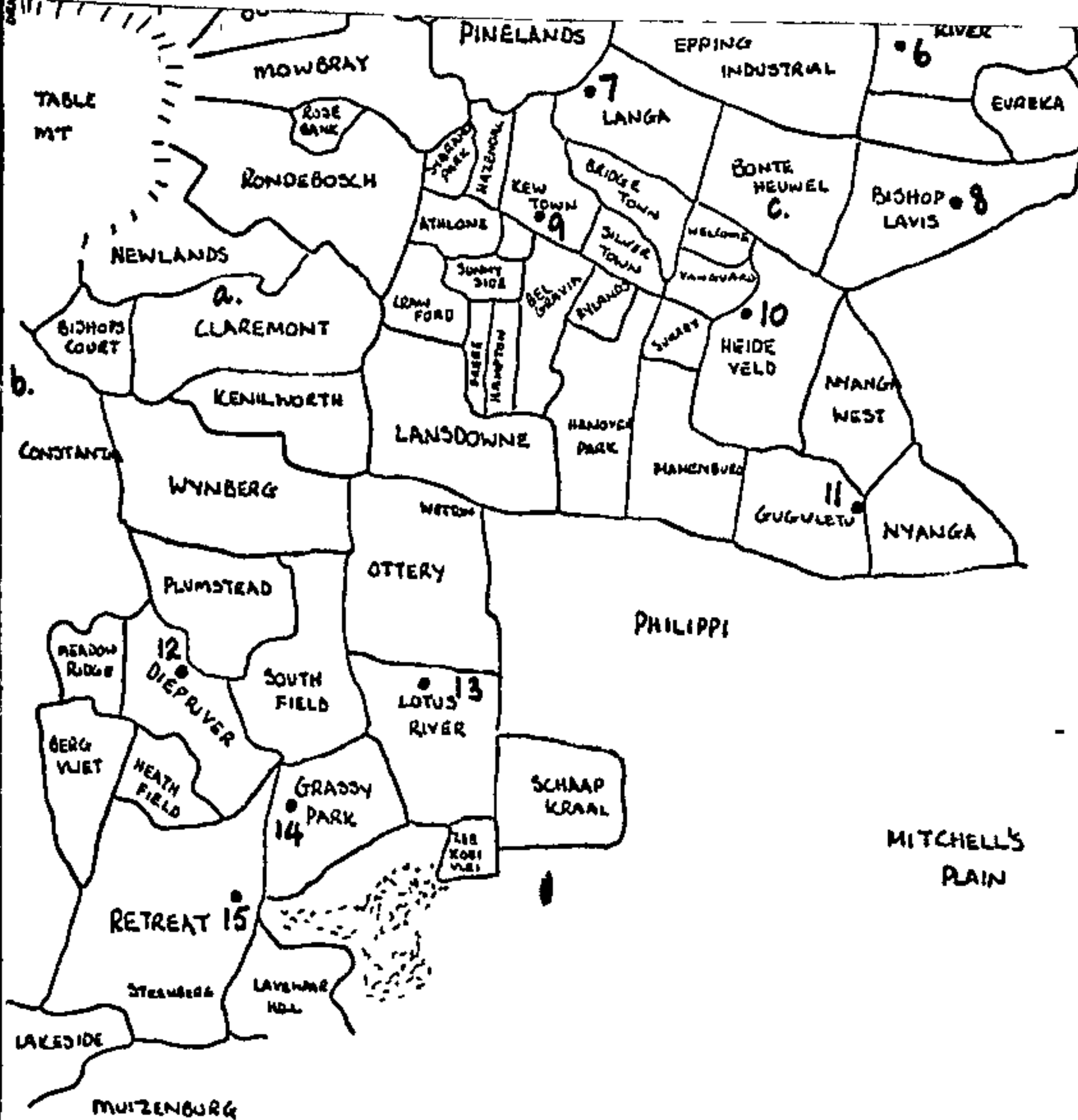
choice," says Tony Bloom, MD of Premier Milling. "The politics of food in Africa makes it enormously important to have a healthy agricultural sector. But a high inflation rate at home also has important socio-economic consequences. I believe that the just use of reasonable subsidies is something one has to accept in SA. I don't think you can operate by letting the price find its own level."

Bloom cites the bread (wheat) subsidy as a successful example which has helped to make the country normally self-sufficient in wheat. "The consumer has greatly benefited from the existence of the Wheat Board," he says. But there are times, he concedes, when anomalies appear. Currently, for example, wheat is being sold in SA at well above world prices, while maize is being exported at lower prices than SA consumers are paying. Maize and wheat account for the bulk of the R250m-a-year currently spent on food subsidies.

Inevitably, when prices take off as they have done, there are calls for increased control by the government in one form or another, calls which may be reinforced by the fact that most vegetables are not at present subject to control, and meat is subject only to limited control. Such calls should be resisted, for the record of the control boards in regulating the supply and prices of various commodities is abysmal.

Increased controls are a sure way to turn the short-term cyclical problems of food production into a permanent feature of the economy.

"The problem is caused by fluctuations in supply and demand," says Tom Snoek, a director of perishables exporter F&R Waring. "Climatic conditions interfere with the supply at times — but that's no reason to introduce another distortion caused by human interference in the marketing process. That would really mess things up."



THE LOCATION OF THE DAY HOSPITALS

1. Cape Town
2. Maitland
3. Kensington
4. Epping
5. Bellville
6. Elsies River
7. Langa
8. Bishop Lavis
9. Kewtown
10. Heideveld
11. Guguletu
12. Diep River
13. Lotus River
14. Grassy Park
15. Retreat

District Rooms

- a. Claremont
- b. Constantia
- c. Bontehuwel
- d. Tiervlei
- (e. Durbanville)
- (f. Ocean View)

(38)

News 19/2/81

NEW FEARS OF SOARING MEAT PRICES

By Glynnis Underhill

A DRASTIC reduction in the number of slaughter animals available at the Cape Town abattoir is likely to send beef prices soaring for years to come.

At present 90 percent of the beef animals slaughtered at the abattoir are imported from South West Africa.

The SWA Meat Control Board has decided to export only carcasses and cuts to South Africa and to discontinue

the supply of livestock to the Republic in the next two to three years.

Thus Cape Town is particular and the country in general fears a new red meat crisis with a shortage of slaughter stock.

This will cause a substantial increase in the price of beef.

Angry meat officials have said the only alternative is the slow development of our own beef industry.

The director of the Cape Town abattoir, Dr A J Louw, said that South West Africa should not be allowed to dictate to South Africa.

'We are far too dependent on South West Africa for the only local cattle we breed here are old dairy cows. It is the opinion of people in the meat industry that we are going to have to rely on our own and slowly develop our own beef industry.'

'We have to be prepared. What happens if South West Africa decides to stop exporting to us altogether?' he asked.

The new head of the South West African Meat Control Board in Windhoek, Mr Horst Krefz said yesterday that if all the 250 000 animals normally exported live to South Africa were slaughtered in South West Africa then

of the 2nd, 3rd and final years.

Second Year (Bronze Medal)

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meat prices

could mean 1 600 additional job opportunities.

'We have to make sure that our facilities slaughter at maximum capacity. To do this they must have enough of a supply or else we run at a loss,' he said.

About R3 million a year was paid by the Department of Agriculture in subsidies on meat exports in 1979 and 1980.

Mr Krefz said he did not yet know whether this would fall away if the country continued to experience a meat shortage.

The branch manager of the South African Meat Control Board in Cape Town, Mr P P Mahrenfort, said that the sale of carcasses and cuts could benefit both the retailer and consumer.

'The big question of course is the price of the meat,' he said.

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Sammy
Award
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L Menegaldo

A E & C I Prize
For the first year student obtaining the highest average mark.

G L Cragg

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. Cumming

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

A E & C I Prize

For the first year student
obtaining the highest average
mark.

G L Cragg

RDY 21/2/81

CPI goes up for all groups

244

THE overall Consumer Price Index rose 0.6% in January to 191.0 — 15.5% higher than in January last year.

And figures published by the Department of Statistics in Pretoria yesterday show that food prices alone rose 1.3% last month, and 23.4% in the 12 month period.

The January increase for the lower income group was 0.7%, and the index 19.7% higher than in January last year.

For the middle income group the increase was 0.5% for January, and 16.4% over the 12 month period.

The increases were 0.6% for the month and 13.8% for the year for the higher income group — Sapa.

● See Page 7

CHI

Inflation only just off the boil

RDM
2/2/81

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By HOWARD PREECE
Financial Editor

THE consumer-price index rose by 15.5% in the 12 months to the end of January — a slight easing of the 15.8% rate for calendar 1980. In January the rise was down to just under 0.6%, or about 7% a year.

The caution has to be given, however, that no great significance can be attached to one month's figures in isolation.

But because any apparent worsening of the inflation rate inevitably attracts much anxious comment it is perfectly understandable that any signs of improvement will be eagerly seized on.

This is particularly true of the sub-division of the CPI as far as the lower-income groups, essentially blacks, are concerned.

For the year to January the rate of increase dipped to 19.65% compared with 20.1% for 1980.

The level is, of course, still alarmingly high and begs the question of how well blacks generally have fared in the economic boom of the past year.

Obviously those who have found jobs where they did not have them before have benefited greatly.

Some workers will also have managed to get wage rises in line with, or even exceeding, the inflation rate.

But it is difficult to believe that most workers will have secured rises in the 20% region.

This makes it all the impera-

tive that the inflation surge should be checked.

It seems to me, however, that there is little chance of the rate this year being much lower than it was in 1980, although it could fall to about 13.5% on the most optimistic assumptions.

According to the ultra-pessimistic view, inflation will roar on towards 20% in 1981. But 14%/15% is the most popular bet.

Food prices have played a critical role in the CPI over the past year or so.

In December they again increased sharply — by 1.27% — to take the 12 month rate to 28.4%.

That was a slight moderation of the 29.5% level for 1980, although the change was too small to draw any trend conclusions from.

The CPI for upper-income levels rose by 13.85% for the year to January and for middle-income groups it was 16.4%.

When the explosion in house prices, and thus the capital values of existing owner-occupiers, is considered and the big rises in executive and skilled-worker pay are taken into account it does seem that the impact of the economic boom has been very differently felt.

Upper incomes have done exceptionally well, middle incomes have done well and the lower incomes have varied between those who have made big strides and those who have nothing to show for it all.

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FACULTY OF ENGINEERING

Now dairy goods go into price spiral

The price of dairy products could rise by up to 20 percent soon if a request for a new price increase is approved.

Sapa quotes the chairman of the Western Cape Dairy Producers Union, Mr J Nel, as saying yesterday that such an increase was essential to keep the dairy industry viable. The requested increase was not excessive as dairy farmers were faced with a 20 percent increase in production costs.

A country-wide shortage of dairy products was threatening and farmers should be encouraged to increase production. If a worthwhile increase in dairy prices was not approved, many farmers would turn to meat production.

Official figures released in Pretoria yesterday show that food prices on the Witwatersrand have rocketed by more than 32 percent in the past year.

The biggest single country-wide shock was the meat price, which rose by 50.9 percent in January compared with January last year according to the Consumer Price Index.

The Department of Statistics has reported a 28.4 percent hike in food prices throughout the country during the past 12 months.

Above average

The Witwatersrand recorded an above-average figure of 32.46 percent, Pretoria registered 20 percent.

The lower income groups once again suffered most by having to pay 19.7 percent more for food in January this year, compared with January last year.

The middle income group saw an increase of 16.4 percent while the higher income groups now have to pay 13.8 percent more for food.

In the past 12 months there has been a 17.2 percent increase in all

on the Witwatersrand. The figure for Pretoria is 13.45 percent.

At the beginning of this month beer prices were increased by an average of 9.5 percent. The price of spirits went up by about 10 percent recently.

On top of this, a 10 percent wine increase has been approved and will come into effect within the next two months.

It was reported from Cape Town yesterday that South Africa is to import 4.5-million cases of canned pilchards this year from Chile and Peru.

Budget shock: rail, air fares up

By Peter Sullivan, Political Correspondent

Shock increases in rail and air fares were announced during the Railways and Harbours Part Appropriation Bill today pushing main-line fares and domestic air fares up by 15 percent with suburban train fares going up by slightly less.

With costs of sending goods by trains all jumping by a staggering 13,3 to 16 percent the wide range of increases is likely to send inflationary ripples through the entire economy.

Fares for passengers and air cargo on domestic all routes are to be increased by 15 percent but fares on international flights will be maintained at the same level. Charges for services at harbours are also to go up but wharfage tariffs will be held at present levels.

The cost of sending petrol from Durban to the Reef is to be increased by 0.45 cents a litre and diesel by 0.34 cents a litre.

Making his first Railways Budget speech, the new Minister of Transport Affairs, Mr Schoeman, also announced salary increases for Railways personnel in line with those given to other public ser-

Salute to toilers after Karoo flood

Political Staff

THE ASSEMBLY — More than 1 000 workmen toiled for long hours to repair within a week the damage to railway property during the Karoo floods, the Minister of Transport Affairs, Mr Schoeman, said today.

Introducing the Railways and Harbours Part Appropriation Bill he paid tribute to their efforts. "I personally visited the scene and the manner in which the staff set about the problem was a great source of encouragement to me."

"The task was approached systematically and efficiently and everything possible was done to assist."

"The target which was set to reopen the railway line to traffic within a week, and the task of aiding our own staff who were involved as well as the flood victims, were tackled with commendable and spirited determination."

Budget: rail, air fares up

that suburban fares for weekly and monthly tickets are to go up by less than the average 15 percent.

While Mr Schoeman did not spell out details, he did give some examples of the increases in costs of weekly tickets.

● Johannesburg to Dube (18 kilometres) goes up from R1,07 to R1,20.

● Durban to kwaMashu (21 kilometres) goes up from R1,16 to R1,30.

● Cape Town to Mitchell's Plain (32 kilometres) goes up from R1,43 to R1,55.

Other increases of general interest to Railway users include unit container rates going up by 15 percent and empty containers by 20 percent.

Low-rated goods traffic will go up 16 percent and high-rated traffic by 13,3 percent.

The cost of transporting coal goes up 16,6 percent but in spite of this it will still be conveyed at a loss.

Agricultural products are mainly in the lower-tariff class, and the tariff increase here averages 15,8 percent. Livestock rates go up 15 percent.

Looking at the Railways mini-budget as a whole, tariff increases are going up by an average of 12,8 percent which is slightly lower than the expected rate of inflation.

Payout

In a R225-million pre-election payout, he said the salaries of whites would be increased by an average of 12,5 percent from April.

"Blacks, Indians and coloured people are to get a 15 percent increase to narrow the salary gap in accordance with Government policy," Mr Schoeman said but he did not disclose further details.

However he did say all "non-white" employees would be accorded salary status.

White pensioners are to

get a 10-percent increase and other Railway pensioners will get 12 percent.

Increase

The biggest increase in the rail tariff increases will be for Blue Train tickets which will now cost between 30 and 50 percent more.

Mr Schoeman said it was internationally recognised as the world's most luxurious train and was patronised mainly by visitors from abroad. However, even at the new rate, revenue would not cover the total costs.

Of more importance to the man in the street is

To Page 3, Col 10

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STAR
23/2/81

Budget: rail, air fares up
STAR
23/2/81

In summary, then, it can be concluded that there are "differences" in the drug market which may allow prices to be "too high" as a result of unnecessarily large expenditures. Forces to align the producer and consumer ideal price are absent. Before a firm conclusion is drawn, however, it is necessary to examine the statistical evidence to see if this theoretical analysis is justified.

(4.3) Prices of Drugs on the Market

Two misconceptions must first be cleared up.

STAFF REPORTERS

STAFF REPORTERS

Petrol and food prices could spiral in a ripple effect following yesterday's announcement of higher rail tariffs. But retail butchers say they will do their best to keep meat prices down. Several butchers said today that the increased trucking prices would make no difference to the end price of meat in the shops. One major effect which the new Railways increases, are likely to have

on the man in the street is an increase in the price of petrol, possibly from the present 54.4c a litre on the Reef to 55c a litre. Petrol is transported inland from the coast by pipeline, and pipeline charges have been increased. Said Mr Hennie Kleynhans, director of publicity for the Automobile Association: "When the pipeline charges are increased there is in- To Page 3, Col 3"

private sale prices. Tender sales make up 31% by value but 50% by volume of drug sales. (6) It may be that private medicine subsidises public medicine in this market.

In addition, the level of expenditure on promotion, at about 22% of sales of ethical drugs, is higher than in most other industries. (See Appendix 4) The magnitude of this expenditure is emphasised that it is spent mostly in terms of the

• / ...

50% of output sold privately and is directed at the relatively small target market of doctors. The high-price hypothesis could be supported if it was found that expenditures on promotion are excessive in that the marginal social benefit of the resources used in promotion is less than their costs. It is not sufficient, however, to show that promotion accounts for about a quarter of sales revenue to prove that it is excessive, for if this is the level desired by consumers as well, then it would be optimal. Clearly, further analysis of the promotional expenditures is needed.

SECTION 5: MARKETING AND PROMOTION OF ETHICAL DRUGS.

Advertising and promotion by the industry serves to inform doctors about new drugs and thus performs a valuable function. However, the extent of this promotional effort may be excessive, as indicated in the last section. In addition, the nature of the methods of promotion used has been attacked by critics.

(5.1) The extent of promotional efforts by the industry:

In the U.S.A. about 24% of sales revenue is spent on promotion within the ethical drug market, compared with an industrial average of 1.9%. In the food market the figure is 3.8% and in the automobile market 0.85%. (1) The pivotal role of the doctor is emphasised by the fact that in 1973, an amount of \$4500 per doctor was spent on promotion. (2)

The South African pharmaceutical industry is also heavily involved in promotion. Table 5.1 shows that promotion accounts for about four times the amount spent on research and development, as the entire costs of manufacturing. (3) These figures are very similar to those in most other countries.

Appendix 5.1.1. See Appendix

• / ...

Petrol, food price rises looming



variably, an increase in the price of petrol. We have fought against this in the past, and will continue to do so.

Pipeline profits, he said, were about R100-m a year. "More than half of the vehicles in the country are registered in the Transvaal. In effect, the pipeline profits are an indirect tax on the inland petrol user."

"One has sympathy in that the profits from the pipeline are needed in various fields, such as subsidies for black transport, but in principle the vast profits are wrong."

He said any new fuel price increase would add to costs in all sectors of the economy.

The Motor Industries Federation believes the price of petrol on the Reef is likely to rise to 55c a litre from April 1.

Mrs Betty Hirtzel, chairman of the Consumer Union, said the transport increases would have a ripple effect on the whole economy, especially food prices.

"With food costs spiralling at a rate of nearly 30 percent this past year, our main concern should be to keep prices down."

ready gone up 11 percent this year.

But Johannesburg butchers said today they would endeavour not to pass on further increases to the consumer.

"I don't see why there should be any increase in the meat price for the consumer, especially as the current market price is way above the floor price," said Bramfontein butcher Mr Johan Swane-poel.

"I think the farmer can absorb the increase. Grade Three meat has trebled in price from last year and mutton is cheaper than beef."

"Fifteen percent on the railing cost is not much, and I don't see it affecting the meat price at all," he said.

But a Ferndale butcher said that "any increase will affect us in the end."

"We were a bit down in the dumps when we heard about the increases. The butchers are hard hit, but it is difficult to say whether retail prices will go up slightly."

"We'll just have to wait and see."

The Railways budget was also bad news for the tourism industry in the Western Cape, said the managing director of the Cape Tourism Authority, Mr John Robert.

The increased air fares would make Cape Town the most expensive place in South Africa for winter and holidaymakers to visit.

SAA tries to balance loss

The 15 percent increase in domestic air fares is an attempt to balance the loss of R64-million suffered by South African Airways over the past year, the Minister of Transport Affairs, Mr Hendrik Schoeman, told Parliament yesterday.

However, the new air fares will not affect overseas flights, a spokesman for SAA said today.

International air fares are negotiated with the International Air Transport Association, he said.

The new scale of fares for economy class single tickets (with old prices in brackets) is

Johannesburg to the following places: Cape Town R114 (R99), Durban R63 (R55), Bloemfontein R55 (R48), Port Elizabeth R97 (R84), East London R85 (R74), Windhoek R106 (R92).

To the Cape

CAPE TOWN — A first-class train ticket from Johannesburg to Cape Town will increase by R10.95 from April 1 in terms of the tariff increases. A second-class train ticket will go up by R7.25 and third-class by R3.30.

On the Johannesburg-Durban route a first-class fare increases by R5.60, second-class by R3.75 and third-class by R1.70. A 40-percent-off incentive fare will be introduced for people over the age of 60 — Sapa

Suburban fares

Peter Sullivan, Political Correspondent

CAPE TOWN — The rail tariff increases announced in Parliament yesterday will take effect from April 1. These tables show the weekly rates for suburban lines and the new cost of a one-way ticket on main line routes.

Route	Class	PRESENT	NEW	INCREASE PERCENT
Johannesburg to Pretoria	1st Class	9.20	10.10	9.8
	2nd Class	1.98	2.10	6.1
	3rd Class	0.55	0.40	9.9
Johannesburg to Verwoerburg	1st Class	1.87	2.00	7.0
	2nd Class	0.65	0.65	10.9
	3rd Class	0.43	0.25	11.3
Krugersdorp	1st Class	5.65	6.25	10.6
	2nd Class	1.43	1.55	8.4
	3rd Class	0.70	0.70	12.2
Rooibospoort	1st Class	3.70	4.15	12.2
	2nd Class	1.10	1.25	13.6
	3rd Class	0.93	1.05	11.9
Florida	1st Class	2.95	3.00	12.9
	2nd Class	0.93	1.05	9.2
	3rd Class	0.60	0.80	8.30
Springs	1st Class	1.70	1.85	11.9
	2nd Class	0.95	1.05	12.9
	3rd Class	0.55	0.55	10.4
Germiston	1st Class	6.55	7.15	12.3
	2nd Class	1.54	1.55	12.3
	3rd Class	0.93	1.05	10.3
Benoni	1st Class	5.30	5.95	12.3
	2nd Class	1.38	1.55	10.3
	3rd Class	0.97	1.05	6.8
Vereeniging	1st Class	9.70	10.70	10.3
	2nd Class	2.06	2.20	6.8
	3rd Class	0.93	1.05	12.3
MAIN LINE ROUTES	1st Class	72.70	83.65	15.1
	2nd Class	48.50	56.75	14.9
	3rd Class	22.20	26.50	14.9
Johannesburg to Durban	1st Class	37.55	43.15	14.3
	2nd Class	25.05	28.80	15.0
	3rd Class	11.45	13.15	14.8

... (2.2) ...

... (2.2) ...

'An excuse for another round of price rises'

By HELEN ZILLE
Political Correspondent
HOUSE OF ASSEMBLY —
The Railways' mini-budget was an "inflationary spendthrift" measure that would push up the price of every commodity in South Africa and pose a grave threat to the economy. Mr Rupert Lorimer, chief Opposition spokesman on transport said yesterday

Mr Lorimer was speaking in Parliament shortly after the Minister of Transport Affairs Mr Hendrik Schoeman, had announced sweeping tariff increases, ranging from up to 50% on Blue Train tickets to 12% on rates for certain parcel categories

"Inflation begins with transport costs and this spendthrift-budget gives an excuse for another round of price increases on virtually everything

"Another jump in the cost of living is now inevitable and I believe this will bring the inflation rate to at least 20% in the coming year

"I find it difficult to believe that a government, supposedly committed to fighting inflation, could consider presenting an inflationary budget such as this

"The Government has shown it is incapable of containing the

threat of inflation which is the gravest threat to South Africa's security," Mr Lorimer said

At the same time, Mr Lorimer hit out at the Government for failing to make adequate provision for Railways employees, whose increases would not enable them to keep up with the rise in the cost of living

Mr Lorimer was commenting on the 12.5% increase in the salaries of white Railway employees and the 15% increase in the salaries of other races, which, he said, would fall short of the expected rate of inflation in the coming year

"With this increase there is just no way that Railways employees can possibly keep up with the rise in the cost of living and the inevitable result is that living standards will go down for most the people working for Railways, ah ways, harbours and pipelines

The increase in transport costs would have a ripple effect throughout the country's economy which could burden the economy beyond its capacity, he said

Transport was part of the cost structure of every single item produced or marketed in South Africa and people could now expect to pay more for

everything they bought.

Mr Schoeman told a Press conference yesterday that he did not know the exact effect the increases would have on the inflation rate

He pointed out, however, that the tariff increases were less than the current inflation rate

This had been achieved in spite of 12.5% staff salary increases and higher prices the Railways had to pay for major items such as steel, electricity and fuel.

Mr Schoeman estimated that the increased cost of livestock transport would add less than 1c a kilogramme to the retail price of meat

Prices varied according to distance and the type of Railway truck used, but on a 300km journey the price increase worked out as 0.3c a kilogramme for beef and 0.7c a kilogramme for mutton

He thought the farmers could afford the increases

"Farmers had a price increase of around 70% for mutton and beef in the past six months," he said

The increase in air fares was caused solely by the rise in fuel prices which had gone up by 128% in the past two years

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... but up go the rates

Coal, petrol and agricultural rates will cost more

SD 21/2/81

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THE ASSEMBLY — The railage of coal, agricultural products and petrol would cost more, but rates for worked iron and steel products would be decreased, Mr Schoeman said.

Coal would still be transported at a loss even after the average rate increase of 16,6 per cent came into operation.

"To convey one ton of coal over a distance of 100 km previously cost R3,20 but will now cost R3,70."

The ton-kilometre tariff would be appreciably lower over longer distances.

"The rates for worked iron and steel products in truck-load quantities are being adjusted downwards by 34 per cent.

"This will be to the benefit of almost all sectors of the economy."

Mr Schoeman said agricultural products

were conveyed mainly at the lower tariff classes. The present cost coverage of 87,3 per cent would show only a slight improvement after the tariff increase of 15,8 per cent on average.

The cost coverage of livestock railage stood at 66,8 per cent.

"The rates on this traffic are being increased by only 15 per cent and if the expected increase in costs is taken into account, the cost coverage will remain at approximately the same level."

The railage of a sheep, in an ordinary cattle wagon, for instance, would cost 42 cents more over the 722 km between De Aar and Johannesburg. The increase amounted to 1,4c per kg.

Over the same route, but in a three-deck wagon, the increase is 22 cents per animal, or about 0,73 cents per kg.

"The increase in the railage of cattle over the 472 km from Vryburg to Johannesburg amounts to R1,70 per large animal, or about 0,47 cent per kg.

The increase of 15 per cent was reasonable if one considered that the auction price of high-grade beef increased by about 70 per cent at City Deep during the year ending on January 31, 1981.

Mr Schoeman said the rail tariff for the conveyance of petrol between Durban and the Witwatersrand would be raised by 0,45 cent a litre.

The tariff for diesel would be raised by 0,34 cent a litre.

"All the tariff increases I have quoted are, unfortunately, unavoidable, but the revenue to be derived from the tariff increase amounts to only 0,9 per cent of the gross domestic product." Mr Schoeman said — SAPA.

Someone's got to pay

NM 25/2/81

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CRITICISM of the Government's increases in train fares was inevitable in view of the undeniably inflationary effect these will have on the economy. However, it is difficult to see how Mr Hendrik Schoeman could have done otherwise in view of his need to garner funds to meet the huge wage bill arising from the decision to raise salaries from the beginning of April.

It is the taxpayer, of course, who will have to foot the R225 million bill by paying more for a wide range of commodities which will be affected by the cost structure changes which can be expected within the next two months. These extend from petrol and agricultural goods right through to passenger fares and the products of heavy industry. Unfortunately their impact is bound to increase the cost of living still further.

Passenger fares are also going

up but we believe these cannot reasonably be called excessive. The weekly third-class fare between Durban and Kwa Mashu, a distance of 21 km, will increase by only 14 c, but this financial burden will be more than compensated for by the 15 percent pay rise granted to races other than the white group.

Bearing in mind that the overall passenger services operated at a deficit of nearly R600 million last year, and that the State is to contribute R241 million towards wiping out the shortfall, it is difficult to escape the conclusion that the black commuter's share of the burden is modest. Hardest hit will be air travellers, whose fares have been raised substantially.

All this is not to say that the Railways Administration should not introduce economies wherever possible and increase productivity in all departments.

Aug 26/2/81
Maize farmers want 20 pc price rise

Argus Correspondent

KLERKSDORP — The maize price may rise by 20 percent

The national producers organisation announced last night that it had proposed an increase from R122,65 a ton gross for white maize to R147,10

This was blamed on production costs and inflation

Net producer prices would then be R143,04 a ton for white maize and R140,87 for yellow maize

The next step will be for the Maize Board to submit its views to the National Marketing Council

The Minister has the final say

An expected record crop of 11,5-million tons will leave an export surplus of about 5,5-million tons.

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mark.

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Sammy Sacks Memorial Prize

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L Menegaldo

Professor George Menzies Prize

Awarded on results of final
examinations to the best male
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FACULTY OF ENGINEERING

Malan Chemical Engineering
Medals
 For the best student in each of
 the following years:—

Second Year (Bronze Medal)
 A H Dabrowski

Third Year (Silver Medal)
 (Continued on Page 3, col 4)

Farmers are guaranteed a maximum price fixed by

producers, unstimulated and uncompetitive.

Rate retailers say that the guaranteed price to the farmers leaves the pro-

ducers, unstimulated and uncompetitive. In South Africa, Mr Swanepoel said

the farmer whose production costs are higher. We only fix the farmer's price, not the marketing price in

COSTS

Figures show that R140-million is invested in the industry by the producers. Their gross income is R700-million — R600-million is paid by the consumer and R140 million is levied by the State as excise duty

KWV, a co-operative with statutory authority to fix quotas and prices for the farmer, has to obtain the approval of the Minister of Agriculture before quotas and prices are fixed by the quota committee

QUOTAS

spirits, gin, vodka, fortified spirits and rebate wines.

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Prize

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P C Watt

90-million
 Aug 26/28/1
~~300~~
litre wine
~~244~~
surplus
but price
to go up

By Glynnis Underhill

WHILE South Africa's wine industry is experiencing a 90-million litre surplus, the consumer will be hit by spiralling price increases in wine next month.

The wine-lake has been blamed on a monopolistic over-regulated industry where free market forces have no effect.

KWV, which represents 6 000 wine-growers in South Africa, has been accused by angry people in the trade of fixing quota and price control systems which have led to a wine surplus and a dip in consumption.

DECREASE

The decrease in demand for wine in South Africa started in 1976 and has been plunging steadily since. In 1975 the official consumption figure was 11 litres a head and the 1979 figure has dropped to 8,8 litres a head.

A spokesman for KWV, liaison manager Mr Chris Swanepoel, said that most of this wine surplus consisted of wine for distilling and not consumption.

Angry wine farmers are incensed that only a small percentage of the total wine production is drunk as natural wine both in South Africa and overseas. Out of 693-million litres produced, only 265-million litres are not used for distilling.

MARKET

We have to look at the market and see what it can take. It could be the high prices but the trend among coloured people in the Cape, for example, previously our biggest market — has been towards more expensive drinks. The lower end of good wine section will be used in distilling if there is a lower rate of consumption. Mr Swanepoel said

Even farmers who have been upgrading their grapes will receive less if the wine is used for distilling purposes. Almost 50 percent of production is now used for distilled wines — distilling wine for

(Continued from Page 1)
 KWV and this leaves an almost complete monopolistic situation at the merchant's level with three firms controlling 85 percent of the wholesale liquor distribution, one retailer who did not wish to be named, commented.

WINE-LAKE

The wine-lake is also blamed on 'unimaginative marketing' on the part of the co-operative

'We would like to sell more wine but this is not a wine-drinking country. We are still educating the

Wine
 26/2/81
 244
 3 Dec

people but it will always be KWV's policy to advise consumers to drink wine in moderation. We have succeeded in getting people to drink wine with food but the black market, which consists of 24-million of our population, is virtually nil,' Mr Swane-poel said

Although beer has a faster sales growth, wine is still the cheaper beverage drunk in bulk, he said

Some estate farmers put the lack of consumer demand down to 'under-marketing' on the part of the retailers

Mr Chris Joubert, co-owner of Spiers Estate in Stellenbosch, said that the retail trade in the Western Cape had stopped advertising two years ago.

COMPETITION

'The fault is not at the producer's level. The retailers have let the trade down. Unless we have competition among the

bottle stores, there is no stimulation in the market'

But members of the Federated Hotel Associations of South Africa have countered that the money was 'wasted on advertising' and has been put into reducing the price of wine to the public

Authoritative sources yesterday confirmed the surplus figure of 90-million litres, but the KWV, whose duty it is to declare the surplus annually, said that figures were not available

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 obtaining the highest average
 mark.

L Menegaldo

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FACULTY OF ENGINEERING

Agricultural products price increases
248 Mr H E J VAN RENSBURG
asked the Minister of Agriculture and
Fisheries

- (1) Whether any applications for price increases of any agricultural products in 1981 have been received by his Department, if so, from what organizations,
- (2) what in each case (a) was the increase requested (b) were the reasons given for the application and (c) was the response of his Department

FEBRUARY 1981

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- (3) whether any increases have been or are to be granted, if so, what is the increase in each case
- (4) whether any representations were made against such price increases if so, (a) by which organizations and (b) what in each case (i) were the reasons for the representations and (ii) was the response of his Department

The MINISTER OF AGRICULTURE
AND FISHERIES

- (1) No
- (2) to (4) fall away

RAM 27/2/81

Rise in beef floor price is forecast

By GERALD REILLY
Pretoria Bureau

THE new higher rail rates are expected to lead to a substantial increase in the floor price of beef, according to Pretoria sources

And yesterday the chairman of the Meat Board, Mr R du Toit, confirmed that the higher tariffs for the transportation of livestock could seriously impair the financial recovery of cattle farmers

In a statement he said although the position of livestock farmers had improved in the latter half of last year, this could not be regarded as a justification for the rail tariff increase

For the past four years livestock producers had experienced hard times and had even produced at a loss. This had resulted in many producers quitting the industry. Their financial backlog had accumulated over the years and farmers would need considerably more time to redeem their accrued debts

In the meantime, cattle farmers were exposed to the effects of inflation like all other consumers

As a result of the unprofitability of livestock production during the past few years, many farmers had liquidated their herds and the national herd had decreased from 9,4-million in 1979 to the present 8,4-million

"Producers need time to regain their confidence in meat production and the increase in rail tariffs will definitely not be conducive to this"

Mr Du Toit pointed out that the increased tariffs would

have no influence on prices in the short term. Farmers would have to absorb this cost themselves

Meat prices were not fixed but were the result of supply and demand

"Meat buyers will not suddenly pay more for their meat now that farmers' rail tariffs have gone up," he said

He added that the increased rail tariffs would be taken into consideration when the floor prices were revised later in the year

The present floor prices of beef did not even cover the farmer's production costs and were moving at levels far below market prices.

Other agricultural authorities pointed out that the prices of fruit and vegetables as well as the prices of the country's major crops would all be directly affected by the 15,8% hike in freight tariffs

Meanwhile, other sectors of the economy have begun to count the cost of the higher tariffs

For instance, Iscor estimates its total transport costs will rise by R28-million. The corporation uses 6,4-million tons of coal a year. The higher transport costs will strengthen Iscor's claims for a substantial price rise in July, it was learnt

And according to Government sources the price of coal is also virtually certain to be adjusted again because of the higher transport costs

Motor assemblers will also eventually be compelled to adjust prices to take into account higher transport costs

244
3 Meat
786

Black bus fares
NW 27/2/81 (244)
expected to go up in May

(Mercury Reporter)

THE eight bus companies controlled by the KwaZulu Board of Control are to increase bus fares.

The extent of the increase is currently under discussion by the board's directors and is expected to come into effect on May 1, according to a board spokesman.

The last increase in 1979 produced resistance which saw commuters opting to walk to work in protest.

The areas which may be affected are the Mowlo area in Vuyheid, Osiweni Madadeni area in Newcastle, Ezakheni in Ladysmith, Pietermaritzburg, Mponalanga north Durban and Margate Port Shepstone.

Putco to be boycotted

Sowetan
By SAM MABE
THE exploitation of man by man is going to be regarded as high treason in a liberated Azania, according to Mr Jefferson Lengane, executive member of Azapo.

Mr Lengane was addressing one of two Azapo meetings held in Soweto yesterday, where it was resolved that Putco buses were going to be boycotted when fares go up on Tuesday.

At the meeting held at St Andrews Church in Kipspruit, an official of Azapo said Putco buses were to be boycotted not so much because of the increased fares, but because Putco was partly Government-owned and that it was the Govern-

ment's responsibility to subsidise fares

Mr Kgotismang M-seki, chairman of the Johannesburg branch of Azapo said Soweto taxi men have undertaken not only to reduce their fares during the bus boycott, but also to allow pirate taxis to operate freely.

People who use their own vehicles to work would be allowed to carry commuters in and out of town so as to meet the high demand for transportation that may be caused by the bus boycotts.

Mr Kenneth Mosime, coordinator of the Jabulana-Moleletsane-Mapetla unit of Azapo said it was ridiculous that some people have decided that they will always be running to the Press to say Azapo makes

decisions for people of Soweto without consulting them

"We always publish our meetings in the Press and, through pamphlets and the fact that they refuse to attend our meetings does not stop us from taking popular decisions here," Mr Mosime said.

One speaker was cheered when he said he was thankful to God for having answered Azapo's prayer that Peter "Terror" Matherabula should not win Saturday's fight because it was embarrassing to the liberation struggle for the fight to have been brought to Soweto.

Mr Lengane, also condemned foreign sportsmen and foreign artists who give credibility to the South African authorities

S. Times 1/13/81

Stores hoard sugar for fear of price hike

By RAY JOSEPH

MAJOR chain stores throughout South Africa have begun stockpiling sugar in anticipation of a price hike, which could be as high as 15 percent

But informed sources believe that the Government will block the increase until after the April general election

Mr Alan Gardiner, Natal director for Pick 'n Pay, said yesterday "I am aware the Sugar Association has made application to the Government for a price increase in the region of 12 percent

"I understand an increase will be granted immediately after the election but anything is possible"

Mr Peter Sale, general manager of the Sugar Association, said,

"There must be a price increase in the pipeline. There is an increase every year to keep the domestic price in line with the cost of production"

Stockpiling

Mr Sale, who said he was aware of stockpiling, could not say when the price increase would come. He added his association did not stipulate a percentage increase in its representation to the Government, but "only laid our figures before them to decide

"The first I will know about any increase is when it is announced in the Government Gazette"

Pick 'n Pay, Spar and Checkers have all begun stockpiling sugar in anticipation of the hike — and all three have undertaken to hold down their prices throughout the country while these stocks last

Mr Robin Burnhill, the group marketing manager for the Spar group, said he had "heard" the sugar price would definitely go up at the end of February and his organisation had been stockpiling since the middle of January

Election

"I understand the Sugar Association has made strong recommendations for a 12 percent increase in price — and I have no doubt this will go through. I can say for certain that the increase will not be less than 7.5 percent

"The only thing that makes us doubtful that the price increase will go through soon is the announcement of the general election"

Mr Gardiner said his group had built up stocks in anticipa-

tion of the price rise

Pick 'n Pay managing director, Mr Raymond Ackerman said he understood a price increase had been turned down "because the election is a sensitive time"

Mr Brian Holmes, Checkers' divisional buyer for Natal and Border said he had been warned about a month ago prices would go up and advised all stores under his jurisdiction "to keep levels of sugar high

"A week ago I received a telex from our head office in Johannesburg saying that all stores should buy extra stock because the price was going up

The former chairman of the Natal Indian Canegrowers Association, Mr Y Chinnamy said the Cane Growers' Association had no knowledge of an impending rise in the price of sugar

New bid to cut SA's rocketing food costs

RDM 2/3/81

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Poor hard hit by price rises

By PAT SIDLEY
Consumer Mail

By VITA PALESTRANT
Consumer Mail Editor

EXECUTIVES, economists, consumer bodies and trade union organisations meet today to try to find ways of curbing the Republic's high food inflation rate

The conference, organised by Consumer Mail, followed calls by retailers, manufacturers and consumer organisations — led by Mr Rex Glanville, the managing director of Checkers — for national, round-table talks to try and solve the growing food price crisis

Their call came after the Consumer Price Index showed a 30% increase in the price of food during 1980 — which was almost double the overall CPI

Since the request, consumers are likely to have been even harder hit. The recent Railway budget will almost certainly have a spiral effect on present prices of food

The great food price scandal

Economists, labour leaders and consumer organisations have expressed their concern on the effect this will have on the low income group — mainly blacks.

Mr Glanville said South Africa was facing a potentially volatile situation, given that unemployment was estimated to be about 7% and that the incidence of malnutrition was on the increase

Those attending the all-day conference include major food companies such as ICS, Spar, Kanhym, Tongaat, Premier, Tiger Oats, I & J, Fedfoods, Cerebos, Pick 'n Pay, Metro

Cash and Carry, O K Bazaars, Checkers, Woolworths and Blackcham

From the agricultural sector, delegates might include the South African Agricultural Union, Vleissentraal, the Maize Board, Meat Board, Wheat Board, Dairy Board and Egg Board

Five consumer organisations and labour groups will also be at the meeting.

The conference will be chaired by Professor Jan Sadie, of the University of Stellenbosch

Some of the topics which are to be discussed include

- Areas of inefficiency in the food supply and distribution chain,
- Government interference, price control, bureaucracy and inhibiting legislation in free enterprise, and
- Monopolies and collusion throughout the food supply and distribution chain

MOST poor South Africans have been hard hit by the past year's 30% increases in food prices — and many who were on the breadline have been pushed below it, according to a Consumer Mail survey

For the survey on eating habits, 30 people were interviewed in Brixton and in White City Jabavu — one of Soweto's poorest areas

The survey found that in Brixton people were forced to quit eating red meat and substitute it with vegetables or, to a lesser extent, poultry

The people of White City already could not afford basics like milk, eggs, meat or vegetables and were forced to increase their consumption of mealie meal — which has little protein

Many claimed they were starving, and most people blamed the high prices on the Government

● See Page 9

"This country is rich and large sums of money is given out by the Government to buy military arms, while half the population is left to struggle and die of starvation."

"I wish the people who decide these things (food prices) could come down to this level and see how people actually scrounge to live."

"If more food price increases were brought about, we shall die of starvation. Right now we live on porridge and tea."

THESE are some of the responses to a Consumer Mail survey on high food prices which have shot up 30% over the past year — a boom year for the survey.

The survey showed that while poor whites, coloureds and Indians have changed their eating habits to buying cheaper proteins like poultry and vegetables, blacks were stilling their stomachs almost entirely on mealie meal to keep starvation from the door.

The survey of 60 people, was conducted predominantly in White City, Jabavu — one of Soweto's poorest areas — and in Brixton, Johannesburg.

Results showed that while blacks were cutting down on meat — which has increased by nearly 60% over the past year — blacks on the bread-line could no longer afford basic foods such as milk, eggs, fats and oils which they regarded as "luxuries".

And hints are that 1981 is going to hit this group even harder — maize, which forms

the basic cost structure for many other basic foods such as poultry, meat and dairy products — is expected to rise by a further 20% with the price of red meat going up by a further 28%.

In the Brixton area, the sample of 30 — which included coloureds and Indians — had incomes ranging between R62 a month (for a coloured pensioner) to R1 550 a month.

While most of those interviewed said their salaries had gone up over the past year, they said high food prices had forced changes in their eating habits.

Eighteen said they had cut down on red meat purchases and as many as 12 of them believed they were eating less than last year.

Of the 18, nine said they were substituting meat with vegetables.

The rest said they were eating more poultry and fish but some said they had had to cut down on these as well.

Most of those interviewed in Brixton wanted to see the abolition of GST. Of the 30, only six thought it should remain. Among their reasons were a resulting increase in income tax.

But one man, who did not want to be identified because he works for a State corporation and who earns R1 500 a month, said he did not want to see GST removed because "then kaffirs don't pay tax".

He blamed the high prices on both the Government and retailers, and slammed "landlords", as being partly responsible for pushing up prices.

Food prices:

How the

RDM 2/3/81

POOR

battle

and win

they blame

By PAT SIDLEY and SOPHIE TENA
Consumer Mail

Of the Brixton sample, 21 blamed the high food prices on the Government (with two who said "no comment" on the question of Government blame).

Retailers were blamed by 17, with farmers and manufacturers collecting a large portion of the blame.

Many people blamed "middlemen and control boards", although these terms were not used in the survey.

A fair proportion blamed all including consumers.

Mr C du Preez, when asked how he felt about further increases, said "Just see what happens if this is going to be before the April election."

Several people in Brixton, expressed concern for those with less than themselves.

Mrs W Boshoff of Florida, said "I just feel sorry for the poor."

She also felt there could be more subsidies "for the greater majority of the people."

This was echoed by a nurse who did not want to be named. She said subsidies should be extended to all essentials which affect black consumers, particularly meat because of its nutritional value.

And Mrs M Vos of Brixton said "One must just pay more to eat — but it's lucky we have the money, others have less."

Mrs B Morgan, a coloured pensioner interviewed in Brixton said she drank a lot more water and black coffee to fill the gnawing hole in her stomach.

She receives R62 a month,

had affected them against those in Brixton.

White City has a high population of unemployed, widows and pensioners.

Those who were unemployed told Consumer Mail that their life-styles had been drastically changed by the high cost of living and that they are now literally starving.

For example, Mrs Almah Mogale, of White City, a pensioner of 69 with 15 dependents, has R7,50 a month to feed the family.

Her two eldest sons are dead and are mostly out of work. The family survives by collecting food out of rubbish bins.

Of the 30 people interviewed in White City, only six were employed with the rest either pensioners or unemployed.

Black pensioners who at face value appeared to be better off than their unemployed counterparts — receiving R33 a month — said they were battling to eat after paying their rent — R25,75 a month. This left them with a balance of R7,25 for food.

The six employed people — earning between R85 to R150 a month — had extended families to support and were struggling to feed them. Only five ate meat at all and then, never more than once a week.

When those who had jobs were asked what they thought should be done about the high prices, most said wages should be increased.

All 30 said they had been forced to increase their consumption of mealie meal — the cheapest food available.

Mealie meal contains little protein and is nutritionally inadequate unless supplemented by protein-rich food like meat or soya beans.

But nearly all those surveyed said they could not afford to buy any basic foods such as meat, fruit, fish, chicken, eggs and cheese. Their diets consisted of mealie meal, cabbage and "moro" (spinach).

One woman was shocked at being asked if she had cut down on meat purchases because "the last time I had a piece of meat was a year ago."

While sugar, tea, milk and bread were found in most homes, householders said they used these items sparingly because of their "high costs".

(Not only does tea have no nutritional value but it can prevent the absorption of iron in the body.)

Most of those interviewed by Consumer Mail blamed the Government for high food prices and said GST on basic foods should be removed.

We are being overtaxed already and business people are taking advantage of us," said Mrs Maleshoane Sello, on the subject of GST.

"Let (S) be removed — it's a problem to the black man's pocket," said Mrs Mary Radebe.

Although there were occasional outbursts of anger, the responses of those interviewed were generally pervaded by feelings of despair and resignation.

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Con's Money Mail: To Des Moines

MONTHLY SALARY OF HUSBAND:

NOW A YEAR AGO

MONTHLY SALARY OF WIFE:

NOW A YEAR AGO

NUMBER OF DEPENDANTS, WHO THEY ARE

AND AGES:

MONTHLY AMOUNT SPENT ON FOOD

NOW A YEAR AGO

A YEAR AGO

RENT NOW A YEAR AGO

TRANSPORT NOW A YEAR AGO

CLOTHING NOW A YEAR AGO

We are trying to establish how the massive food price increases have changed eating habits. People can eat cheaper products, eat less or do both of these. Please try and answer the following questions to the best of your ability.

<p>WHICH FOODS ARE YOU EATING LESS OF:</p> <p>MEAT</p> <p>FISH</p> <p>MARGERINE/OIL</p> <p>COFFEE/TEA</p> <p>FRUIT</p> <p>RICE</p> <p>MEALIE MEAL</p>	<p>WHICH ARE THE WORST:</p> <p>HOW DO YOU FEEL ABOUT MORE FOOD PRICE INCREASES.</p> <p>SHOULD THERE BE MORE FOOD SUBSIDIES- STATE WHICH FOODS:</p> <p>WOULD YOU LIKE TO SEE GST REMOVED FROM BASIC FOODS:</p> <p>WHAT ELSE DO YOU THINK SHOULD BE DONE ABOUT THE SITUATION.</p>
--	---

WHICH ARE YOU EATING MORE OF INSTEAD AS A RESULT OF THIS.

WHICH HAVE YOU CUT DOWN ON MOST AND GIVE REASONS WHY

WHICH ARE YOU EATING LESS OF:

MEAT

FISH

MARGERINE/OIL

COFFEE/TEA

FRUIT

RICE

MEALIE MEAL

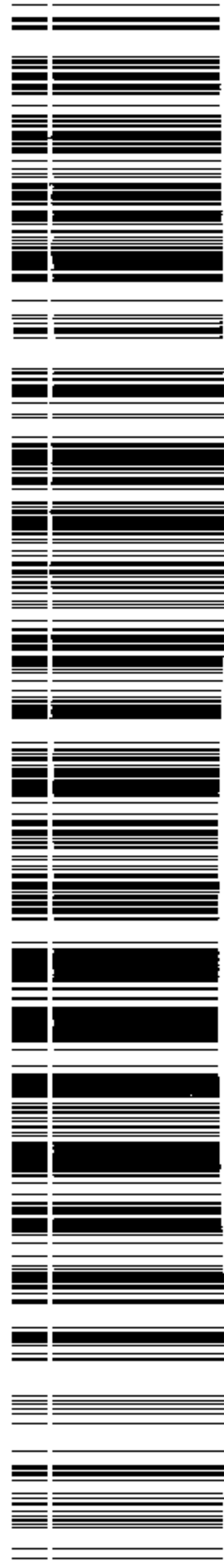
WHICH ARE THE WORST:

HOW DO YOU FEEL ABOUT MORE FOOD PRICE INCREASES.

SHOULD THERE BE MORE FOOD SUBSIDIES- STATE WHICH FOODS:

WOULD YOU LIKE TO SEE GST REMOVED FROM BASIC FOODS:

WHAT ELSE DO YOU THINK SHOULD BE DONE ABOUT THE SITUATION.



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S.M. - 3/2/81

FOOD PRICE CRISIS

Halve your cake and eat it . . .

Every six years prices are doubling and consumer spending is being halved. Professor Jan Sadie, head of the Bureau for Economic Research at the University of Stellenbosch, said this at yesterday's conference.

In all but three years since 1972 food prices had been higher than the general rate of inflation, he said.

Food prices were responsible for almost half of last year's inflation rate of 25 percent.

"On average 15.3 percent of white income is spent on food. Asians spend 35 percent of income on food, coloured people 36 percent and 39 percent of the black man's income is spent on food."

"This means that the food price increase last year was 20.1 percent for low income groups and that for high income groups six percent lower," Professor Sadie said.

It was "dangerous nonsense," particularly in South Africa, to believe that the panacea for all economic problems was the free market mechanism, Mr Tony Bloom, chairman of the Premier Group, told a Sandton conference yesterday.

The conference, with delegates from around the country involved in manufacturing, retailing, wholesaling and consumer groups, discussed "The Food Price Crisis."

Mr Bloom and Mr Raymond Ackerman, chairman of Pick 'n Pay, concurred that agriculture was the "backbone of every country's economy" and agricultural control boards were needed to protect the farmer and keep prices down.

Mr Bloom stressed that South Africa, faced with threatened world boycotts and the potential for food politics in a hungry Africa, had to be self-sufficient in food production.

Reports by Charlene Beltramo

He said it was as important for consumers to accept rising food costs, to keep farmers on the land, as it was for the country to accept the cost of taxes which went towards defence spending.

Mr Ackerman suggested However, Mr Ackerman farmers' productivity

could be improved. He pointed out that South Africa's wheat yield, as an example, was 1.5 tons per hectare compared with 2.29 tons per hectare in Europe.

He criticised the Egg Board for culling laying hens during last year's surplus, which had led to the situation this year of prices increasing because of an egg shortage.

However, he praised the Dairy Board for dropping prices briefly last year to eliminate a butter surplus.

"We have to realise that peace in South Africa is strongly dependent on social stability and food prices play an enormously important role in the peaceful solutions of our country," he said.

To promote research into reducing "the terrible inflation in agricultural products," Mr Ackerman said his company intended donating R50 000 over five years to the Agricultural Union.

Freemarket system cannot solve problems

Keep maize price low - businessman

A leading businessman has suggested that as maize crops have increased by at least 20 percent annually for the past three years, consideration should be given to a minimal, if any, maize price rise this year.

Mr Russell Stevens, chairman of the Natal-based Tongaat Foods and Seeds, who also owns maize farms, said the maize crop was expected to be up by as much as 40 percent on last year's harvest.

"This will mean that the disposable income of farmers will rise by about 30 percent. Maize is the major reason for escalating food prices and if forms the staple diet of 85 percent of the population," Mr Stevens said.

He suggested that commerce should commission a team of agricultural economists to evaluate what sort of price rise, if any, would take into account the best interests of farmers and consumers. He was supported in his concept by Mrs J Hurwitz.

of the Housewives' League and delegates attending the conference in Sandton yesterday.

Mr Stevens pointed out that the Cabinet would be meeting to discuss the new maize price in the next few weeks and all indications pointed to the price rise being in the region of 18.9 percent.

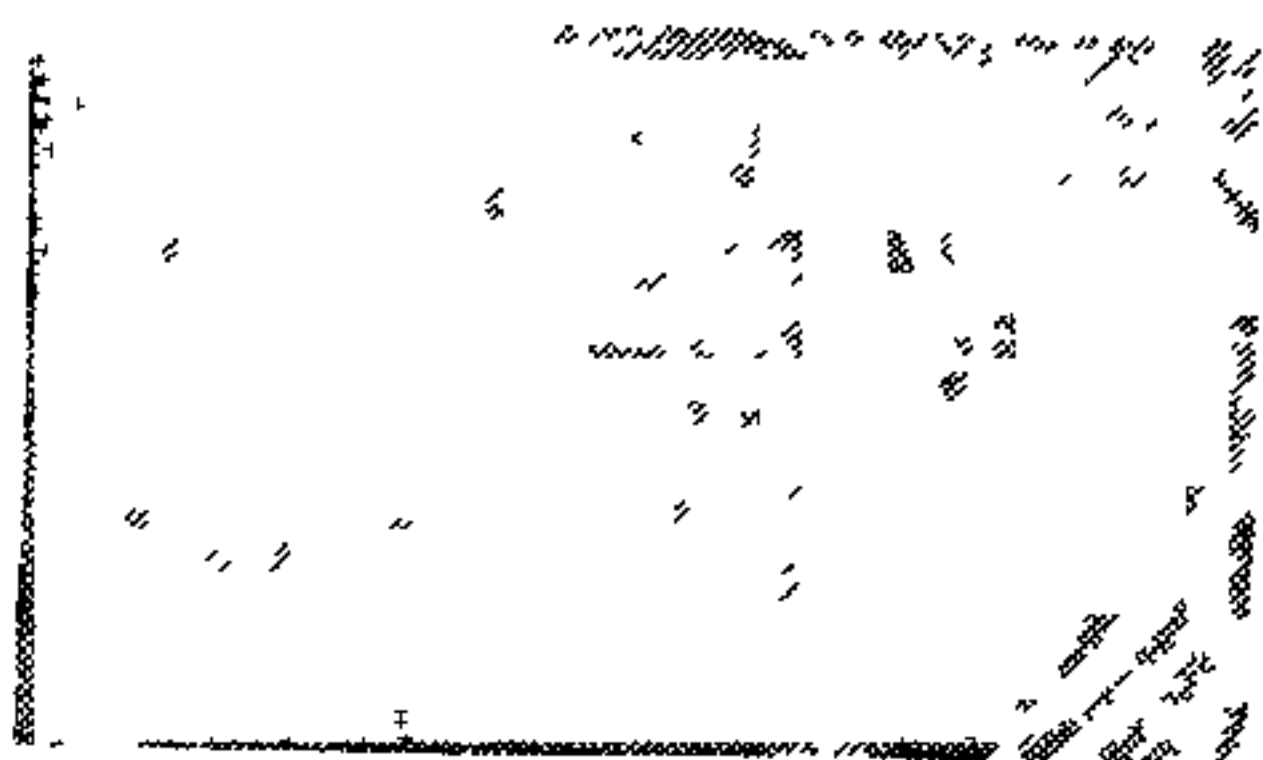
Mrs Sally Motlana, of the Black Housewives' League, supported Mr Stevens's argument saying that one claim for increased maize prices by farmers was that they were paying their labourers more. "In fact they are paying them peanuts," she claimed.

A cynical note was struck by Mr J Frankel, deputy chairman of the Oats, who said that 80 percent of maize was produced by 20 percent of farmers.

"For political reasons cannot see the Government leaving the inefficient 80 percent out of any price increases," he said.



Mr Tony Bloom "SA must be self-sufficient in food production"



Mrs Sally Motlana "maize farmers paying peanuts"

Watchdog body formed

A "pressure group" of retailers, wholesalers, manufacturers and consumer organisations was formed at the end of the conference yesterday.

Some delegates however refused to go along with the proposal saying a small committee could not be given a "blank cheque" to speak for all.

Those selected were: Representatives of the Grocery Manufacturers' Association, Mr R Ackerman of Pick 'n Pay and Mr R Clanville of Checkers, Mr S Matus of Spar and Mr L McLeish of Metro Cash and Carry.

Consumers are represented by Mrs S Motlana of the Black Housewives' League and Mrs J Hurwitz of the Housewives' League (the two are separate bodies).

'Stop monopolies - don't just criticise'

"The Competition Board should not merely criticise fertiliser companies for restrictive trade practices, it should stop them. Or are the people concerned too influential to allow such action?" Mr Rex Glanville of Checkers asked a Sandton conference yesterday.

He was speaking at a conference on the food price crisis.

Mr Glanville also criticised the high cost of packaging and queried whether the monopolistic suppliers justifiably increased prices.

He mentioned several areas where he said there was little competition in the food industry.

The companies he mentioned gave few, if any

High prices blamed on inefficient farmers

Maize farming is in the hands of thousands of inefficient small farmers and this results in a disproportionate increase in the price of maize.

This was said at the symposium by Mr Russel Stevens, chairman of Tongaat Foods and Seeds.

He criticised the fact that the Maize Board was dominated by producers — "who would naturally fix prices to suit their interests," he called for more consumer representation on such bodies, saying no group should have a major representation.

Mr Stevens also criticised "the fact that nothing is being done to eliminate inefficient maize growing units."

"It's unbelievable that

discounts, adhered to set price schedules together with their competitors and generally all raised their prices at the same time, he said.

The areas he singled out as creating cause for "considerable concern" included the fruit and vegetable canning industry; the paper industry; biscuit manufacturers; chocolate slab producers; the bottlers of soft drinks; a rice merchant apparently controlling 90 percent of the market; dried fruit and the manufacturers of processed and canned meats.

Mr Glanville said he was against "endless commissions of inquiry" but suggested that individual groups study the situation.

some farmers only produce three bags of maize per morgen."

Many delegates were in favour of a maize retail price subsidy. However, Mr J Williams of Irvin and Johnson said consumers ultimately pay for subsidies in the form of higher tax.

Businessmen — except Mr T Bloom of Premier Milling and Mr R Glanville of Checkers — were against a suggestion by Mr R Ackerman of Pick 'n Pay that commerce and industry pay a levy to subsidise maize.

Mr E Hausmann of Tiger Oats considered such a levy "dangerous" and said if seriously considered it should come from all taxpayers and not just business.

'Empty stomachs make criminals'

If escalating food prices are not stopped black people "will be compelled to use any method they can to eliminate them," Mrs Sally Motlana, president of the Black Housewives League warned the Sandton conference yesterday.

Conference rejects aid for research

The conference on the food price crisis was attended by delegates representing manufacturers, retailers, and consumer organisations. The food control boards declined to attend.

Mrs Motlana asked Mr R Ackerman of Pick 'n Pay whose company offered R50 000 toward agricultural research, if a similar amount could not be used to upgrade black farmers or black workers.

However, she questioned where black farmers could farm efficiently when only 13 percent of South Africa had been allotted to blacks, and "even in those areas white farmers are edging out the black farmer."

"A hungry stomach knows no boundaries. Mothers do not like to produce criminals, but when children starve they will steal to buy food," Mrs Motlana said.

She appealed to businessmen to stop talking about starvation in other countries and help fight hunger in South Africa.

The Sandton conference yesterday dismissed a suggestion for a research grant for agriculture to be funded by business.

Mr R Ackerman of Pick 'n Pay offered R50 000 over five years to set up such a grant. He was addressing businessmen and consumer organisations at the conference.

He said such money could help improve and stimulate agriculture.

MILLIONS

Mrs J Hurwitz of the Housewives' League said millions were already being spent on agricultural research by the Government.

Other businessmen and Mrs Sally Motlana of the Black Housewives' League suggested such a grant should be established to improve the skills of black farmers or black workers.

Sally appeals to food merchants

By CHARLES

MOGALE 2/3/61

PRESIDENT of the Black Housewives League Sally Motlana, yesterday made an urgent appeal to South Africa's leading foodstuff merchants to help keep down food prices "or we will organise ourselves to keep them down."

Mrs Motlana was addressing a Consumer Conference on Food Prices held at a Hotel in Sandton, near Johannesburg.

"We, as black mothers, do not like to produce criminals. But if our children starve like they do now, they will become efficient in stealing, first in our homes and later in your own homes," she warned.

"South Africans had to start thinking about the starving masses. Recently there was set to be a glut in oranges, a lot of this fruit was buried

while black people were starving. Something must be done, or we will organise ourselves to keep these prices down. *Sunder*

"It is not a pleasant thing to see people eating sumptuous meals like we had here today, when you know very well that back home your own people are starving," Mrs Motlana said.

She urged the Government to increase the subsidy on maize, the black man's staple food. The Government's present subsidy is R60-m and R300-m on bread.

Chairman of the Premier group, Mr Tony Bloom, told the conference that there was a belief in the country that the panacea for all economic problems was a free market mechanism and that was "dangerous nonsense."

"Given the specific nature in complexity of our South African society, with the vast number of consumers at the

bottom end of the wage scale, intervention and responsible regulation by government in many factors of the economy is necessary to achieve the balanced fulfilment of our economic goals," Mr Bloom said.

He also encouraged a surplus production of food stuff "even at a loss", to gain political mileage in Africa.

"The politics of food in a hungry Africa are going to be critical in the years that lie ahead and there is enormous political leverage to be obtained through food exports, especially to the starving sub-equatorial Africa.

"Look at the starvation around us; look at the population growth figures and look at the anticipated food production in countries like Zambia, Zaire, Mozambique, Angola etc. One would have to be an idiot to ignore the looming problems and the possibilities and opportunities for South Africa," he said.

Increase delayed

By WILLIE BOKALA

PUTCO bus fares may only go up next month and not this month as recently reported, a public relations spokesman for the company, Mr D Bradley, said yesterday.

And the Azanian Peoples Organisation (Azapo) reiterated their warning that they would call on the masses to boycott Putco buses should the company's officials go ahead with the increases.

The bus company intends implementing an average 5,2 percent increase on the Witwatersrand after failing to implement increases in the past two years because of protests from commuters and community leaders.

Another official of Putco, Mr J L Coetsee, was reported last month to have said they will increase bus fares in Soweto this month despite boycott threats.

But Mr Bradley told

SOWETAN
3/23/81
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SOWETAN a date for the increases had not been set and that if it did come it might possibly be in April. Putco is waiting for the Department of Co-operation and Development to give them a date.

Putco has so far managed to increase bus

fares in Pretoria without encountering boycotts.

Mr George Wauchope, Azapo's publicity secretary, said his organisation had taken the decision to boycott Putco at a meeting last month. "And we still stand by that decision," he said.

- 126. West, op. cit., p. 126; Bouhuys and Gee, in Thorn et al, op. cit., p. 1381.
- 127. Ziskard et al, op. cit., pp. 64-65. See also Bailey, M.C., Howard, V.B.; Buechner, H.A., Weill, H., Ichinose, H., and Ziskind, M., 'Silico-cycobacterial Disease in Manolast', American Review of Respiratory Disease, V. 110, 1974, pp. 117-125.
- 128. Yuritz, op. cit., p. 123; Steele, op. cit., p. 27; Spencer, op. cit., V. 1, p. 392.

- 103. Ziskard et al, op. cit., p. 647.
- 104. Webster, op. cit., p. 57; Holt, op. cit., p. 134.
- 105. Webster, op. cit., p. 57; Holt, op. cit., p. 133.
- 106. Webster, op. cit., p. 57; Holt, op. cit., p. 133.
- 107. Ziskard et al, op. cit., p. 647; Spencer, op. cit., V. 1, pp. 392-394; H.P.D., 'In Veterinary Record', Hartley Kettle 1882-1936, Journal of Pathology and Bacteriology, Vol. 47, pp. 473-504, p. 493.

Major marketing boards criticised

RDM 3/3/81

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3 copies

By MARIKA SBOROS
Staff Reporter

MARKETING boards in South Africa operated under an aura of mystery, Mr Benjamin Pogrund, acting Editor of the Rand Daily Mail, said in Sandton yesterday

Mr Pogrund was giving the opening address at the Consumer Mail conference on the food price crisis

He criticised the five major marketing boards for declining an invitation to the conference "We at the Rand Daily Mail had hoped that the boards, which play such a far-reaching role in determining prices, would be here today" Mr Pogrund said

He said he found the reasons given by the Meat, Egg Control, Dairy, Maize and Wheat Boards for not attending "highly unsatisfactory"

Mr Pogrund noted that it was announced in Parliament recently that running costs of the various marketing boards came to R30-million a year

"Speaking as a layman, one has to sell a lot of dried beans, a lot of oranges and many loaves of bread to pay for the costs of these boards," he said

It was not always clear exactly what the boards did to get the best deal for the consumer

"There is a lot of mystery surrounding their operations in the public mind," Mr Pogrund said

He told the meeting that inflation was "one of the curses of our time"

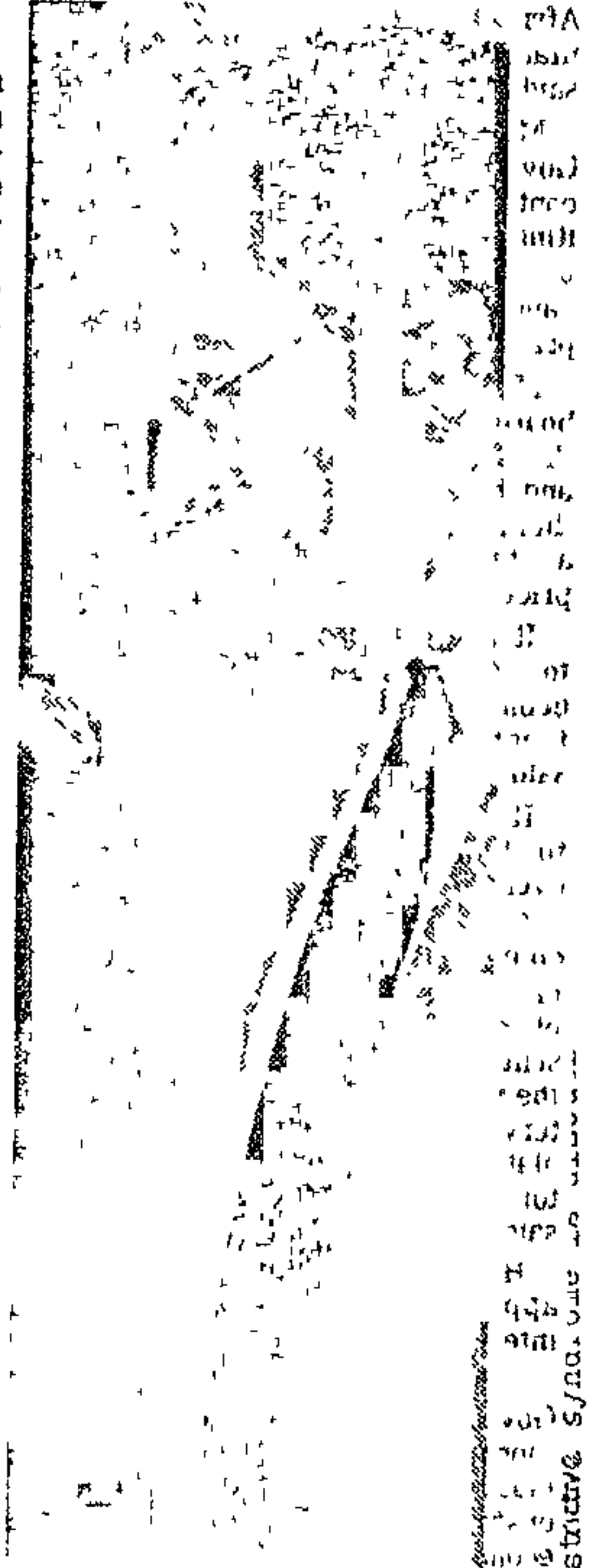
Increased prices did not only point to suffering and strain for everyone, he said

"They also represent grave danger for us in this country because of their potential effect of causing political and social disruption

"It cannot be otherwise with the more poorly paid, the bulk of our population, spending so high a proportion of their income on food"

Mr Pogrund said the big question was why were prices going up.

The laws of supply and demand, and the free market forces were only a partial explanation



MR POGRUND

... opened the conference

are going up They cease to question and challenge That in turn helps to accelerate the spiral of inflation

Mr Pogrund referred to a Government campaign in the mid-70s in which people were told that inflation was not an inevitable part of their lives, and were encouraged in counter-inflationary measures

"The campaign ran out of steam, and now the Government simply trails along without doing a great deal about (inflation)" Mr Pogrund said

- 118. Ziskard et al, op. cit., p. 647-648.
- 119. Webster(a), op. cit., p. 556.
- 120. Steele, op. cit., p. 26; Ziskard et al, op. cit., p. 647; Webster, op. cit., p. 556; Steele, op. cit., p. 26. See also Mircic, H., 'The Influence of Inflation on the Development of Pneumoconiosis', in Saporito, (ed.), op. cit., p. 301.
- 121. Webster, op. cit., p. 53.
- 122. Ziskard et al, op. cit., p. 648.
- 123. Steele, op. cit., p. 26.
- 144. Webster, op. cit., pp. 125-126.
- 145. Webster, op. cit., p. 127.
- 146. Ziskard et al, op. cit., p. 652; Spencer, op. cit., V. 1, p. 394.
- 147. Steele, op. cit., p. 27.
- 148. Ibid, Webster, op. cit., p. 515.
- 149. Ziskard, H., 'Chronic Bronchitis, Emphysema and Chronic Airways Obstruction' in 'Chest' at al, (eds.), op. cit., p. 1355. See also Webster, op. cit., p. 24; for a definition of chronic bronchitis. See Farber and

Cont

Rand Daily Mail

3 March

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"As far as South Africa is concerned, we import inflation with fuel prices and also with our imports generally," he said.

However, Mr Pogrund pointed out that the free market argument applied in a perfect society in a perfect world.

"We live in an imperfect world. As we all know, many controls do operate in South Africa. This is not a free market economy," he said.

Mr Pogrund said it was generally accepted that labour was a contributing factor to rising inflation because of the shortage of skills. This was heavily determined by political controls.

"On the food front, we have an array of marketing boards and price controls," he said.

An important factor in inflation was the mental factor, Mr Pogrund said.

"People accept that prices

The Egg Control Board gave no reason for not attending, but criticised the absence of speakers from agricultural authorities, and the preponderance of speakers from the retail, and to a lesser extent, the wholesale trade.

The Meat Board said the Minister of Agriculture had already appointed a commission and a committee which could deal with the issue more effectively and comprehensively.

The Dairy Board said it had other commitments, and said the conference subject should be dealt with on a national level.

The Wheat Board complained about the concentration on distribution problems and food price increases without cognisance of escalation in agricultural input costs.

The Maize Board said that as a statutory body it could not participate in the conference.

FOOD PRICE = FARES COMPARE

Argus 3/3/81 244

Keep maize price down!

Argus Correspondent
JOHANNESBURG — A leading businessman has suggested that as maize crops have increased by at least 20 percent a year since 1978, consideration should be given to a minimal, if any, maize price rise this year.

Mr Russel Stevens, chairman of the Natal-based Tongaat Foods and seeds, who also owns maize farms, said the crop was expected to be up as much as 40 percent on last year's harvest.

This will mean that the disposable income of farmers will rise by about 30 percent.

Maize is the major reason for escalating food prices and it forms the

staple diet for five percent of the population, Mr Stevens said.

He suggested that commerce should commission a team of agricultural economists to evaluate what sort of price rise, if any, would be in the best

interests of both farmers and consumers.

He was supported by Mrs J Hurwitz, of the Housewives League, and the delegates attending the Food Price Crisis conference in Sandton yesterday.

Mr Stevens pointed out that Cabinet would be meeting to discuss the new maize price in the next few weeks and all indications pointed to this being in the region of 18,9 percent.

A cynical note was struck by Mr J Frankel,

deputy chairman of Tiger Oats, who said that 80 percent of maize was produced by 20 percent of farmers.

For political reasons, I cannot see the Government leaving the inefficient 80 percent out of any price increases.

Hungry stomach knows no boundaries

Argus Correspondent

JOHANNESBURG. — If high food prices were not stopped, black people will be compelled to use any method they can to eliminate them, Mrs Sally Motlana, president of the Black Housewives League, warned the conference.

She questioned where black farmers could farm efficiently when only 13 percent of South Africa had been allotted to blacks.

A hungry stomach knows no boundaries, mothers do not like to produce criminals, but when children starve they will steal in the location and then in your homes (indicating the white delegates) to buy food, Mrs Motlana said.

She appealed to businessmen to stop talking about starvation in other countries but to help fight hunger here.

Executives

tell of millions in discounts

Mr Raymond Ackerman

Argus Correspondent

JOHANNESBURG. — Supermarket executives disclosed during a heated conference debate that they received confidential discounts from suppliers amounting to millions of rands a year.

The issue of confidential discounts — or target discounts as supermarkets prefer to call them — are currently the subject of a Competition Board investigation.

Food manufacturers want them abolished. The rea-

son why people like Raymond Ackerman of Pick 'n Pay don't want to lose them is that they will lose as much as R7.5-million a year, Mr J Frankel, deputy chairman of Tiger Oats, alleged.

UNDER THE TABLE

He and other suppliers claimed that supermarkets pocket for a rainy day the 'under the table' commissions for high sales figures and did not pass on the benefits to consumers.

Mr Russel Stevens, chairman of Tongaat Food and Seeds, said confidential discounts paid to supermarkets could range from one percent to eight percent of a food manufacturer's turnover.

Mr Ackerman said confidential discounts amounted to 2,5 percent of turnover and he insisted the benefits were passed on to consumers.

'Pressure group' elected

ted a committee to act as a pressure group to make urgent recommendations to the Government on ways of curbing high food inflation.

The committee: Mr Rex Glanville, managing director of Checkers, Mr Raymond Ackerman, chairman of Pick 'n Pay, Mr Sid Matus, executive director of Spar, Mr C McLeish, director of Metro Cash and Carry, Mr R Stevens, chairman of Tongaat Foods, Mrs Joy Hurwitz, president of the Housewives League, and Mrs Sally Motlana, president of the Black Housewives League. — Sapa.

Fertiliser practices

Argus Correspondent

JOHANNESBURG. — The Competition Board should not merely criticise the fertiliser companies for restrictive trade practices, it should stop them.

Or are the people concerned too influential to allow such action? Mr Rex Glanville, of Checkers, asked the conference yesterday.

Mr Glanville also criticised the high cost of packaging and queried whether the monopolistic suppliers justifiably increased prices.

Govt RDM 3/3/81 has ~~3~~ sacred 244 ~~180~~ duty. Bloom

Staff Reporter

GOVERNMENT intervention and control boards were necessary in food production in South Africa, Mr Tony Bloom, chairman of the Premier Group, said yesterday.

Mr Bloom was speaking on Government interference, price control, bureaucracy and inhibiting legislation in free enterprise at the Consumer Mail's Sandton conference on the food price crisis.

Mr Bloom said he felt the boards had done a good job in the field of food production, and he would not want to see them legislated out of existence as this would lead to higher prices for the consumer.

It was "dangerous nonsense" to say that the panacea for economic problems was the freemarket mechanism, he said.

It would be disastrous simply to let the competition take over, he said.

Given the specific nature and complexity of South African society, where the vast number of consumers were unrepresented and at the bottom end of the wage scale, Government intervention and responsible regulation of many economic sectors was necessary, Mr Bloom said.

He added that he did not approve of all Government intervention.

"This is not to say that the Government should not allow more freedom within those regulations, provided that they operate within predetermined economic goals," he said.

Government intervention at this level of the food sector was to the consumer's benefit in the long run and would remain so, he said.

Mr Bloom said the Government was faced with the task of balancing two objectives:

- To give every possible encouragement to the farming community to produce as much as possible and to produce profitably.
- To ensure that all consumers are provided with a consistent supply of high-quality foodstuffs at reasonable prices.

Mr Bloom said South Africa's political isolation and vulnerability to threatened boycotts made it essential to be self-sufficient in food production, and it was the Govern-

late affairs to ensure this.

"I go further and say that this duty extends to encouraging the production of an exportable surplus of foodstuffs, even at a loss," he said.

It was important for consumers to accept the costs in this area.

"There is enormous political leverage to be obtained for South Africa through food exports, especially to a starving sub-equatorial Africa," he said.

"The figures of food inflation in South Africa must be looked at with a little more intelligence than just simplistically gasping at the alleged 27% rise," Mr Bloom said.

He pointed out that meat and fresh produce had a distorting effect on the index of price increases.

"If these two items are excluded, the rise is 10,9%," he said.

Keep South Africa's food at home, says Ackerman

By MARIKA SBOROS

IT WAS "disgraceful" to export at a loss from South Africa when there were starving people in the country, Mr Raymond Ackerman, chairman of Pick 'n Pay, said yesterday.

Mr Ackerman was speaking at the Consumer Mail conference in Sandton on the food price crisis. He spoke on administered prices of agricultural products and marketing boards.

He said where there were surpluses it was far better to reduce the home market price and give the country's public the benefit, rather than increase the home price and export the surplus to neighbouring countries at a low price.

Mr Ackerman pledged a grant of R50 000 from his company towards agricultural re-

search into improved productivity.

He said he saw no need for an extension of the marketing boards. Although he agreed in principle with the boards' main purpose, any further development would be an inflationary move until problems were corrected.

Mr Ackerman recommended that businessmen be invited to join the existing boards to get an idea of farmers' problems, and could also help in investigating whether a certain product should get an increase or not.

He suggested that businessmen serve on the boards without receiving remuneration.

"Agricultural price stabilisation is widely accepted as a prime objective of marketing policy," he said.

In South Africa, approximately 22 commodity boards had been established for over 30 products and product groups, which, together with wine and sugar — controlled under separate legislation — represented nearly 90% of South Africa's farm output.

The inherent danger of agricultural price support was that producers' organisations would seek to solve their economic difficulties by increasing prices as a result of inefficient production, rather than by improving productivity, he said.

The Meat Board could not be blamed totally for the huge rise in meat prices last year, he said.

The support price however, was a wrong principle, and prevented the price coming down,

Mr Ackerman said.

The beef-raising industry in South Africa should be developed as a matter of urgency as 90% of the country's beef came from South West Africa.

With independence, South Africa could lose that entirely.

"There is going to be a chaotic situation if we don't develop our meat industry before SWA becomes independent," he said.

He criticised the Egg Control Board for over-control in the egg surplus last year which has led to an "enormous" present shortage.

"I am a great believer in free enterprise. If we concentrate on improving our farming productivity, we would increase the supply side and we would then be able to bring prices down," Mr Ackerman said.

RDM 3/3/81

~~2 cents per board~~ 244 ~~126~~

Motlana warns on hunger's effects

RDM 3/3/81
By PAT SIDLEY

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UNLESS food was available to all, and at reasonable prices, blacks would be compelled to organise themselves to get rid of the high prices — using any means at their disposal

This threat was made yesterday by Mrs Sally Motlana, president of the Black Housewives League

She called on the conference to seek a common way to enable all in South Africa to have enough to eat

Mrs Motlana also suggested that a proposed donation for agricultural research (to enable farmers to farm more efficiently) should be used instead to train illiterate black workers

She was reacting to an offer made by the chairman of Pick 'n Pay, Mr Raymond Ackerman, to donate R50 000 to agricultural research and R10 000 a year thereafter

Mrs Motlana, addressing the group of white industrialists, said "I've heard a lot about inefficiency

"The majority of your workers are black and illiterate.

"Could the money not be used in this field to upgrade these workers who know nothing about hygiene and have not been to school"

She said money to train black farmers would not be worthwhile without the land on which to farm

Mrs Motlana appealed to the conference to consider the problem of starvation in South Africa first

"We as mothers do not want to produce criminals. As long as children are starving, they will become efficient at stealing. They will be efficient in stealing in your homes to get money for food"

Body formed to curb food inflation

BY VITA PALESTRANT
Consumer Mail Editor

A NATIONAL conference on the food price crisis described as "historic" and "unique" yesterday elected a top level committee to act as a pressure group to make urgent recommendations to the Government on ways of curbing high food inflation.

About 30 leading members of the food sector, economists and consumer groups attended the all-day conference held under the auspices of Consumer Mail. It was chaired by Professor Jan Sadie, head of the Bureau of Economic Research, of Stellenbosch University.

The committee will meet within a fortnight to decide on its frame of reference.

Special attention will be given to maize price increases and food subsidies.

Yesterday the cost of maize and its pricing structure was questioned.

Maize — a primary product which has increased in price by almost 70% in the past three years — is the starting point for increases in other products such as meat, eggs, poultry and dairy products.

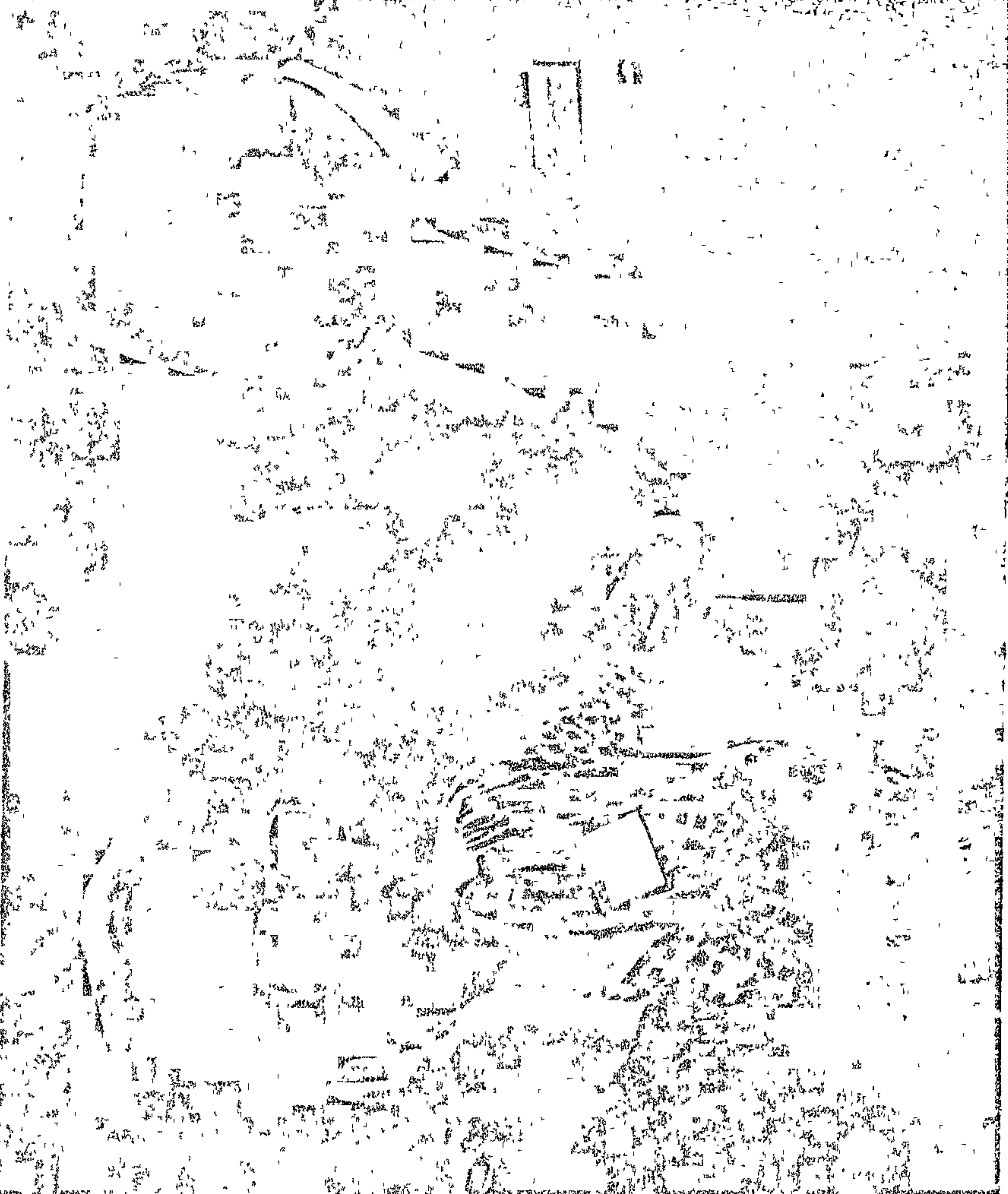
This year produced a bumper crop said to be between 25% and 40% higher than last year but price increases are expected to go up by about

244246
Market boards in the firing line — Page 6
Credit card clamp 'needed' — Page 7

20% Mrs Sally Motlana, president of the Black Housewives League, warned that blacks hard hit by increasing food prices would be "compelled" to organise themselves by any means at their disposal, unless the brakes were put on excessive food prices. The committee was elected after a day of heated debate and clashes over who was to blame for high food prices.

The committee consists of Mr Rex Glanville, managing director of Checkers, Mr Raymond Ackerman, chairman of Pick 'n Pay, Mr Sid Matus, executive director of Spar, Mr C McLeish, director of Metro Cash and Carry, Mr R Stevens, chairman of Tongaat Foods, and consumer organisations represented by Mrs Joy Hurwitz, president of the Housewives League, and Mrs Sally Motlana, president of the Black Housewives League.

Meanwhile key marketing



oy Hurwitz, president of the Housewives' League, argues a point with Mr Raymond Ackerman, chairman of Pick 'n Pay, at the Consumer Mail's Sandton conference on the food price crisis

Picture: JOHAN KUUS

Bid to cut food inflation

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boards invited to attend the conference — the Meat Board, Maize Board, Wheat Board, Egg Board and Dairy Board — declined to attend as did the large meat co-operative Vleis-sentraal and the S A Agricultural Union

The following views were expressed at the conference

- That marketing boards be more representative and not only represent producers but also retailers, wholesalers, manufacturers and consumers
- That the plight of blacks who spend almost 40% of their income on food, be alleviated
- That corporations give attention to equal pay for equal work to their black workers
- That Government seek increased means of finding revenue for financing subsidies
- That manufacturers do their own policing to prevent collusion in price structures
- That the call for open trading — uniform prices for small and large retailers — by the Grocery Manufacturers' Association be dropped as this would push up food costs by 50%
- That large supermarket chains pass their "confidentials" or target discounts from manufacturers on to the consumer
- That transport, which represented 40% of the retail cost of food, be made more efficient
- That credit cards be eliminated from supermarkets as the costs of running them were being passed on to all consumers
- That cheaper bottled milk instead of cartons be made available in all supermarkets and cafes

At the close of the conference, consumers, retailers and wholesalers said that although difficulties emerged as different points of view were expressed there had nevertheless been a commitment and co-operation and the round table meeting had been an "historic achievement"

Petrol price rise set for next month

RD 3/3/81



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By GERALD REILLY
Pretoria Bureau

THE price of petrol is virtually certain to rise by at least half a cent a litre to 55c from the beginning of next month

And, according to oil company sources and the director of the Motor Industries Federation, Mr Jannie van Huyssteen, there could be another and bigger rise from July

The April 1 rise is a direct result of the Railway Budget in which pipeline charges to the Rand were raised by 0,45c/l

The adjustment would include GST of 0,45c

Mr Van Huyssteen pointed out that the Opec countries were due to meet in June and an upward adjustment in crude oil prices is expected

This would probably have to be passed on to consumers

Another factor likely to affect the July expected increase was retail and oil company margins

These were adjusted accord-

ing to an agreed formula and the higher price of crude would reduce the already thin margins

The current petrol price has remained at 54,4c/l since June 1979

It is made up of the wholesale price plus landing and refining costs, railage 3,7c, equalisation fund 16,75c (this is used for Sasol development), customs and excise 9,341c, dealers' mark up 3,51c and current GST 2,1c

Meanwhile opposition spokesman and the AA have appealed to the Government to absorb any further fuel price rises by reducing its big fuel pipeline profits, which exceed R100-million a year

One oil company executive said the industry was now under-recovering on the agreed average margin, and would have to be compensated

Economists have stressed the effects of fuel price rises on the prices of all commodities and services

Maize price major factor in inflation

Consumer Mail ~~153~~ 244

THE maize price was one of the major contributing factors to food inflation in South Africa, Mr Russel Stevens, chairman of Tongaat Foods and Seeds, told the Consumer Mail conference on the food price crisis.

Speaking during debate on control boards, administered prices and Government interference, Mr Stevens said on Monday that maize was a significant input factor in most foods produced.

It accounted for 80% of milk production costs and 52% of chicken production costs, he said. The maize price had increased 71% over the past three years. The subsidy on maize had been reduced and the international price had dropped to about R100 a ton, while the price on the domestic market was likely to be R140 a ton.

"Anybody could grow maize inefficiently," Mr Stevens said, pointing out that the maize industry was not, as was commonly believed, in the hands of large, efficient units, but instead in the hands of small inefficient farmers.

Feathers fly on meat price question

By PAT SIDLEY
Consumer Mail

FEATHERS flew on the chicken front during an angry debate at the Consumer Mail conference on the food price crisis, when Mrs Joy Hurwitz, president of the Housewives League, criticised the support price mechanism on the price of beef.

Addressing her comments to Mr Robin Clark, joint managing director of Kanhym — a large beef producing firm — she said on Monday she was "amazed" that beef farmers had not spoken about fertiliser and maize costs which affect the price of meat.

Mr Clark said if the floor price was high enough there would be no need for a support price. The support price had helped stop wild fluctuations in the price of meat.

The remark drew the wrath of Mrs Hurwitz, who asked "Who gave control boards the idea that consumers don't like fluctuations — we do like fluctuations in price."

Mr Tony Bloom (chairman of Premier Group, one of the largest chicken processors in the country): I'm very interested to hear that, because that philosophy I agree with. I want to know why the Housewives

League did not apply it when the price of chickens went up last year.

Mrs Hurwitz: We'll get on to chickens in a moment. I've got a whole thing on chickens.

Mr Bloom: I wonder why that fantastic bonanza wasn't allowed to find its normal price in society. I'm delighted to hear these things. But there seems to be an inconsistency between the league's attitude to meat and to chickens.

Mrs Hurwitz: Not at all. When they imported chickens at a lower cost, you had the audacity to keep your prices up.

Mr Bloom: I'm delighted to hear this new philosophy of the Housewives League. I'm also delighted to hear they accept the findings of this new investigation by the Competition Board into the Balanced Feed Industry and the Egg Industry which have been accused of all sorts of vile monopolistic conditions and have been cleared.

Mrs Hurwitz: There have also been hysterical outbursts from the Meat Board and the SAAU. It's incredible for you in your position to put forward now — when they're discussing meat — the situation with regard to chickens, which is a disgraceful one.

KDM 4/3/81

244

Sugar price RSM 4/3/81 186 'will have 3300 to be raised' 244

By GERALD REILLY
Pretoria Bureau

A SUGAR price rise is certain — but like other Government administered price increases, the announcement is only expected after the elections on April 29.

The general manager of the SA Sugar Association, Mr Peter Sale, said the price would have to be raised.

There was an annual increase in price to keep abreast rising production costs.

He said he was aware of stockpiling by certain big interests in anticipation of the coming price increase.

Because of the severe drought, and resultant big drop in overall production this year, surplus exports would drop from a normal 1-million tons to about 430 000 tons.

Mr Sale gave an assurance that the drought would not be a factor in the determination of the local price. The drought losses would be carried by exports.

To help support the big drop of nearly 600 000 tons of export sugar, the association had raised a loan earlier in the

season of R50-million.

To compensate for the substantial deficit made up of the amount needed to meet the full costs of production and the allowable return on capital, it was likely that another R40-million would have to be borrowed.

And yesterday, economists warned that the pile-up of post election price shocks could send the inflation rate soaring to 18% by the middle of the year.

Price rises due to be announced soon include, maize and maize products, all dairy products, the floor price of beef, and most dreaded of all by the lower income groups — bread.

Replying to the mini-budget debate in Parliament last month the Minister of Finance, Mr Owen Horwood, said if the bread price, was not raised soon the Government's food subsidy bill would rise to R300-million.

This was taken as a certain indication of a price rise almost immediately after the elections. The current bread subsidy is R180-million.

How ^{5/3/81} cost of living ⁴⁴ went up

JOHANNESBURG — The consumer price index (CPI) for all income groups rose by 0,6 per cent overall in January and by 15,5 per cent during the 12-month period ending in January.

Inflation is hitting low income groups hardest.

The CPI reflected an increase of 0,7 per cent during January for them and as much as 19,7 per cent during the 12 month period.

Middle and higher income groups were less severely hit, increasing by 0,5 per cent and 0,6 per cent respectively in January, and by 16,4 per cent and 13,8 per cent respectively over the year.

Food continued its upward spiral, increasing by 1,3 per cent during January and by 28,4 per cent during the 12 month period. It is almost double that of the general CPI.

As it is the most basic item of expenditure, increases in this sector hit low income groups hardest.

The highest increase reflected in the food sector was again meat — 1,9 per cent which, during the past 12 months rose by 50,9 per cent.

Other increases in the food sector were grain — 0,8 per cent during January and 15,6 per cent over the 12 month period; fish — 0,5 per cent and 10,8 per cent, milk, milk products and eggs — 0,5 per cent and 12,5 per cent, fats and oils — 0,8 per cent and 13,6 per cent; fruit — 4,1 per cent and 10,2 per cent, vegetables — 0,3 per cent and as much as 30,7 per cent; sugar — 0,04 per cent and 10,8 per cent; coffee and tea — 0,9 per cent and 6,4 per cent, cold drinks — 1,4 per cent and 16,2 per cent.

Alcoholic drinks rose by 0,4 per cent and 8 per cent, while cigarettes, cigars and tobacco rose by 0,1 per cent and 4,6 per cent.

Clothing and footwear — which rose by 9,9 per cent over the year — showed that footwear is increasing faster than clothing.

Clothing rose by 0,3 per cent during January and by 8,9 per cent during the 12 month period.

while footwear increased by 1,6 per cent and 13,5 per cent.

In the housing sector, which rose by 0,3 per cent and 10,7 per cent — fuel and power rose by 0,4 per cent and 13 per cent.

During the 12 month period furniture and equipment increased by 14,8 per cent, with furniture rising in price by 18,9 per cent and appliances rising by 10 per cent. There were no increases in these items over January.

Household operations also continued their upward climb 0,8 per cent during January and 8,1 per cent during the 12 months period.

In that sector, cleaning materials rose by 1,6 per cent in January and 14,4 per cent during the 12 month period.

However, domestic servants were paid only 0,3 per cent more in January and 4,7 per cent over the year.

Medical care showed no increase in January — but reflected an increase of 11 per cent during the 12 month period.

Transport went up by 0,5 per cent in January and 8 per cent over the year.

Public transport rose by 7,5 per cent during the 12 month period — DDC.

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Putco to increase fares in ER next month

2004

By Mzikayise Edom

PUTCO bus fares in the East Rand may go up by between five percent and seven percent next month — if all goes according to plan.

This was said this week by Mr D Bradley, a public relations spokesman for the company, who said that they have been given permission to increase the fares by the National Transport Commission.

He said: "We are waiting for Dr Piet Koornhof, Minister of Co-operation and Development to give us a date to implement the increase"

Three areas in the East Rand use Putco buses and they are Tembisa, near Kempton Park, Vosloorus near Boksburg and Kwa-Thema near Springs.

The bus company intends implementing an average 5,2 percent increase on the Witwatersrand after failing to implement increases in the past two years because of protests from community leaders.

6/3/81
KENNISGEWING 175 VAN 1981

DEPARTMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Januarie 1981 so volg:

VERBRUIKERSINDEKS ALLE ITEMS

Gebied	Indeks	
	Basis 1975 = 100	Basis April 1970 = 100
1 Kaapstad	184,5	288,0
2 Port Elizabeth	185,2	293,2
3 Oos-Londen	185,3	292,8
4 Kimberley	188,7	290,2
5 Pietermaritzburg	188,2	295,1
6 Durban	187,7	290,7
7 Pretoria	188,0	300,4
8 Witwatersrand	196,0	309,5
9 Klerksdorp	188,0	298,5
10 Nataldoring	197,1	305,5
11 O.V.S.-goldvelde	201,4	307,1
12 Bloemfontein	186,8	289,7
Beswaarde gemiddelde van die 12 gebiede	191,0	300,3

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspele of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970 = 100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks gekoppel ten einde 'n aaneenlopende reeks te verkry met April 1970 = 100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970 = 100 betrekking het, te wysig (6 Maart 1981)

244
Geg 7466
NOTICE 175 OF 1981

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for January 1981 is as follows:

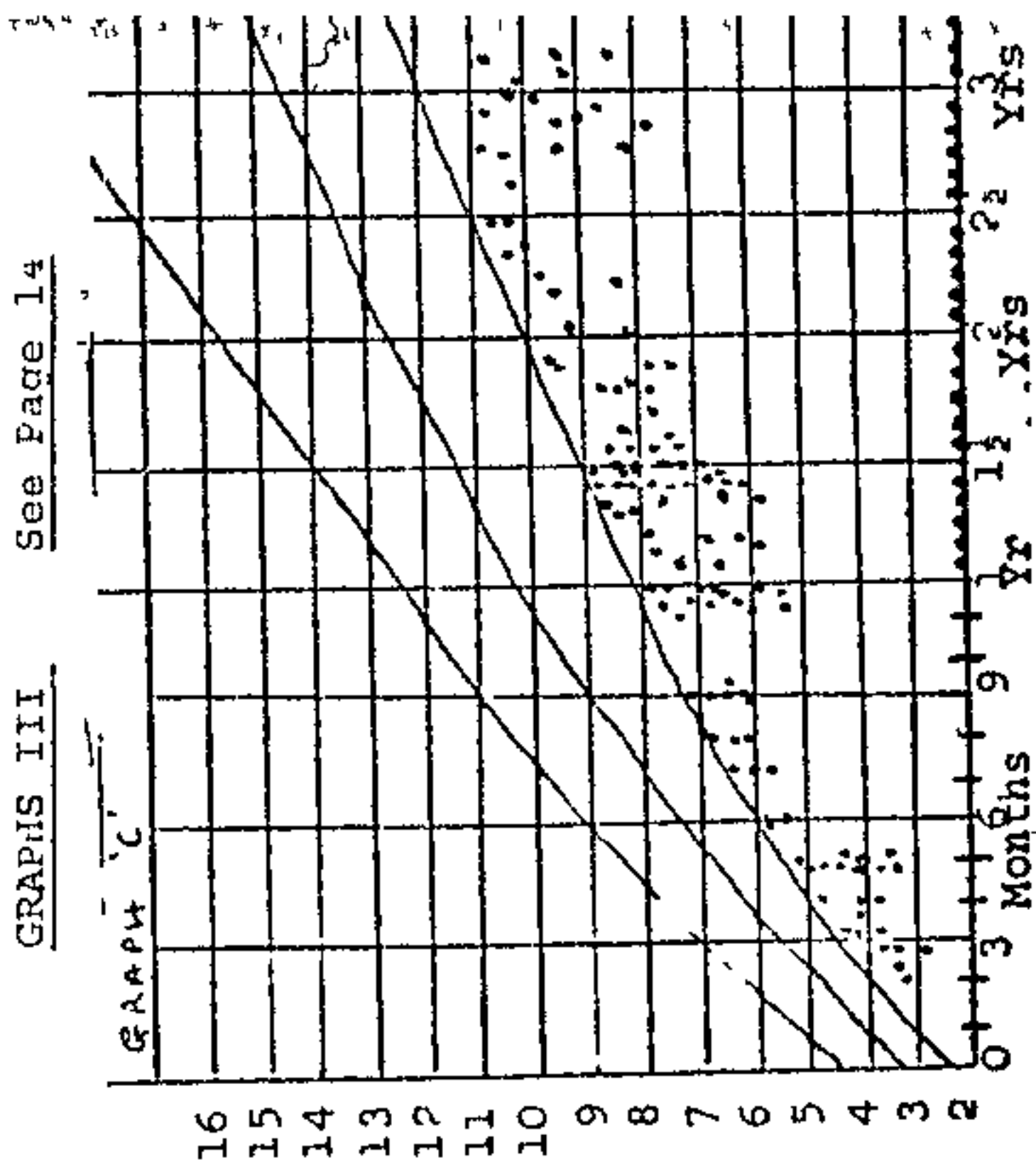
CONSUMER PRICE INDEX ALL ITEMS

Area	Index	
	Base 1975 = 100	Base April 1970 = 100
1 Cape Town	184,5	288,0
2 Port Elizabeth	185,2	293,2
3 East London	185,3	292,8
4 Kimberley	188,7	290,2
5 Pietermaritzburg	188,2	295,1
6 Durban	187,7	290,7
7 Pretoria	188,0	300,4
8 Witwatersrand	196,0	309,5
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10 Natal Doring	197,1	305,5
11 O.V.S. Goldfields	201,4	307,1
12 Bloemfontein	186,8	289,7
Weighted average of the 12 areas	191,0	300,3

Explanatory notes

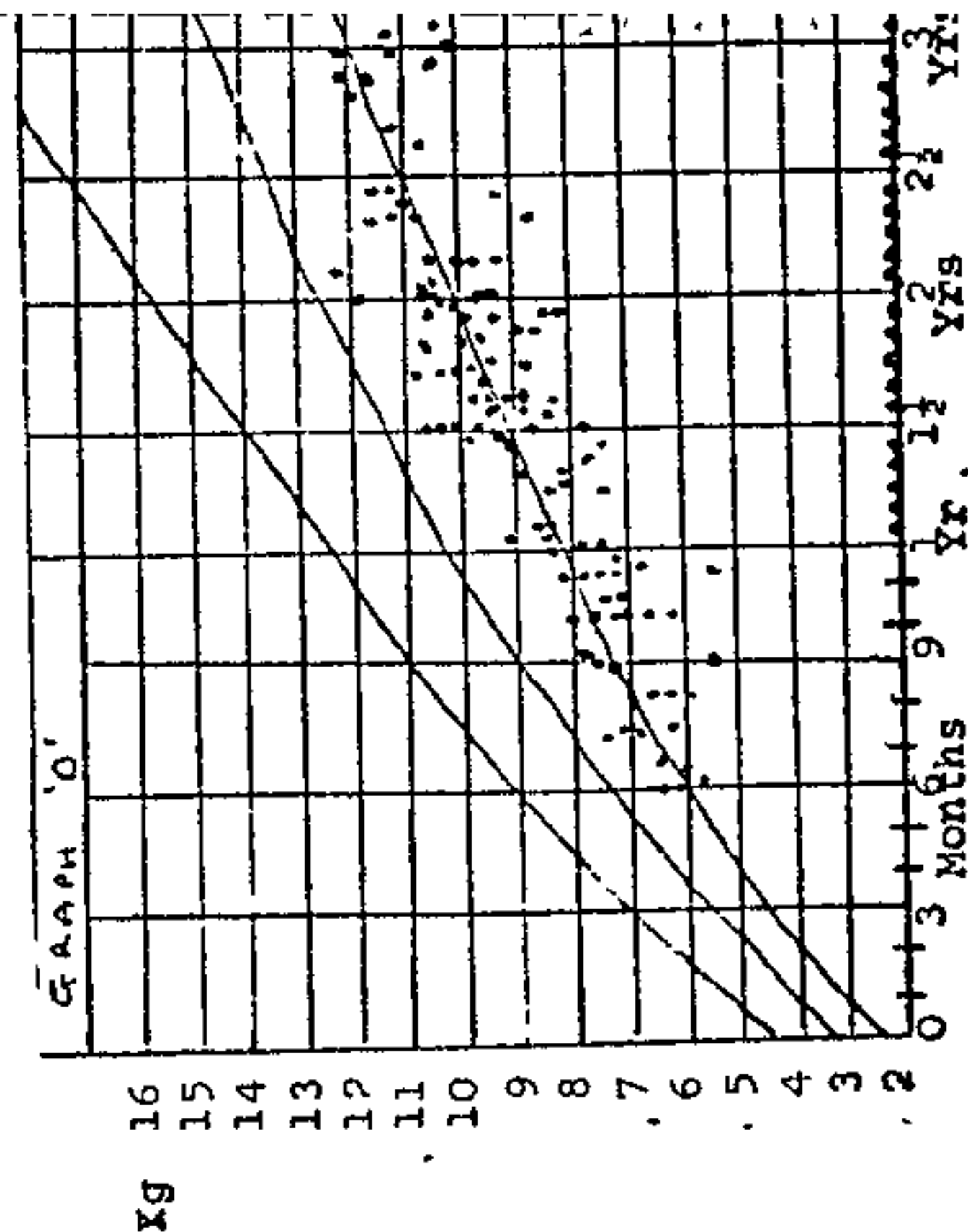
The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area independently the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970 = 100 (6 March 1981)



GRAPH 'C' shows weights of a group of children to an outpatient nutrition clinic

and GRAPH 'D' shows their improvement 3-month (average 11 months)



Obviously in different communities different factors may disrupt families and societies, but it is suggested that, whatever they are, if they occur in a sufficiently depressed economy, the children of the affected community will suffer from malnutrition on a wide scale.

Taking into account the community circumstances which cause widespread childhood malnutrition and recognising the very limited value of a predominantly medical approach, both in individual cases and for the whole problem, the following management has been attempted and will be discussed under the following headings :

1. Detection.
2. Hospitalisation.
3. Special aspects of hospital management (a) admitting mothers with children; (b) mothering stimulation; (c) adequate convalescence.

PRICES 244 FM 6/3/81
Biting the bullet

For two consecutive months the rise in wholesale prices has modified. In December the wholesale price index (WPI) increased by 0.43% and in January by 0.14%. As one newspaper commented this week too much attention should not be paid to single month figures. What a pity this is not kept in mind when the upward trend accelerates. Invariably that news makes headlines, as did this week's rising food prices.

There are many and complex reasons for the sharp increases recently in the cost of food. One is that in relation to production costs food prices were for too long held artificially too low by misguided official managers. They are now catching up.

If this process is impeded through higher subsidies the ultimate cost - and shock - to the consumer will be much higher. What is needed is, on the one hand to increase supply through more efficient production and distribution. And on the other the removal of legal restraints on black workers so that they are able to earn more and thus better face the harsh realities of life.

Proposals that supplier prices for both small and large retailers be uniform and that credit cards be eliminated from supermarkets are hardly relevant.

In fact that they could be put forward as serious proposals at a national conference on food prices in Johannesburg this week is nothing short of ludicrous.

If the problem is to be tackled seriously, far-reaching changes to overcome the waste of apartheid, the cushioning of producers and the bureaucratic mismanagement of prices, shortages and surpluses will need to be undertaken.

It is a problem that can be overcome only through parliament - not via a confrontation of housewives with big business. No wonder the control boards refused to be involved.

Childhood malnutrition is usually ascribed to poverty and ignorance. Less attention has been given to the integrity of the family, but according to this investigation the main determinant of it is family life, with the proviso that it occurs in the Ciskei, is probably mainly due to the necessarily disrupted family unit. Its illegality has contributed to the unprecedented illegality of a community is increasingly unable and unwilling. It must be emphasised that no claim is made that causes malnutrition. Almost as many men in the migrants. Rather that the extensive physical it causes fosters extensive desertion by men, illegitimacy explosion of children whom nobody when this occurs on a wide scale in a poverty results.

Rigrant labour has urban as well as rural effect in imprisonment or sickness without benefits in a breadwinner may disrupt families living together in the towns. In a hundred malnourished children attending a city hospital 64% were not being supported by their fathers, 46% through desertion and 18% due to death, hospitalisation, imprisonment or unemployment. Only 49% were in the care of their mothers, of whom one in five were tubercular, mentally defective or teenagers under sixteen. Of the rest 25% were in the care of grannies and 26% in the care of other old relatives, teenagers, children under ten, neighbours and hired nannies. 60% were illegitimate. 90% of the units of malnourished children had less than R20/month.

.../4.

people were usually dependants of sons and daughters in the towns, many of whom were married with their own family commitments, or old age pensioners without land, and there was seldom anyone available for farming. Malnourished children were often secondary, or even tertiary, dependants of some breadwinner and it was often their addition to a unit which plunged it into extreme poverty (and engendered resentment). For instance, an old age pension of R5/month, current at the time of the investigation, shared with a grandchild, meant that neither would have enough for an adequate diet.

It can be seen that, while both UN and MW children lived in complex units, those of the UN group were a composite of independent and contributing components, the units of malnourished children were a conglomerate of unproductive and discarded fragments.

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.../4.

Own Correspondent

JOHANNESBURG. — The consumer price index for all income groups rose by 0,6% overall in January and by 15,5% in the 12-month period ending in January

Inflation is hitting low-income groups hardest

The CPI reflected an increase of 0,7% in January for them and as much as 19,7% in the 12-month period

Middle and higher-income groups were less severely hit, increasing by 0,5% and 0,6% respectively in January, and by 16,4% and 13,8% respectively over the year

Food continued its upward spiral, increasing by 1,3% in January and by 28,4% in the 12-month period. It is almost double that of the general CPI

As it is the most basic item of expenditure, increases in this sector hit low-income groups hardest

The highest increase reflected in the food sector was

Inflation hits hardest at low-income groups

once again meat — 1,9%, which, in the past 12-months rose by 50,9%

Other increases in the food sector were grain — 0,8% in January and 15,6% over the 12-month period, fish — 0,5% and 10,8%, milk, milk products and eggs — 0,5% and 12,5%, fats and oils — 0,8% and 13,6%, fruit — 4,1% and 10,2%, vegetables — 0,3% and as much as 30,7%, sugar — 0,04% and 10,8%, coffee and tea — 0,9% and 6,4%, cold drinks — 1,4% and 16,2%

Alcoholic drinks rose by 0,4% and 8%, while cigarettes, cigars and tobacco rose by 0,1% and 4,6%

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increasing faster than clothing

Clothing rose by 0,3% in January and by 8,9% in the 12-month period while footwear increased by 1,6% and 13,5%

In the housing sector, which rose by 0,3% and 10,7% — fuel and power rose by 0,4% and 13%

Over the past year furniture and equipment has increased by 14,8%, with furniture rising in price by 18,9% and appliances rising by 10%. There were no increases in these items over January

Household operations also continued their upward climb 0,8% during January and 8,1% over the past year. In that sector, cleaning materials rose by 1,6% in January and 14,4% during the year

However, domestic servants were paid only 0,3% more in January and 4,7% over the year

Medical care showed no increase in January but reflected an increase of 11% in the 12-month period

Transport went up by 0,5% in January and 8% over the year

In that sector, vehicles, which showed no increase in January, reflected a 14,6% increase over the year and their running costs went up by 0,9% and 4%

Public transport rose by 7,5% in the 12-month period

Communication, recreation and entertainment, which showed little or no increase in January — rose by 13% and 10,6% respectively during the year

Reading matter went up by 0,2% in January and a massive 54,7% over the year

Education, which also showed no increase in January, rose by 14,1% in the 12-month period

Personal care went up by 1,5% in January and 12,8% during the year

Every month the Department of Statistics analyses masses of information about the costs of goods and services in 11 major urban areas to make up the monthly CPI

Steel price to rise by 14%

Own Correspondent

PRETORIA — Pay increases announced for the country's 450 000 steel workers will lead to a steel price rise of more than 14 percent — and a sharp inflation ripple throughout the economy.

Although Iscor's 60 000 workers are not immediately affected by the latest wage agreement for the iron, steel, engineering and metallurgical industries, pay rises of a similar size are likely to be announced for them in April.

Together with a 16 percent rise in rail tariffs, the higher wages will drastically push up production cost of steel which in turn must lead to a substantially increased price for steel.

The new steel price is only likely in about June, but it could send prices spiralling in the second half of the year.

Consumer goods ranging from cars to electrical appliances, radios, television sets, and canned products are all likely to be affected by a higher steel price.

The last steel price increase was 14,1 percent in June last year and the one before, announced in June 1979, was 12,2 percent.

Iscor wages account for about 22 percent of the cost of steel. Another big expense is rail transport as most raw materials must be moved from Iscor's mines at Thabazimbi, Ellisras and elsewhere to plants at Pretoria, Vanderbijlpark and Newcastle.

WILSON FOOD RESTAURANT RESTAURANT

11/13/81
DILE
SOWETAN

When the price of food goes up the hands of the consumer go up in horror but none go higher than those of the black consumer

MATHILDA MASIPA reports on the lot of a lone consumer who is ripped off the most.

THERE was an outcry early this month when the pending rise in food prices was announced. Concerned businessmen and consumer bodies conferred to try to find a solution. "A great step forward" was the expected reaction when at the end of the conference a committee to act as a watchdog for consumers was formed. But who exactly does it represent? Can the township housewife who rarely goes to town to buy her groceries depend on it? Stores in black townships have been known to rip off their customers con-



A consumer comparing prices during shopping. If nothing is done about food prices she might soon have to do without some of the commodities.

A survey in Tembisa over a number of days showed that very few stores priced their goods while many had prices fluctuating from one day to another. In many cases it was difficult to know whether the General Sales Tax used was the add-in or the add-on system — there was no notice displayed to that effect. To add to this most shops did not give their customers a cash slip or some form of acknowledgement.

Disturbing

But the most disturbing thing is that the unsophisticated

consumer bodies or control boards. To sit at the same table with manufacturers, retailers or wholesalers and discuss the issue would be even more remote.

Concern

While the white household may concern itself, among other things, with the size, quality or firmness of the toilet paper, most black householders would be concerned about whether or not the groceries

give. A bag of coal which only a few years ago used to cost less than R1 is now anything between R3 and R3,50 depending on the merchant.

But the most disturbing difference remains the salary gap between the race

15,3 percent of white income is spent on food while 39 percent of the black man's income was spent on food

"This means that the food price increase last year was 20,1 percent for low income groups and that for high income

crime if the escalating food prices were not stopped.

"A hungry stomach knows no boundaries... when children starve they will steal to buy food," she said.

So if the pressure group formed last week to act as watch-

... of whether pri-
res have risen or fal-
len. Some have been
known to charge the
consumer double the
correct amount of
the commodity.

about half his salary
on food is usually a
lone sufferer. He
wouldn't know where
to lodge his com-
plaint if he were rip-
ped off nor would he
know about con-



Mrs Sally Mortlana is concerned that the
food price rise might mean an increase
in the crime rate.

... ore ... re end of
the month.
And for those
homes without elec-
tricity more head-
aches are added.
Candles, paraffin and
gas are all expen-

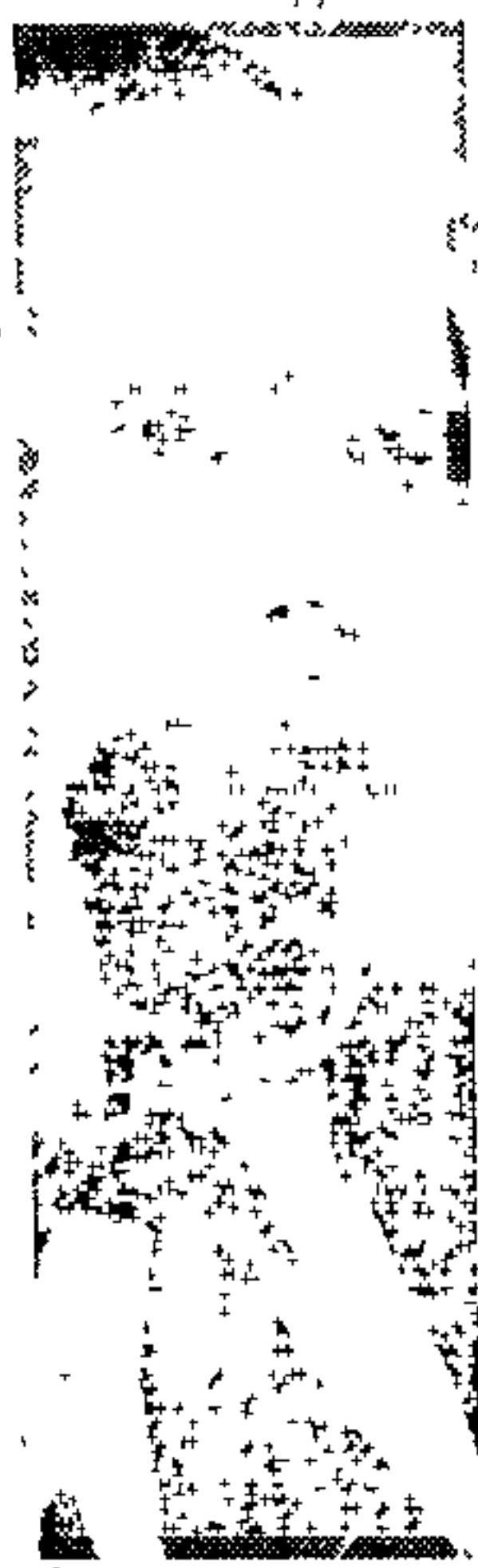
At a conference on
food prices recently
Professor Jan Sadie,
head of the Bureau
of Economic Re-
search at the Univer-
sity of Stellenbosch
said that on average

... over, he said.
At the same con-
ference Mrs Sally
Mortlana of the Black
Housewives' League
had voiced the fear
that black people
would resort to

... mer is to be relevant
at all it has to widen
its scope and also
think of the ordinary
consumer who may
not even have an
idea that such a
group exists.



Vegetables are a basic food ... they might soon be a luxury for the low income group.



Food chief slams price leaps

Argus 11/3/81

244 186

FOOD STORE boss Raymond Ackerman says shoppers are too 'punch drunk' to resist unnecessary increases by some unscrupulous food manufacturers and producers. He says the spiral can be stopped.

Consumer Reporter Audrey d'Angelo

SOARING food prices are 'critical — not just serious,' Mr Raymond Ackerman, head of the Pick 'n Pay group said today. He said he was 'stunned' by the rate of increases facing his company daily.

Mr Ackerman claimed some manufacturers and producers were putting up prices unnecessarily because they thought the housewife was too 'punch-drunk' to resist.

He said it was vital there should be no more big increases in farm products such as maize, which would have a ripple effect on other prices.

And he believed the inflationary spiral could be stopped if the control boards, producers, manufacturers and retailers all worked together.

Meeting

He had great hopes of this after a meeting that Finance Minister Owen Horwood called on March 26.

'We have already had a meeting of businessmen,' he said, 'but this time the control boards will be represented.'

The boards are critically involved in the inflationary

spiral — 'I believe we can curb this food price inflation if we all work together, starting at producer level'

Mr Ackerman said he was particularly concerned that the maize price should not rise steeply, because this would affect chicken and egg prices as well as mealie meal.

Ludicrous

'There is talk that the maize price might rise by between 18 percent and 20 percent,' he said. 'This would be ludicrous in view of the fact that we have a bumper crop.'

Mr Ackerman was commenting on the results of a comparison made by The Argus between prices charged in his stores and those of another chain today, and prices charged for the same goods five years ago.

This showed that the cost of most basic foods had doubled and in some cases almost trebled since March 1976.

The price of coffee had quadrupled.

Sample increases were boerewors, which cost 65½c for 500 g in 1976 and R1,58 today, eggs which were 19½c for six in 1976 and 39c today and tea bags.

(Continued on Page 3, col 4)

Milk price
 (246)
rise soon
 STAR 16/3/81
 Consumer Reporter

...the seasonal nature
 ...is made difficult by
 ...and even from farm to
 ...to province and from
 ...conditions in the
 ...The 1951 Commission's reasons
 ...practical to implement (London-
 ...fixing for domestic and farm
 ...Commission of Enquiry into
 ...opinions of most South African

The price of milk is unlikely to be increased before the beginning of May.
 Mr J de Bruyn, public relations officer for the Dairy Control Board, said the National Marketing Board was presently considering a new milk price, and would make recommendations to the Minister of Agriculture.
 An increase of between 12 and 15 percent is expected.
 Mr de Bruyn said the Dairy Board had asked the Minister to act as soon as possible.

...their scatteredness, the
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 ...area to area, but also f
 ...agricultural sector diff
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 ...lik, onwenslik en prakti
 ...workers was 'impossible'
 ...Industrial legislation:
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 ...threat is carried out.

...the farmer will suffer little loss if the
 ...the alternatives open to workers are
 ...Threats to withstand this pressure.
 ...by putting pressure on the farmers as limited in view of the ability of
 ...that the power of workers to change their working conditions
 ...then, seems, that the power of workers to change their working conditions

Part V. Conclusions.

...horse, pig and cattle breeding.
 ...up labour-intensive 'sidelines' like lucerne or vegetable cultivation,
 ...Some farmers said they could cut labour requirements immediately by giving
 ...and by cutting down on their labour requirements where possible.
 ...higher wages, by paying a higher proportion of wages in cash, by improving
 ...shortage by competing to a greater extent with town employment (by paying
 ...kept pace with wages in other sectors. They planned to cope with this
 ...they were not prepared to say how far in the future) unless farm wages
 ...Nineteen farmers thought a shortage of labour would develop in the future
 ...not efficient in sending workers onto the farms.
 ...workers and several others volunteered the information that the Board was
 ...Affairs Administration Board to register him as an employer looking for
 ...Only one farmer said he would ask the Bantu
 ...workers, that they needed extra labour and applicants would come from other
 ...dogs. Otherwise the farmers would let it be known, through their own
 ...off sheep stolen at night from nearby camps, usually with the help of
 ...another looking for work, sleeping beside the road and apparently living
 ...workers who moved with their families in donkey carts from one farm to
 ...said there were usually 'treks' along the road - temporarily unemployed
 ...Farmers were also asked where the extra workers would come from. They

Meat price in interest of SA

CT 17/3/81
244
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Jaco

KIMBERLEY — The consumer would have to realize that it was in his own and his country's interest that the producer of red meat be kept in the market on a sound basis, Mr J Cronje, director of the South African Co-ordinating Consumer Council, said in Kimberley yesterday.

Addressing a national meat congress organized by the South African Agricultural Union, he said 1980 had been a year of "many movements" in the meat industry. Drastic increases in the meat prices had been a shock to the consumer and a good thing for meat producers.

A group of women had called for a boycott of red meat, but the Consumer Council had distanced itself from what it termed "an emotional call".

Mr Cronje said consumers should remember that if they did not make it possible for farmers to continue producing meat, they would ultimately carry the costs.

At the same time it had to be remembered that if meat became too expensive, the farmer would also face grave problems. The Consumer Council remained opposed in principle to price and product control, but conceded that under conditions prevailing in South Africa it was sometimes necessary, Mr Cronje said.

The producer had a special duty to act responsibly in his decisions. "Here I think of the delivery of the best products at the most reasonable prices by using research to apply in this way the most efficient production methods," he said.

The producer also had to make known and market his product through the most efficient organization. The Meat Board provided guidance in this regard.

The consumer needed guidance in the buying and utilization of meat and needed to get an insight into the problems of the meat industry.

"The producer and consumer organizations must grab each others hands and not move away from each other," he said.

● Statutory interference in the marketing of red meat was not only justified but essential, the general manager of the Meat Board, Mr J Lombard, said.

Delivering a paper at the conference, Mr Lombard said he had come to this conclusion against the background of the following elements of the broad agricultural marketing policy in South Africa.

● Production uncertainties — because of their dependence on climatic factors, farmers could not control their supply in order to bargain effectively for a price.

● Production characteristics — red meat production had a long-term cycle which tended to be seasonal and made use of biological technology rather than mechanical technology.

● Demand characteristics — the demand for red meat in the short term was typically unelastic, which meant that a small surplus could cause prices to collapse while a small shortage could cause prices to rise sharply.

● Nature of the product — the producer had a small choice of products and in addition his product was highly perishable.

● Bargaining power — a relatively small number of sellers competed on the market with a relatively small number of buyers.

● Low profit yield — because of social pressure and also because of the nature of production of red meat, the industry yielded lower profits than other enterprises — Sapa

Property prices set to rise

18/3/81

Mercury Correspondent

JOHANNESBURG—Sharply rising building costs this year will continue to push property prices up, but at a slightly lower rate than in 1980.

And homeowners can be sure of higher monthly instalments on their mortgages, according to Mr G J J Snyman, building research officer for the Bureau of Economic Research of the University of Stellenbosch

Speaking at a South African Property Owners' Association (Sapoa) seminar on rising building costs on Monday, Mr Snyman said building costs had risen by 12 percent over the decade, by a record 26 percent in 1980, and would probably continue to rise steeply in 1981

However, lower tax rates and possible interest-rate subsidies would increase 'take home pay', ensuring

that some people would be able to afford higher monthly instalments

Some civil servants and also some private sector employees already enjoy the fringe benefit of interest rate subsidies

Mr Snyman suggested the authorities consider allowing the interest portion of bond repayments to be tax deductible — in the case of both houses and flats bought under sectional title

In order to cope with larger loans, home buyers should put down larger deposits and be encouraged to use home-owner saving schemes which yield attractive returns

As an alternative, he cited a West German practice by which the saver is contractually bound to save for a specific number of years before he qualifies for a loan

For a home-owner who wants to move, the example was given of a home sold for R40 000 on which the bond was R20 000

If capital repayments on the bond amounted to R4 000, the seller would be able to settle the balance of R16 000 and use the remaining R24 000 as a deposit on his new home

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they normally allowed workers several

ers, saying that unless there was

tant to estimate number of days unpaid

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in the lowest leave category, 16 (on

Paid leave (days per year)	Number of workers	Cumulative %
0 - 7	29	24,37
8 - 14	55	70,59
15 - 21	32	97,48
> 21	3	100,00
total	119	
unknown	7	

Distribution of workers according to paid leave granted (days per year)

TABLE 6

Food COM 18/3/81 CRISIS (244) (156) group (2) set for action

By VITA PALESTRANT
Consumer Mail Editor

A TOP-LEVEL committee, formed earlier this month to seek means of curbing high food prices and consisting of leading business executives and consumers, will meet tomorrow to decide on its frame of reference.

The committee, elected at Consumer Mail's national conference on the food price crisis, will be convened by the Editor of the Rand Daily Mail, Allister Sparks.

A chairman will be elected to head the committee.

The conference, described as "historic" and attended by leading members of the food industry, economists and consumers from all over the country, dealt with major issues in the food sector.

This included monopolies and collusion in the food supply and distribution chain, administered prices of agricultural products and marketing boards, GST and subsidies, areas of inefficiency in the food chain and Government interference and price control in free enterprise.

The conference was organised in an attempt to locate and curb inflationary areas in the food sector.

It was chaired by Professor Jan Sadie, head of the Bureau of Economic Research at Stellenbosch University.

The latest Consumer Price Index shows food prices are continuing their upward spiral.

In the 12-month period ending in January, food increased by 28,4% — almost double the overall CPI — with meat alone increasing by 51%. In the period December to January, the food index increased by 1,3%.

At the conference, special attention was given to the price of maize, staple food for over 80% of the population.

It is also the starting point for increases in other products such as meat, poultry, eggs and dairy products. Maize has gone up by 71% over the past three years.

Many delegates expressed concern for those on the bread-line and examined steps that could be taken to prevent them from falling below it.

Although key marketing boards, the SA Agricultural Union and Vleissentraal, the large meat co-operative, were invited to attend the conference to put the views of the agricultural sector, they declined.

Those attending tomorrow's

committee meeting are Mr R Stevens, chairman of Tongaat Foods, the Grocery Manufacturers' Association (which will choose a manufacturer to represent it), Mr R Glanville, managing director of Checkers, Mr Raymond Ackerman, chairman of Pick 'n Pay, Mr S Matus, executive director of Spar, Mr C McLeish, director of Metro Cash and Carry; Mrs J Hurwitz, president of the Housewives' League, and Mrs S Motlana, president of the Black Housewives' League.

April price rises is new forecast

By GERALD REILLY
Pretoria Bureau

THE already high inflation rate in South Africa will be given a significant push forward next month, according to economists.

Two of the main reasons are the 15% increase in railway tariffs and the R720-million public sector pay increases.

The chief economists at the Bureau for Economic Research at the University of Stellenbosch, Dr O Stuart, said that either one would have an influence on the price spiral, but together they would have a significant pressure on prices.

The R60-million a month more which would be paid to all public sector workers was unlikely to be compensated for by higher production in what was considered to be an "unproductive sector".

Further massive amounts will be added to total spending power when the Transvaal municipal workers got their promised rises in July.

The chief economist of Barclays Bank, Dr Johan Cloete, warns that the inflation problem has been caused more by a lack of discipline over wage and price increases than by an increase in the money supply.

He warns, too, of the danger of an 18% inflation rate unless strong restrictive measures are applied.

From a Government source in Pretoria, it was learnt that the Price Controller would probably have to agree to the producers of controlled bulk products, like cement and coal, raising their prices to recover the higher transport costs.

Motor industry sources said a half-cent per litre rise in the price of fuel was virtually certain from April 1.

Another increase, following the mid-year meeting of the Opec countries, was also possible.

A bread price rise is also likely within the next few months.

The Minister of Finance, Mr Owen Horwood, said during the mini-Budget debate in the Assembly last month that if the bread price was not increased, the total food subsidy bill would rise above R300-million.

And a maize price rise is also on the way. The Maize Board will meet next week to discuss future prices for the record 13 500 000 ton crop.

And if the maize price is raised

the prices of a whole range of products will be affected — meat, poultry, eggs and animal feeds among them. Dissatisfaction with pay in many areas of the public sector, including police, nurses and State workers. New railway rates, plus the R60-million a month pay rise in the public sector, and other imminent price increases, will significantly raise inflationary pressures from the beginning of next month.

Food crisis group targets maize price

RDM 19/3/81 (244) (186) 399 (new)

By VITA PALESTRANT
Consumer Mail Editor

THE high price of maize and its effect on the food price index will top the list of priority projects to be tackled by the newly-formed pressure group to fight high food prices.

The group, elected at Consumer Mail's conference on the food price crisis, was formed earlier this month by concerned businessmen and consumers.

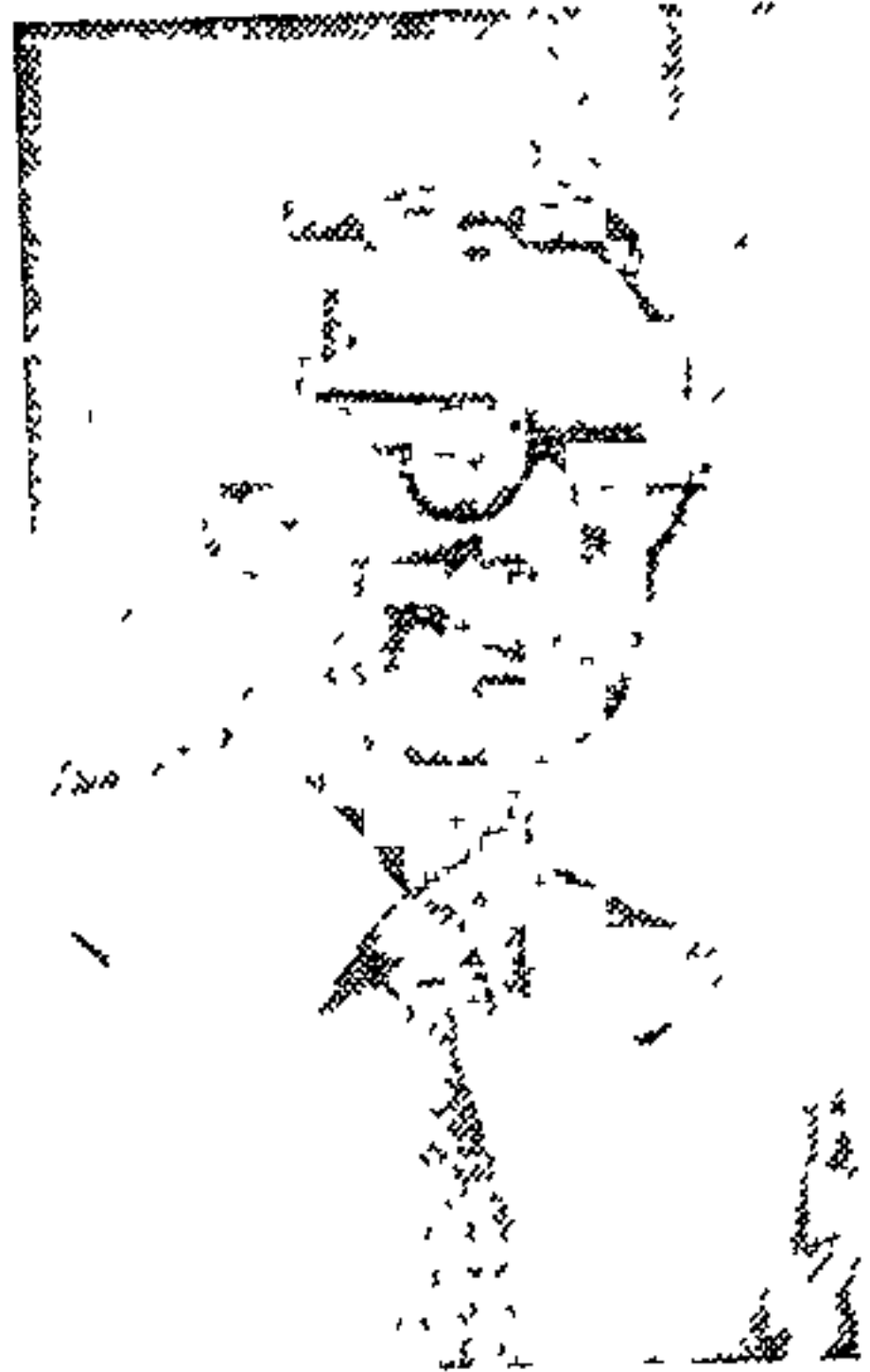
It met for the first time yesterday to decide on its frame of reference and elect a chairman.

The conference was first called for by the managing director of Checkers, Mr Rex Glanville, when the food price index shot to almost 30% at the beginning of the year — almost double the general Consumer Price Index of 15%.

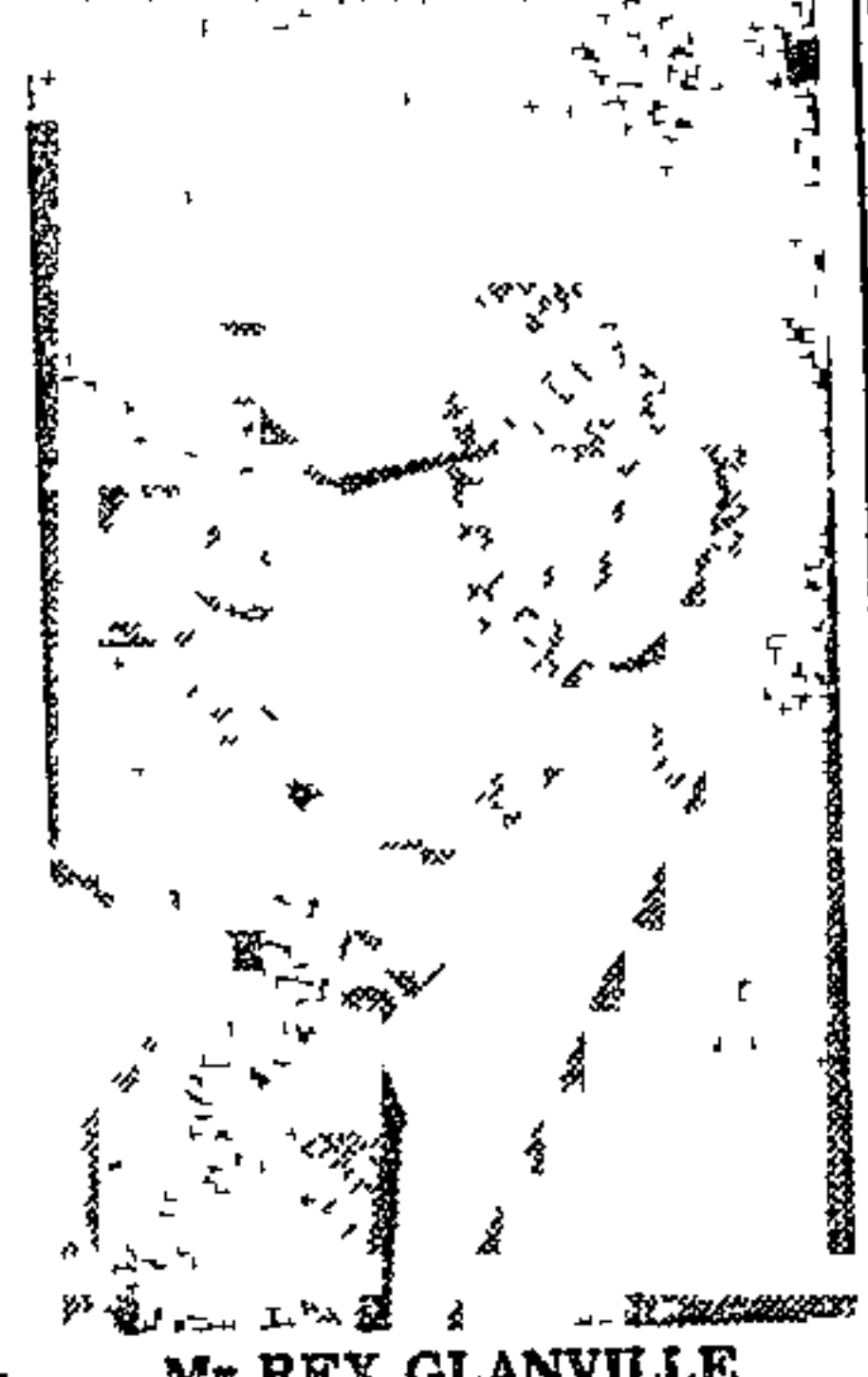
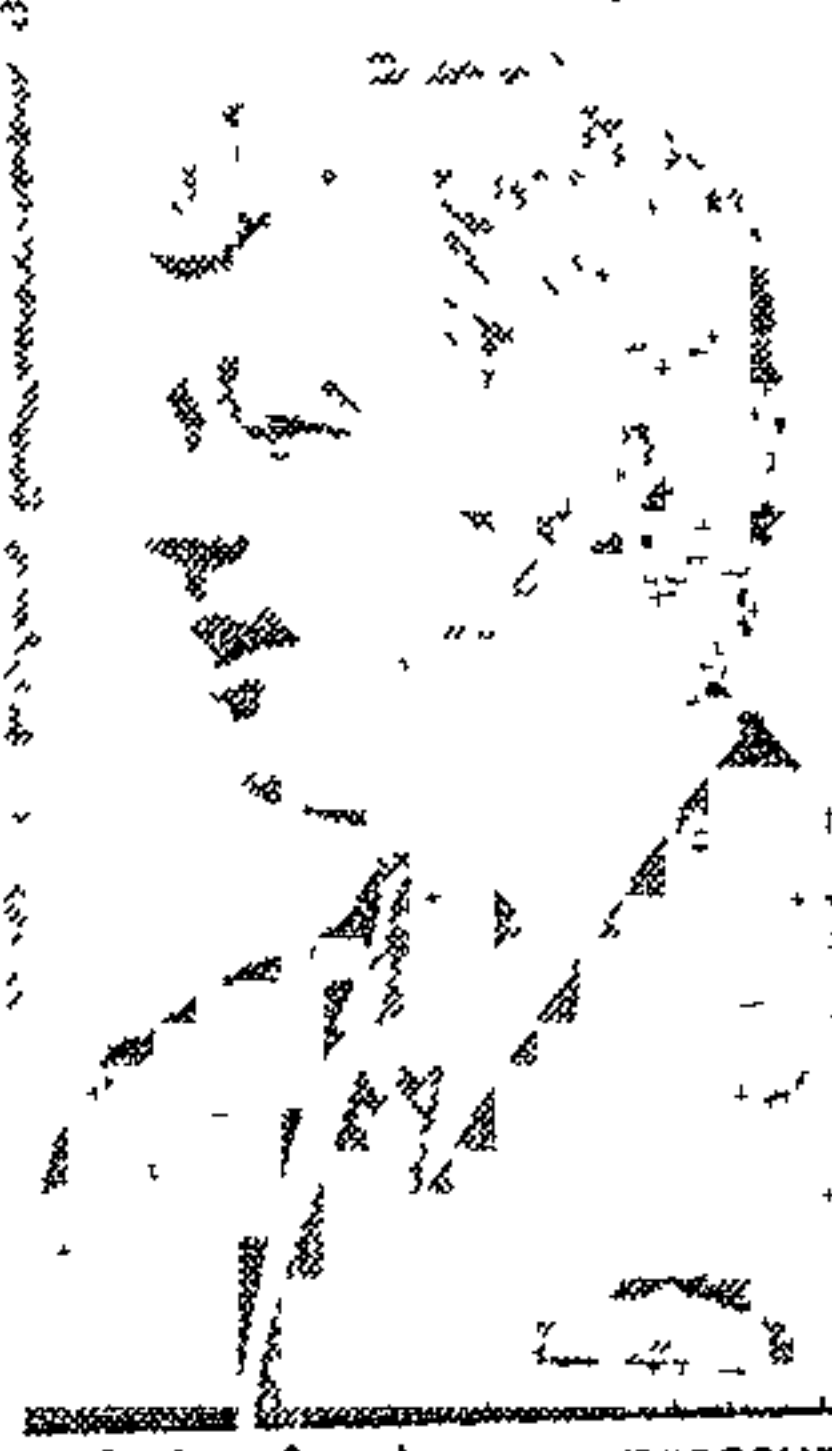
At the time he called on all those involved in the food industry to get together for round table talks to find means of putting the brakes on high food prices. "With at least a 7% unemployment rate and a high incidence of malnutrition, we see the South African situation as very volatile."

The conference was described as "historic", as it was the first time the food industry — representing some of the most influential companies in the country — had come together in joint discussion of inflationary areas.

Yesterday's meeting was convened by the Editor of the Rand Daily Mail, Allister Sparks, who appealed to the group to show free enterprise was prepared to do something tangible for all South African



Mr Russell Stevens, chairman of the food price pressure group, with the Editor of the "Mail", Allister Sparks



Mr REX GLANVILLE ... first called for food talks

consumers, particularly those on the breadline.

Mr Russell Stevens, chairman of Tongaat food and animal feed interests, was unanimously elected chairman.

After the meeting, which lasted two hours, Mr Stevens said "Our goal is to curb, in the short term, rapid increases in food inflation, and to isolate the major causes which have, in recent times, accelerated the food price index."

Mr Stevens said he could not divulge the terms of reference of the group as it first had to refer back to other interested parties who were present at the food conference.

"We will go back to them with our terms of reference to get their support on the specific areas we have discussed. The meeting was constructive and

those present felt a sense of urgency about getting down to the nitty-gritty.

"Our short-term programme, however, will be to take a look at the maize price. This will have to be done within the next few weeks, before the new price is set.

"It is of concern to all of us, and if the expected increases come through — between 16% to 18%, bringing it to R145 a ton — it will continue to accelerate the food price index and lead to further hardships for those on the breadline."

Mr Stevens said it was a worrying factor that the food price index was 13% above the general Consumer Price Index.

In previous years the index had been running between 3% and 4% ahead of the general CPI — which is the norm in

other Western countries — now it was running 13% higher.

"If the expected increases go through, we can expect another snowball effect in the food price index. We believe a radical view should be taken. Farmers have had a bumper crop this year — 30% higher than it has been in the previous years," he said.

Others in the group are: Mr R Glanville, managing director of Checkers, Mr R Ackerman, chairman of Pick 'n Pay, Mr S Matus, executive director of the Spar Group, Mr K McLeish, director of Metro Cash and Carry, Mrs S Motlana, president of the Black Housewives' League, Mrs J Hurwitz, president of the Housewives' League, and Mr J Hele of the Grocery Manufacturers Association.

Liquor prices rise

EAST LONDON — East Londoners have had to dig deeper into their pockets for liquor this week

Bottle store prices rose by an average of 11 per cent and most hotels increased the price of a tot by a minimum of five cents

The latest increases, recommended by the director of the Cape Wine and Spirit Institute, Mr Riaan Kruger, follow last month's 9,5 per cent increase in the price of beer

A spokesman for the Licensed Victuallers' Association here said liquor was not price controlled and wholesale prices had increased by nine per cent earlier this month

The manager at a city bottle store said although the increases were in the region of 11 per cent, several brands had increased by seven per cent while others had been upped by 15 per cent

"There are so many varieties of whisky, cane, brandy and rum on the market it is impossible to mention each brand's increase, but overall it is in the region of 11 per cent"

He also pointed out the last price hike was at the beginning of last year and that many spirits could still be bought at relatively low prices

The cost of a better known whisky has risen to R8,87 after being priced at R7,99 last week while a bottle of cane which cost R5,65 last week is now R6,19. A popular brandy which sold at R5,55 is now R6,19 and rum which previously sold for R5,98 is now R6,45

The new recommended minimum prices for the particular bottles of liquor mentioned with last week's minimum in parenthesis are whisky R8,04 (R7,79), cane R5,75 (R5,42), brandy R5,75 (R5,42) and rum R6,20 (R5,73)

Many brands of spirits could still be bought at relatively low prices the manager said

"When bottle stores sell certain items as 'specials', cane can be bought for R5,65, whisky R6,75 and certain brandies at R5,65

The manager of an hotel here said the recommended five cent increase on a tot varied from bar to bar

"The prices in ladies' bars are invariably higher than the prices in a public bar," he said

Prices quoted above all include general sales tax. — DDR

the following averages:

('regular') Coloured and African
 of holdings and average number
 :
 of
 Average No. of workers
 per holding

4,6	1
7,0	9
5,6	4
2,8	4
3,7	4

and pastoral production, . 46, 1972-73, Report No.

average of 5,62 permanent farm
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Maize price set to push food cost up

RDM
23/3/81
3 Maize
244

By GERALD REILLY
Pretoria Bureau

THE Maize Board meets today to formulate its price recommendations for the season's estimated record 13 500 000-ton crop.

The recommendation is certain to be for a rise of at least 15%, according to authoritative sources in Pretoria

The higher price, which will come into operation from May 1, will force up the prices of a wide range of foods including beef, pork, poultry, eggs and dairy products

The National Mealie Producers' Organisation will make its

representation to the board on a resolution which called for a net farmers' price of R140 a ton

The present price is R122

However, the sources say the big crop will leave an export surplus of at least 6-million tons

If present world market prices — around R120 a ton — persist, the export losses could reach nearly R300-million

The loss would have to be borne by the farmer and paid for by a production levy

The present producers' levy is R4,40 a ton on white maize and R7,40 a ton on yellow maize

Because of the huge surplus, however, and the possible record export losses, the levies are expected to be increased substantially

Meanwhile, egg producers claim that if the maize price rises by 20% the price of eggs will have to go up by 14c a doz

The Natal Commercial Poultry Association claims that if the price of maize rises by R10 a ton, the price of eggs will have to be adjusted 6% upward

Another early effect of the higher maize price will be to contribute to a substantial rise in the floor price of beef

Food prices

(244) ~~242~~ ~~up~~ 30.1 pc
4/3/81

Argus Correspondent

PRETORIA — Food prices have risen 30,1 percent since February 1980

In the same period the consumer price index rose 16 percent, says the Department of Statistics

It was 20,5 percent for the lowest income group, 17,1 percent for the middle income group, and 14,4 percent for the higher income group

The Minister of Finance, Mr O P F Horwood, has invited about 100 leading businessmen, heads of government departments and top economic advisers to a one day conference in Johannesburg on Thursday to try to find a solution to the cost of living spiral

chv

Poor feel pinch as cost of living soars

RDM-24/3/81

244

By GERALD REILLY, Pretoria Bureau

THE cost of living, as measured by the Consumer Price Index, shot up by 16% in the year to February 28.

According to official figures released yesterday, the rate for lower income groups outstripped even this, moving up 20.5% on the year.

This trend strengthens the view of economists that by Budget time in September inflation may be at 18%, pushing towards 20%.

And if the wide range of administered price rises expected to begin next month — including higher railway rates and a higher maize price — are taken into account, economists say, it is obvious pressure on prices will continue unabated for months to come.

In yesterday's figures, released by the Department of Statistics, the food price index at the end of February also reflected the highest rise for a 12-month period — 30.1%.

The all-items figure rose by 1.8% during February, an annual rate of 18% against 0.8% in January, while the food-only figure rose by 1.4%.

The 12-month figure to the end of January was 16.8%.

Living costs for the middle income group rose by 17.1% in the year to the end of February and by 14.4% for the higher income group.

Two major factors which will contribute to a continuing increase in prices, according to economists, are the 15% rise in rail rates, effective from April 1, and the R60-million a month in pay rises for public sector workers.

The chief economist of the Bureau for Economic Research at the University of Stellenbosch, Dr O H D Stuart, said yesterday that either of these factors would influence the price spiral, but together they would significantly raise pressure on prices.

Pay rises in the public sector would be inflationary because they would be unaccompanied by compensating higher production.

A Government source in Pretoria said the Price Controller would also have to agree to producers of bulk products,

such as coal and sugar, increasing their prices to recover higher transport costs.

And the motor industry claims a half-cent rise next month in the price of petrol, to 53c/l, is virtually certain to be authorised.

A bread price rise is also expected, in the September Budget at the latest.

In reaction to the big CPI rise, the Progressive Federal Party's finance spokesman, Mr Harry Schwarz, warned yesterday that inflation would run out of control unless the Government acted swiftly and firmly to slow it down.

He said that while the Government was preoccupied by its fight with its Rightwing, inflation was feeding on itself and imposing severe hardships.

Mr Schwarz said the 20.5% COL rise for lower income groups was "really alarming and underlines the need for urgent relief".

The Government was clearly ignoring the welfare of a large group of South Africans.

"At least those who have got the vote can act — they can vote against a Government which appears to be unwilling to take the necessary action to slow down the price spiral."

News by Gerald Reilly, Van der Stal Building
Pretorius Street, Pretoria

Prices rise 16 pc in 12 months

80 24/3/81
244

PRETORIA — The consumer price index for all income groups rose by 1,5 per cent last month to show an increase of 16 per cent since February last year, according to figures published by the Department of Statistics here.

The index in February was 193,8 (1975, 100).

For the lower income group the February increase was 1,5 per cent over January and 20,5 per cent over February last year.

The index for the middle income group also rose by 1,5 per cent for the month to show a jump of 17,1 per cent in the twelve months since February

last year, while for the higher income group the increases were 1,4 per cent and 14,4 per cent, respectively.

Food prices on their own rose by 1,4 per cent during February with the increase since February last year standing at 30,1 per cent.

A breakdown of the 1,5 per cent overall increase in February shows that fruit was responsible for 0,1 per cent, vegetables for 0,2 per cent, housing for 0,4 per cent, private transport vehicles for 0,2 per cent and running costs for 0,1 per cent. Other items contributed the remaining 0,3 per cent to the increase. — SAPA

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The table shows that 93 workers (72%) earned R10 a week or less, and 113 (87%) earned R12,50 a week or less.

Wages (weekly, R)	Number of workers	Cumulative %
0 - 2,50	4	3,08
2,51 - 5,00	22	20,00
5,01 - 7,50	34	46,15
7,51 - 10,00	33	71,54
10,01 - 12,50	20	86,92
12,51 - 15,00	6	91,54
15,01 - 17,50	0	91,54
17,51 - 20,00	7	96,92
> 20,00	4	100,00
total	130	
Mean:	R8,69	
Range:	0 to R28,62	

TABLE 7

Meat hikes not due to system — union

DD 26/3/81

~~3 Control Board~~

244

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JOHANNESBURG — The sharp rise in meat prices was in no way due to the present control system, according to the SA Agricultural Union.

At the meat probe hearings in Pretoria yesterday, the SAAU came out in favour of the control system.

Mr B. Snyman, executive member of the union, said the steep meat price increases during 1980 were due to a supply and demand situation.

Another target of criticism had been the

Meat Board's policy of controlling supplies by way of marketing permits issued by the board

Supplies had to be controlled, Mr Snyman said, because only a certain number of animals could be handled at the abattoirs. In times of marketing pressure, cattle or sheep would have to wait for days in trucks and at sidings if there was no supply control

It would be cruel to the animals and cause

marketing chaos

Since 1962, supply had been controlled through weekly quotas to abattoir agents. This had led to irregularities. Agents often speculated in large stock themselves and gave preference to some producers at the expense of others. For this reason, supply was controlled now mainly by marketing permits issued indirectly to farmers by the Meat Board

At times this control

had to be quite stringent. During one period, permits for only 17 per cent of requirements could be issued.

Things were now much better, and shortcomings in the administration of the system had been rectified. Therefore the SA Agricultural Union was strongly in favour of the permit system as a means of regulating supply, and was continually pressing for improvements in its administration. — SAPA

Distribution of workers according to working hours (weekly):
 Hours worked per week
 Number of workers
 Cumulative %

TABLE 5

part of working hours, especially where the worker is restricted in his choice of both working and living place. The farm worker, on the other hand, walks perhaps 500 metres to start work - although in the course of the day he may be required to walk much further). Working hours on Karoo farms differ considerably between summer, when the day begins earlier and ends later, but with a long break in the middle, and winter, when the working day, and the break, are shorter. The following table is an attempt to list the distribution of workers according to average (i.e. throughout the year) working hours.

244 57m
Putco bus fares
21/3/81
to increase soon

Staff Reporters

Putco bus fares on the Witwatersrand are expected to go up soon by an average of six or seven percent

A Putco spokesman said today Putco was waiting for the Department of Co-operation and Development to provide a go-ahead date for the fare increases

The increases will be confined to the Witwatersrand

In January Putco bus fares went up about six percent in Pretoria

This week Putco released figures for its last pre-tax profit

It announced a 41

percent rise in its pre-tax profits to R5,4 million for the six months ending December 31, 1980 compared with R3,8 million for the 1979 interim

It paid 76,8 percent in tax with R4,4 million being paid on profits of R5,4 million

A spokesman described the company's higher tax figure as resulting from depreciation of buses being written off against the high cost of replacement parts

The Receiver of Revenue allowed only for the historical cost value of the buses for depreciation, meaning Putco has had to make up the difference in new replacement costs, the spokesman said

Prices to rocket in wake of pay boosts

NM 26/3/81

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1) The report listing occupations of areas, while those listing age areas, while those listing age of survey. The result is that figures in the 02-05-04, which are higher, have assumed to be distributed by age sample tabulation.

In other words, the people not included in the occupation to broad age categories in the same 2) Age distributions for Coloured people 11 and 13, but for Africans, only to economic regions in the Cape. are given for three economic regions are grouped as 'rest of Cape'. This means that the total of Africans for areas 11 and 13 will be low.

Mercury Correspondent

PRETORIA—Pay boosts of more than R1 000 million in the public sector, and hundreds of millions more in the private sector, are expected to send prices rocketing again, according to leading economists here.

Major inflationary pressures would also come from the 15 percent hike in railway rates at the end of the month.

Within the next three or four months prices of maize and maize products, dairy products, including fresh milk, and bread, will rise

Also expected is a half-cent rise in the petrol price on the rand to 55 c a litre, with the probability of a further rise in July after the mid-year meeting of Opec countries

The higher railway rates will also force up the prices of coal, cement and sugar.

Doctors fees are also expected to be increased soon.

The Minister of Health, Dr L A P Munnik, referred back to the medical council its tariff committee's recommendation that doctors' fees should be raised by 10 percent.

This was on top of the last increase of more than 50 percent. The medical council meets on April 13 to look at the committee's amended recommendation.

a (this " " ent- the minister.

men and 30 673 women (Coloured plus African) economically active' but who fell into the therefore cannot automatically be considered scholars, students or retired people.

* Fifteen is probably rather low as a bracket given in the Census starts at 20, wh especially Coloureds, may be at secondary

Cont

The extent to which the purchasing power of the rand has been eroded during the past five or six years is reflected in the Consumer Price Index which had a base of 100 in 1975. It was 193.8 in February.

Anti-inflation conference

This meant that the price of a wide range of commodities and services on which the index was based had nearly doubled in six years.

For food alone the index had soared to 217.5 in February.

As plans for the Government's anti-inflation conference in Johannesburg were finalised yesterday, the Opposition spokesman on consumer affairs, Mr Horace van Rensburg, disclosed that the cost of running food control boards rose by an astronomical average of 28.5 percent during the past year.

Leading economists believe Mr Owen Horwood, the Minister of Finance, would use today's conference to urge leaders of commerce and industry to keep a tighter rein on prices and to moderate salary increases.

But Mr van Rensburg said the Government should take a large measure of responsibility for the soaring inflation rate, with the rising cost of running food control boards playing a major role in the 30 percent food price increase over the past year.

The millions spent by control boards were a major contributory factor in this inflation spiral as these costs were carried by the public, Mr van Rensburg said.

Fruit

Using figures compiled by the Opposition spokesman on agriculture, Mr Philip Myburgh, Mr van Rensburg disclosed that during 1979/1980 control boards cost the country more than R28 million, compared with more than R21 million the year before.

The amount spent on the Dried Fruit Board rose by 181 percent while the Dried Bean Board's costs rose by 121 percent.

The money spent on Wheat, Meat, Egg, Fruit, and other boards also rose considerably.

The Meat Board's budget had increased by 31 percent to more than R5 million, making it one of the top-spending control boards in the country, while many ordinary people could no longer afford to eat meat, he said.

And the Dairy Board's expenditure had doubled following its merger with the Milk Board in a 'rationalisation' effort.

(Report by H. Zille, 171, Main Street, Johannesburg and G. Reilly, Van Der Stel Building, Pretorius St, Pretoria)

NM

26/3/81

244

Botha predicts food will become scarce

DD. 26/3/81

244

Penguin Books 1977
Limits to Medicine
I. Illich

10. Wyndham, C.H. in press

JOHANNESBURG — The government's anti-inflationary conference opens here today with dire predictions and new revelations on the price of food

The Prime Minister, Mr P W Botha, opened the 150th Cape Show at Goodwood with the prediction that food would become scarce and expensive in the 80s as oil had been in the past decade

In Johannesburg, Opposition consumer affairs spokesman, Mr Horace van Rensburg, disclosed that control boards — which had played a major role in the 30 per cent food price increase last year — cost the country an additional R7 million to run compared to the previous year.

He said the cost of running the boards rose by an astronomical average of 28.5 per cent during the past year. During 1979/80, they cost R28 million to run compared with R21 million the year before.

Mr Van Rensburg said the government should take a large measure of responsibility for the soaring inflation rate which pushed up food prices 30

per cent in a year. The millions spent by control boards were a major contributory factor in this inflation spiral, as these costs were carried by the public, Mr Van Rensburg said.

His statement follows repeated opposition calls on the government to curb unnecessary spending on apartheid policies as the most important single remedy for bounding inflation that could reach 20 per cent before the end of the year.

Quoting Opposition figures, Mr Van Rensburg said the amount spent on the Dried Fruit Board rose by a massive 181 per cent, while the Dried Bean Board's costs rose by 121 per cent. The money spent on what, meat, egg, fruit, and other boards also rose considerably.

The Meat Board's budget had increased by 31 per cent to over R5 million making it one of the top-spending control boards in the country while many ordinary people could no longer afford to eat meat, he said.

And the Dairy Board's expenditure had doubled following its merger with

the Milk Board in a "rationalisation" effort

The 30 per cent increase in food prices during 1980 was a "calamity" for many South Africans "and indications are that the position in 1981 is going to be even worse," Mr Van Rensburg said.

He accused the government of holding an early election to avoid the political consequences of the "huge economic problems" that lay around the corner.

His accusations come against a background of increasing concern among economists that only drastic measures can slow down the country's vicious price spiral.

The Minister of Finance, Mr Horwood, is expected to use the conference today to urge industry and commerce to keep a tighter reign on prices and to moderate salary increases.

Mr Botha said South Africa was continuing to increase production and export of food and comparative statistics also showed that South Africa had the cheapest food in the world.

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Talks on bus fares

By SAM MABE

THE Dobsonville branch of the Azanian People's Organisation will hold a meeting at the Nederduitsch Hervormde Kerk van Africa in Logntill, Dobsonville, tonight, to discuss the forthcoming Putco bus fare rises.

The organisation's publicity secretary, Mr George Wauchope, said the theme of the meeting, which will start at 7 pm, will be "Let oneness prevail, we would rather walk proudly than pay high bus fares."

Another meeting will held on Sunday at 2 pm at the Roman Catholic Church in Moletsane near Sakies Garage.

Some time

del. 1/11/77

244

2c rise

Augus 27/3/81
in petrol

price

likely

Transport Reporter

PETROL could cost another two cents a litre at the pumps from Wednesday

Oil companies could face an increase of six cents but the extra four cents would be absorbed by the equalisation fund.

Reliable petrol industry sources today confirmed speculation that the Minister of Mineral and Energy Affairs, Mr F W de Klerk, might announce the increase officially on Tuesday evening after the weekly Cabinet meeting.

The Automobile Association's public relations director, Mr Hennie Kleynhans, said that if this was so — and he had been aware that the oil companies had been complaining of under-recovery for some time — it would be a blow to the motorist and efforts to control inflation.

'It is a well-known fact that regardless of any

(Continued on Page 3, col 3)

Augus 27/3/81
Petrol

(Continued from page 1)

appeals to commerce to pass on only that portion of their increase in costs that the fuel price increases cause, they invariably pass on far more than their actual transport costs.

'I want to call on the Government to make known the structure of petrol pricing so that the layman can see how it is split up. The way it is treated at the moment, it is almost classified information.

'If you add to the two cents a litre, the additional price that the Railways charges will add on the same date, it will make a 2½c/litre increase on the Reef, which is considerable.'

BUDGET

Industry source revealed that the increase would not have any percentage in it for the petrol retailer and that there was a strong possibility that a further increase would be announced in the main budget later this year to come into effect on July 1.

Mr de Klerk said earlier this month while announcing the speed limit increase to 100 km/h that this did not mean that the price of petrol would not necessarily go up.

However, he qualified that, in answer to a further question during the Press conference, by saying that there were no applications for petrol price increases on his desk at that time.

Azikhwelwa, say leaders

By LEN KALANE
"AZIKHWELWA" — this is the threat by black leaders should Putco go ahead with its intended fare increases.

Putco bus fares on the Witwatersrand are expected to go up by an average of between six and seven percent. No fixed date has been set for the increases but it is hoped this will come about next month.

Putco, the country's largest passenger bus operator, yesterday announced a 41 percent increase in pre-tax profit to R5,4-million for the six months to December 31, 1980.

On Sunday, the Soweto branch of Azapo will hold two public meetings to discuss the bus boycott. One meeting

would be held at the Lutheran Church in Moletsane and another at St Andrews in Klipspruit.

And Mr Leonard Mosala, of the Committee of Ten retorted "Azikhwelwa — we have no option. If Putco increases fares our only response would be to stop using the service because it is clear that they can absorb the increased costs without suffering a serious damage to their profits"

Mr Chris Mokoditso, former executive of the banned BPC said "If Putco wants to have a confrontation with blacks it must go ahead with increasing the fares as this would be a clear challenge to the destitute people"

32/244
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SOWETO

DEPARTEMENT VAN NYWERHEIDSWES, HANDEL EN TOERISME

No 634

27 Maart 1981

WET OP DIE BRANDSTOFNAVORSINGS- INSTITUTE EN STEENKOOI, 1963

HEFFING OP STEENKOOI VERKOOP OF VIR NYWERHEIDSDOEL-INDJES GEBRUIK

Dit het die Minister van Nywerheidswese, Handel en Toerisme behaag om, kragtens die bevoegdheid hom verleen by artikel 7 van die Wet op die Brandstofnavorsingsinstitute en Steenkool, 1963 (Wet 38 van 1963), die volgende heffings ten opsigte van die kalenderjaar 1980 op te lê—

(a) 'n heffing van een en tweehonderd-en-vier duisendstes van 'n sent (1,204c) per metrieke ton op alle steenkool wat verkoop, of vir enige nywerheidsdoel (uitgesonderd die voortbrenging van steenkool by die betrokke steenkoolmyn) gebruik is deur enige steenkoolmyn in die Republiek geleë wat nie minder nie as 110 miljoen (eenhonderd-en-tien miljoen) metrieke ton steenkool gedurende genoemde kalenderjaar voortgebring het en

(b) 'n addisionele heffing van negen-en-negentig duisendstes van 'n sent (0,099c) per metrieke ton op alle steenkool wat ingevolge subparagraaf (a) aan die oplegging van 'n heffing onderhewig is

DEPARTMENT OF INDUSTRIES, COMMERCE AND TOURISM

No 634

27 March 1981

FUEL RESEARCH INSTITUTE AND COAL ACT, 1963

LEVY ON COAL SOLD OR USED FOR INDUSTRIAL PURPOSES

The Minister of Industries, Commerce and Tourism, has by virtue of the powers vested in him by section 7 of the Fuel Research Institute and Coal Act, 1963 (Act 25 of 1963) been pleased to impose the following levies in respect of the 1980 calendar year—

(a) a levy of one and two hundred and four thousandths of a cent (1,204c) per metric ton on all coal sold or used for any industrial purpose (other than the production of coal at the colliery concerned) by any colliery situated in the Republic, which produced not less than 110 million (one hundred and ten million) metric tons of coal during the said calendar year and

(b) an additional levy of ninety nine thousandths of a cent (0,099c) per metric ton on all coal which under subparagraph (a) is subject to the imposition of a levy

DEPARTEMENT VAN MINERAAL - EN
ENERGIESAKE

No R 677 27 Maart 1981

PRYSBEHEER —MAKSIMUM PRYSE VAN
STIEENKOOI

Ek, Elias George de Beer, Prysbeheer, handelende
kragtens die bevoegdheid my verleen by artikel 4 van
die Wet op Prysbeheer, 1964 (Wet 25 van 1964), as g

DEPARTMENT OF MINERAL AND ENERGY
AFFAIRS

No R 677 27 March 1981

PRICE CONTROL —MAXIMUM PRICES OF
COAL

I, Elias George de Beer, Price Controller, acting
under the powers vested in me by section 4 of the Price
Control Act 1964 (Act 25 of 1964) do hereby amend

244 gyl 7516

The lower portion of the document is a large grid of graph paper. The grid consists of approximately 15 columns and 25 rows of small squares. There are very faint, illegible handwritten markings scattered across the grid. At the bottom left corner of the grid, there is a circled number '7' with an arrow pointing towards it.

Petrol price to rise on April 1

ROM 28/3/81 ~~244~~

By GERALD REILLY
Pretoria Bureau

THE PRICE of petrol will be increased throughout the country — except in coastal areas — on Wednesday

As predicted in the Rand Daily Mail, the increases will range between 0,2c a litre to 1c a litre in some of the more inaccessible of the 30 petrol grids, the director of the Motor Industries Federation, Mr Jan-
nie van Huyssteen, said yesterday

On the Witwatersrand the price will go up by 0,5c a litre for premium fuel to 55c a litre

The increase is a result of the increases in pipeline and road tanker tariffs of more than 10% announced in the Railways mini-Budget last month

Mr Van Huyssteen said retailers and oil company profit margins would remain unaltered for the time being

He said a further increase in fuel prices later in the year was possible if the OPEC countries at their mid-year meeting decided on a higher basic crude price.

This would also have to take into account a readjustment of margins

A break down of the current price shows that the wholesale price, including producers' price and refining costs, is 18,999c equalisation fund 16,7c Customs and excise 9 341c, retailer margins 3,51c GST 2,1c and railage 3,7c

From a Government source it was learnt that the price of other commodities, specially where rail tariffs are a major

cost factor, such as coal and cement, would also have to be adjusted soon after April 1

The petrol price rise is the first of these

Economists said last night the railway tariffs would become a significant factor in price rises during the next four or five months.

Soon after the General Election a further range of administered prices will rise which could send the current 16% inflation rate reeling towards 20%, they said.

These included the basic foods — maize and maize products, all dairy products, and later a bread price rise.

Meanwhile, Government sources denied reports that oil companies are to be given a 6c a litre increase and that this would mean a 2c a litre increase in the price of petrol

By WILLIE BOKALA 3/13/81

A DEFINITE date for Putco's bus fare increases may be announced this week, the company's public relations office said yesterday.

Dr D Bradley said the company was waiting for the Government to give it a date for the implementation of its six or seven percent increases for the Witwatersrand. "We believe they will give us this date any day this week," he said.

Mr Bradley said Putco had not increased its bus fares for almost two years unlike other companies. "Which other company has gone for two years without implementing increases," he asked.

Reacting to a report that Putco would be boycotted not so much because of the increases, but because it was partly owned by the Government, Mr Bradley said the report

was not only untrue but misleading

In meetings of the Azanian Peoples Organisation (Azapo) over the weekend, it was resolved that Putco buses would be boycotted when the fares go up. The meeting said it was Government responsibility to subsidise fares as the company was partly Government-owned.

Mr Bradley said Putco is not Government-owned but a public company quoted on the Johannesburg Stock Exchange. "The only link between the Government and Putco is that the Government subsidises the company. And this subsidy is not given to enrich the company but to help the passengers. Fares would have been very high without that subsidy," he said.

Mr Bradley said Putco would announce the date for the increases soon as they get the go-ahead.

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Price of offal likely to rise by 30%

Consumer Mail

PRICES of offal, the food of the poor, are going up on April 7 - probably by between 30% and 40% according to retail sources

This means ox heart, which costs about R1,98 a kg now, could cost as much as R2,77 a kg this month

Ox liver, about R2,99 or more a kg at present, will cost about R4,19 a kg, making it more expensive to buy than chuck

A spokesman at the Rand Offal Pool - the company which sells all offal on the Reef - said yesterday he knew of no increase

But the Meat Board later confirmed that an increase is expected, but were unable to give details of how much because the matter was still under discussion

Offal prices are not set by public auction, or controlled by the Meat Board They are established by, and the profits accrue, to the Offal Pool

The Offal Pool's shareholders are the Big Three in the meat industry - Vleissentraal, Kanhym/Karoo and Imperial Cold Storage

The Housewives League who gave evidence at the commission have questioned how the profits are distributed and how the farmer is paid out

They have also criticised the "minimal" amounts the farmer is paid for his offal

Last night, Mrs Yvonne Forshaw, vice-president of the League said "The increases are shattering and quite frightening"

Health care delivery. One need only refer to the statistics which compare South Africa to a variety of other countries to find that our health care system is far from ideal. The Rand Offal Pool, which is a large of offal, is developing its in the field of health care delivery. It is a company which sells all offal on the Reef. It is a company which sells all offal on the Reef. It is a company which sells all offal on the Reef.

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**New price
 increases *all Lib*
 on the way *ju***

Consumer Reporter

Consumers must steel themselves for another round of price rises within the next few weeks.

The new maize price will be announced this month, and in spite of a bumper crop, the price is expected to be increased by between 18 and 20 percent.

This will cause a ripple on many basic foodstuffs such as meat, eggs, chicken, margarine, cooking oil and dog food. Cooking oil could go up by 20c for a 750 ml bottle, and dog food by R1 for a 5 kg bag.

A dairy price increase, also due to be announced later this month, will put up the cost of butter, cheese, yoghurt, milk and condensed milk.

Products that will cost more from this week include detergents, paper products, haricot beans and motor oil.

Paper products, such as tissues, serviettes and plates, will increase by an average 20 percent, detergents are up 7 percent, haricot beans 33 percent and motor oil 5 percent.

Railway passenger fares and freight rates go up by between 10 and 25 percent today — exactly 12 months since the last tariff rise.

The increases, which were announced by the Minister of Transport, Mr Schoeman, in his mini-budget speech in February, are expected to send inflationary ripples through the entire economy of the country.

agricultural development of the Rietvlei area, with the majority of villages being "rehabilitated", with more agricultural officers and a more active Zenzele movement, would probably explain why no significant difference was found between the sample and control groups in the Rietvlei area with respect to presence of gardens, and why, although the teaching of gardening at Rietvlei seemed inferior to that at Holy Cross, no significant difference was found between the two samples with respect to presence of gardens.

The study identified problems with fencing as the biggest single factor preventing the establishment of gardens.

A third important area in which the effects of the NRU on the community could be important is the dissemination of nutritional and health knowledge from the NRU guardians to others in the community. Although it was not possible to check the claims made by the guardians in this respect, it would appear that the knowledge is being disseminated.

While the NRUs have had positive effects to variable degrees in the above three areas, the immediate practical benefits they have brought to the children concerned are not certain. Of the Holy Cross sample, 58% had died since returning home, while at Rietvlei 17% had died. In neither area was the death rate of sample and control groups significantly different, although the small numbers in the control groups must be noted. The incidence of kwashiorkor, marasmic-kwashiorkor or marasmus at follow-up was about 30% in both samples and in neither case was this incidence significantly different from that in the control groups. Approximately 30% of each sample showed a fall in percentage of expected weight at follow-up and, taking into account the deaths which had occurred, the overall weight distribution of children at Holy Cross showed little improvement at follow-up, although some improvement was evident at Rietvlei. The change in weight distributions of controls was not significantly different from that of the samples.

The significantly different death rates in the two areas bear further examination. It must be noted that both sample and control groups in each area had similar death rates and that the differences between the two areas are probably regional differences rather than differences between the NRUs.

educational standard of the guardian, but a higher proportion of those with higher educational qualifications had gardens. Four of the 7 control guardians had school education.

DISCUSSION AND RECOMMENDATIONS

Effectiveness of the NRU's

The nutritional knowledge of both better than that of the controls, but sample guardians who had spent less NRU's. It is clear that the guardian standing what is taught at the NRU's difficulties in the implementation of chief difficulty being related to training families.

The two areas in which change assessed were the diets of the children. The diets of the children in both general, than those of the controls better dietary pattern in the Rietvlei with the Holy Cross sample. This change, first, and almost certainly the higher income level in the Rietvlei different teaching methods adopted Rietvlei the guardians are taught 6 Holy Cross the teaching is less rigid may be more effective in establishing at home.

The proportion of guardians with Holy Cross was significantly higher group. There was no significant difference Rietvlei. Again, this difference related both to differing teaching socio-economic conditions in the Holy Cross NRU places more active gardening with the guardians working significant that the majority of sample did not freely volunteer their gardening at the NRU. Secondly, the

Consumer Reporter
The price of offal is to increase next week by a possible 30 to 40 percent. A Meat Board spokesman said the offal price was adjusted twice a year to keep in line with the red meat price. Offal went up by an average of 25 percent last November. "The latest increase is shattering," said Mrs Yvonne Forshaw, vice-president of the House-

wives' League. "It is particularly serious as it is generally the food of the poor — and these people can least afford a large meat price hike," she said. Slaughter tariffs at nine abattoirs were increased yesterday, but this is unlikely to affect the price of red meat for several months. Tariffs at Johannesburg, Pretoria, Cato Ridge, Springs, Benoni, Krugers-

dorp, East London, Port Elizabeth and Bloemfontein abattoirs went up by an average of 67,5 percent. This was to offset a R2,3-million drop in income owing to 16 percent fewer cattle being slaughtered over the past eight months. Tariffs were last increased in March 1977. On July 1 1978, they decreased by 12 percent after a rationalisation of the

abattoirs cut costs substantially. The higher tariffs have to be paid by farmers, and will not affect consumers immediately. Meat prices may rise later this year when the new floor price is set. When setting the price, the Meat Board takes into account increased transport and slaughter tariffs, and higher fuel and maize prices.

Offal price to increase next week

15.

ignorance, and lack of judgment and experience were the deciding criteria. (94)

As has been indicated, miners for good reasons rejected the use of the atomiser. Substitutes such as molasses were tried in the hope that they would have a 'fly-paper' effect in catching the dust. (95) However by 1911 it was universally accepted that water, but in plentiful supplies, was needed the more especially as it was recognised that not only drilling and

shovelling produced dust, but in fact all underground work were exposed to its dangers. In addition, after the introduction in 1914 by the Chamber of Mines of routine dust sampling, a devisor in 1915 of the Kotze Konimeter by the Government Engineer, Robert Nelson Kotze, and the practice of 'surprise' visits to mines by inspectors also to carry out dust sampling procedures, it was realized that water had to be absolute pure. Earlier the water contained dust in suspension (and even urine) which made it more dangerous than dry dust which settled more quickly; and for the same reason dust had to be alloyed at the production point only. In 1912 the hollow water-fed Leyner drill was introduced, and thereafter the reciprocating drills were abandoned. The 1912 hollow drill was a great improvement on its 1902 predecessor, because better quality steel was used thereby preventing water from entering into the atmosphere before the production point had been reached. The dangers of the use of the dry jack-hammer introduced at the end of 1917, in which exhaust air passed down the hollow drill, were only realised after they had been in use for some time. Despite the simultaneous use of separate jets it was discovered that the drills were ejecting dust in dangerous quantities. All these circumstances led to the introduction in 1921 of a regulation which stipulated that rock drill could be used on the mines without prior approval from the Department of Mines. (95)

The evidence strongly suggests that from 1903 to 1910 farmers who had any connection with the mining industry, including Government, management and other miners (and other mine workers), could claim ignorance of the dust hazard and its causal relationship with silicosis. Preventive and prophylactic steps whether statutorily or voluntarily introduced were few and far between when compared with standards of today and a comparison of 1930. But in this early period the situation was a far from ideal assurance for

16.

allowing dust were neglected or ignored by certain members of all the above groups. Mining inspectors had so many extraneous duties that it was difficult for them to perform their primary functions of supervising the mines and ensuring implementation of the mining regulations which were haphazard rather than 'excellent', as a present-day writer contends. (96) Mine managers too were lax in supervising conformity with the mining regulations. Often they were reluctant to punish offenders

inadequately trained local miners were replacing the skilled workers who had been employed here after the 1907 strike. This others were fully in agreement that they returned to the 1907 strike.

Post-election price rises kept 'secret'

Pretoria Bureau
A NUMBER of big cost of living shocks are being kept tightly under wraps until after the April 29 elections

They include substantial increases in the prices of maize and maize products and dairy products

The prices of literally dozens of other products — dog and animal feeds, powdered and condensed milk among them — will also be bumped up in the wake of these price rises

And soon after the new dairy and maize prices are announced there is certain to be a big increase in the floor price of beef

The Marketing Council is now processing the prices recommended by the Maize Board and the Dairy Board

The council will pass its recommendations on to the Minister of Agriculture within the next three weeks, it was learnt

It is understood that the National Maize Producers' Organisation (Nampo) has recommended a net producers' price of about R140 a ton — R18 a ton above the current price

The gross price could be as high as R147 a ton

Out of this however the farmer will have to pay a substantial levy into the Maize Board's price stabilisation fund which, after a season of heavy export losses, is in the red

And provision will have to be made for what are expected to be record export losses during the 1981/82 season on the 6-million ton export surplus from the record 13,5-million ton crop

Maize Board sources claim however that the farmer will bear all of the losses suffered on exports.

It is understood that the Dairy Board recommended to the Minister of Agriculture that dairy produce prices should be raised from April 1

For obvious political reasons this was rejected

Dairy product prices are normally increased from the beginning of June but the plight of dairy farmers is so serious, the industry claims, that the board recommended an earlier price rise

The fresh milk, butter and cheeses price rises are expected to be large enough to cover the claimed increase in production costs of 18 to 20%

The South African Agricultural Union is now putting together its motivation for a higher beef floor price

It is claimed that the current floor price has no relevance and that there will have to be a substantial increase

The present floor price for super beef is R1,50 a kg. But, an SAAU official pointed out yesterday, this week's auction price for super beef in Pretoria was R2,80 a kg

He also pointed out that if demand fell away and the price dropped to the floor level, farmers would suffer heavy losses.

The need for an adjustment was therefore urgent and obvious

And the biggest shock of all — a bread price rise will come later in the year

Pretoria sources said yesterday that maize farmers were "fussing" about the large — nearly R200-million — bread subsidy, and claimed that they merited greater subsidy support

This is one reason why a substantial increase in the bread price — probably from the start of the new wheat season in October — is expected

inadequately trained local miners were replacing the skilled workers who had been employed here after the 1907 strike. This others were fully in agreement that they returned to the 1907 strike.

inadequately trained local miners were replacing the skilled workers who had been employed here after the 1907 strike. This others were fully in agreement that they returned to the 1907 strike.

most important purpose behind the policy of removing from Africans their South African citizenship and permanent residence rights - indeed, the principle purpose of separate development itself is and always has been, to consolidate the white man's exclusive hold over the 86 per cent of the country which he unilaterally appropriated for himself by the Land Acts. Thus the debates about issues like freehold, home-ownership, citizenship, influx control, and Section 10 rights are really debates about the ownership and occupation of land. Practically every important issue in South African politics can ultimately be reduced to this one quintessential question: who has the land?

'We do not accept the principle that 17 per cent of the South African population have a moral right to hold 87 per cent of the country for themselves,' Chief Gatsha Buthelezi has declared. 'We reject the idea that there is any part of this land where blacks are foreigners. It must be made clear that blacks have a legitimate right to be in any part of South Africa.' Buthelezi has thus forsworn independence for Kwa-Zulu, a stand in which he has the backing not only of Inkatha, but undoubtedly also of the vast majority of Zulu-speaking South Africans. Indeed, in rejecting the idea that whites have an exclusive claim to 87 per cent of South Africa Buthelezi is expressing a view which is almost certainly shared by the great majority of Africans in the country. Referring to Bantustan leaders who have taken independence, Buthelezi has also stated 'Let us make it clear that when it comes to the push we will be forced to treat (this) as treachery and to regard those who are involved as traitors'. At the time the Transkei became independent, the president of the Soweto Students' Representative Council, Khoiso Seatholo, declared 'We are opposed to the fragmentation of our mother land into ethnic political entities. Azania belongs to us in whole. It is our land. It is our birthright. All the wealth of Azania belongs to all its citizens irrespective of ethnic group, race, or colour of the skin.'

But to Nationalist ideology, to the mind of politically organised Afrikanerdom, the idea of sharing the land of South Africa is anathema. Thus M. C. Botha declared in Parliament in 1976 'There is something that worries me. I want to knock that thing on the head as soon as I can. I heard no less a person than the Hon. the Leader of the Opposition speaking of the white area of South Africa as "the common area" and "the joint area of black and white, coloured etc." That is an absolutely wrong attitude to adopt - to talk about the Bantu homelands and then describe the remaining portion of South Africa as "the common area".' A few years before, at the 1972 Sabra conference, I. P. van Onselen, Secretary for Bantu Administration, had put the question more starkly

From our own history we have learned how dangerous it can be to the survival of the white nation if its land should be alienated. In the recent

past we have heard various appeals for the right to own land to be granted to Bantu outside their homelands. We know that before My Department is still battling with which resulted from overcrowding of Bantu own towns. The most bitter battles between Xhos over land. Throughout our history, wars and con from land disputes.

Tightening up the pass laws and providing for ally to wither away were the next logical step of separate development. At the same time, the pass and influx controls after the township revolution from other motives as well. The Black Sash sign that the pass laws were being used for police, early twenty group seem to have been a Sash Youngsters who were no longer at school workseekers could be declared idle, removed to work colonies, and stripped of their Section

Following the increase in guerrilla activity chapter, the pass system was apparently also a tions against guerrillas making their way to the the penalties for workers and employers for it accompanied by repeated warnings to employ to hire unregistered Africans. The chief of the Zietsman, said householders should not er have proper reference books. Guerrillas caught had been found with forged passports and r employers' signatures. Shortly after the Go Minister Kruger appealed to people 'not to from another area unless they have gone there. I would also suggest that they should strangers staying on their premises without course, also applies to farmers in the border Vaal Triangle Bantu Affairs Administrator ers in the area that they might be harboured es, and urged them not to hire any Africans the labour bureau. The roadblocks in various ticularly the northern and eastern Transva were no doubt part of a police effort to prevent trators from reaching the towns, the check employment and other records serving as o. fying Africans who were 'illegally' in the a commissioner of police, General Prinsloo, and roadblocks were being increased follo terrorists would soon try to make their w

Rise in offal price hits blacks

EAST LONDON — The increase in the price of offal is hitting hard the low paid group of blacks in the townships, say civic leaders and butchers here.

The price of offal has been increased by more than 40 per cent.

A spokesman for the Meat Board confirmed that the price had been increased and that prices were determined by the mass of the offal.

The manager of Imperial Cold Storage, Mr

A. Sutherland, said the increase had become operative from March 1 this year.

The price of beef offal had increased by about 40 per cent and that of mutton and pork by 12 per cent.

Although meat prices had been increased in September last year, the price of offal had not risen then.

Local butchers said the increase was ridiculous because the majority of people who consumed of-

fal were blacks.

A spokesman for an Mdantsane butchery said the minimum price for sheep offal at Mdantsane was R1,50 a kg and for ox offal R1,10 a kg.

An ox heart cost between R1,50 and R1,85 a kg.

"The sale of offal and meat is no easy job. People have no money," the butcher said.

A member of the Duncan Village Community Council and nursing

sister, Ms Mabel Mdaka, said the biggest consumers of offal were the blacks whose earnings were below the poverty datum line.

"Samp is our staple food in the township. To make it tasty one has to add gravy to it," Ms Mdaka said.

"It is not going to be easy to buy the offal in spite of the fact that meat is eaten only once a week by most families. It is useless to increase the price of offal," she added.

— DDR.

Wholesale index edges up

Financial Editor

WHOLESALE prices rose by 1,25% in February and the 12-month rate rose fractionally to 16,23% from 16,21% at the end of January.

The index was 209,8 in February compared with 207,2 in January and 180,5 in February last

year
 The 1,25% rise in February follows modest rises of 0,34% in January and 0,43% in December.

However, the change in the annual rate is too slight to be of any statistical significance

A possible slight comfort is that the 12-month rate is still below the level it was at the end of October, November and December last year.

The peak was 16,95% for the year to the end of November.

In March 1980, the wholesale-price index rose by only 0,68%. So if there was a repetition this March of the kind of rise that occurred in February, this will be reflected in an acceleration of the annual rate.

But in April last year the WPI rose by 1,35% and the annual rate went above 18,5%

It will be grim news if that pattern is seen again this year.

The big round of prices in the pipeline may not be really seen, however, until after the election at the end of this month.

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ACKNOWLEDGEMENTS

This survey would not have been possible without the help and encouragement of many people in both England and Malawi.

Dr Guy Daynes was the medical superintendent of St Lucy's Hospital when the project was first suggested.

Before leaving for the Transkei I discussed the project with Dr Stanford of the Rand-Sulton Institute and with Dr Stott of the Brownson Hospital. Dr Kleberberg and Mr Arabin of the South African Tuberculosis Study Group provided me with much useful local information and advice before I arrived.

Dr and Mrs Deven-thure not only made me welcome at St Lucy's, but also provided me with a grant from the research fund of the hospital and lent me a Land Rover.

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Westcott and Stott (n.d.) Family incomes in the Tsolo area (mimeograph)

Maize to go up ^{sign} by ²⁴⁴ 15 percent ^{gluts} this month

By Hannes Ferguson
Farming Correspondent

The new maize price will be announced before the election, about the third week of this month according to sources close to the Minister of Agriculture, Mr du Plessis

A price increase of about 15 percent is in the offing. This would have a pronounced ripple effect on the consumer prices of meat, poultry, milk and eggs.

The exact increase depends on the consumer subsidy the Government is prepared to apply. This is purely a political decision to be taken by the Cabinet.

Last week, the Maize Board put its first official estimate of the current crop at 13,417-million

tons, against 10,726-million tons last year.

Based on this crop estimate, as well as the production cost increase and the estimated export price, the Maize Board had made its price recommendations to the Minister, the sources said.

After comments by the Marketing Council, the Minister will put his proposals before the food committee of the Cabinet, which has the final say.

LOSS

Discussions are said to centre on ways to finance the huge export loss which has been estimated at no less than R300 million.

The maize industry is not in a position to aim — like any other business — at the maximum realisation for its production, offsetting export losses by higher domestic

prices, because the consumer is protected by the Marketing Act.

As a result, farmers are allowed only to add their cost increases to last year's price.

Resolutions adopted at the recent congress of the National Maize Producers' Organisation in Klerksdorp made it clear that the maize industry looked to the State to subsidise the consumer and absorb the export loss.

INDUSTRY

Last year the State paid R12.50 a ton — total about R50 million — into the maize pool and also lent about R40-million to the producers, enabling them to finance part of the export loss in an indirect way.

Farmers feel maize should now be viewed as

an export industry. Only about 6-million tons can be sold on the domestic market. It is impossible to continue to finance export losses on an ad hoc basis, as if maize surpluses were freaks, farmers argue.

They say they could not survive if they are forced to pile debt upon debt to pay for export losses.

In Pretoria, the Maize Board announced that the flow of exports would be increased to make room in the inland maize silos for the new crop to be delivered by farmers from May 1.

It said that 28 shiploads averaging 14,000 tons would be exported in April. To make this possible, 1,400 rail trucks weekly would ply the East London route and 600 would run to Durban to fill the harbour silos.

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paying for health services.²⁵ Technically this is not difficult to understand. Though the problem appears to be one of poverty (lack of income) it is essentially one of demand and supply.²⁶

In a system of socialised medicine, society itself appears in the market as supplier as well as demander. There seems to be no equilibrating mechanism. On the supply side voters are cost minimisers. On the demand side they are utility maximisers. The result is a chronic shortage of facilities, illustrated by waiting lines and inferior health care,²⁷ in the sense that consumers would be willing to pay for more than they receive. The rapid growth of private health insurance schemes in Britain provides evidence of this. A market oriented medical system faces different problems. In the Section I it was argued that the probability of getting sick was roughly independent of contributions to medical aid schemes. Of course, however, the probability of calling on a doctor is much greater if one is ill (or would like to imagine that one is ill) since the marginal cost of doing so is very low. The consumption of medical services thus rises. From the point of view of the medical profession a compulsory medical aid scheme is highly satisfactory. Costs of collecting debt are reduced while at the same time demand for their services is increased. It must be concluded that a compulsory scheme such as this is an example of a very smart bit of marketing. The effect is further that doctors spend relatively more of their time dealing with relatively trivial complaints. Since the marginal cost for medical scheme patients of any service is virtually zero, services are likely to be consumed up to saturation levels.

On the supply side the problem can be characterised as one of monopoly and barriers to entry. In some sense, of course, these barriers are inevitable. The art is long. Even when doctors serve an arduous apprenticeship, what constrains the number of

No rent rise for Mamelodi

By NORMAN NGALE
MAMELODI Community Council has decided not to increase the local rents this year.

Mr W M Aphane, chairman of the Council said yesterday his council was tired of going to the residents to ask for rent hikes

"Since our inception as a Council in 1978 we have been giving the people many unfulfilled promises and in return asked for the higher tariffs," Mr Aphane said.

According to capital estimates approved by the Council for projects in

the township, the residents were to pay about R15,02 per house to redeem the shortfall

Mr J A van Eeden, director for Housing and Community Development for the Central Transvaal Administration Board disclosed yesterday that Mamelodi Council had a shortfall of R2,2 million.

Mr Van Eeden said it was a pity if the Council was now afraid to go to residents to ask for money to improve their quality of life.

Mr Aphane was asked how his council would obtain money for its projects which included the tarring of streets and paying for increased electricity by Assocom, water purification and sewerage system by the Pretoria City Council

He said the Council would explore sources of revenue other than rent hikes but could not specify his sources

Mr Van Eeden said if the community was not prepared to pay for improved facilities they would have to do without such improvements because the Government had made it clear it would not subsidise the councils

confidence and trust of the patient The importance of insight or self-

understanding by the doctor in this relationship has been stressed by

Balint ⁶ A knowledge of the dynamics of this relationship is important

in understanding the motivation of the patient and the form in which ill-

Primary care.

As the doctor of first contact, the general practitioner, unlike

the specialist, deals with unselected problems in all patients irrespective

age, sex and illness This is the most difficult and complex skill

medicine The diagnostic process in general practice referred to as

problem solving is different from the traditional model taught in the

schools of the teaching hospital

Technology and special investigation are of marginal value in the

diagnosis of problem solving It is a sophisticated intellectual process

based on our knowledge of the patient and the patterns of disease en-

countered in the community It is based on perspective and probability

bearing in mind that a different weight of probability exists in the

community as compared to the hospital. The primary care doctor must be

able to tolerate doubt and ambiguity which are necessary conditions of

his work

The first step in problem solving is to define the problem which

is frequently not what the patient presents It may not even be the

patient who presents. Studies in general practice have shown that in a

third of all cases where a mother brings a child to the doctor she is

seeking attention for herself ⁷

The process of problem solving is primary care involves making

a hypothesis on partial information and then putting it to the test

Scientific justification is given to this method by the severity of

criticism applied to each hypothesis made "Imaginative conjecture

and criticism, in that order, underlie the physician's diagnosis of his

patients complaints." (Medawar) ⁸

is given

the general practitioner views

a philosophy that the whole

of his patient as a whole rather than a part of his diseased anatomy he

considers organic, psychological and social factors in the diagnosis and

management of his patients' problems Knowledge of the family and its

relationships is important in understanding the emotional and psychosomatic

problems presented by its members Visiting patients at their homes adds

a great deal of information and understanding about them.

Going up.

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Hospital fees

Mercury Reporter
FEES at private hospitals in Durban will be increased by an overall 15 percent following a Government Gazette announcement by the Minister of Health, Welfare and Pensions, Dr L A P A Munnik, in Cape Town this week.

Private hospital patients will now be paying R31.50 a day for a surgical bed in a hospital with more than 70 white beds, and the cost of a bed in the intensive care unit will be increased by 26 percent, raising the tariff to R72.50, from R57.50 last year.

Spokesmen for three private hospitals in Durban

yesterday confirmed the increase, saying it was necessary because of the rate of inflation and staff shortages.

The administrator of Durban's St Augustine's Hospital, Mr L Goldman, said all private hospitals were now faced with having to pay nurses higher salaries which had forced them to raise their fees.

'There was just no way we could increase our nurses' salaries and keep our fees the same,' said Mr Goldman. 'Officials of the medical schemes were approached and an increase in tariffs is the result.'

School fees

Mercury Reporter
MOST parents of private school pupils, who had to contend with substantial increases in fees early this year, are faced with another fees increase of at least 10 percent.

And fees at Hilton College, which last increased its fees in April last year, are to rise by 37 percent to R4 400 a year in April when pupils return for the second school term.

The fees increases follow Government school salary increases announced in the mini-budget.

The headmaster of Highbury Primary School in Hillcrest, Mr Sholto

McMillan, said boarding fees would rise 10 percent in July to R1 924 a year, mainly to keep ahead of salary increases in State schools. Fees for day pupils would also rise by 10 percent.

Mr Anthony Cheetham, headmaster of St Anne's Diocesan College, confirmed school fees would be going up but declined to say by how much until parents were notified.

Fees at Michaelhouse, which rose to R3 400 a year in January, are also to go up in July. The bursar, Maj Tony Butler, said it had not been decided yet by how much fees would rise.

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planned and implemented by the people themselves.

c) Projects involving migrant workers.

Community development workers in the rural areas face an almost insurmountable problem in the form of the migrant labour system.

Blocks who live and work in the urban areas can look forward to improvements in their work and living conditions as a result of improved labor practices and the existence of the Uroa Foundation and a number of concerned service organisations.

Industrialists have got to acknowledge that they have a very heavy debt to pay off in the rural areas from where the bulk of their labour force comes.

Very definite steps need to be taken to counteract the host of problems that the migrant labour system precipitates at family level.

Every company employing large numbers of migrant workers must establish a division in its personnel section that deals specifically with migrant labour issues.

This division should undertake projects aimed at:

1) Helping the migrant worker adjust to urban life. Orientation lectures concerning all aspects of life in urban areas should be arranged.

2) Consolidating the migrant worker's position as a responsible head of a family unit.
 Workers should be encouraged to consider home improvement projects whether they are related to agriculture, animal husbandry, type of dwelling etc. They should be assisted to make the necessary savings and acquire the necessary knowledge while in the urban areas. Both as each year a different project could be undertaken. If eventually this would necessitate the organisation of adult education groups in hostels etc.

Attitude towards family planning: (Table forty four)

Response	Percentage of total.	Percentage of maln.	Percentage of non maln.
Uses contraceptives	30%	26%	74%
Does not know about family planning	12%	50%	50%
Does not believe in family planning	6%	66%	34%
Family disapproves	6%	33%	67%
Does not apply	16%	37%	63%
Knows but no action	30%	86%	14%

Other and mother figures educational level

(Table Forty Five)

No education	37%	70%	30%
Sub A or B	2%	100%	55%
Std 1-3	31%	45%	60%
Std 4-6	22%	40%	100%
Std 7+	8%		

The responses reflect a correlation between the level of formal education and the occurrence of malnutrition but not exclusively so. The lack of education must be seen as one of the causes of the apathy so frequently encountered when working with rural people. It is through education and technology that man learns that a certain degree of mastery over environmental social and natural obstacles is possible. However, for the rural person catastrophes at family or community level are seen as the results of forces over which they have no control - the displeasure of ancestors, bewitchment etc. It must be understood that in an undereducated state this is the only adjustment that an individual can make to an apparently hopeless situation.

This explains the responses which reflected a general lack of conviction about the cause of the disease, the steps needed to prevent a relapse; and the need for family planning. It also explains the adherence to traditional practices and the readiness to pursue traditional forms of treatment

The investigations lead us to believe that the mother or mother figure of the malnourished child was likely to have certain characteristics:

- she has little or no formal education,
- she is not convinced of the cause of her child's illness
- she is likely to believe in the value of traditional Zulu health practices viz. giving enemas
- she is not likely to be motivated towards family planning
- she is likely to be unmarried, or if married the customary lobola obligations will not have been met.

Added to which the household in which she lives is also likely to have certain characteristics.

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Sugar

Finance Reporter

FROM today the cost of refined sugar will increase by an average of 11 percent throughout the country.

The increase, announced by the South African Sugar Association yesterday, will have a ripple effect on all other foodstuffs with a sugar content, such as cakes, confectionery and mineral water.

The increase is expected to compensate for industry's higher production costs and the recent rail increases.

According to Mr I G B Smeaton, chairman of the Sugar Association, the effects of the drought which the industry had just come through had not been passed on to the consumer but had been absorbed by the industry.

Of the 11 percent increase, 7.2 percent would go to the industry to cover higher production costs, 1 percent to cover increased packaging costs, 1.3 percent would go to retailers and 1.5 percent would represent the average increase in rail costs.

Mr Brian Bevan, spokesman for Spar Foodliners, said last night that the 11 percent increase on a 1 kg packet of sugar would be 'in the region of 4c, and a 2.5 kg packet about 10c'.

- their local shop is not likely to stock fresh milk
- they are very, very unlikely to have a dependable, safe water supply.

The conventional health worker's response to the mother and her malnourished child will be to

- give her advice on how to feed the child
- offer her a packet of powdered milk at a subsidised rate
- recommend that she attends the family planning clinic.

The health worker has done her bit. Another 'case' has been recorded and attended to; but the problems at community level that have precipitated the onset of the disease remain untouched.

Huge rises in price of sugar and offal

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General

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Staff Reporter

THE PRICE of two major food items — sugar and offal — is going up. Sugar will be 11 percent more expensive from today and offal, a major source of nutrition for the lower-income group, could cost the consumer almost 80 percent more next week.

A Meat Board spokesman in Pretoria confirmed yesterday that the price of offal was being adjusted "in order to keep pace with the price of beef".

The abattoir price would go up by 52 percent on Tuesday, but butchers warned yesterday that once wholesalers had "added their slice", offal could cost consumers as much as 80 percent more.

The increase in the price of sugar, announced by the South African Sugar Association yesterday, will have a ripple effect on all other foods with a sugar content, such as cakes, confectionery and mineral water, which can be expected to increase in price accordingly.

The price increase is expected to compensate for the industry's higher production costs and the inflationary pressures which came into play at the beginning of the month.

Unjustifiable

City butchers reacted angrily yesterday to the offal announcement. They described the increase as "astronomically high and unjustifiable".

Mr Chris Joubert, a Sea Point butcher, said: "We are not happy with the increase. We would have understood an increase in the more sophisticated offal like the tongue, tail and liver, but to increase the price of the cheaper offal is totally unreasonable".

He said there was no justification for an increase in the price of a commodity that sometimes had to be dumped or given away.

The increase was ordered by the Meat Board, which adjusts the price of offal every six months.

Another angry butcher was Eskay Butcheries' manager, Mr Ebrahim Kaskar, who commented: "When one takes into account the slice that the wholesaler puts on the offal the increase will be 80 percent by the time it reaches the butcher. How will the poor be able to afford those prices?"

Beyond means

He said the poorer section of the community would be particularly hard-hit because they turned to buying offal when the price of red meat rocketed beyond their financial means last year.

"Because of this I can foresee a surplus of offal developing".

He said butchers, no matter how hard they tried, would not be able to absorb the increase. An example of how the price of

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offal would be affected was that liver costing R1.90 yesterday would by Tuesday cost R2.00. Mr D C Joubert, chairman of the Cape Offal Board, said there was an agreement between the Meat Board and the Offal Board that the price of offal would increase or decrease percentage-wise in accordance with the increase or decrease in the price of beef.

The price adjustment took place every six months. He said the price of beef had increased by "more than 52 percent in the past year" and that the profits reaped by the Offal Board went to the producer.

The increase was the price the "offal pool" — an organization which runs the distribution of offal on behalf of the Meat Board — charged the trade and would be followed by an increase in the price for the producer.

Importation

He said there was not enough offal to cope with the demand and some people were even thinking of importing the commodity.

According to the chairman of the Sugar Association, Mr I G B Smeaton, the effects of the drought which the industry had just come through had not been passed on to the consumer but had been absorbed by the industry.

Of the 11 percent increase, 7.2 percent would go to the industry to cover higher production costs, one percent to cover increased packaging costs, 1.3 percent would go to retailers and 1.5 percent would represent the average increase in rail costs.

The spokesman for Spar Foodliners, Mr Brian Bevan, said last night that the 11 percent increase on a one-kilogram packet of sugar would be "in the region of four cents more, and a 2.5 kg packet about 10 cents more".

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Price of
sugar up
by 11%
today

Own Correspondent

DURBAN. — From today the cost of refined sugar will increase by an average of 11% throughout the country.

The increase, announced by the South African Sugar Association yesterday, will have a ripple effect on all other food-stuff with a sugar content.

The price increase is expected to compensate for the industry's higher production costs and the recent rail increases which came into effect at the beginning of the month.

According to Mr I G B Smeaton, chairman of the association, the effects of the drought which the industry had just come through had not been passed on to the consumer but had been absorbed by the industry.

Of the 11% increase, 7,2% would go to the industry to cover higher production costs, 1% to cover increased packaging costs, 1,3% to retailers and 1,5% to represent the average increase in rail costs.

Erab firm on rent



Erab director, Mr F E Marx (centre), pictured during Wednesday's anti-rent demonstration in Tembisa

By MANDLA NDLAZI
A SENIOR official of the East Rand Administration Board (Erab) yesterday refuted an announcement that the Tembisa rent increases will be suspended until a planned mass meeting of residents was held.

The announcement was made by Mrs Zodiwa Radebe to the crowd of anti-rent hike demonstrators who had gathered outside the local Rabosotho Hall on Wednesday. Among other Erab officials present was Mr F E Marx, Chief Director, some local community councillors and riot police.

But Mr Marx said the announcement was unofficial, when asked for a comment. He said the increases could not be suspended as they have been promulgated and gazetted.

The council, said Mr Marx, was to decide on whether such a meeting should be held. Officials of his board, he said, would attend if invited by the council.

The demonstrators cheered and applauded when Mrs Radebe made the announcement on Wednesday telling them to disperse and adding that a date would be set for a mass meeting of residents. Her announcement was shortly after some local councillors and the township manager had tried

for hours to explain to the crowd why the rents had been increased.

Approached later by SOWETAN, Mrs Radebe said she had spoken to the township manager about the suspension until a date for a mass meeting was set. The township manager, she said, accepted her suggestion before she made the announcement.

The township manager refused to disclose his name or comment and referred SOWETAN to the chief director of Erab.

When Mrs Radebe was later told that Mr Marx said her announcement was unofficial she said, "we will not pay the increases until the outcome of the planned meeting." She said she was trying to get permission for an open-air mass meeting and a date for such a meeting. Up until yesterday, Mrs Radebe, who became instant leader of the demonstrators, was still trying to get permission and a date.

● A freelance newsman, Mr Charles Maloko, a resident of Tembisa, was detained for questioning by the East Rand Security Police on Wednesday and released the next day. He said he was picked up from his home at about 8 pm and questioned, among other issues, about Erab's damaged property.

(b) Major assumptions used are that domestic Africans may migrate from region-type to region-type but not in and out of South Africa as a whole while foreign Africans may migrate from outside the country to a particular region-type and back again, but not between region-types.

Sugar up 11 pc today

DURBAN — The cost of refined sugar will increase an average 11 per cent throughout the country today.

And there are also indications the price of red meat will go up drastically in the next few months

The increase in the price of sugar, announced by the South African Sugar Association yesterday, will have a ripple effect on all other foodstuffs with a sugar content, such as cakes, confectionery and mineral water.

While the average increase will be 11 per cent, this will not be uniform throughout South Africa because of rail costs

Mr I. G. B Smeaton, chairman of the Sugar Association, said the effects of the recent drought had not been passed on to the consumer but absorbed by the industry.

Of the 11 per cent increase 7,2 per cent would go to cover higher production costs, 1 per cent to cover increased packaging costs, 1,3 per cent to retailers and 1,5 per cent to increased rail costs.

The price of red meat will probably also be increased drastically in the next few months.

Several spokesmen for the meat industry said yesterday that a variety of factors would cause the increase.

The chairman of the Feedlot Owners Association and president of the Livestock Auctioneers and Allied Industries, Mr Dennis Caine, said the new system of grading contemplated by the Meat Board would aggravate the meat shortage and push up prices

A second factor was the increase in abattoir tariffs

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immigration into the home (in the 15 - 24 age groups, at the end of the two periods).

(e) Within the context of a secular decline, the pattern of foreign male immigration/emigration to South Africa is similar to the pattern to domestic

while it may involve no physical change, changes their status to a greater or lesser degree.

The populations in each region-type are connected by birth, death and migration rates. Birth and death rates will be taken from other investigations; migration will be estimated in the course of this study. If one were to assume that birth, death and migration rates would remain constant indefinitely at their 1975 - 1980 levels, it is possible to show that there would ultimately be a *stable* distribution of population between ages, sexes and region-types, i.e. that the proportion of population in each cell of the distribution would remain constant while the total population grows at a constant rate. The properties of this distribution will be discussed, even though it should be made clear that one is working in the realm of counterfactuals here: birth, death and migration rates will certainly change in the coming years, (the former two fairly slowly). The reason these properties are of interest is that they display clearly the *tendencies* in present migration patterns (given birth and death rates); to the extent that the continued operation of these tendencies give rise to an absurd population distribution, a re-adjustment of African population movement patterns must be expected in the coming decades.

REVIEW OF EARLIER WORK : PROFESSOR NATTRASS'S ESTIMATES OF MIGRANCY AND MIGRATION

In two works, *The Migrant Labour System and South African Economic development 1936 - 1970* (Nattrass, 1976) and *Migration flows in and out of capitalist agriculture* (Nattrass, 1977), Nattrass has pioneered quantitative estimates of the extent of African migration in South Africa. Central to her approach is a distinction between temporary and permanent migrants, temporary migrants being 'those men' [sic] who leave their families behind,

Worst in price rises 'still to come'

4/4/81 (244)

Mercury Correspondents

TOP ECONOMISTS yesterday warned that South Africa was facing the worst inflation rate in its post-war history

The deputy director of the Bureau for Economic Research at the University of Stellenbosch Mr Attie de Vries, believed it would be a euphemism to describe the inflationary outlook as 'fairly bleak'

He foresaw an average rise in the consumer price index during the year of about 15 percent, compared with 13,5 percent last year and equivalent to

a year on year increase of about 18 percent, compared with 16 percent last year

Food in general and meat in particular were likely to continue to exert the most pressure on the index

Demand inflation, the traditional variety where too much money chases too few goods, was beginning to appear along with labour cost inflation, salaries and wages increasing faster than productivity

In addition, the country was likely to experience a more pronounced effect from overseas inflation

this year because of a relative weakening of the rand

Mr De Vries did not believe there was a great deal the authorities could do other than continue with attempts to contain the money supply and maintain financial discipline in State spending

Barclays National Bank chief economist, Dr Johan Cloete, agreed inflation would average 15 percent this year, assuming the Government took the necessary containment steps, and he believed it could go even higher

Meanwhile consumer reaction to the latest round

of food price increases has been bitter

The Consumer Council, the National Housewives League and the Black Sash organisation yesterday reacted sharply to announcements that sugar would go up 11 percent and abattoir prices of offal by 52 percent, condemning the effect such 'massive price hikes' would have on lower income groups

Mr Bill Heunis, Assistant-Director of the South African Consumer Council said from Pretoria he was disappointed and concerned that the consumer had to bear the brunt of these price hikes

'There is very little evidence that the various groups along the producer-consumer line are attempting to absorb increases,' he said

The Consumer Price Index rose by 1,5 percent for all income groups last month and by 16 percent during the 12-month period ending in February

Latest Department of Statistics figures show inflation is running highest for low income groups with the consumer price index standing 20,4 percent higher over the past year

Food continued its upward spiral — increasing by 1,4 percent last month — and by a staggering 30 percent over the past year

'Sleeping 6 or more to a hut', and the least crowded 20% (that is those sleeping 3 or less to a hut), had all very much the same incidence of infection as the rest of the sample. It is hard to find a satisfactory explanation for this result.

Tuberculosis has been traditionally associated not only with overcrowding but also with poverty. We therefore chose family income as our next parameter. We did not ask directly for an estimate of family income in the questionnaire because we were not sure how people would react to such a question, and because, as most of the respondents were women, it was not certain that they would know the answer to such a question. (Women tend not to be told these things, indeed many of them did not even know the nature of the work that their menfolk did in the towns.) We used instead an estimate of family income based on figures given in a recent survey of the same area by Westcott and Scott. They gave average figures for income from various sources (livestock, pensions, money earned locally, money earned in the towns), we therefore asked people how much livestock they had and how many of the household received a pension, how many earned money within the Transkei, how many earned money in the towns and what some home. From this information we computed an estimated family income, and divided the family income by the number of people present in the homestead at the time. This gave an estimated income per person per month.

The children were then divided into two groups, those from families with incomes of R5 per person per month or more, and those from families with incomes below this level (Table 6, Figure 4), and the incidence was estimated for the two groups separately. The results were as might have been predicted. The richer children had an annual incidence of 9% (the 90% confidence limits being 13,7-5,48%), and the poorer children had an incidence of 14% (the 90% confidence limits being 18,56-10,24%).

Finally we looked at the effect of cattle ownership on the incidence of tuberculosis in children. Although it is well established that tuberculosis can be passed from cattle to man through infected milk, it was the general consensus of local medical opinion that this was not a problem in this area. This consensus is shared by doctors in other parts of Africa, even where there is considerable infection amongst the cattle (Waddington, 1957). As cattle ownership is associated with wealth, and as the richer children had a lower incidence of tuberculosis, there was further evidence for believing that there would not be any association between cattle ownership and tuberculosis. The findings of this survey contradicted this supposition (Table 7; Figure 5), for the incidence among those children whose families did own cattle was 13,3 (90% confidence limits: 18,28-9,40%), whilst among those children whose families did not own cattle it was 10,4% (14,38-6,96%). These figures suggest the need for further studies of health and human cultures in the area.

The Social Department of Infection

to 15.1 correlated with living in a sample of ten in the over-structure, 40%. In the study interest. sleeping

All have a greater hypothesis as was tested according to how many the incidence for the surprisingly there was first one had 20% (that had 40; that is those

DD 4/4/81

Medical aid fees likely to go up

(244)

PRETORIA — The escalating costs of illness will force most medical aid funds to review their tariffs, according to a spokesman for the Representative Association of Medical Schemes (RAMS)

He was reacting to the increase in private hospital fees announced this week and to the expected increase in doctors' fees next month

The registrar of medical schemes, Mr J P H Steyn, said the latest increase would be the third within 18 months

Within the last 12

months, including the current increase, the fees would have increased by more than 25 per cent

The RAMS spokesman said the 240 schemes represented by the association would obviously have to have a close look at member contributions

He added that the prices of medicines and drugs were continually rising

The annual payout from the medical schemes was about R600 million. The higher hospitals fees would add three per cent to payouts

Meanwhile the South

African Medical and Dental Council will meet in Cape Town on April 13 to consider raising fees

Last year the council recommended an increase of 10 per cent to the Minister of Health who, however, referred the recommendation back to the council

In November 1979 the council raised doctors' fees by 52,45 per cent despite appeals from the minister

As a result legislation was amended to give the minister the final say in the level of doctors' and dentists' fees — DDR

The inflation crunch is coming



COLLEEN SHEARER, the consumer watchdog, takes a swipe at big business and the control boards

A RECENT newspaper headline announced: "Prices To Rocket In Wake Of Pay Boosts. And the same illogic accompanied Minister of Transport Hendrik Schoeman's move "to increase train fares to meet the huge wage bill arising from the decision to raise salaries

from the beginning of April. What kind of reasoning is, this? It's time Big Business and the Government stopped playing a losing game that pay and price rises called a truce because at present all they are doing is playing leapfrog.

Do the pay increase kings imagine that their beneficiaries do not need to buy such a mundane commodity as food? Do they think a pay rise will immunise their workers against the price rises which inevitably follow to cover those same pay rises?

Do you know what is likely to happen? It will soon cost R10 to produce a R10 note, and then our best bet, our only choice, will be to return to bartering with bananas and beans. You have to prevent inflation not try to cure it or live with it, and the first step is NO CREDIT.

That will sort out the men from the boys. Sadly, though, Big Business goes even faster in the opposite direction, they put off the crunch with credit. It will come, that crunch, it must, but in the meantime what do we have? We have the problem of cash flow, and Big Business's futile efforts to maintain it. To the consumer's cost.

Once upon a time we could buy one wooden spoon — or whatever — and one was all we needed. Hah! but Big Business figured if they made double packs of wooden spoons — or whatever — they could sell each one a shade cheaper but increase their turnover by at least 80 percent.

This lasted a while but the crunch became pressing once Big Business went a head-in-the-sand step further and made triple packs!

Logical

What they don't seem to appreciate (have none of them wives they could get a logical opinion from?) is that a wooden spoon is a wooden spoon, and it will last just as long as it always did, so we won't have to buy for three times as long and that cash flow boggy appears around the corner again.

Until Big Business and the Government come down to earth from their seminars and symposia, their congresses and commissions of inquiry, and first nail credit, and then ban the agricultural control boards, inflation will laugh all the way to Big Business banks.

Control boards? They make me come out in a rash. I noted in Tribune Finance on February 1 that Ben Temkin, though a real expert, is as bewildered as I am by the commercial cavortings of the dairy industry. Surpluses spawn price rises when by all logic it

Guile

We must arm ourselves with guile and shop intelligently. Remember how we halted further meat price rises by holding back and going pasta? It can be done with other lines which go up with lofty disregard for the struggling consumer — like biscuits hitting 70 cents for 200 grams (make your own), tuna costing more than salmon (this catches the unwary), Haddock Mornay leaping up to R1.55; tinned jams knocking one rand and more for one kilogram; milk almost as expensive as petrol (and don't blame transport and packaging — can a milk tanker from the Midlands be compared with an oil tanker from the Middle East?)

Look at the chart where 45 items were priced in September 1979, and again this week, and you will find that despite the tired old excuse of higher transport and packaging costs, some lines managed minimal rises, and three even dropped in price, although the average overall increase was 30 percent.

These are Bourville Cocoa from R1.29 down to 79 cents for 125 grams; potatoes — nice to see some seasonal sense; and HP Sauce. Well done.

Compare

We're just being conditioned to accept as one reader puts it, "Creeping Cents"; you know, every time you go shopping practically every item is up just that little bit.

Look at the chart where 45 items were priced in September 1979, and again this week, and you will find that despite the tired old excuse of higher transport and packaging costs, some lines managed minimal rises, and three even dropped in price, although the average overall increase was 30 percent.

It takes a month to earn that salary, so don't spend it in a hurry. You will lose, for sure.

Com

Sunday Tribune, April 5, 1981

244

Compare these prices

SEPTEMBER 1979 TO MARCH 1981 PRICE INCREASES

	Checkers Windermere	Pick 'n Pay La Lucia	OK Bazaars Durban North	Average Today	Average Sept 1979
Rump steak per kg	6.90	6.89	7.58	7.12	4.03
Lag of lamb per kg	4.70	4.59	4.75	4.68	3.19
Lag of Pork per kg	4.50	3.49	—	3.99	2.26
Potatoes per kg	0.39	0.45	—	0.43	0.45
Onions per kg	0.59	0.65	0.45	0.60	0.39
Eskort back bacon; 250g	1.39	1.35	1.38	1.37	0.77
Eskort pork sausage; 500g	1.58	1.49	1.65	1.57	1.02
Sea Harvest haddock mornay 400g	1.59	1.49	1.59	1.55	1.05
Ready Doo Danish apple tart	1.80	1.29	1.39	1.49	1.07
Yankee Chippers, 1kg.	1.28	1.09	1.15	1.17	0.79
Icecream; 2 litres	2.05	1.99	1.79	1.94	1.31
Frozen chicken per kg.	1.39	1.35	1.25	1.33	1.11
Honey; 500g	1.12	1.19	0.99	1.10	0.70
Coleman's dry mustard, 50g	0.54	0.55	0.49	0.52	0.42
All Gold marmalade; 900g	—	0.89	0.89	0.89	0.77
Koo whole fruit apricot jam; 900g	1.03	—	1.23	1.13	0.52
Silver Leaf guava halves; 825g	0.72	0.75	—	0.73	0.52
Pie apples; 385g	0.43	0.42	—	0.40	0.31
U-Slim diet pear halves; 400g	0.47	—	0.38	0.47	0.36
Crosse & Blackwell custard, 500g	0.85	0.85	0.47	0.87	0.60
Molli's cake mix, 500g	0.84	0.79	0.65	0.76	0.75
Jungle oats, 1kg	0.72	0.79	0.79	0.76	0.67
Vital muesli; 350g	0.75	0.79	—	0.77	0.75
Marmite, 250g	1.32	—	—	1.32	1.05
Bull Brand meat balls; 400g	0.85	—	0.85	0.85	0.67
Unox soup; 405g	0.67	0.65	0.63	0.65	0.46
Nescafe decaffeinated, 125g	2.97	2.90	2.93	2.95	2.72
Five Roses tea, 250g	1.29	1.19	1.30	1.26	1.16
Bournville coca; 125g	0.81	0.79	0.79	0.79	1.29
F G ground coffee; 500g	1.95	1.69	1.92	1.85	1.67
Elite skim milk powder, 10x400g	0.57	3.49	3.15	3.32	2.73
Sweetened condensed milk 379g	0.97	0.54	0.52	0.54	0.43
Sunflower cooking oil 750 ml	1.02	0.99	0.99	0.95	0.97
Lenny Post seafood mayonnaise, 250g	0.99	0.99	0.97	0.99	0.80
Melrose cheese portions; 200g	0.65	0.55	0.59	0.59	0.77
H P sauce; 250 ml	5.29	4.39	4.64	4.61	4.12
Egol chunks with vitagen; 10kg.	1.26	1.09	1.20	1.18	0.99
sanolic disinfectant 750 ml	1.05	0.99	1.05	1.03	0.77
Aluminium heavy duty foil, 6mx45cm	0.99	0.99	0.95	0.97	0.87
Colgate toothpaste; 100 ml	1.45	1.49	1.47	1.47	1.27
Sta-Soft, 2 litre	1.53	1.59	1.49	1.53	1.22
Sunlight powder; 1kg.	1.12	1.15	1.19	1.15	0.99
White Giant; 1kg	0.99	1.19	1.23	1.13	0.94
Wander Soft toilet tissue x4	1.36	1.19	1.17	1.24	0.97
Baby Soft toilet tissue x4	—	—	—	—	—

AVERAGE TOTAL BASKETS 67.29 51.73

AVERAGE PERCENTAGE INCREASE 30.08

THOUGHT FOR THE WEEK:

WHY doesn't Big Business stop working on percentage mark-ups? At present dealers increase their selling price each time from a higher base so by working on percentages they are growing fat on inflation

They should charge a flat mark-up related to the previous figure and this would help to steady prices and give the consumer a breather

Over 40 percent up on plain 'n simple Sta-Max! Ask you plain 'n simply — where is it all going to end?

Price Index up by 16% over past year

ROM 6/4/81

244

BY VITA PALESTRANT
Consumer Mail Editor

THE Consumer Price Index rose by 1,5% for all income groups last month and by 16% during the 12-month period ending in February

Latest Department of Statistics figures show inflation is running highest for low income groups with the CPI standing 20,4% higher over the past year

Middle and high income groups, however, saw increases of 17,1% and 14,4% respectively over the 12-month period, with high income groups being less severely affected

During the past month middle and high income groups rose by 1,5% and 1,4% respectively

Food continued its upward spiral — increasing by 1,4% last month — and by a staggering 30% over the past year

Major increases in this sector were fruit and vegetables up by 8,1% and 5,3% respectively last month, and by 14,7% and 37,9% over the past year

Meat — which has had a major impact on the high food index — increased by 0,1% last month and by 53,5% during the 12-month period

Last month, fish rose by a substantial 2% and during the past year it has gone up by 11,4%

Milk, milk products and eggs — up by 11,9% during the 12-month period — rose by 0,3% last month

Increases in fats and oils have been steeper, increasing by 13,6% during the past year and by 0,6% last month

Coffee and tea — which is now 5,5% more expensive showed a drop (0,6%) in price last month

And sugar, which increased by 11% on Friday, has gone up by 10,5% over the past year

Grain products went up by 1,1% last month and by 15,8% over the past year

In the clothing and footwear sector — up by 1,9% last month and by 10,2% since last year — clothing alone increased by 2,3% last month while footwear rose by 0,7%

Housing increased by 12,2% during the 12-month period and by 2,1% during February while fuel and power went up by 11,3% and by 1,9% last month

Increases in furniture and equipment have been steeper — going up by 15,1% during the 12-month period and by 0,7% last month

Appliances alone rose by 1,5% last month

Under household operations the CPI increased by 7,6% during the year with cleaning materials increasing by 13,1%

Domestics — who fall under this category — were paid only 0,3% more last month and a meagre 4,6% more over the past year

In the transport sector — which rose by 1,7% last month and by 8,2% over the past year — vehicles reflected an increase of 3,5% and 14,6%

Their running costs rose by 1,1% last month and by 4,3% during the 12-month period

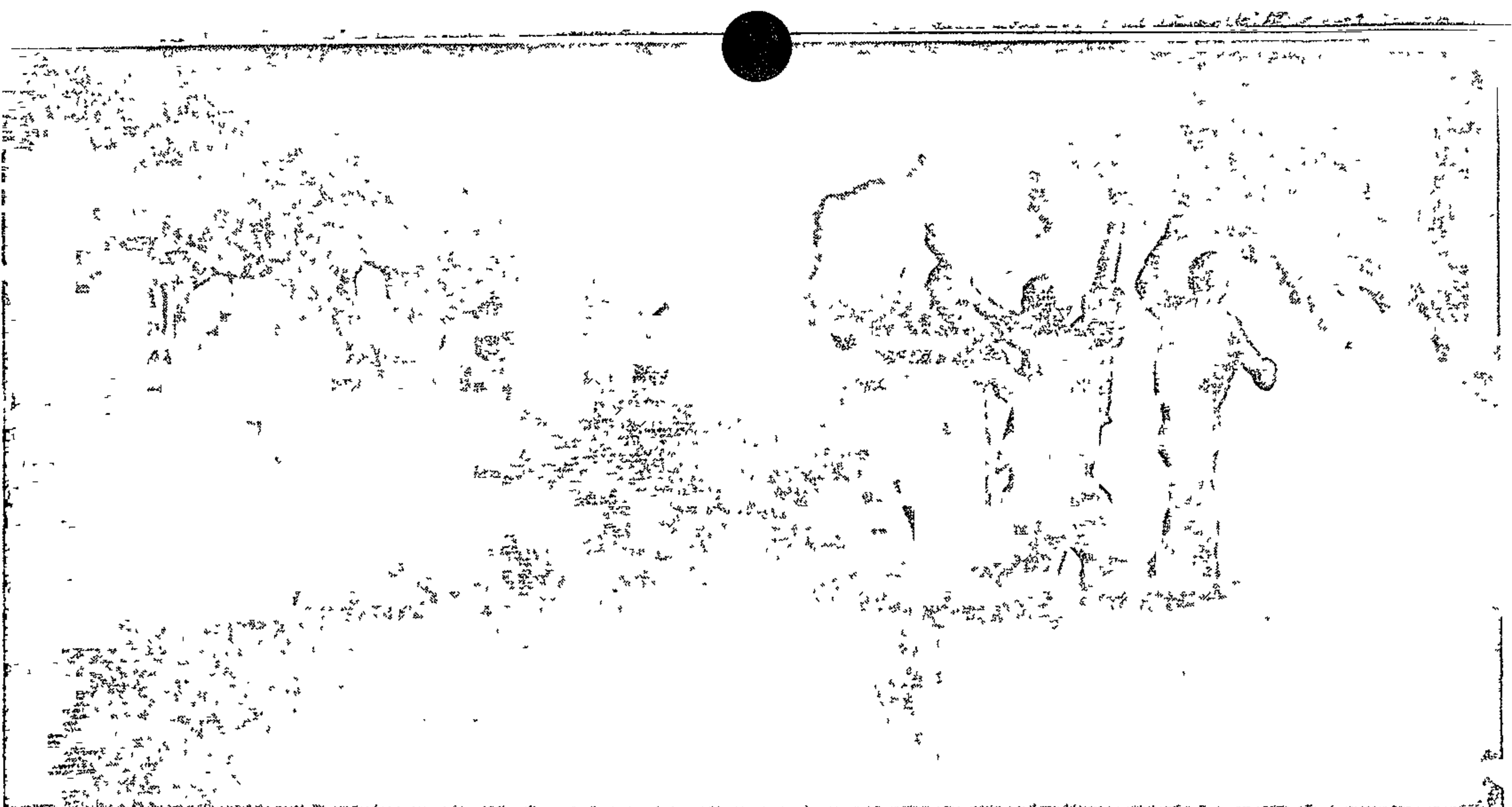
Reading matter — up by 54,7% over the past year — showed no increase last month, while recreation and entertainment showed an increase of 1% during February

Medical care, public transport, communication, education and personal care showed no increases during February

Every month the Department of Statistics in Pretoria analyses masses of information about the cost of goods and services in 11 major urban areas

These are processed to make up the monthly CPI

	Feb 1981	Jan 1981	Feb 1980
ALL ITEMS	193,8	191,0	167,0
Lower income group	195,9	193,0	162,6
Middle income group	195,0	192,1	166,5
Higher income group	192,6	189,9	168,4
FOOD	217,5	214,5	167,2
Grain products	192,0	190,0	165,8
Meat	240,7	240,4	156,9
Fish	210,5	206,4	188,9
Milk, milk products & eggs	176,0	175,5	157,3
Fats & oils	209,5	208,3	184,4
Fruit	213,1	197,2	185,8
Vegetables	204,4	194,1	148,2
Sugar	264,0	264,0	238,9
Coffee & tea	246,4	247,9	233,6
OTHER	190,8	190,3	167,4
Cold drinks	200,3	199,2	173,8
Alcoholic drinks	163,4	163,4	152,3
Cigarettes, cigars & tobacco	157,6	157,6	150,6
Clothing & footwear	164,3	161,2	149,1
Clothing	155,7	152,2	140,9
Footwear	209,8	208,4	192,0
HOUSING	162,4	159,1	144,8
L & Power	245,0	240,5	220,1
FURNITURE & EQUIPMENT	174,9	173,7	151,4
Furniture	160,5	160,0	134,6
Appliances	165,1	162,7	147,9
Other	180,9	179,7	161,6
HOUSEHOLD OPERATION	218,0	217,4	202,6
Cleaning materials, etc	209,2	208,2	184,9
Domestic servants	219,6	219,0	210,0
Other services	199,4	199,4	186,1
MEDICAL CARE	177,4	177,4	159,8
TRANSPORT	217,4	213,8	201,0
Vehicles	203,1	196,3	177,2
Running costs	253,8	251,1	243,4
Public transport	168,1	168,1	156,4
Communication	114,5	114,5	118,6
Recreation & Entertainment	177,6	175,8	159,0
Reading matter	259,2	259,2	167,5
Education	201,9	201,9	176,9
Personal care	182,1	182,1	161,4
Other	197,0	190,6	163,8



The scene in Tembisa on Sunday evening after several residents were arrested for looting, public violence and damage to property. Several bottlestores and beerhalls belonging to the East Rand Administration Board were set alight earlier by a rampaging group. Pic by CONGANI MNGUNI.

Weekend of violence against rent rise

PEACE IN TEMBISA

A TENSE peace returned to Tembisa and the Vaal yesterday after protests against rent rises had sparked off a weekend of violence.

Ugly violence had flared up in these areas when angry crowds set alight bottlestores, shopping centres and motor vehicles

By WILLIE LOKALA and CHARLES MOGALE

In Evaton nine cars, a bus, shopping complex and a beerhall were burnt down after a peaceful rent meeting

In Tembisa several bottlestores, beerhalls and a tractor with a trailer belonging to the local administration board went up in smoke.

They were burnt by defiant youths who set up road blocks along main routes in the Endulweni, Isithama and Esangweni sections

Several people were ar-

rested in Tembisa, and in Evaton another five were arrested for looting, public violence and damage to property. The police in Tembisa used teargas on rampaging crowds after a meeting to discuss increased rents

Rioting spread from Evaton to Sebokeng where another bottlestore was gutted and a new shopping centre stoned

An undisclosed number of private vehicles were smashed in Evaton, and shots were heard near community council chairman Mr Sam Rabotapi's

house. Nobody was injured

The eruption of violence came minutes after the Ratepayers' Association had adjourned a rent meeting at Ramoipone Church in Easternville attended by over 1 000 people

Feelings started running high when the dispersing crowds saw a contingent of heavily armed police with dogs watching from a nearby street corner

Shortly thereafter, four buses were stoned opposite a shop owned by community councillor Mr Dutch Diphoko. The drivers fled and the passengers were forced to alight

Crowds began to gather around the buses, and Mr Rabotapi watched the scene from Mr Diphoko's yard. The crowds disbanded shortly after the arrival of the police

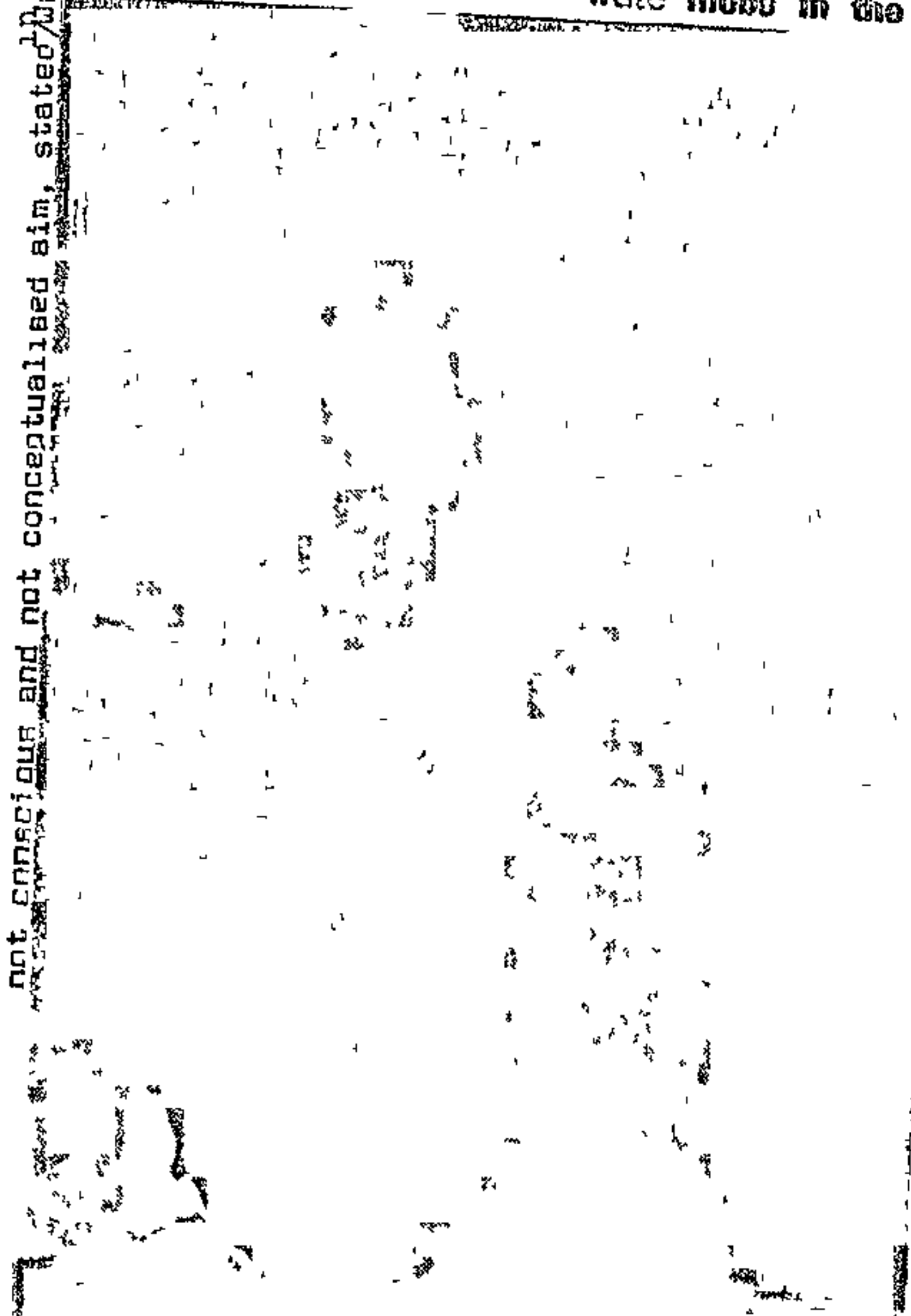
The violence escalated immediately after sunset

Page 2

natural gifts and prolonged and intensive training he can mediate between the living and the living dead and inter-

WHY ARE CERTAIN PROCEDURES OF THE
INDIGENOUS HEALERS EFFECTIVE?

not conspicuous and not conceptualised aim, stated Western terms, is a



...rd goes up in flames hours after the police had
...ces in Tembisa on Sunday.

M.

My aim with this paper is to explore some of the factors which could be operative in the healing methods of the indigenous healers. It seems to me an impoverishment to regard their work as witchcraft based on superstition, even charlatanry and as something without sound psychological factors which could answer some of the feelings and opinions of trained professionals.

My research is amongst the Xhosa and I will only be able to do so in depth i.e. the Indigenous Healers employ psychic procedures in seeking their help. I am excluded from their "craft", extraction procedure and discussing have their counts.

They have a sense of "ancestors". Their procedures are not conceptualised aim, stated Western terms, is a

A gutted shopping centre in central Evaton smoulders after being set alight by a crowd of people in the flare-up which shook the township of the weekend.

Beerhall set alight

when several car drivers were forced to flee

A crowd of people was seen advancing towards Mr Rabotapi's house, and later several shots rang out

By then the situation was completely out of control. The Evaton Central Traders shop and a nearby beerhall went up in flames. Cars were attacked at random, and chanting youths hurled insults and threats to bystanders who did not join in the violence

A police spokesman said five people were arrested in connection with the incidents. Yesterday afternoon police were patrolling the streets and the situation was calm

The secretary of the Ratepayers' Association, Mr Tom Mzimba, condemned the uprisings

"This can never ever be condoned. Violence is not our strategy, and we deplore these inhuman acts. It is our belief that the wrong element took over. We are disappointed," Mr Mzimba said yesterday

In Tembisa violence broke out after police fired teargas into a crowd holding a public meeting in an open veld in Endulweni Section

Lt-Col Leon Mellet, Chief Public Relations Officer for the Police, said yesterday that police

had warned the crowd to disperse within five minutes and when they did not, police took action. He said only teargas was fired and not real bullets

But reports said yesterday that Mr Mike Khumalo, aged about 23, was hit in the left arm by a bullet when a group of people gathered above the Limindlela station bridge were fired upon.

And for five minutes at about 6 pm, 45 police bombarded the Endulweni section including open velds nearby with teargas, dispersing groups of people who had burned a tractor and were then moving towards local administration board offices where a police contingent was camping

Trouble in the area started after police fired teargas into the Tembisa Congregational Church in Endulweni section where the rents were being discussed. Pandemonium then broke out when people, after fleeing the church building, regrouped and tried to continue the meeting in the open veld

The Lerella Bottle-store, two Putco depots in Endulweni and Esangweni sections and 10 police vehicles were damaged. Lt-Col Mellet said private cars and Putco buses were also damaged

Aaron Ngema reports also that several people were injured in the pandemonium that followed after police had halted the veld meeting with teargas. An old woman was seriously injured when people fleeing teargas smoke trampled over her.

Lt-Col Mellet said in Sebokeng several buses were damaged, a shop burned down and several others looted when violence broke out in the area after a rent meeting. Five people were arrested by the police.

These healers rely primarily on the use of dreams, ritual dancing, ritual slaughter or sacrifice, milieu therapy and to some extent involvement of the family, clan and community. Their primary, but

which nurtures self-esteem, confidence and

DOM 8/4/8
Govt urged: don't up
the maize price now

Pretoria Bureau

THE Housewives' League has called on the Government to hold back on raising the price of maize

The Cabinet food committee is now studying the Marketing Council price increase recommendation for the new season

The expectation is that a 15% to 20% price rise will be authorised from May 1

This, economists have pointed out, will create an inflation wave which will affect a large range of foodstuffs, including beef, poultry, eggs and dairy products

In a statement yesterday, the Housewives' League said South Africa was harvesting the biggest maize crop in its history —

13 500 000 tons

Almost half of this would be exported

For a number of years maize was exported at a profit and the profits given to the farmer in the form of a agterskot

The price was determined by producers themselves, who dominated the board This meant they could plant as much as they liked because the maize board had to buy it

"We assume the Government, commerce, industry and agriculture are very concerned about this and we consider they have a duty to do something to bring down inflation They can start by not allowing any increase in the maize price this year," the league said.

Warning on maize price rise

CT 10/4/81

244

Own Correspondent

JOHANNESBURG — Before setting the new maize price increase — expected to be about 20 percent — the government should take account of the “catastrophic” effects its pricing and control policy had had in recent years

This was said in a statement by the Food Crisis Group, formed earlier this year at a national conference in Sandton on the food price crisis

The pressure group is made up of leading and concerned members of the food industry and consumers’ organizations. It was formed to combat high food prices

Predictions are that the new price will rise to R150 a ton from the present R122. Over the past three years the maize price has increased by about 70 percent and has had a major spiral impact on the price of other foods such as poultry, dairy products and meat

Out of control

“The government’s pricing and control policy on maize has been a major cause of a food price escalation of nearly 30 percent over the past year. It is now so out of control it has led to massive surpluses which will have to be exported at a loss — which will be borne by the consumer,” the pressure group said

Last year’s price increase of 20 percent had resulted in a 5 percent drop in human consumption, aggravating the surplus position even further as maize is the staple diet of most South Africans

“These high prices have resulted in South Africa not being able to compete effectively on world markets, and further high price increases would make it increasingly difficult for future exports

“In addition these high prices are encouraging farmers to grow more and more maize which the country cannot consume, with the balance being exported at a loss. The question must be put to the government. ‘Why should the consumer effectively have to pay for this export loss?’”

Mountain of maize

All these factors had resulted in a mountain of 13,3 million tons of maize, to which had to be added a carry-over of 2 million tons from last year

Given the 1 million ton reserve that would be held back — it meant 14,3 million tons had to be disposed of this year

“The country can only consume half the volume, which means a surplus of 7 million tons has to be exported — but the Railways is capable of handling only 4 million tons

“Therefore the group urges the government to give these matters serious deliberation before deciding on any increase in the price of maize for the forthcoming year, and so prevent an even more catastrophic situation”

Last weekend Mr Pieter Gouws, general manager of the Maize Producers Association (Nampu), said although maize surpluses had been produced since 1974, the Maize Board had done nothing to promote export markets or expand harbours

Surplus, but a CT 11/4/81 new maize price 244 (244) rise is likely

Staff Reporter

Another big rise in the maize price is imminent — in spite of a huge surplus

The Maize Board and the government has declined to comment on the nature of price increases sought by maize producers, but the board said expected a decision in the next few weeks

The official opposition spokesman on agriculture, Mr Philip Myburgh (PFDP Wynberg), reacted with amazement to the threatened price increase which he blamed on government mismanagement

Earlier, the Food Crisis Group, formed at the beginning of the year to combat rising food prices predicted "catastrophic" effects from the expected rise and noted that the maize price had already increased by about 70 percent over the past three years

Maize producers are understood to have requested a price rise of about 20 percent, although the board would not confirm this yesterday on grounds that the matter was *sub judice*

until the Minister of Agriculture, Mr Pietie du Plessis had approved the new prices

"I'm not prepared to make any comment on the price," the manager of the board, Mr H du P Nel told the Cape Times in a telephone interview from Pretoria yesterday

"If I start with something, I end up with the whole thing and at this stage that would be premature. We have submitted our proposals to the National Marketing Council and it will pass them on with comments to the minister, who will discuss (the matter) with the cabinet committee before announcing the new price. The new season starts on the 1st of May and the normal thing is (for an announcement) in the later part of April," said Mr Nel

Mr Du Plessis was "out in his constituency and unavailable for comment", according to his private secretary, and the Deputy Director-General of Agriculture Economics, Mr W J Treurnicht, declined to comment

Offal, Sugar
 C. H. Cold 1/14/81
 OFFAL, SUGAR
 WILL HIT POOR

OFFAL, the inexpensive food that makes up many a tasty dish in a poor man's home, will cost 50 percent more. And sugar, an essential in any home, will go up by 11 percent.

Both these body blows to the pockets of the consumers come into effect this week and hardest hit will once again be the lower income groups.

Offal has always been one of the few high-protein food sources that struggling families could afford. This 50 percent increase follows an increase of 25 percent last October.

A local butcher said: 'With the floor price when the offal leaves the abattoir being increased by 50 percent it will reach us with 80 percent already added on.'

A spokesman for the Meat Board confirmed that the price of offal was being increased to keep pace with the price of other prime pieces of meat.

Mr Ebrahim Kasker, who runs a number of butcheries in black areas, said the offal made up a sizeable percentage of his sales.

HIT

'It is normally purchased by the lower income group and they are really going to be hit by this increase,' he said.

'I have already decided that I will not add on

my own mark-up but merely add on the latest increase'

Mr Guy Hawthorne a spokesman for a leading supermarket's butchery department, said that an increase of 50 percent should never be allowed for any commodity.

Their butchery departments will freeze their offal price until June 1 when it will be reviewed.

Mr Raymond Ackerman, Pick 'n Pay's boss, said that the price of sugar and offal would be frozen to give the consumer time to adjust to the increases.

'The price of sugar was justifiably raised due to the bad yield this year, but the increase in maize, still to be announced, is unjustified as the crop has been the biggest in years,' Mr Ackerman said.

RENT

Mr Rushdi Majiet, a social worker, said that many tenants had just received news of their rent increases and many of them are struggling to survive on their existing salaries.

'The offal and sugar increases will lead to new hardships,' he said. 'We try to find alternatives to their problems but in this case it is going to be difficult.'

The increase in the sugar price will bring about an increase in a wide range of other commodities which use sugar as an ingredient.

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Plea on price of maize by Housewives' League

Staff Reporter

THE government should refuse to increase the price of maize this year if it meant to do anything about bringing down the rate of inflation, the Housewives' League of South Africa said in a statement issued yesterday.

South Africa had just harvested the biggest maize crop in its history — 13½-million tons.

"We require 6½-million tons for local consumption, the balance of seven million tons will probably be exported," the league said.

"Our farmers are now getting R122 per ton, compared with the world price of R90. This difference is partly due to the exchange rate, but our farmers are still getting much more

than farmers overseas, who are presumably making a profit," the league said in its statement.

"For a number of years, our maize was exported at a profit and these earnings were distributed to the maize farmer as an agterskot."

The consumer received no reduction in price. Why then should the consumer pay for so-called losses?"

In terms of the Maize Scheme, all maize produced in the major areas had to be bought by the Maize Board at the controlled price.

This price was determined by the producers themselves, who dominated the Maize Board.

"This means they have carte blanche to plant as much as they like and the Maize Board

must buy it," said the league.

"In calculating the price each year, the increase in production costs are calculated to adjust the price.

"Any increase in the price of maize will have a significant effect on our 31,1 percent food inflation rate. All agricultural animal feed costs will be affected and of course the staple food of the nation will go up in price.

"We are assured that government, commerce, industry and agriculture are very worried about these figures and we consider that if they mean to do something to bring down inflation, they can start by not allowing any increase in the maize price this year," the statement said.

with the creche and put a lot of work into it, the rest may be enthusiastic in discussion but they are not prepared to take responsibility or even come and work on the days arranged. There are lots of problems in the area, concerning power splits, an uncommitted

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APPENDIX I.

TYPES OF INITIATORS.

In my experience of small locally initiated projects the initiators or co-ordinators generally fit into one of four categories:

- a) Tribal authorities: that is, chiefs and headmen (sibonda) who are paid and sub-headmen (induna) who are not).
- b) Agricultural Extension officers who are paid by the government.
- c) Exceptional local people (averagely poor) whose involvement is voluntary (e.g. John Stuurman, Freddy Mhlauli, the Ladies who run the creches).
- d) Patron figures, the main example in this paper being N.M.

I will not discuss c) and d) here as I have already.

a) Tribal Authorities.

Headmen are still much more important figures than many people realise. Generally if they do not approve of a project in their area they have the influence to dissuade people from joining. In many ways they function as the villagers' link with the outside world. That is, in terms of deciding whom to accept and whom not to believe.

Even where only a few men attend the tribal meetings, they are a very important way of communicating news, the system is that in each small village there is a sub-headman who can communicate messages to people on a person to person level. Thus in electing committees, for whatever purpose for the wider area, there are sub-elections held in each small village with a set number of members from each together comprising the committee.

Thus while one might not like the idea of bolstering the tribal authority system, often the only way of getting through to the mass of people is by using the Tribal Authority network. (That is, as opposed to working

Call not to put up price of maize

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THE Housewives' League has called on the Government, commerce, industry and agriculture not to allow any increase in the price of maize this year.

The league said in a statement that South Africa had just harvested 13½-million tons of maize — the biggest crop in its history. Six and a half million tons were required for local consumption and the balance would probably be exported.

Farmers were now getting R122 a ton, compared with the world price of R90. Maize was exported at a profit and these earnings were distributed to the farmer as an 'agterskot'.

CONSUMER

'The consumer received no reduction in price, why then should the consumer have to pay for "so-called" losses?' the league asked.

In terms of the maize scheme all maize produced in the major areas had to be bought by the Maize Board at the controlled price. This price was determined by the producers themselves. They dominated the board, meaning they had carte blanche to plant as much as they liked because the board had to buy it, the statement continued.

FOOD INFLATION

'Any increase in the price of maize will have a significant effect on our 31,1 percent food inflation rate. All agricultural animal feed costs will be affected and, of course, the staple food of the nation will go up in price,' the league added.

Medical aid row over higher fees

From page 1

push up the contributions to medical aid schemes. Another administrator said 'The proposed 25 percent dentists' fee increase is far too high and the proposed 36 percent physiotherapists increase is excessive'.

Dr Munnik, today declined to comment on the proposed increases.

Speaking from Barkly East, where he was stopping over on a tour in the Eastern Cape, he said he could not say anything at this stage.

"I am awaiting the full decision of the council and its motivation for taking the decision. Once I have received this in the proper manner, I will attend to it," Dr Munnik said.

An immediate increase of at least 14 percent in medical fees was in order, the chairman of the Medical Association of South Africa's Federal Council Prof J N de Klerk said in Cape Town yesterday.

In a statement following the SA Medical and Dental Council meeting, he said Masa noted with precipitation that the council had agreed to reaffirm its previous recommendations for an increase in the statutory tariff of fees for medical services — an effective increase of 99 percent.

economically able to meet individual obligations. doubt that there is a vicious circle whereby poorer unable to meet local requirements — consequently, come into to marriage — greater likelihood of further exacerbation of the poverty within the is.

It is very disturbing to note that in the study of 1000 children were better supported or looked after the father. Under such circumstances they may end on their guardians and it follows that 66% could end from malnutrition.

Occupation of the father (Table Five)

Response	Percentage of total	Percentage of malnutrition
Employed	62%	32%
Unemployed	30%	86%
Subsistent farmer	0	
Unknown	8	

Whereabouts of the father (Table Six)

Whereabouts	Percentage of total	Percentage of malnutrition
At home	27%	76%
In a place other than at home	5%	56%
In urban area	4%	30%
Away from home	6%	100%
Farther from home	1%	100%
Farther from home	1%	100%
Unknown	0	

of the 1000 children in the study, 1000 were found to be malnourished. The study also found that 1000 children were found to be malnourished. The study also found that 1000 children were found to be malnourished.

25 pc dentists fees move alarms medical aid men

Medical Correspondent

Medical aid administrators are firmly opposed to proposed 25 percent increases in dentists' fees and are to make representations to the Minister of Health on the "excessive hike".

Medical fees will be raised by 99 percent and physiotherapy fees by as much as 36 percent if the Minister, Dr Munnik, agrees to increases recommended by the SA Medical and Dental Council at its meeting in Parow yesterday.

Last year Dr Munnik refused to grant doctors a tariff increase of 9.9

percent but the SAMDC's tariff committee (medical) yesterday reaffirmed its previous recommendation.

SAMDC also approved a report by its tariff committee (dental) to increase dental tariffs by 25 percent for general practitioners and certain dental specialists.

Medical aid administrators said they would have to examine the proposed 99 percent increase in medical fees.

"I can hardly see how the Minister can approve this increase so soon after rejecting a similar

increase," said Mr N J van Rensburg, a Cape medical aid administrator.

He said doctors were granted a massive 52 percent increase in 1979 and dentists received 13 percent. "The whole tariff rate is already too high."

He pointed out that the Minister was empowered to veto the increases.

He said if the increases were allowed medical aid subscriptions would go up considerably. There had also recently been an increase in private hospital fees which would also

To Page 3, Col 10

REPUBLIC



"This will hurt less than the extra 25 percent on your bill."

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Maize price rise feared

Consumer Reporter

IF the Maize Board increases the price of maize by 20 percent — as many people fear — by next month it will have a catastrophic effect on the cost of living.

Food prices, which rose by 30 percent in the past year, will shoot up still further.

For maize, apart from providing mealie meal the staple diet of the country's black population, is also an important factor in the cost of meat production and dairy farming.

Any substantial rise in the price of maize will send up the cost of red meat, pork, chickens, eggs and dairy products.

It will also affect the wide range of manufactured foods in which meat and dairy products are used.

And taxpayers will be paying twice.

For in addition to paying more for food they

will also be paying a bigger subsidy on the tons of maize which are certain to be exported at a loss this year.

The bumper crop which the country's 30 000 maize farmers have produced this year means that 7-million tons will have to be exported. This will be done at a loss because SA prices are above world prices.

This means that the higher maize price will help to offset losses suffered by the Maize Board on exports.

Maize farmers pay production levies designed to help meet such losses, but their organisation, in asking for a price increase this year suggested that a bigger proportion of these losses should be met by the taxpayer and consumer.

The supermarket industry is among opponents of the proposed increase.

Mr Raymond Ackerman, head of Pick 'n Pay, told

me in a recent interview that he thought a 20 percent increase would be disastrous in its effect on the consumer and would intensify the food crisis.

He said that although he knew fertiliser costs had gone up he did not think a 20 percent increase justified.

At a consumer conference in Johannesburg last month, Mr Ackerman said that after discussions with farmers in Klerksdorp the Free State and Transvaal, he had come to the conclusion that they did not need an increase in the maize price at all this year.

He said the bumper crop which the Maize Board is obliged to buy from the farmers, would more than compensate them for the increased cost of production.

Meanwhile the annual report of the giant Tiger Oats Milling Co shows that while the price of mealie

meal has risen steeply during the past two years consumption has declined noticeably.

And the high price of maize in this country compared with overseas made it possible for mealie meal to be imported profitably by Checkers and a wholesale firm supplying small retailers.

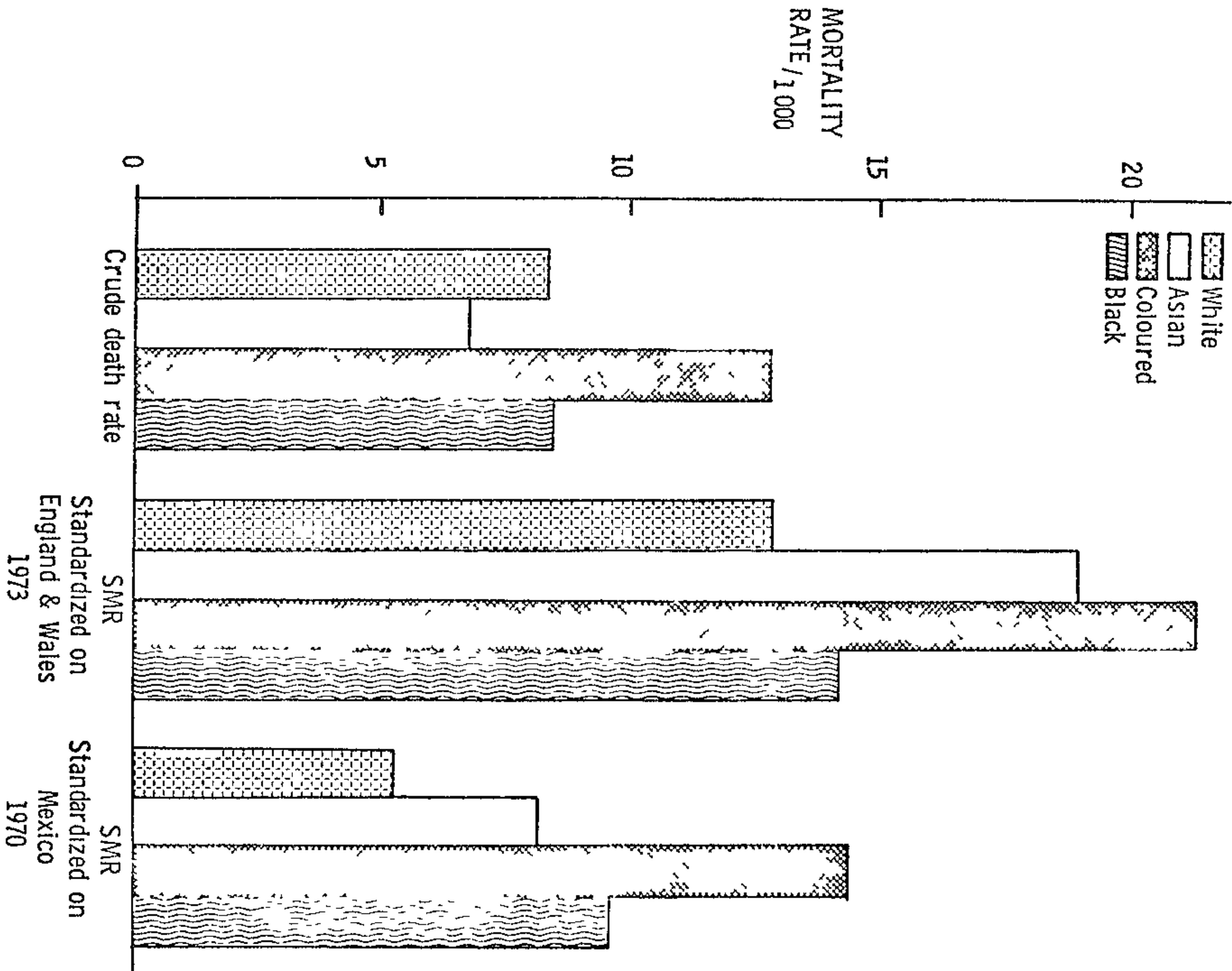


Fig 1. Crude Death Rate and Standardized Mortality Rates for Whites, Asians and Coloureds. 1974

How costs force SA millions to eat less

244 ROM
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Measurement changes between the age of in children who have weight-for-age and correlations it does not of the age of the children for surveys in communities children are not accurate been used a number of is to be widely prominent child programme for Child.

On the basis of children between the into three nutrition ARM CIRCUMFERENCE GR children are considered ARM CIRCUMFERENCE BE children have mild to moderate malnutrition ARM CIRCUMFERENCE LESS THAN 12,5 CMS.. The are considered as being severely malnourished

By VITA PALESTRANT
Consumer Mail Editor

ROCKETING prices have forced South Africans to cut down on their most basic expenditure — that on food.

Although the population has grown by millions over the past few years, official statistics show that food consumption has slumped since 1976.

This means food consumption — instead of expanding in line with population growth — is, in real terms, declining.

What makes this fact even more startling is that the situation has arisen amid one of South Africa's greatest booms.



And while most sectors of the economy show growth, that of food shows a negative picture.

The latest food price index is 30% higher than this time last year — almost double the Consumer Price Index — hitting low-income groups hardest.

Department of Agriculture figures on per capita consumption show there has been a decline in consumption of many basic foods.

For example, consumption of maize and maize products between 1970 and 1979 declined by 13%, red meat by 11% and milk by as much as 33%.

Consumption of cheaper protein foods increased, with eggs going up by 27% and chickens by 22%.

And in all probability, last year's figures will show greater declines because of 1980's massive food price increases.

The price of maize, staple food of the majority of South Africans, has increased by almost 150% since 1975 (and could go up by a further 15% to 20% later this week).

This has sent rocketing the prices of other basic foods, such as meat, poultry, dairy products and eggs.

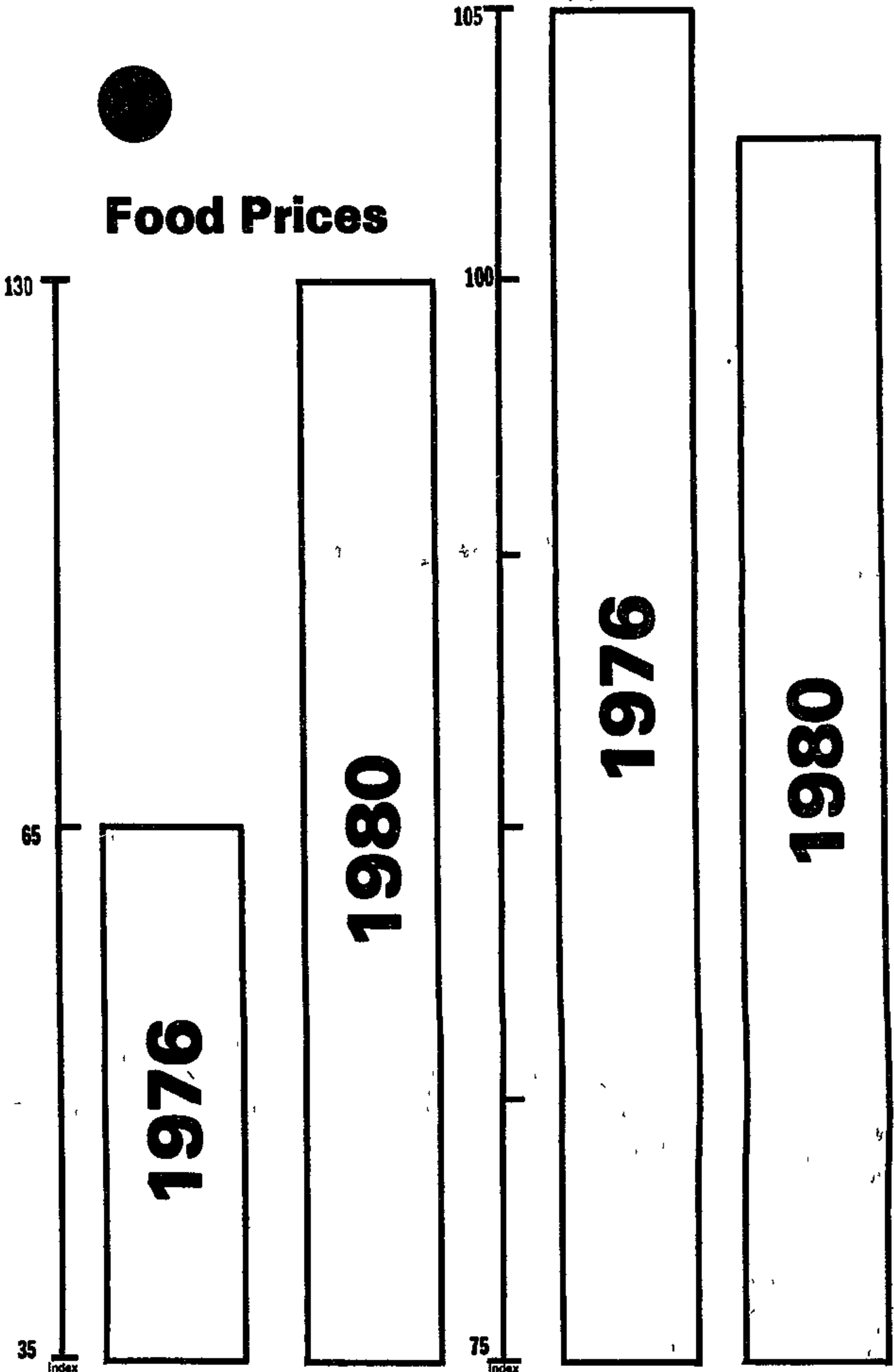
Maize makes up as much as 70% of poultry and egg production costs and a large part of meat production cost.

Since 1975, the prices of many basic foods have doubled or almost doubled. brown bread — 61%, white — nearly 100%, margarine — nearly 60%, eggs — nearly 74%, milk — more than 60%, sugar — 214%, chicken — 100%, tea — 93%, coffee — 211%.

During the past year alone, meat has gone up by 57% — and met with consumer resistance. During the last three months of last year, beef consumption alone dropped by 16%.

Food Sales

(Corrected for inflation — and with a population increase of about 12%)



The graph, left, shows how food prices have doubled since 1976. During 1976 the Food Index was lower than the CPI but by the beginning of 1980 this changed dramatically with the Food Index shooting past the CPI. The graph, right, shows that 1980 food sales have declined to below 1976 levels.

The maize mess you will pay for. See Editorial, Page 14

How SA is forced to eat less

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on the previous year

Meat comprises over one-third of the CPI food index and any increase in the price of meat heavily influences the food index — which in turn has an impact on the overall CPI

From 1970, the overall CPI and the food index followed a very similar pattern

But for the first time, this trend changed dramatically at the beginning of last year, when food prices started to overtake the general CPI. This was largely as a result of soaring meat prices.

Retail trade sales (corrected for inflation) of the Department of Statistics show that since 1976, food sales fell by about 5% a year until the beginning of 1979.

After that there were marginal increases, but by the middle of last year, a boom year, food began to slump again.

So who did the boom benefit?

Both manufacturing sales and retail sales (excluding food) for last year reflect the upswing in the economy. However, food sales in both these sectors showed the reverse — a marked decline.

And in the manufacturing sector the same interesting trends emerge — while manufacturing production increased by about 10%, food manufacture decreased by 3%.

So while the boom is being reflected in most other areas, food is showing a negative trend.

Given that the majority of consumers buying food are blacks, it is safe to assume the boom has not only been of little benefit to them but that inflation and the high cost of food have resulted in a marked decline in their living standards.

While the overall CPI is now running at 16%, that for low-income groups — or those earning below R2 000 a year, the vast majority — is 20%.

However, economists believe the CPI to be a conservative figure, as it measures expenditure in the major urban areas, where prices are keenest and salaries are highest.

Thus, if the CPI were to include rural areas the picture would be far worse.

According to the official CPI, 36% of low-income expenditure goes on food — while in middle and higher-income groups it is 29% and 19,7% respectively — but a 1976 Bureau of Market Research report estimates food expenditure to be as high as 48% in the homelands.

SUMMARY

Using the Shakir Strip technique on children between 1 and 5 years of age the incidence of malnutrition was determined amongst 464 children from the Squatter area of Crossroads, Cape Town, and 416 children

1.

INTRODUCTION

There is a lack of data on the comparative nutritional status of rural and urban communities in South Africa.

The need for this data is particularly acute in the

2.

The burden on blacks has been twofold — inflation and unemployment. Some labour experts claim labour levels are now only marginally better than they were in 1976. But once again, since then, 3% more young blacks have entered the labour market annually.

A recent survey, conducted in 50 households of one of Soweto's wealthiest suburbs, has shown that over 2½ years, their living standards declined, pushing many households below the Household Effective Level on to the bread line.

Dr Jeremy Keenan, senior lecturer in social anthropology at the University of the Witwatersrand, who conducted the survey, believes the boom has widened the gap between the haves and have-nots.

Although most of the households surveyed attempted to keep abreast of inflation by working overtime, increasing the number of household members in employment — and even shedding their dependents — 60% experienced substantial declines in standard of living.

And the number of households that fell below the Household Effective Level increased from 29,4% to 37,3%.

Since then there have been further rent and food price increases, and Dr Keenan believes many more of these households have since been forced onto the bread line.

Results of his survey showed the average wage of people in his Rockville sample declined by 13,5% during this period.

Given the alarming results for this relatively well-off group, the situation for others must be more serious.

The community of Crossroads is threatened with demolition before the end of 1978. It therefore appeared important to conduct a survey of the nutritional status of the children of Crossroads.

S.A. 1981 — richer maybe but hungrier

From VITA PALESTRANT

OHAN VESBIRG — rocketing prices have forced South Africans to cut down on their most basic expenditure — food.

Although the population has risen by millions over the past few years, official statistics show that food consumption has jumped since 1976.

And what makes this fact even more startling is that the nation has arisen amid one of Africa's greatest booms.

The latest Food Price Index is 30 percent higher than this year — almost double the Consumer Price Index — hitting low-income groups hardest.

Department of Agriculture figures on per capita consumption show there has been a decline in many basic foods.

For example, consumption of maize and maize products between 1970 and 1979 declined by

13 percent, red meat by 11 percent and milk by as much as 33 percent.

Cheaper protein foods increased in consumption with eggs going up by 27 percent and chickens by 22 percent.

And in all probability last year's figures will show greater declines because of last year's massive food price increases.

The price of maize which is the staple food of the majority of South Africans has increased by almost 150 percent since 1975 and could go up by a further 15 to 20 percent later this week.

This has sent the price of other basic foods such as meat, poultry, dairy products and eggs rocketing. Maize alone makes up as much as 70 percent of the cost of poultry and egg production and a substantial percentage of meat production.

Since 1975 many basic foods have doubled or almost doubled — brown bread — 61 percent

white — nearly 100 percent margarine — nearly 60 percent eggs — nearly 74 percent, milk — more than 60 percent, sugar — 214 percent, chicken — 100 percent, tea — 93 percent, coffee — 211 percent.

And during the past year alone the price of meat has increased by 57 percent — and met with consumer resistance.

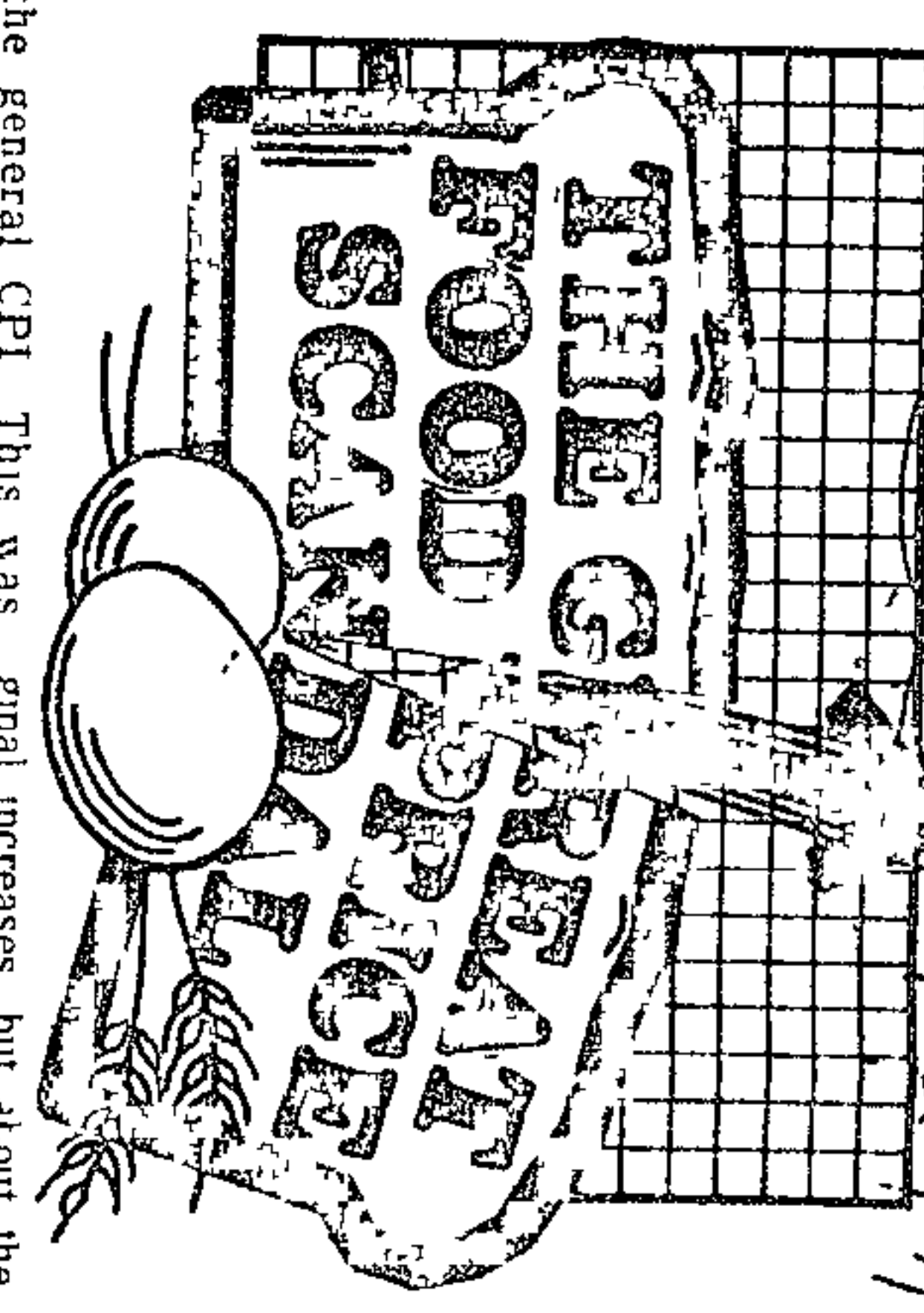
During the last three months of last year, beef consumption dropped by 16 percent compared with the previous year.

Meat comprises more than a third of the CPI-food index and any increase in the price of meat heavily influences the food index — which in turn has an impact on the overall CPI.

Since 1970 the overall CPI and the food index have followed a very similar pattern.

But this trend changed dramatically for the first time at the beginning of last year when food prices started to overtake

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the general CPI. This was largely as a result of rocketing meat prices.

Retail trade sales figures of the Department of Statistics show that since 1976 food sales slumped by about 5 percent a year until the beginning of 1979. After that there were mar-

ginal increases but about the middle of last year, a boom year, food sales began to slump once again.

So who did the boom benefit? Both manufacturing sales and retail sales figures (excluding food) for last year reflect the upswing in the economy. How-

ever, food sales in both these sectors showed the reverse — a marked decline.

And in the manufacturing sector the same interesting trends emerge — while manufacturing production increases by about 10 percent, food manufacture decreased by 3 percent.

So while the boom is being reflected in most other areas, food is showing a negative picture.

Given the majority of consumers buying food are blacks it is safe to assume the boom has not only been of little benefit to them, but that inflation and the high cost of food has if anything resulted in a marked decline in their living standards.

While the overall CPI is now running at 16 percent that for low-income groups or those earning below R2,000 a year and the vast majority of South Africans is 20.4 percent.

However, economists believe the CPI to be a conservative figure as it measures expenditure in the major urban areas where prices are keener and salaries are highest.

Thus if the CPI were to include rural areas, the picture would be far worse.

According to the official CPI, 36 percent of low income expenditure goes on food (while in middle and higher income groups it is 29 percent and 19.7 percent respectively) but a 1976 Bureau of Market Research report estimates food expenditure to be as high as 48 percent in the homelands.

The burden on blacks has been twofold — inflation and unemployment.南非 labour experts claim that levels are now only marginally better than they were in 1979. But once again since 1979, 3 percent more young blacks have entered the labour market annually.

A recent survey of 50 households conducted in one of Soweto's wealthiest suburbs has shown that over a period of 2½ years their living standards declined, pushing many households below the Household Effective Level on to the breadline.

Dr Jeremy Keenan, senior lecturer of Social Anthropology at the University of the Witwatersrand, who conducted the survey, believes the boom has widened the gap between haves and have-nots.

Although most of the households surveyed attempted to keep abreast of inflation by working overtime, increasing the number of household members in employment — and even shedding their dependants — 60 percent of the households experienced substantial declines in their standard of living.

(4) Unsatisfactory criteria for hospital referral and clinic delivery.

Major indications in order of frequency being:

The programme to be discussed deals solely with the population of the Durban area. The rationale for this group is that it is the one which curbing obstetric needs. This assessment is supported by mortality rates (P.N.M.R.) for 1977 in which the population is more than twice that of any other groups.

The basis of a satisfactory medical programme is complete diagnosis. This will include an assessment of the needs of the population concerned, (b) the identification of those needs. In obstetrics, measurement of the convenient yardstick by which to judge the success of the lowering of the perinatal mortality rate is the improvement in services.

Examination of the situation amongst the following problems:

- (1) High perinatal mortality rate - hospital
- (2) Excessively high percentage of hospital deliveries as compared with clinic deliveries (19,500 cf 4,500)
- (3) An excessive referral rate of clinic cases to hospital (6,000 referred, 4,500 delivered).

clinic

19,0

Meat far cheaper across the border

By PAT SIDLEY
Consumer Mail

HOUSEWIVES in Zimbabwe and Botswana are paying as much as 291% less for red meat than their South African counterparts.

During the past year meat prices in South Africa have soared by 57% forcing housewives to cut down on meat purchases.

These are the results of a Consumer Mail survey on the prices of red meat in Johannesburg, Salisbury and Gaborone.

The survey, of 11 cuts of meat, showed prices in Johannesburg far outstripped those in both other centres.

Neither Zimbabwe nor Botswana has a meat marketing scheme similar to South Africa.

And while the cost of maize, often used to feed cattle, is at present higher in Zimbabwe, their meat prices are considerably cheaper than South Africa.

Both Zimbabwe and Botswana have exported beef to South Africa where South Africans are finally charged up to a third more.

Offal prices in Johannesburg recently rose for the third time in six months - increasing the prices in certain instances by more than 100%.

Low income groups, unable to afford the more expensive cuts, rely heavily on offal.

Offal prices in Zimbabwe were 124% lower on average.

Overall results of the survey showed Salisbury meat was cheapest followed by Gaborone - with Johannesburg being the most expensive.



This is how Johannesburg compared

CHEAP CUTS

- Chuck Johannesburg - 50% more expensive than Gaborone and 29% more expensive than Salisbury
- Tripe nearly 300% more expensive than Gaborone and 80% more expensive than Salisbury
- Ox tail 149% more expensive than Salisbury
- Ox tongue 53% more expensive than Gaborone and 148% more expensive than Salisbury
- Ox liver 115% more expensive than Gaborone and 120% more expensive than Salisbury
- Brisket 210% more expensive than Gaborone and 113% more expensive than Salisbury

MORE EXPENSIVE CUTS

- Rump 59% more expensive than Gaborone and 248% more expensive than Salisbury
- Lamb chops 31% more expensive than Salisbury
- Pork roast 88% more expensive than Salisbury
- Leg of pork 70% more expensive than Salisbury
- Leg of lamb Johannesburg was 5% cheaper than Salisbury

Consumer Mail established that huge discrepancies exist at wholesale and abattoir level.

On Thursday last week at the

City Deep abattoir in Johannesburg, super beef prices varied between R2,30/kg and R2,40/kg and Grade 2 varied between R2,12 and R2,29.

In Salisbury, the Cold Storage Commission was charging 84c/kg for beef - and paying farmers substantially less.

However, Zimbabwean farmers feel they are getting a raw deal and higher prices are anticipated within a month.

Even then the producer price would have to treble in Zimbabwe before it would approach South African prices.

Although beef is not sold in grades the same way as it is in South Africa, Consumer Mail compared the prices of their top grades.

Wholesale prices for lamb in Zimbabwe last week were R1,75/kg and mutton, R1,50/kg. Pork cost 95c/kg wholesale.

All beef sales in Zimbabwe are made through the Cold Storage Commission. A large amount of the lamb and mutton is imported, and pig meat is sold through a co-operative.

In Botswana even the wholesale prices of beef were lower than the prices of beef at the Johannesburg abattoir.

Chuck, for instance was R1,50/kg, brisket was 65c/kg and tripe was 45c/kg. The highest grade of beef, comparable to super grade in Johannesburg, would cost about 20% more than this.

According to a wholesale butcher in Gaborone, butchers are allowed a maximum 35% profit margin and they compete within this margin.

(111) Increasing referral

(2) Re-assessment of criteria for referral

Major indications for referral 1976

Pre-war policies fuel maize shocks

244 CT 22/4/81

'Losses not subsidized by consumers'

Own Correspondent
JOHANNESBURG — How can a crop as crucial to a developing country as maize defy all the normal laws of supply and demand by costing more at a time of massive surplus, and send an inflationary shock wave through the meat, poultry and dairy industries?

It's easy — all you need is a government which believes, in this year of the largest-ever maize crop, in protectionist policies designed for pre-war needs.

Nobody yet knows exactly how big this year's crop will be, estimates range from 13 to 18 million tons.

Estimate

The latest official estimate should have been released on April 15, but at the end of last week a Department of Agriculture spokesman said "technical problems" had delayed the calculation of a firm figure — at least until this week.

Even the standing official estimate of 13.5-million tons will

be 25 percent more than last year and 40 percent more than the Maize Board's own long-term predictions thanks to good husbandry, better technology and excellent weather.

But local consumption a stable figure for the past six years, is only about 6-million tons, divided about equally between people and animals.

Surplus double

Assuming a crop of 14-million tons this means there will be a surplus of about 8-million tons — but the Maize Board will still be compelled to buy 65 percent of the crop, beginning on May 1 at the price to be set by the Minister of Agriculture this week.

The surplus is double what the board managed to sell overseas in the past 12 months and far more than the 5-million tons the Minister of Transport Mr Hendrik Schoeman says the railways can move — even if its staff work 24 hours a day and at weekends.

At a new price of R146 a ton this means taxpayers' money

will have to be used to buy 3-million unsaleable tons at a cost of about R438-million.

And because the world maize price fluctuates around a much lower R90 a ton, the loss on the export of 5-million tons would be around R56 a ton or R280-million.

This takes the total cost to the taxpayer of this year's bumper crop up to R718-million.

Taking into account a carry-over of 3.2-million tons from last year (including a 1-million ton emergency stockpile) South Africa will have 6.2 tons of maize it doesn't know what to do with — the equivalent of a whole year's consumption.

Doubt

There is even doubt whether South Africa will be able to sell as much as it hopes to other African countries. Zimbabwe is also harvesting a record crop and is expected to have about 1-million tons for export although it is an open question whether importers to the north will consider it politically preferable to South Africa's white maize.

losses incurred in exporting surpluses.

The Food Crisis Group made up of concerned members of the food industry has also called on the government to take immediate account of the "catastrophic" effects its pricing and control policy have had.

The group states categorically that export losses will have to be carried by the consumer.

'Mollycoddled'

The independent ombudsman Mr Eugene Roelofse calls maize farmers the "mollycoddled darlings of the government".

They were in the privileged position of being able to over-produce without suffering the economic consequences. If there were losses the farmer should pay for these up to the hilt.

The Prime Minister had committed himself to the free enterprise system Mr Roelofse said — "so why should the farmer be the exception?"

The maize farmer, shielded from price competition and risk, wanted the government and the consumer to share the huge losses expected on exports.

Mr Roelofse said the increase in farmers' wealth was parallel to the growing poverty of a large section of the population.

"Therefore, instead of exporting maize at a loss, it should be made available at lower prices in South Africa."

Against this background, and with the new price known, consumers will be asking:

Other views

Some other views on the maize price.

The managing director of Premier Milin Mr Tony

• WHAT will happen to the 6.2-million tons of maize that cannot be sold or exported?

• WHAT the government intends doing about the inevitable ripple effect which will be felt in the meat, poultry egg and dairy industries.

Speculation

The "multiplier" effect of a maize price increase is undoubted, the speculation centres on how it will pan out at the retail level — and how long it will take.

According to one economist, "there us a very real danger that producers have been waiting to use the maize increase as a chance to 'consolidate' other earlier smaller increases.

"It also happens that they use cost increases as an excuse to raise their 'profit margin' he said.

According to the managing director of a major-chicken producer, the impact could take as long as six months to a year to fully manifest itself in higher retail prices.

Perhaps the most sensible alternative to the present system comes from Professor Kassier, who objects to the idea of setting an administered price for maize on the basis of production costs in a time of surplus.

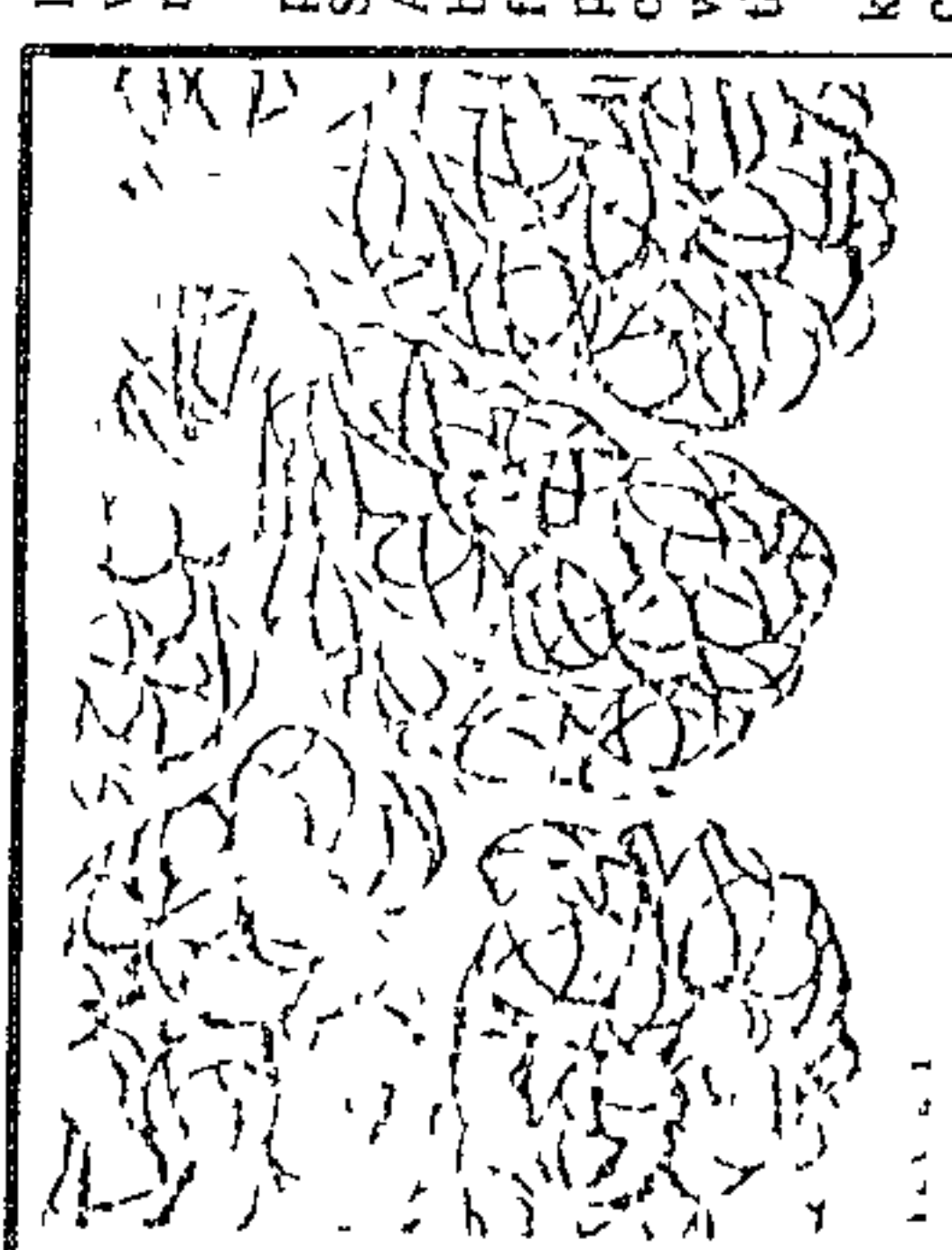
This sort of pricing was appropriate only to times of shortage, he said.

Instead, he proposes a guaranteed price up to a certain quantity — say 6-million tons — with extra crops to be produced at the farmers' own risk.

Other views

Some other views on the maize price.

The managing director of Premier Milin Mr Tony



CONT

Own Correspondent
JOHANNESBURG — The deputy director of the South African Agricultural Union Mr Piet Swart says it is a fallacy that consumers have to help pay for export losses.

He said the cost was borne by the producer who paid a levy which was not built into the maize price if the price was fixed at R120 a ton then that was the price at which it was estimated farmers would be given a 'reasonable return'.

It was only then Mr Swart said that the levy was taken, meaning that the farmer's net price was the "reasonable" price less the levy.

He said he could state categorically that consumers at no stage helped subsidize losses on export maize, and that last year's government subsidy of R50-million had been directly used to lower the consumer price.

Other agricultural spokesmen also deny the loss on exports is paid for by taxpayers. They argue that for this year, when the price is likely to be between R143 to R147 a ton, farmers will be paying a levy of about R13 a ton.

The government will advance the millions of rands to cover the export losses and the farmers will repay this over a period of years through the annual levies.

But this argument overlooks two facts.

Other agricultural economists reject the argument that the consumer would benefit if control were abolished and the maize price exposed to free market forces.

They said there would be wide price fluctuations, from extremely low in flush years — which could put smaller farmers out of business and cause long-term shortages — to extremely high in poor years.

Dr Johan Cloete a Barclays Bank economist says farmers are victims of inflation.

The maize price does not rise in isolation he and his colleagues point out in fact the net increase in farmers' income has been as low or lower than the inflation rate.

Recalling the late 1960s and early 1970s when crops fell short and maize had to be imported at inflated prices they say the need to grow enough maize for a developing population in a country of wild climatic variations will obviously yield surpluses from time to time.

An expert on crop production and costing said the assessment of production costs was based on a representative group of 300 farmers.

All farmed in the "high potential areas which produced 65 percent of the crop on 55

percent of the cropped land.

CAPE TIMES, Wednesday, April 22
1981

● WHY the maize price has increased 71 percent over the past three years, more than twice the rate of inflation?

● WHY the price of good maize land has risen by between 50 percent and 100 percent, to more than R1 000-a hectare, in the past two years?

● WHY the Maize Board is dominated by big producers who, according to agricultural economists, have the most to gain from the status quo?

● WHY the 80 percent of farmers who produce only 20 percent of the crop benefit equally from a price set according to the costs incurred by all farmers?

Bloom, says the price should be set high enough to ensure sufficiency of supplies for the local market, especially white maize, to provide for population growth and politically rewarding exports

● Dr Philip Spies, of Stellenbosch University's Institute for Futures Studies, says the government is using contra-cyclical pricing policies — based on the Marketing Act and originally devised to meet the very different difficulties of the 1930s — to heal serious structural problems in agriculture
He doubts whether there is justification for any increase in the price

ready built into the maize price
This past year a transport and handling subsidy of R12,50 a ton was built into the price — so the more farmers produced, the more taxpayers had to pay out

For the coming crop, if the pattern is repeated, the subsidy will be at least as high, if not higher

Thus the apparent levy paid by farmers to cover export losses is in fact a taxpayers' subsidy in disguise

● In addition, farmers can obtain Land Bank Loans to pay for machinery, seed or whatever
That is possible only because the Land Bank is a government

These were the efficient farmers, and costing was based on their operations and not on the marginal areas, where costs were higher

He did say however, that labour costs were decreasing as

● The switch to mechanization had reduced intensive labour needs at peak periods. Previously, farmers had to over-employ through the year to ensure enough workers to cope with harvest-time

● Maize was increasingly handled in bulk instead of time and labour-consuming bagging

to 40 million. That 40 million will include virtually all the expected 6.8 million whites — and 33 million non-whites, of whom Africans will make up almost 28 million. In other words, the present situation of rough parity between Africans and whites in urban areas will change outnumber the whites by 4:1.

Such projections may, of course, be badly wrong. Demographers can only guess the future — they do not know the future. African overcrowding in the home areas is already a horrific rate of infant mortality. Nonetheless, the general pattern is amount to little more than a particularly the African population growth is likely to be at its maximum in the 'white' cities. Such projections assume an annual inflow of 30,000 white immigrants, some possible future circumstances depend on white immigration. If the rate of white immigration to 2020 is 1 million whites, if one assumes a rate of 2 million such immigrants one might expect the total white population to see a steady rise in the ratio 4:2:1 in 1974 to 5:6:1 in 2020 (the 6:8:1 ratio in that year). Moreover, it implies that the rapidly growing black population will be left out of account — suggest strongly that they ought to be African 'side' in future.

Such figures appear to have a reality of their own, and there can certainly be no doubt that the 'social' aspects of apartheid must be transformed of South African society. Nonetheless, one must again jump in logic from such figures to the black majority rule in South Africa. White regimes in Africa and many have survived for years in the face of adverse black-white population ratios much greater than the 6:8:1 predicted for 2020 (or 9:1 if the ratio of all non-whites to whites is preferred). At the time of writing, the Smith regime in Salisbury survives despite a ratio of blacks to whites of at least 20:1. The mind may well boggle at the prospect of over 70 million non-whites being held in varying

degrees of subjection by 9 or 10 million whites in the year 2020. The human costs of such a holding operation would be higher (they are high now), if only because there would be more humans, but there is nothing in historical experience to suggest

JOHANNESBURG — Housewives in Zimbabwe and Botswana are paying as much as 291 per cent less for red meat than their South African counterparts.

During the past year meat prices in South Africa have soared by 57 per cent forcing housewives to cut down on their meat purchases.

Neither Zimbabwe nor Botswana has a meat marketing scheme similar to South Africa, according to a newspaper survey carried out in Johannesburg, Salisbury and Gaborone.

And while the cost of maize, often used to feed cattle, is at present higher in Zimbabwe — meat prices there are considerably cheaper than South Africa, it was found.

Both Zimbabwe and Botswana have exported beef to South Africa where South Africans are finally charged up to a third more.

Offal prices in Johannesburg recently rose for the third time in six months — increasing the prices in certain instances by more than 100 per cent.

Low income groups, unable to afford the more expensive cuts, rely heavily on offal.

Offal prices in Zimbabwe were lower on average by 124 per cent.

Meanwhile, the South African Federation of Meat Traders, which represents retail butchers, has slated the use of the support price

system in the marketing of meat and has asked the Commission of Inquiry into the industry to scrap the system.

The basis of the support price seemed to be to push the price up to what the market could bear, and had the effect of keeping

Potato campaign on way

CAPE TOWN — An advertising campaign to promote potatoes will be launched all over South Africa by the Potato Board for the next six months.

The board will also conduct the campaign in the black urban areas for ten weeks. Advertising material will appear at thousands of potato sales terminals.

At the same time group discussions will be held with black consumers in Johannesburg and Durban to determine their attitude towards potatoes.

The results will serve as a basis for further advertising of potatoes — DDC

prices artificially high.

This evidence was given by the federation's chairman, Mr Lazarus Selbar, at the commission hearing in Pretoria yesterday.

The support price is a mechanism used to stop the price of meat on the

market dropping rapidly. It is set by the Meat Board and is substantially higher than the floor price — the minimum amount that can be paid to a farmer.

Mr Selbar said the Meat Board's action and the support price were to blame for the "terrific" increase in the price of meat last year.

Red meat consumption had dropped by 30 per cent and he believed the support price plus the Meat Board's and Agricultural Union's "propaganda" about high prices, were to blame for this.

"The support price has actually caused tremendous harm to the whole industry," and it would be difficult to repair this, he said.

Mr Selbar said there were still officials stating to the media that prices would rise next year, but he predicted a glut of meat.

Soya protein was already being used and chicken consumption had increased and he had seen polony made from ostrich meat.

This would add further to the drop in meat consumption, he said.

Yesterday, the Imperial Cold Storage, one of the "Big Three" companies in the meat industry, called for a return to the quota system of marketing meat instead of the permit system used at present.

The quota system has been widely criticised, both in the past, and during the present hearings before the commission, because it can be manipulated — DDC

SA meat 291 pc more expensive

too little far too late. Moreover, the onset of actual change — not just the prospect of it — quickly led to a white reaction so fierce that the would-be reformers not only lost their mandate but saw progressively more and more hard-line politicians (and generals) succeed them. The last state was actually more extreme than before, so that by the end of the cycle reform was more distant than ever. Attempts at 'reform' within the South

Living costs soar to new record level

By GERALD KELLY

Pretoria Bureau

ALTHOUGH Africa's living costs returned their upward spiral during March, according to the consumer Price Index figures released by the Department of Statistics.

Although the increase slowed down to 0.7% in March, the 12-month inflation figure to the end of March reached a record level of 16.2%.

And leading economists warn that all the indicators point to further rises in the inflation rate during coming months.

A disturbing feature of the

index is the increase of 20.6% in the living costs of the lower income group in the past year.

This is considered certain to rise even more steeply after the increased maize and milk prices come into operation after the election.

The all-items figure for March rose by 0.7%, compared with 1.5% during February.

The food-only figure dropped sharply to 0.1%, making an

increase for the year of 29.9% — a marginal drop of 0.2% against the year's figure.

For the lower income group the index rose by 0.8% during March — 20.6% for the year.

For the middle income group by 0.7% — 17.2% for the year.

And for the higher income group by 0.7% — 14.6%.

Barclays Bank economist Dr Johan Cloete says the latest CPI clearly indicates that the

upward trend in living costs is continuing.

Costs could be expected to accelerate during the months ahead, mainly because too little is being done to control the problem.

A spurt in the index could be expected after the elections, when a number of Government administered price increases would start to influence general price levels.

These included maize and dairy products.

Dr Cloete said a Government enforced monetary control measure appeared to be the only effective answer to the problem.

This would entail making money more expensive by raising interest rates further, and restricting the availability of credit in a bid to slow down the

public demand for goods and services.

However, there was a thin red line in the strategy which, if crossed, could dump the country in another recession.

An aggravating factor which would have an inflationary influence during the months ahead was the more than R60 000 000 a month in pay rises for public sector workers, and the snowballing of wage

increases in the private sector.

Other economists point out that the 12-month figure to the end of March 1980 was 18.1%.

Since then the index has risen by more than 3%.

The deputy chief of the Bureau for Economic Research at Stellenbosch University, M. Attie de Vries, says he expects the upward trend in the index to continue for the next few months.

He was hopeful, however, that there would be a slowdown in the rate of increase in the second half of the year.

(8.2) Pricing and Research

Consider the following hypothetical illustration (7)

Drug companies B, C and D research and manufacture in the U.S.A. and Europe and sell worldwide — South Africa included.

B spends R30m on research to find a new cure for, say, arthritis. C spends R10m and D spends nothing.

B recovers nothing. C discovers two cures. D finds nothing, but analyses B's most promising cure and by deactivating it at a cost of only R100, comes up with an equally effective cure.

C markets its new product as R10 for 100 pills, the price designed to recoup its R+D costs in four years and show a return on capital of 20%. D markets its new product at R9 for 100 pills, designed to undercut B's sales and show an immediate return on outlay of 50%.

Suitably, the three companies with C & D new answer to hypertension. B spends R7m on research before succeeding with a "breakthrough". C spends R15m and finds nothing. D spends R26m and finds nothing.

The problem to resolve is to establish how B, C and D should design their pricing strategies to ensure they make a reasonable, on-going return from all their new products without fleecing the consumer, without overloading the price of one product with the R+D costs that failed to produce another, and without being ousted from the market by companies acting

in the private sector, the firm that innovates to firms. It were usual practice, the firm that innovates successfully to research and the consumer is not "illegitimate" because it will not raise prices for a firm to do so.

If the government is following the old hold and another product of a few firms focusing research or similar areas occur. The result is a proliferation of similar drugs, all selling at prices high enough to recoup research costs.

It is clear that a control board designed to deal directly with the problems of research can't succeed. It is not possible to let the market decide how research funds should be allocated. If, for example, a brain-dead idea to "market" funds for arthritis research, those people who "naturally" suffer from arthritis would automatically be considered to contribute their share.

The case-law of the patent of research in the ethical drug market is also relevant. Why is it that such a large amount of research is "lost" to the industry? The answer could be that the rewards to such effort are greater in the industry than in others. If this is the case, then it could be true that because firms generally argue of value to the patient of because the industry is able to promote the output of the research, whether it is of value or not.

The main problem therefore is to retain the incentive for firms to invest and research, but to ensure that such incentive is gained by the ways of the patient. Such a system involves more than just the issue of research which is only one facet of the market. The following section will draw together the foregoing discussion in an effort to identify the basic causes and possible solutions to the problems in the market.

• / ...

• / ...

The results of the actions of people like these, that is in undermining the economic self-sufficiency and political power of black groups and ensuring their incorporation in the new white dominated society should not be confused with their liberal protestations.

People on "good terms" with Africans were often called in to facilitate the signing of concessions which were generally of a pretty brutal nature. Chiefs like Mzilikazi who had seen what white presence meant further south and so were anxious to avoid all contact with whites were won over by missionaries. In the case of the Ndebele, it was the original missionary's son, John Moffat, who was largely responsible for persuading Mzilikazi's son Lobengula to sign the Rudd Concessions whereby Rhodes' British South Africa Company gained control over Ndebeleland.

More recently different government development schemes have been the cause of much suffering. For example, the rehabilitation scheme was forced on various areas when they first began to implement it. (Now it is only implemented on request). There was a violent reaction against it in many places, the most famous being Pondoland and Witzieshoek (in Basotho Qwa Qwa). On four different occasions old women said to me that malnutrition and the incidences of "swollen children" had only become common since the "Trust". Various people said that since they were only given ten pounds⁴⁵ to move their houses, they had to sell their oxen to be able to re-establish themselves in the new villages, and so have nothing to plough with.

9.2.2.2. Exploitation by local people.

In just about all the "community projects" I had experience of, the mass of people were very sceptical about whom the project would actually benefit. They often gave as a reason

for non-participation that such things benefit a small clique only. This is apparently a general phenomenon.

"Once a confidential relationship with the villagers had

been established, a strong conviction that

Board attacks 'Mail' meat price survey

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street
3 cards boards

By SUE ROBERTSON

A COMPARISON of meat prices between Zimbabwe, Botswana and South Africa, was "ridiculous" and "unfair" because the supply and demand structure in a sophisticated economy was different from that in an undeveloped country.

This is the view of a spokesman for the Meat Board. Mr Koot Blignaut, who attacked a Consumer Mail survey and report yesterday which revealed that South Africans paid as much as 291% more for their meat than their Zimbabwean and Botswanan neighbours.

But the president of the Housewives League, Mrs Joy Hurwitz, has blamed high meat prices on the "artificial" support price at auctions.

"We want that support price abolished immediately to allow for some fluctuation in the market. The Meat Board seems to think consumers don't like fluctuations."

She added that it was "crazy" that two countries - South Africa and Zimbabwe - that were so "similar" could have such discrepancies in

meat prices.

But Mr Blignaut called the comparison "ridiculous".

"It is rather unfair to compare a country with a lagging economy with a country like South Africa where there is a high level of economy."

"Price is determined by supply and demand and, obviously, the buying power and affluency of a community," he said.

South Africans had more money and therefore could buy more meat, he said.

But Mrs Hurwitz said "Our main concern is that in a meat producing country everyone should be able to buy meat. But in fact only a few are able to do so in relation to their income."

Mr Blignaut said the current meat shortage had also contributed to price escalations.

He said it was unfair to make the comparison between Botswanan and Zimbabwean meat which is ungraded, though not necessarily inferior, to South African meat.

"It is a non-comparable comparison," he said.

Referring to low-priced meat bought from Botswana by the Meat Board and then sold at

current high South African prices Mr Blignaut said "It depends of what people want to pay for the meat at an auction. It is a normal open market situation where supply and demand determine the price."

"There is nothing we can do about it."

He denied the Meat Board made any profit from these sales.

Mrs Hurwitz compared the importing of Botswanan meat to previous imports from Zimbabwe, saying that consumers never received the benefit of the lower prices.

The president of the South African Agricultural Union Mr Jaap Wilkens, joined the Meat Board in its attack.

"The only reason for this big increase (in meat prices) is there is a bigger demand than the supply," he said.

"We are getting a bit annoyed by the Rand Daily Mail."

"They are the only ones always complaining about the price of food - but consumers use other items too. What about price of hairdressers?" he asked.

People concerned with various projects involving a new way of life and re-organisation of the productive forces, have often stressed that a psychological and emotional commitment is a necessary ingredient for the success of the project. 50

SA red meat costs most

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Call to change meat system

Own Correspondent

JOHANNESBURG — South African housewives are paying as much as 291 percent more for red meat than their Zimbabwe and Botswana counterparts.

During the past year meat prices in South Africa have soared by 57 percent forcing housewives to cut down on their meat purchases.

This was revealed by survey of the prices of red meat in Johannesburg, Salisbury and Gaborone.

The survey of 11 cuts of meat showed prices in Johannesburg far outstripped those in both other centres.

Neither Zimbabwe nor Botswana has a meat marketing scheme similar to South Africa's.

And while the cost of maize, often used to feed cattle, is at present higher in Zimbabwe — their meat prices are considerably cheaper than South Africa's.

Both Zimbabwe and Botswana have exported beef to South Africa where South Africans are finally charged up to a third more.

Offal increase

Offal prices in Johannesburg recently rose for the third time in six months — increasing the prices in certain instances by more than 100 percent.

Low income groups, unable to afford the more expensive cuts, rely very heavily on offal.

Offal prices in Zimbabwe were lower on average by 124 percent.

Overall results of the survey showed Salisbury meat was cheapest, followed by Gaborone — with Johannesburg being the most expensive.

This is how Johannesburg compared

CHEAP CUTS

● Chuck — Johannesburg — 50 percent more expensive than Gaborone and 29 percent more expensive than Salisbury.

● Tripe — nearly 300 percent more expensive than Gaborone and 80 percent more expensive than Salisbury.

● Ox tail — 149 percent more expensive than Salisbury.

● Ox tongue — 53 percent more expensive than Gaborone and 148 percent more expensive than Salisbury.

● Ox liver — 115 percent more expensive than Gaborone and 120 percent more expensive than Salisbury.

● Brisket — 210 percent more expensive than Gaborone and 113 percent more expensive than Salisbury.

MORE EXPENSIVE CUTS

● Rump — 59 percent more expensive than Gaborone and 248 percent more expensive than Salisbury.

● Lamb chops — 31 percent more expensive than Salisbury.

● Roast pork — 88 percent more expensive than Salisbury.

● Leg of pork — 70 percent more expensive than Salisbury.

● Leg of lamb — Johannesburg was 5 percent cheaper than Salisbury.

The survey established huge discrepancies exist at wholesale and abattoir level.

On Thursday last week at the City Deep abattoir in Johannesburg, super beef prices varied between R2,30 a kg and R2,49 a kg and Grade 2 varied between R2,12 and R2,29.

In Salisbury, the Cold Storage Commission was charging 84¢ a kg for beef — and paying farmers substantially less than that.

However, Zimbabwean farmers feel they are getting a raw deal and higher prices are anticipated within a month.

Even then, the producer price would have to treble in Zimbabwe before it would approach South African prices.

we before it would approach South African prices.

Although beef is not sold in grades the same way as it is in South Africa, the prices of their top grades are compared.

Wholesale prices for lamb in Zimbabwe last week were R1,75 a kg and mutton R1,50 a kg. Pork cost 95¢ a kg wholesale.

All beef sales in Zimbabwe are made through the Cold Storage Commission. A large amount of the lamb and mutton is imported and pig meat is sold through a co-operative.

Wholesale prices

In Botswana, even the wholesale prices of beef were lower than the prices of beef at the Johannesburg abattoir.

Chuck, for instance, was R1,50 a kg, brisket was R0,65 a kg and tripe was R0,45 a kg. The highest grade of beef, comparable to super grade in Johannesburg, would cost about 20 percent more than this.

According to a wholesale butcher in Gaborone, butchers are allowed a maximum 35 percent profit margin and they compete within this margin.

The Botswana prices in the table are calculated by adding on 35 percent to the wholesale price supplied for the retail profit.

Although the wholesale butcher gave prices for Grade 1, he said the equivalent of super would cost about 20 percent more. A further 20 percent has therefore been added to the price.

The butcher said that lamb and pork had not been available so prices were not compared.

He said most meat was sold frozen. When chilled cuts were available, they were only slightly more expensive — for example, chilled rump was R2,75 a kg wholesale, while frozen rump was R2,60 a kg.

Own Correspondent

JOHANNESBURG — The South African Federation of Meat Traders, which represents retail butchers, has slammed the support price system in the marketing of meat and asked the Commission of Inquiry into the industry to scrap the system.

The basic result of the support price seemed to be to push the price up to what the market could bear and had the effect of keeping prices artificially high.

This evidence was given by the federation's chairman, Mr Lazarus Selbar, at a commission hearing in Pretoria this week.

The support price is a mechanism used to stop the price of meat on the market dropping rapidly. It is set by the Meat Board and is substantially higher than the floor price — the minimum amount that can be paid to a farmer.

Mr Selbar said the Meat Board's action and the support price were to blame for the terrific increase in the price of meat last year.

To blame

Red meat consumption had dropped by 30 percent and he believed the support price plus the Meat Board's and Agricultural Union's 'propaganda' about high prices were to blame for this.

This had a very serious and harmful effect — for instance, the abattoir had had to increase its prices because fewer cattle were being marketed.

Mr Selbar said there were still officials stating to the media that prices would rise next year, but he predicted a glut of meat.

Soya protein was already being used and chicken consumption had increased and he had seen polony which used ostrich meat.

Mr Selbar said his organisation was against the Meat Board or anybody else having a say in retail prices.

No objections

Mr Selbar said he told the Minister of Agriculture he had no objections to a support price scheme, but the present one did not work.

No one knew exactly how it was calculated.

It's untenable that the price should be worked out by the Meat Board when no one knows what it is or how it works.

"If you want to stabilize prices, you cannot do it under an auction scheme."

There had to be fluctuations in any auction system.

No relation

Mr Selbar said the recent 54 percent increase in the price of offal bore no relation to the cost of production — the price had been raised to what the market would bear.

Traditionally, offal prices had been linked to meat price trends.

"But this was a case where the price had nothing to do with the cost of production — only what the market would bear," he said.

Demand for offal had increased because meat prices were high and because of this, the price of offal had been put up by 54 percent.

Leading meat company calls for quota system

Own Correspondent

JOHANNESBURG — Imperial Cold Storage, one of the 'Big Three' companies in the meat industry, has called for a return to the quota system of marketing meat instead of the permit system used at present.

The quota system has been widely criticized, both in the past and during the present hearings at the Commission of Inquiry into the meat industry for its ability to be manipulated.

Giving evidence at the commission in Pretoria yesterday, an ICS director, Mr H V Lombard, said the permit system was unsatisfactory and agents with quotas could gauge supply and demand of beef well.

Under the quota system, agents are given the quotas or allocations of cattle they can have slaughtered. This has led to accusations that they abused their quotas by favouring farmer clients.

Under the permit system, permits are issued to farmers themselves for the cattle they wish to market.

Mr Lombard said when applications for permits were filled in three months ahead, they

were not accurate — the condition of the weather and cattle were not known.

He said under the quota system, agents knew what was available on the market and whether the market could cope.

In reply to a statement that the Meat Board was against the quota system, Mr Lombard said the Board's system of issuing block permits to agents was the same effectively as the quota system — only a nicer name.

In evidence on ICS's feedlots, Mr Lombard agreed that new producers would have a problem marketing their cattle if feedlot operators were granted all their permits for which they had planned.

He said farms should be used to breed animals, not rear them. At a young age, the animals should be put onto a feedlot to be fattened for slaughtering.

In winter, there was not enough grass and calves were born and raised under these conditions. They should be placed on feedlots and fed maize.

There was a consumer demand for grain-fed beef which

was superior to grass-fed beef, he said.

Questioned on vertical integration, Mr Lombard said it was an inherent part of a meat operation.

He said there was no monopoly in the meat industry as the 'Big Three' were in fierce competition and one of the three was a co-operative with different aims.

Mr Lombard was asked to provide information on the quantity of hides ICS uses, its share in the hides market, turnover, number of hides processed and hides exported. This information and information on the company's share in the retail, wholesale, agent and feedlot markets would be provided for the commission but treated in camera.

Earlier, the chairman of ICS, Mr William Neate, described ICS's joint ventures with Vleissentraal and W L Ocshe.

He said allegations of monopolies, middlemen creaming profits and corruption were unfounded and caused the industry harm.

He said he was not aware of any irregularities in the industry.

16,19

Consumer Price Index

Financial Editor

The Consumer Price Index is now 16.19 percent higher than it was in March 1980 and the food index has risen by 29.87 percent over the same period.

These figures were released yesterday by the Department of Statistics.

They show that while the rate of increase has fallen from February's 1.47 percent to 0.72 percent in March — the annual rate is still rising and showing no signs of going

NW 23/181

continues to rise with food costs leading the way

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TOEIRCEINT

down

February's CPI was 16.05 percent higher than February 1980 and the food index 30.08 percent higher.

The three income group CPI rises compiled by the department show annual rises of 20.59 percent for the lower income group, 17.18 percent for middle incomes and 14.59 percent for higher incomes.

The food index rose by 0.14 percent in March. Since March consumers have been told of price increases for sugar, private school fees and hospital fees.

A decision on dairy products is expected soon, although it is due only in June. The rise is expected to cover increased costs of between 18 and 20 percent.

In the pipeline are increases in medical tariffs, turned down by the Government but probably likely to emerge from the doctors again soon.

Civil Service pay rises of R1 000 million together with a similar amount for the private sector must give the CPI another twist as money chases scarce goods — production levels are high and shortfalls must be met by imports

Living costs

have risen ²⁴⁴
by records ^{STAR}
16,2 ^{23/4/81} percent ~~20%~~

By Caroline Braun,
Consumer Reporter

South Africa's inflation is snaking upwards, statistics showing a record 16,2 percent increase since March last year.

Food prices rose 29,9 percent between March 1980 and March 1981.

Hardest hit is the lower income group, whose cost of living rose 20,6 percent (middle income group 17,2 percent, higher income group 14,6 percent)

The Consumer Price Index, published monthly, last December showed an annual rate of 15,8 percent. In February it passed 16 percent for the first time, and last month edged 0,2 percent higher, because of higher housing and education costs

Economists believe the CPI will keep rising during the next few months, due to higher maize and dairy prices to be announced within days

BOOM

They see 18 percent inflation by the year's end as not an unreasonable prediction

Dr Johan Cloete, chief economist for Barclays Bank, said one reason for rising costs was that South Africa was in a boom, with plenty of money circulating and little consumer resistance to high prices

He said the only effective answer seemed to be Government monetary controls

These would entail higher interest to make money more expensive, restricting credit and halting excessive wage increases

Country blacks pay more for food

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Own Correspondent

PORT ELIZABETH — Rural blacks, who have been hardest hit by recent food price increases, are paying almost 63% more than urban blacks for mealie meal — their staple diet

This is because many of the "stores" available to them — often a simple mud hut with few supplies — are themselves run on a subsistence basis with the "shopkeeper" having to supplement his income by working elsewhere

These high prices have resulted in families in the rural areas depending on purchases made in the cities by contract labourers

Coffee is up to 40% more expensive in the rural areas compared to the city while sugar is 22% more and bread is 16% more expensive

Rural blacks have in recent years been faced with the double hardships of unemployment and drought

This week will bring them a further one — when the price of maize increases by between 15% and 20%

A survey of villages in the the Eastern Cape — in the vicinity of Fort Beaufort, Alice and Peddie — established that the spiral in food prices has pushed many people in these areas well below the breadline

The survey found that prices between the rural areas and prices in Port Elizabeth townships differed by about 20%

This week the Rand Daily Mail published official Department of Statistics figures showing how food sales have

Prices of basic commodities in the surveyed Eastern Cape area

	Rural	Township	City
Mealie meal (1kg)	44c	33c	27c
Paraffin (750ml)	42c to 45c	28c	(not sold in bottles)
Long life milk (500ml)	32c to 35c	29c	55c (1/)
Loaf brown bread	22c	21c	18c
Jabula powdered soup (sachet)	8c	12c	(Not available)
Sugar (1kg)	55c	49c	45c to 48c
Instant coffee (250g)	R 85	R1 48	R1 33 to R1 37

slumped below 1976 levels. But since then there have been many more mouths to feed with South Africa's population growing by about 3% a year

And although most sectors of the economy showed growth last year — that of the food sector showed a decline

Soaring food prices, — which have doubled since 1976 — and increased by almost a third since last year — have been adding misery to the daily lives of rural people

And even blacks in the urban areas are feeling the effects of the high food prices

Earlier this year Consumer Mail conducted a survey in White City Jabavu, one of Soweto's poorest areas, and found most of the 30 people interviewed had been forced to cut back on basic foods such as milk, eggs, fish, offal and chicken — which they regarded as "luxuries"

In order to keep starvation from the door they said they had increased their intake of mealie meal, cabbage and spinach

The Eastern Cape survey showed a similar trend

"Food is what we work for these days," was a common

remark during interviews with breadwinners

The survey showed people in these areas were most susceptible to soaring prices because of the drought and a chronic scarcity of employment

Now most families live mainly on mealie meal. For breakfast they have mealie meal porridge. Lunch is a slice or two of dry brown bread — white bread was not stocked in one rural shop visited — and a mealie meal drink known as amarhewu. Supper is most often "stywe pap" and either beef stomach or tripe

It emerged from interviews with a number of rural families that what are regarded by city folk as basic commodities, are often luxuries in country areas

They have had to change their staple diets, thereby increasing their consumption of low-protein foods — mealie meal being the commonest

Many family heads travel to the mines or cities for contract work. Most available work in the small towns near the villages is in gardens and the pay is not enough to keep a family

While the men are at the mines their families make do with "bits and pieces"

In one family in KwaNdaba Village, near Fort Beaufort, there are three children in primary school. The husband is a contract labourer in a mine in Johannesburg. While he is away his wife and children live on soup powder and dry brown bread. The wife said these were the most inexpensive commodities for two meals a day. A loaf of brown bread costs 22c and a sachet of soup powder 16c

Although she has a pressure stove, the housewife cannot afford paraffin at 42c for 750ml. She makes a fire outside to boil water for soup

She cannot afford red meat. A white man who sells offal comes to the village weekly

"A piece the size of my hand is usually about 40c," she said

Another village, housing an estimated 900 people, boasts only one small shop in a mud hut

There are about a dozen packets of mealie meal on the creaking shelves, a few tins of canned fish and small amounts of other items

The "shop" assistant said villagers did not have much buying power. The owner could not survive on the business. He worked in Port Elizabeth and drove home every weekend with stocks from the city

The shop's biggest sales were bread and mealie meal

It emerged from interviews with contract workers in Port Elizabeth hostels that, because of the difference in prices, many travelled home once or twice a month with bags of goods for their families

for its finish and size. Nobody was paid for it was all built by voluntary labour. that that this was due to Nombula's advertisement. While I was staying in Abalimi I noticed extensive advertising Mr Nambula person who collects people before every important that many people who did then come would

At Umlambo, where SAVS students were in clinic, it was mainly through the efforts of Joki Stuurman, that the project succeeded. People came to build, acted as foreman co-ordinate who worked where and that spent. He organised that different people so that the work parties function as had left he went on working on the building one or two men. If materials ran short Idorophu to ask that the Hlubi Tribal

After the clinic was built he told me Umlambo was "progressive" and that the different from those in other places did understand what had gone on. He said that a clinic they do not believe that this to them; he had to go to every house at they accepted this. Every morning before he would go to people's houses and ask. There were several strong young men who and who were by far the most hardworking. Apart from 2 or 3 scholars they were in December. Stuurman said that it is only understand about progress and development you can get anything done is over Christmas people only come to work parties so the It turned out that 2 of the school pupils with him during the building. He said that would not have been able to get food without for nothing.

Name of Disease (in Afrikaans)	Description of Disease
Antara	The handling of iron, hair, bristles, needles and skins in an open container etc. Any work involving the use of cyanide.
Asbestos poisoning	Any work involving the use of asbestos or other fibrous materials containing asbestos or asbestos dust.
Acute cyanide poisoning	The handling of cyanide or any work involving the use of cyanide.

Name of Disease	Description of Disease
Pneumonia	Any work involving the use of phosphorus or its preparations or compounds.
Sarcoidosis, asbestosis or other fibrosis of the lungs caused by mineral dust	Any work involving the use of asbestos or other fibrous materials containing asbestos or asbestos dust.
T.N.Y. poisoning	Any work involving the use of cyanide.

Petrol rise seems certain

By GERALD REILLY
 Pretoria Bureau

A SUBSTANTIAL petrol price hike, at the latest from the beginning of July, is considered certain

Motor industry executives differ in their assessment of the extent of the increase. It could be between two and four cents a litre.

The petrol price was last raised in July 1979 — by 14,7 cents a litre.

Representations from oil companies for higher margins have been with the Minister of Mineral and Energy Affairs, Mr F W de Klerk and, according to Mr De Klerk, they are now being processed.

In Pretoria yesterday the managing director of Trek Petroleum, Mr Don Masson, said the need for a price adjustment was obviously urgent and desperate.

The increase could be passed onto the consumer, it could be borne by the Government, or it could be met by a combination of the two, he said.

Mr Masson said the oil companies could no longer absorb crude oil price rises.

He agreed that the Government was likely to wait for the outcome of the mid-year meeting of Opec countries before making a price adjustment.

The director of the Motor Industries Federation, Mr Janne van Huyssteen, said it could be accepted that the margins of petrol retailers — determined by an agreed formula — would have to be raised when the adjustment was made.

The publicity director of the Automobile Association, Mr Hennie Kleynhans, said the price hike would probably take place from July.

He stressed it was not necessary for the increase to be loaded onto the currently high fuel price. Some of the fat on the constituents of the price could be trimmed to accommodate the adjustment.

Hydrocyanic acid is highly toxic by the

Margarate poisoning

Any work involving the use of mercury or its preparations or compounds.

Acute cyanide poisoning

Any work involving the use of mercury or its preparations or compounds.

Continued/.....

packing of fertilizer-toluid

Iceberg

Elderly need R20 for food — Munnik

By HELEN ZILLE
Political Correspondent

AN ELDERLY person needs only R20 a month for food to maintain a healthy diet, the Minister of Health, Welfare and Pensions, Dr L A P A Munnik, said yesterday.

Speaking at a Press conference in Johannesburg, he said he based his claim on research for the Government by the Human Sciences Research Council. He believed the survey was one of the HSRC's secret projects

Dr Munnik said the survey covered "all population groups and age groups"

He quoted the R20 figure while developing an argument to show that a monthly pension of R114 was significantly higher than the minimum needed for a healthy existence

The survey relating to the aged showed that, at today's prices, "old people can eat on R20 a month" and get a balanced and healthy diet containing "milk, meat, fruit, cereals, vitamins, sugar, flour, etc"

For younger people, the figure was not much higher — R25 a month

The survey on elderly people showed also that R9 a month — calculated over a long period — would be adequate for clothes, and R11 a month for other items such as "shaving powder, hair spray, etc"

"This means that the minimum amount for a reasonable existence is R40 a month, excluding water and lights," he said

He then referred to a remark by the Leader of the Opposition, Dr Fredrik van Zyl Slabbert, that South Africans were being forced to eat less food because of inflation

Dr Munnik believed the explanation for South Africans eating less food was that the country had had a "very successful health year" and people were buying more nourishing food for the same amount of money

His department had been flooded with requests from men and women for health diets, he said

"We in South Africa not only eat totally wrongly, but also too much. If you want to prove it, you can go and see in every town that there are big clubs of weight watchers, there are joggers running all over the place trying to reduce weight, you have young people going to specialists trying to get their weight down"

"In fact, if you see any South African who looks in a nice, trim condition, you think he might be ill and if you want to prove it, just walk down the road"

He concluded that white pensions of R114 — which will rise to R122 in October — were "well above" the minimum needed

Mr Barend Du Plessis, the National Party candidate for Florida, who was at the Press conference, immediately realised the political implications of Dr Munnik's statement

He said he could envisage Opposition Press headlines quoting Dr Munnik as saying pensioners could live on R20 a month for food, and asked Dr Munnik to clarify the issue and to state that the figure had been scientifically worked out, but that pensions were not based on the calculation

Dr Munnik replied that the figure could sound "strange" to many people because "we, as a people, undoubtedly eat too much. There is not one of us here who does not eat too much"

Dr Munnik said South Africans would have to hear more about such statistics in the future

Dr Piet Koornhof, chairman of the NP's information committee, who was also present, said he did not think the Press would "misuse" the information

(Report by H Zille 171 Main Street, Johannesburg)

CONT →



Mr G W Fourie, 74, went shopping yesterday after Dr L A P A Munnik's statement that R20 a month for food was enough for pensioners. His response to the statement was "If the Minister can live on this amount of food for a month, I will give him my pension for three months"

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'You try it,' challenge to Munnik

By MARIKA SBOROS

THE Progressive Federal Party has challenged Dr L A P A Munnik, Minister of Health, Welfare and Pensions, to prove his statement that old people can live on 67c a day by doing so himself for a month.

Mr Alf Widman, PFP spokesman on health, was reacting to a statement yesterday by Dr Munnik that pensioners could have a balanced diet for R20 a month.

"I challenge the Minister to say what he could buy for 67c a day that would sustain a person on three or even two meals a day

"All aged people should rise up and tell the Minister what they think of his statement," Mr Widman said.

Mr Horace van Rensburg, PFP spokesman on consumer affairs, added his voice to the challenge that the Minister try and live on 67c a day.

"I believe it is a ludicrous statement, and a disgrace," Mr Van Rensburg said.

Mr Van Rensburg said the trouble with Cabinet Ministers was they had become isolated from the South African people.

"Last year they helped themselves each to an increase of over R1000 a month

"It is no wonder that when Cabinet Ministers enjoy such affluence at the taxpayer's cost, they find it difficult to visualise the misery of a white pensioner who has to live on just over R100 a month and a black pensioner who tries to survive on about R40 a month," Mr Van Rensburg said.

Mr Tony Simpson, chairman of the Johannesburg Care of the Aged, said Dr Munnik's claim was "unrealistic".

"I would say it is impossible for pensioners to live on R20 a month," Mr Simpson said.

"I don't think it is possible for them to live on under one rand a day and even that figure is pushing it," he said.

Mrs Phyllis Oosthuizen, a pensioner who lives in an old age home in the city said Dr Munnik was "exaggerating".

"If Dr Munnik came to live here, he would change his mind," Mrs Oosthuizen said.

She said she lived on her own a few years ago, and it cost her at least R50 a month for food.

Another pensioner, Mrs Dorothy Houghton, said she would find it "impossible" to live on less than a rand a day.

Pensioner Mr Anthony Karam said he "doubted" that old people could feed themselves for less than a rand a day.

From prices quoted by a large supermarket chain, pensioners could buy a litre of milk and a loaf of bread for their 67c. They would be one cent short if they wished to buy a loaf of bread and six eggs. They would get less than 25kg of minced meat for 67c.

The prices quoted were:

- A litre of milk — 37c
- The cheapest loaf of bread — 29c
- Six eggs — 39c
- 25kg of minced meat — one rand

For pensioners who cannot get to a supermarket, the problem is serious. They would not be able to afford a loaf of bread and a litre of milk from the corner cafe.

Prices quoted last night were:

- A litre of milk — 49c
- A loaf of bread — 21c

Professor Harry Seftel of the Department of Medicine at the University of the Witwatersrand said the list of items purchased by the pensioner was "nutritionally inadequate".

"There are junk foods, such as sugar, tea and custard powder that have no nutritional value. They may please the person's palate but will not provide him with the nutrition he needs," he said.

(Report by Marika Sboros, 171 Main Street, Johannesburg.)

Maize price shock

By CHARLES MOGALE

THE selling price of maize will rise by 9,5 percent with immediate effect

The announcement was made by the Maize Control Board in Pretoria yesterday.

It was also been announced that the price of petrol could rise by 2c a litre in the coming few months. The Minister of Mineral and Energy Affairs, Mr F W de Klerk, has received requests from local oil companies to raise the fuel prices.

According to a Maize Board spokesman, the rise stems from a request by farmers that their income be increased. This was because of rising inflation and the increased cost of agricultural equipment.

Yesterday Soweto residents expressed shock at the announcement. In a snap survey by the SOWETAN, residents said maize was their staple food and the increased price beyond their reach.

Mrs Mirriam Tshabalala of Zola a domestic worker, said she could not

afford the old price already.

"My child, everything is just expensive. I do not see what we are expected to do. How are we supposed to survive?"

Mr David Swale of White City said the move to increase maize was undisguised oppression.

"These whites are trying to kill us now. They know very well we live on pap. I hope they will review the situation and think otherwise," he said.

When we broke the news to Mrs Elizabeth Khoza, a mother of six from Orlando East, she signed and said: "We don't have money. Oh God, they are now fighting."

Mrs Khoza said she is a widow who had struggled to bring up all her six children alone since her husband's death in 1963.

Mrs Jane Mmeko a Pimville mother of five said. "They are crazy. I'm a domestic and I have no husband. My family is going to suffer."

Said another mother of five, Mrs Josephine Msibi of White City: "What can we do or say? We don't control them, and they own all these things. There is nothing we can do, we can't even complain because they won't listen."

"We are very disturbed about the extent of the maize price increase and the effect it will have on basic food prices," Mr Rex Glanville said.

"I cannot understand why the Government and relevant control boards, despite pleas and appeals to take cognisance of the crisis in food prices and inflation, insist on blindly continuing on this course."

"Responsible leaders in the food sector offered their talents, skills and advice. They have been ignored."

This is a table of present prices and approximate new prices:

Size	Old price	Approximate new price
2,5 kg	66c	72c
5 kg	R1.34	R1.47
12,5 kg	R3.49	R3.83
25 kg	R6.85	R7.53

Rent hike for residents of Vaal Triangle

By CHARLES MOGALE

THE VAAL Community Council has announced that it will increase its rentals by R5,06 from May 1 — only a month after neighbouring Evaton township erupted in protest against a rise

The increase will raise the minimum house rental in the townships to R28,01 and the maximum to R29,46. According to chairman Mr Knox Matjila, the high rise in inflation had left the council no option but to raise rents

The decision to increase the rents, made at the council's monthly meeting this week will affect all townships in the Vaal Triangle excluding Evaton

Commenting on the increases yesterday, Mr Matjila said he did not expect "adverse reaction" from the residents to follow the announcement

"The services provided in the Vaal have been improved I must say we are really ahead, and it is just a pity inflation overtook us. The services we provide are high, and they must just be paid for. However, if services are poor, I would myself expect the residents to complain though violence is not the way to voice grievances," Mr Matjila said

He emphasised that community councillors would not get "any increase whatsoever" as a result of the increased rentals

"We are presently working on a new scheme which we hope to adopt to avoid going back to the residents every time inflation catches up. But the scheme is still in its planning stages and we can't disclose it yet," Mr Matjila added

Evaton, which is almost adjacent to the Vaal's Sebokeng township, burst into violence after a rents meeting early this month. At least ten vehicles, two bottle stores, a beerhall and a shopping centre were damaged in stoning and arson incidents

Meanwhile, Mr Matjila has released a statement condemning the recent violence in Evaton. Violence, he said, could not be condoned "no matter who metes it out"

"I want it to be recorded as one leader and resident who has condemned this violence as one of the most politically amateurish, ill-conceived and lastly but not least, the most barbaric events ever experienced in the Vaal Triangle



Mr Knox Matjila

[Handwritten scribble]

24/4/81

[Handwritten signature]

SOWETAN

Shockwaves follow new maize prices

By GERALD REILLY
Pretoria Bureau

THE Government maize price determination announced in Pretoria yesterday has shocked the country's 30 000 producers.

They are to be made to pay for export losses on the record 13,5-million-ton crop with a huge average levy of R17,70 a ton.

This means that although the price has been raised by 9,5%, their net return will be the same as last year — R118,25 a ton.

And economists have warned that any maize price rise will also push up the prices of a wide range of other foodstuffs at a time when the food price index is running 30% higher than a year ago and twice as high as the overall Consumer Price Index.

Foods affected include milk, cheese, mealmeal, pork, beef, lamb, processed meats, poultry, eggs and even dog food.

At a Press conference in Pretoria yesterday the chairman of the Maize Board Mr

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Ben Wilkins, said the consumer price would rise by the 9,5% increase in the board's selling price, plus any adjustments which might be made in millers' prices.

The militant National Maize Producers Organisation, whose price recommendation of R140 a ton was rejected by the Cabinet, view the new price determination as a slap in the face.

Although Mr Wilkins stressed the increase in the selling price was substantially lower than the current 16,2% inflation rate, the higher consumer price will come as an additional hardship to lower income groups.

The Minister of Agriculture, Mr Plesiss, announced the Government's subsidy on local sales would be raised from R40-million to R72,2-million, the stabilisation subsidy from R10-million to R14,6-million.

Details of the new prices are selling price raised from R122,65 a ton to R134,15 a ton — a 9,5% increase, net producers' price

R110,25 a ton for white and R115 a ton for yellow maize. The producers' prices remain the same.

Mr Wilkins said 8,1-million tons of the huge crop would be needed for local consumption with the carry-over the total surplus will be just over 7-million tons.

Nampo's recommendation was that the Government bear the total loss on exports. However, the Government's and the Board's attitude was that in good years when world market prices were favourable — and there have been good years — the farmer benefited from export profits.

But in years when export prices were low the producer had to shoulder losses.

The board's recommendation had been R140 a ton, but the Minister made it clear that because of exceptional circumstances the Cabinet could not accept the recommendation.

The huge loss on exports would therefore

be borne mainly by the producer.

The total export loss would not be fully covered by the producer levy plus the Government's R14 600 000 stabilisation subsidy.

The Government had therefore agreed to make a loan of R71-million available to the Board at 4%, repayable over seven years.

Mr Wilkins said the board's stabilisation fund was in the red by R41-million. He conceded producers would be disappointed.

It had been taken into account however that producers' incomes would rise from R1 247-million last season to R1 562-million this season, even although the producers' net price remained the same.

This was an increase of R316-million. Total production costs for the current crop increased by R202-million. This did not take into account inflation and the farmers' salaries.

Mr Wilkins said the new price just had to make someone cross — either the farmer or

the consumer — and it was apparent that the farmer was the one.

Mr Wilkins, the sitting National Party MP for Venersdorp, denied the Government had been looking for "a political price". In the circumstances it was the best deal that could be worked out for producer and consumer.

Nampo chairman and Maize Board member Mr J van Abo said in an interview "absolute shock" to the producer.

Nampo had recommended a gross price of R140 a ton and a producers' net price of R137 a ton.

Mr Van Abo said the fact that the Maize Board had been stripped of its bargaining powers meant the price announcement was mere formality, allowing no re-negotiation.

Nampo's economist, Dr Kit le Cius, said farmers would be staggered that notwithstanding a production costs increase of 18% they were to get the same price as last year.

Dairy men say rise in milk price is essential

Own Correspondent

EAST LONDON — Unless the government takes drastic measures to help dairy farmers and increases the price of milk, rationing could become a reality in East London and the surrounding area.

The chief executive of Model Dairies, Mr M Gateke, said this earlier this week shortly before leaving for Pretoria to attend a national meeting of the South African Agricultural Union Fresh Milk Commodity Committee.

The committee intends asking for an increase of about 20 percent in the milk price.

Mr Gateke added that this area was not a controlled one, so the milk price could be increased without government permission. He said Model Dairies had not done this be-

cause they wanted to "keep in line with the rest of the country's dairy producers and distributors."

He said the "critical" condition of the dairy economy had caused the recent increase in the price of milk by-products such as yoghurt, buttermilk, maas and cottage cheese.

"These by-products form a small percentage of our total sales, but we thought it would relieve the pressure on the dairy farmers and ourselves if we increased by-products in the interim and not milk. It was an emergency measure, to keep dairy farmers and ourselves in business."

Mr Gateke said the government was meant to announce the annual milk increase on April 1 but this had not been done, so the committee was meeting to make demands.

At present Model Dairies imports between 25 and 30 percent of its milk from Port Elizabeth and Queenstown. Mr Gateke said the whole country, except for the Alexandria belt and Port Elizabeth, was in bad way. United Dairies was supplying not only East London but also cities further north.

The drop in the number of dairy farmers because of the recent drought and army worm, the increased production costs, the non-viability of dairy farming as opposed to beef farming, and the increase in labour wages were cited as reasons for the crisis.

"Over the past 18 months our number of suppliers dropped from 105 to 73 and of those 73 quite a few want to get out of dairy farming."

The drought experienced in the Border region followed by the heavy rains and army worm, the droppings of which are toxic to cows, have caused this disillusionment with dairy farming.

Mr Gateke mentioned the case of one farmer who had lost 19 of his milk cows, valued at a minimum of R800 each, in one day due to army worm. Replacing dairy cows was not easy today as good dairy cows were practically impossible to get and were extremely expensive. Therefore a lot of farmers had decided to switch from dairy farming even though they found it difficult to sell their equipment.

Mr E W Kruse, a director of Model Dairies and himself a farmer, said farmers were unhappy as production costs had risen by 22 percent and farmers were unable to meet this. Mr Gateke said the recent 16 percent increase in workers' wages had also caused problems.

Mr Gateke said there would be some very strong talking at the meeting this week where the government was to reply to suggested price increases put forward by the committee in February.

SYMPTOMS AND ILL-DEFINED CONDITIONS

	W		A		C		B		F
	M	F	M	F	M	F	M	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							
65+	1,84	1							
ALL	0,22	0							
NO.	463								

Petrol price rise expected from July

Own Correspondent

PRETORIA — The introduction of a substantial petrol price increase at the latest from the beginning of July is considered certain.

Motor industry executives differ in their assessment of the extent of the increase. It could be between 2 and 4 cents a litre.

Petrol was last raised in price in July 1979 — by a huge 14.7 cents a litre.

Representations from oil companies for higher margins have been with the Minister of Mineral and Energy Affairs, Mr F W de Klerk, and according to Mr De Klerk they are now being processed.

The minister has emphasized that it remains firm government policy to delay price adjustments for as long as possible. However, it is clear that the oil companies have a strong case for an early adjustment.

In Pretoria yesterday, the managing director of Trek Petroleum, Mr Don Masson, said oil companies were under-recovering to a serious extent and the need for a price adjustment was obviously desperate.

The last adjustment, except for a minor one which was not passed on to consumers, was in July 1979.

Asked to what extent he thought the petrol price would be affected by the coming adjustment, Mr Masson said

there were a number of alternatives facing the government.

The increase could be passed on to the consumer or it could be borne by the government or it could be met by a combination of the two.

Mr Masson said the oil companies could no longer absorb crude oil price rises.

He agreed that the government was likely to wait for the outcome of the mid-year meeting of Opec countries before making a price adjustment.

The director of the Motor Industries Federation, Mr Jannie van Huyssteen, said it could be accepted that the margins of petrol retailers — determined by an agreed formula — would have to be

raised when the adjustment was made. The publicity director of the Automobile Association, Mi Henrie Kleyrhans, said the price rise would probably take place from July.

He said it was not necessary for the increase to be loaded on to the currently high fuel price. Some of the fat on the constituents of the price could be trimmed to accommodate the adjustment.

A breakdown of the current price shows it is made up of the wholesale price — including producers' price and refining costs — 18,999 cents. Equalization fund 16.7 cents. Customs and excise 9.341 cents. Retailer margins 3.51 cents. GST 2.1 cents and rarlage 3.7 cents.

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12th February, 1981.

TO

Mrs. M. Thesen,
Commerce Faculty Officer.

Maize price rise fuels row over food price inflation rate

By Caroline Braun and Hannes Ferguson

The maize price increase has been condemned by retailers and consumer organisations

It will lead to higher prices for milk, cheese, eggs, poultry and red meat. The Government has brushed aside the Maize Board's views and fixed the new selling price at R134.25 a ton, which is 9.5 percent higher than last year.

Farmers will pay a levy of about R16 a ton to cover export losses. This will bring the net price to farmers to R118.25 a ton — exactly the same as last year.

The levy is expected to yield about R216-million

Mr Ben Wilkins chairman of the Maize Board, said the increase had been necessitated by the bumper crop and large surpluses for export, which would increase the board's handling and storage costs.

The farmers' levy which had been increased from R4, would go to a stabilisation fund to help meet massive export losses.

The Government would grant a R86-million sub-

sidy to the Maize Board, and the remaining deficit of R71-million would be met by a State loan, repayable over seven years at 4 percent interest.

Mr Wilkins said the maize stabilisation fund was R41-million in the red this year.

Mr Rex Ghanville, managing director of Checkers, said he was disturbed by the effect the 9.5 percent price rise would have on basic food prices.

"I cannot understand

why the Government and Maize Board insisted on putting up the price when we are in the midst of a food price and inflation crisis," he said.

Mr Norman Leibov, director of Pick 'n Pay Wholesalers in Cape Town, said he was appalled by the increase.

"It should never have been allowed especially as there was a bumper crop this year. Maize is the staple food of our black people and this increase will hit them badly," he

said Mrs Joy Hurwitz national president of the Housewives' League, said the increase was quite unnecessary in view of the large crop.

"It will push up our annual 30 percent food inflation rate even higher," she said.

Mrs Betty Herzel of the Consumer Union said she was happy that farmers had not benefited from the increase, as everyone should make sacrifices in inflationary times.

Mr Tony Bloom chairman of Premier Milling Company, said he considered the increase was reasonable and a sign that the Government was doing something to halt the inflation spiral.

The economist of the National Maize Producers Organisation, Dr C F le Clus, said manufacturers of fertiliser, tractors and the like were guaranteed a net return on capital of 15 percent. If this had applied to agriculture, the maize price should have been R140 a ton as had been recommended by the Maize Board.

Discouragement in the maize industry, if this coincided with a drought year, could easily lead to a shortage situation.

Time-table Changes

In February, we considered some adjustments for Business Science courses. From semesterisation and from the special field curricula.

As outlined in the attached memorandum and supporting schedules which were the Staff Meeting. I should be for Faculty approval of these have, affect other departments'

J.D. Hampton

Handwritten note: Mrs. M. Thesen

Door are in despair over the rocketing food prices

(244) Argus 25/4/81

ROCKETING food prices were hitting the pockets of every South African, but worst affected were low-income earners — widows with young children, the disabled and pensioners



PENSIONER Mrs Sarah Sayers, 83: 'We have to be grateful for what we get.'

The Department of Statistics has issued figures showing that the cost of living went up by a record 16.2 percent in the past year

Figures showed that, with the biggest increase in the cost of food, the lower income group was hit hardest

Their cost of living went up by 20.6 percent, for the middle income group by 17.2 percent and for the higher income group by 14.2 percent

Weekend Argus interviewed a number of coloured pensioners — who received R62 a month from the Government — at the Cape Flats Distress Association's service centre this week

MEAT

Their attitudes towards the ever-increasing prices ranged from despair to stoic acceptance

All the pensioners spoken to said they seldom ate meat. If they did buy meat, it consisted mainly of bones

Mr Derry Fitnum, warden of Cafda, said bones were nutritious 'but do not fill bellies'

Recent rises in the prices of offal and sugar shocked most of them. 'Where is it going to end' more than one asked

Mrs Gladys Abrahams, 72, of Steenberg, said she had about R10 left for food after she had paid her rent, water, electricity and burial insurance out of her monthly pension. She said the food she bought never lasted until the end of the month. Once it was finished, her children had to provide for her

Mrs Abrahams's diet consisted mainly of vegetables and baked beans, and fish twice a week. She could not at first remember when last she had eaten meat. 'Oh yes,' she said after a pause. 'I had a sheep's trotter last Sunday'



MRS CLARISSA CRIGHTON with her one-year-old baby, one of four children. 'Every time wages go up prices go up too,' she says.

'Every time one goes into the shop the food is more expensive,' remarked Mrs Elizabeth Johnson, a 78-year-old Retreat widow. 'It is getting more and more difficult every month to come out. And prices are always going up — they never come down'

Mrs Johnson said she also found visiting her children very difficult because transport costs were so high

Mrs Maria MacMaster, 72 of Retreat, also lived alone on R62 a month. She said her rent, electricity and water cost her about R32 a month. She managed to buy fish and chicken 'every now and then' but by the end of each month said she usually ended up living on coffee and bread

Few of the pensioners interviewed said they ate fresh fruit, eggs or cheese or drank milk

Some were remarkably stoic about their situation. 'We just have to cope,' said 83-year-old widow Mrs Sarah Savers, of Morning Glory. 'The people who give us the money had to struggle to get it, so I'm grateful for it'

Mrs Clarissa Crighton, 34 of Facticeon, has four children. Her husband worked at a power station and after deductions, brought home about R150 of his R225 salary every month

Mrs Crighton said her husband's wages had gone up by almost R60 a month in the past year. 'But we haven't seen any of it. The moment people get paid more money, prices go up again'



The great food price scandal

244

ROM

25/4/81

DR LAPA MUNNIK'S insensitivity to the plight of pensioners is symptomatic of a more general Government insensitivity to the plight of ordinary South Africans in the face of the soaring food prices.

When a Minister of Social Welfare and Pensions — and, significantly, of Health — can seriously suggest that at today's prices it is possible for an elderly person to get an adequate and healthy diet on R20 a month, we can only shake our heads in disbelief.

Whatever Dr Munnik's departmental specialists may say, we believe the figure is hopelessly unrealistic and that any elderly person attempting to live on that is liable to suffer malnutrition and a reduced resistance to infections that could prove fatal.

We are equally appalled that a member of the Cabinet can be so sanguine about the declining level of food consumption in this country as prices soar. As we showed on Tuesday, total food consumption has fallen between 1976 and 1980 despite a 12% increase in population.

Dr Munnik ascribes this to weight-watching and people buying more nourishing foods for the same amount of money.

What the figures tell us very starkly is that blacks are eating less because of soaring food prices, particularly in the rural areas. Which is not only distressing for them but highly dangerous for the whites, because oppression and hunger are the most socially explosive mixture known.

When a member of a government which purports to be so concerned about white security can't see that, we can only suggest that such a government is out of touch with reality. It has become remote from the ordinary man and insensitive to his problems.

The plain fact is that food price inflation has become one of the most serious problems facing the nation. Inflation generally has reached record levels, but food price inflation is running at double the general inflation rate. Last year it was 30% while the general rate was 15%.

This is extraordinary. Why should it be so, particularly since food marketing is so closely controlled by a number of Government boards — which themselves are now costing the taxpayer 28,5% more to run than they did last year?

The Rand Daily Mail set out to discover why, and over the past week we have been publishing the results of our investigations. We believe they reveal a scandalous situation.

The main findings have been as follows

- **FISH.** This was once one of the cheapest and most plentiful sources of protein for the lower income groups. But a combination of nepotism, greed by vested interests and endless bureaucratic bungling has all but destroyed the once-rich fishing grounds off the South African and South West African coasts.

According to Nationalist MP Mr John Wiley, the Government allowed overfishing by "buddies and pals" until shoals were depleted below the critical level of their ability to reproduce.

Cont

Rand Daily Mail 25/4/81

As a result the pilchard industry, once worth R100-million a year, has been destroyed, perhaps for ever, and now we have to import pilchards from Chile. Anchovies are likewise near collapse, and other important fish resources are also down drastically.

As a result the price of fish has increased by 306% since 1968, and 14,4% over the last year.

● **MEAT** Red meat prices have rocketed by 57% over the past year, nearly four times the general inflation rate. A kilo of rump steak now costs R6,70 in Johannesburg compared with R1,92 in Salisbury — even though farming in Zimbabwe has suffered from a long, disruptive guerrilla war.

Our meat industry is monopolised by three huge companies — Vleissentraal, Imperial Cold Storage and Karoo/Kanhym. These three are "vertically integrated", which means they control the whole chain from ranching to abattoirs, wholesalers and butchers, as well as hides and skins and offal.

Vleissentraal dominates the Meat Board, which makes all the rules and regulations. It decides who gets permits to market cattle, who can have butcheries, meat factories and export permits. It also sets the floor and support prices at the abattoirs — two devices which hinder the free movement of prices.

Thus the entire R3 000-million industry is in the hands of a few enormously powerful people, most of whom happen to be leading Broederbonders.

● **MAIZE.** This is South Africa's pivotal agricultural product. Its price determines the prices of a whole range of other foods, such as chickens, eggs, milk, butter, cheese, beef, mealie meal and even dog food.

The maize marketing system results in crazy back-to-front economics: the bigger the crop, the higher the price, the greater the loss.

This is because it is a protectionist system which guarantees farmers against the economic consequences of over-production.

The Government fixes the maize price and farmers are paid that regardless of how much they produce. This price is set to ensure a profit for the less efficient farmers, which has taken it well above the world price.

Therefore when there is a surplus — such as this year's record 13-million tons — it has either to be bought up at the fixed price and stored, or exported at a loss. Either way the taxpayer ends up footing much of the bill.

The maize price was raised by 9,5% on Thursday. It was expected to be nearer 20%. The smaller increase is almost certainly due to the pending general election and the fuss that has been made about the maize mess by this newspaper and the official Opposition.

Which is one encouraging sign that the forces of democracy, energetically applied, can begin to sensitise even the most complacent of governments.

THE ECONOMICS OF HEALTH CARE IN SOUTHERN AFRICA

"Doctors for What?"
or
Future Health Workers for Southern Africa

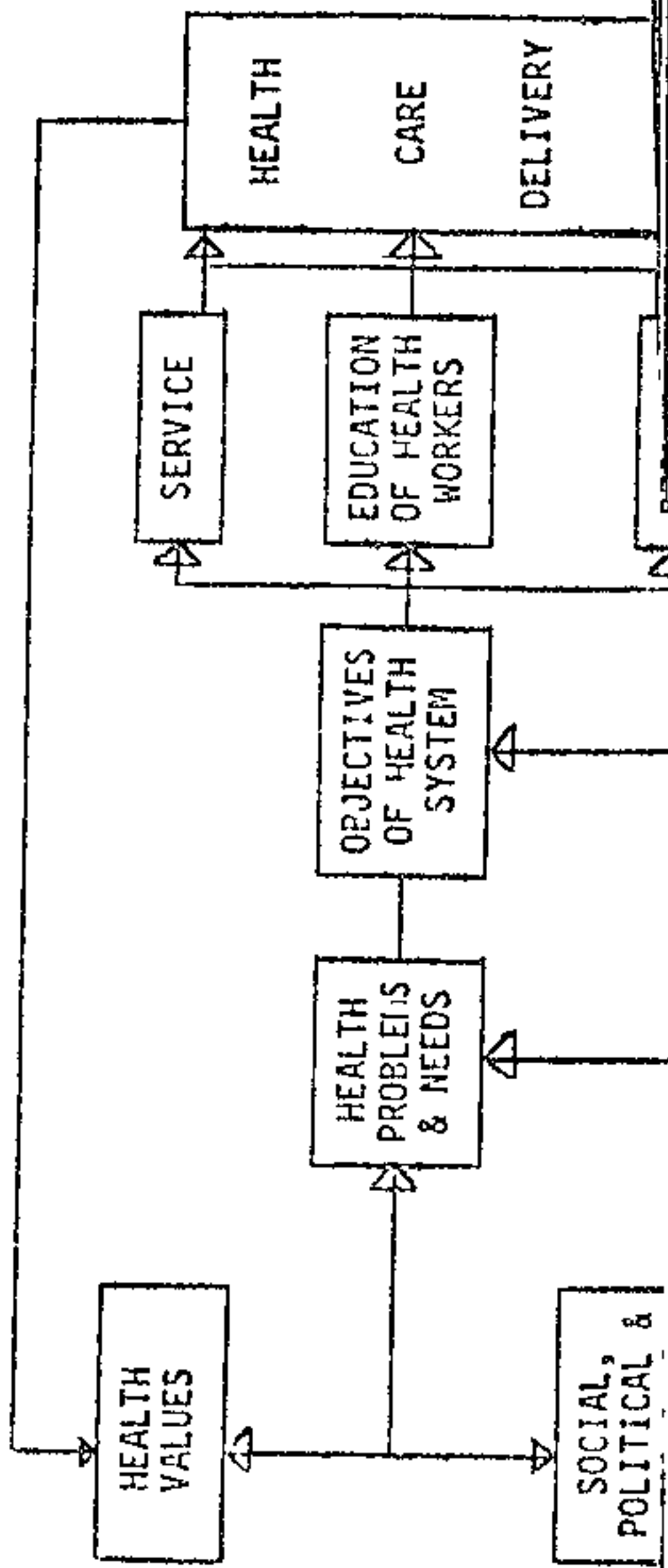
George Beaton, MBBCh PhD
Professor of Medical Education
University of the Witwatersrand, Johannesburg

"The decision to serve an entire population profoundly influences every step of planning and allocating for health care using this denominator - all the people, has profound social, political, ethical and educational implications". John Bryant (1)

All men are simultaneously involved in two macrosystems - a biologic natural system and a cultural, socioeconomic and political system. The health of man and his attempts to maintain and improve his stand of health are influenced by both of these systems, by the interplay between the systems and by man's collective and individual responses to the forces generated within the systems

A Health System Model

Any attempt to predict the number and types of health workers needed for southern Africa in the future must be based on a model of the health system. Such a model must take into account the macrosystems affecting man's health and must be a dynamic one. The model utilised in this paper is modified from the work of Purola (2). It incorporates the cybernetic, homeostatic and adaptive mechanisms that govern decision-making in health and its facilitates the systematic development of a policy suited to our situation.



Don't abuse the maize price rise, warns Minister

244
ROM 25/4/81

Pretoria Bureau

THE Minister of Agriculture, Mr Pietie du Plessis, yesterday threatened to slap price control on mealie meal if the trade attempted to abuse the 9,5% maize price hike to exploit consumers

And it is clear that the Government, by authorising a higher consumer price and freezing farmers' net price at last year's R118 a ton, has pleased neither group

Yesterday angry farmers flooded the offices of the National Maize Producers' Organisation (Nampo) in Bothaville with phone calls protesting at the "raw deal" handed them by the Government

Nampo's managing director, Dr P J Gous, said he had been "shocked senseless" by the price announcement and the fact that producers would not get a penny in compensation for their 18% increase in production costs

"We have sent a telegram of protest to the Prime Minister and to the Minister of Agriculture expressing the producers serious dissatisfaction"

Dr Gous said the farmer was being made to pay for total losses on exports which, if the world market price remained constant, could involve losses of more than R300-million

"Yet last year, when prices

were high for white maize on world markets and when we could have made handsome profits, we were told white maize could not be exported. It was needed in the country

"Farmers are really furious. They cannot understand how the Government can justify freezing the price in the face of 18% hike in production costs"

The Progressive Federal Party's spokesman on finance, Mr Harry Schwarz, said the remarkable fact was that the price had been increased in a situation of heavy surplus

This was flying in the face of the basic economic laws of supply and demand, which should be given free reign in what the Government boasted was a free enterprise economy

"Why can't they allow the market mechanism to determine price levels. We are dominated by controls which have no place in a free enterprise economy"

He warned that the higher price would impose severe hardships on the lower income groups and could have serious economic and political implications

It did not take a political genius to see the consequences of loading further hardships on an already underprivileged and unemployed section of the population, Mr Schwarz said

deployment of health resources and how they perceive the social impact of disease and death we need intensive sociological studies. As we move to greater community participation in health matters we must have a sociological framework within which the contributions and responses of individuals and communities can be elicited and interpreted. For too long attention has focused on the medical aspects of health problems. We are now realising that most of the crises in health are centred in issues of economics and the organisation of care, rather than in conventional medicine. It therefore follows that we must develop the discipline of health economics until it ranks with the other traditional disciplines of medicine (3). Allied to both health

Hikes being kept under wraps, alleges buyer

Food prices will rocket after election

244

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S. Tribune 26/4/81

Tribune Reporter

THE Government is keeping massive food price increases tightly under wraps until after the General Election next week.

The senior buyer of Park 'n Pay in Cape Town Norman Leibov, predicted yesterday that meat, dairy products and other foodstuffs would definitely go up in price.

In an interview Mr Leibov predicted:

- An increase of at least 12 percent in the price of flour at the end of the month.
- An oil seed control Board announcement of at least 16 percent in the price of oil seeds.
- An increase of at least 15 percent in the price of milk and
- An increased cigarette price.

Mr Leibov's predictions follow announcements this week that the maize price would go up by 9.5 percent and the price of eggs would rise by four or five cents a dozen.

"Normally at this time of the year we know exactly what is going up and we also have a pretty good idea of the increases," Mr Leibov said.

Because of the election this year, we are being kept in the dark. The food industry is being swept by rumours of increases but it is not difficult to predict that consumers will feel the impact of an even higher cost of living only after the last votes have been counted," he said.

Labouring on the price increases Mr Leibov said, the oil seed price increase would push up the price of cooking oil, margarine and other related foodstuffs.

"A higher milk price will in turn push up the price of butter, cheese and all other dairy products," he said.

The higher maize price would also increase the price of red meat as farmers will have to pay more to feed their stock.

In Durban Colin Clarke, general manager of supermarkets for Park 'n Pay, said dog food too would be affected by the maize price increase and pet owners would have to shell out more within the next few weeks.

Mr Clarke said that the maize price increase of 9.5 percent is very difficult to justify when you have a glut of maize.

"If we did away with protectionist bodies such as the control boards and had a free market competition without fixed prices it would eventually result in the levelling out of prices, or production would be more allied to the market."

He said Nampo situationally objected to a statutory body like the Maize Board being used to shield an uncomfortable political decision.

The board's price determining function had been taken away from it in 1975, he said.

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RDM 27/4/81 ~~130~~ 244

CPI rises by 16% over year

By VITA PALESTRANT
Consumer Mail Editor

THE Consumer Price Index rose by 0,7% last month for all income groups, and by 16,2% during the 12-month period ending in March

Latest Department of Statistics figures show that the spiral upwards is increasing with inflation running highest for low

income groups — 20,6% for the 12-month period and 0,8% during last month

For middle income groups, the index showed an increase of 17,2% and 0,7% respectively, while for upper income groups it was 14,6% and 0,7% respectively

Major increases last month were education up by a sub-

stantial 21,2%, furniture 3,8%, vegetables 2,8%, medical care 1,8%, and clothing 1,5%

Food continued to go up, increasing by 0,2% last month and by 29,9% over the 12-month period

This index will continue to accelerate in the next few months when the new maize price increase of 9,5% starts

filtering through other foods such as poultry, eggs and meat

The food index for last month showed increases for fish 1%, grain 1,1%, milk, milk products and eggs 0,5%, vegetables 2,8%, coffee and tea 0,1%

Meat dropped slightly by 0,4%, fats and oils by 0,3%, fruit by 5,5%, and sugar showed no movement

During the 12-month period, these foods have increased by: meat 52%, grain 17,7%; vegetables 34,9%, fruit 18,9%, fats and oils 13,3%, milk, milk products and eggs 11,8%, fish 11,8%, sugar 10,6%, and coffee and tea 4,6%

Soft drinks rose by 15,9% during the past year and by 0,3% last month; while alcohol rose by 7,3% during the past year and showed no increase last month Cigarettes showed an increase of 4,2% over the year and a drop of 0,4% last month

Clothing and footwear increased by 1,3% last month and 10,3% last year, with clothing alone up by a substantial 1,5% last month.

Housing went up by 0,9% last month and 13,3% over the year

Fuel and power increased by 1,1% last month and 12,2% over the year

Furniture and equipment showed an increase of 2,6% last month — 16% over the year

Household operations, up by 7% last year, showed no increase last month.

Cleaning materials dropped by 0,5% last month and rose by 11,2% over the year. Domestic services were paid 0,3% more last month and 4,4% over the past year

Medical care rose by 12,2% during the year

Transport, vehicles, running costs and public transport showed no increase last month, but rose by 8,2%, 14,6%, 4,3% and 7,5% respectively over the 12-month period

Communication showed no increase last month and dropped by 3,5% during the 12-month period.

Reading matter rose by 54,7% last year while personal care rose by 11,5% during this period Both showed no increase last month

Every month the Department of Statistics in Pretoria analyses masses of information about the cost of goods and services in 11 major urban areas

These are processed to make up the monthly CPI

CONSUMER MAIL

	March 1981	Feb 1981	March 1980
ALL ITEMS	195.2	193.8	168.0
Lower income group	197.4	195.9	163.7
Middle income group	196.4	195.0	167.6
Higher income group	194.0	192.6	169.3
FOOD	217.8	217.5	167.7
Grain products	194.2	192.0	165.0
Meat	239.8	240.7	158.0
Fish	212.5	210.5	190.1
Milk, milk products & eggs	176.8	176.0	158.1
Fats & oils	208.9	209.5	184.3
Fruit	201.9	213.1	169.8
Vegetables	210.1	204.4	155.8
Sugar	284.1	264.0	238.7
Coffee & tea	246.7	246.4	235.9
Other	193.2	190.8	168.8
COLD DRINKS	201.0	200.3	173.4
ALCOHOLIC DRINKS	163.4	163.4	152.3
CIGARETTES, CIGARS & TOBACCO	157.0	157.6	150.6
CLOTHING & FOOTWEAR	166.5	164.3	150.9
Clothing	158.0	155.7	142.5
Footwear	211.8	209.8	194.9
HOUSING	163.8	162.4	144.6
L & POWER	247.7	245.0	220.7
FURNITURE & EQUIPMENT	179.5	174.9	154.8
Furniture	166.6	160.5	137.4
Appliances	167.0	165.1	151.6
Other	183.6	180.9	165.3
HOUSEHOLD OPERATION	218.0	218.0	203.8
Cleaning materials, etc	208.2	209.2	187.3
Domestic servants	220.2	219.6	210.9
Other services	199.4	199.4	186.1
MEDICAL CARE	180.6	177.4	161.0
TRANSPORT	217.4	217.4	201.0
Vehicles	203.1	203.1	177.2
Running costs	253.8	253.8	243.4
Public transport	168.1	168.1	156.4
COMMUNICATION	114.5	114.5	118.6
RECREATION & ENTERTAINMENT	180.3	177.6	160.7
READING MATTER	259.2	259.2	167.5
EDUCATION	244.8	201.9	201.9
PERSONAL CARE	182.6	182.1	163.8
OTHER	198.3	197.0	171.0

chief of the parastatals, state companies, state services, electricity, water, people, with, or of the new...

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Milk could cost average family more than R30 a month

By TONY STIRLING
Chief Reporter

SOUTH Africans, reeling under a spate of rocketing food prices, now face another milk crisis.

Milk producers have asked for a 16% rise, and if it is granted a litre of milk will cost about 55c in a cafe and 48c if delivered to your home.

In 1975, South African milk was the second most expensive in the world. Since then it has risen by 60%, and at present prices a family of five drinking the Department of Health's recommended two litres a day would pay R29,40 a month.

For a family living on the Poverty Datum Line — R200 a month — the cost of the milk would represent nearly 15% of income.

What is wrong with the South African milk industry?

Dating back to 1947, when a leading veterinary authority, Dr E Pullinger, made proposals for improvements in the local industry, the milk bottlers have agreed on one thing — that South African dairy cows are among the meanest producers of milk in any comparable country in the world.

Basically, the scientists say, the failure of South African cows to produce more milk can be blamed on inadequate feeding and poor management in the dairy industry.

On this point, the scientists, including experts of the Council for Scientific and Industrial Research (CSIR) Milk Institute, and the producers, represented by organised agriculture through the Milk Committee of the South African Agricultural Union (SAAU) remain at loggerheads.

An expert from the Department of Agricultural Technical Services believes that, as claimed in a 1975 report by the department, milk production in South Africa could be increased dramatically through proper feeding and better management. This, in turn, could lead to price cuts.

Scientists and experts blame poor herd feeding and inefficient management for the state of the dairy industry in South Africa — but producers disagree and say the country's record is better than that of many Western countries, including the United States, Israel and West Germany.

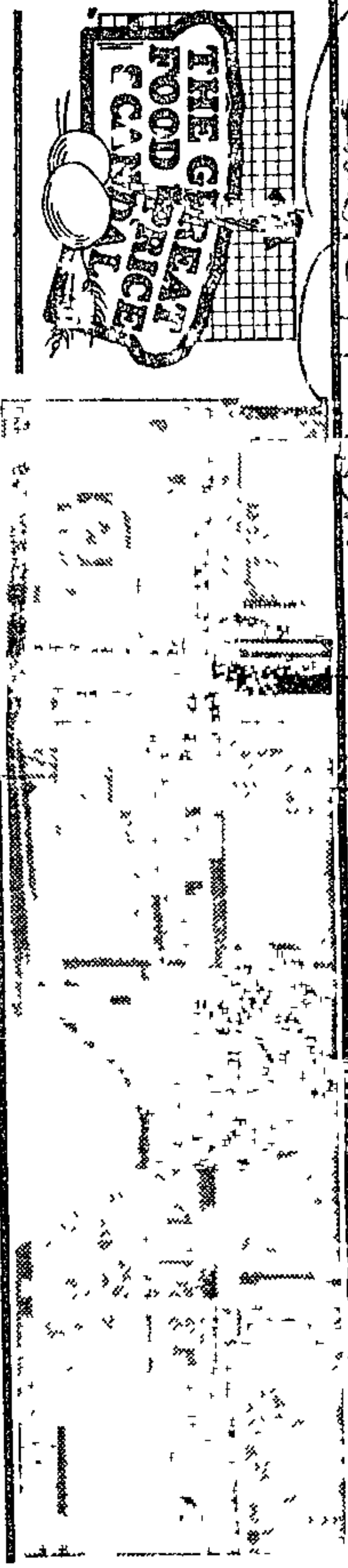
Among the more startling claims by the expert was that the milk production of 30% to 50% of farmers could be increased by 50% to 70% without better feeding if more efficient methods of herd management were used.

He said higher yields could be obtained from herds through the introduction of better feeding, but he saw, as the main problem, inefficient herd management.

"If you don't pay to feed a cow better if mastitis control is not taken care of. From 30% to 50% of farmers don't exercise proper mastitis control," he said.

Contributing to inefficiency in the dairy industry was the fact that in many areas — such as the "maize triangle", which holds about 35% of the country's dairy animals — mixed farming was the order of the day, and dairy herds tended to be neglected, building up mismanagement problems.

One of the great anomalies of the dairy industry was that farmers whose expenses were highest were often those who made the greatest profit.



These were the farmers whose land was near the cities, where the prices of land, making it prohibitively costly for the dairymen to produce their own feeds.

Conversely, in areas where costs could be reduced by farmers producing silage and feed on their own, comparatively cheap land dairy farming was often inefficient and yields poor.

The expert felt greater efficiency could only be achieved by the use of more dairy extension officers in the field to educate farmers on the benefits of greater efficiency.

This would almost certainly force the less efficient farmer out of business, and there is some feeling that the price of milk is geared not to the production of the best farmers, but to that of the worst.

The claim is that one of the main reasons for this policy is to keep farmers on the land.

Dr Louis Theron, head of the Milk Committee, his panel, and several farmers whom the Rand Daily Mail spoke to disagreed strongly with the expert.

The SAAU team said that claims that milk production could be doubled were purely theoretical.

According to Dr Theron and his panel, the traditional pattern of milk production — by specialist dairy farmers in certain areas, and mixed farmers in others — could not simply be changed overnight.

They said the department's 1975 criticism of poor management and low production had been based on samples which did not reflect the proper position. Included in the sample, they alleged, had been black producers, and considering the poor production from them at the time, their inclusion in the sample was unfair.

Dr Theron said unit production could be looked at from various points, including the number of years a cow produced milk. Here, South Africa's record was far better than that of the United States and Israel, and even "ultra-efficient" West Germany.

And in the US and Europe milk surpluses were paid for

through taxation. In South Africa there was no subsidy. Neither was there any milk surplus — powdered milk is imported to make up shortages.

Among the reasons for the high price of milk is the cost of feed. Foremost among these is maize, which overall, according to the SAAU, represents nearly 29% of total operating costs. Oil feed cake and roughage, such as lucerne, go to make up the rest.

The SAAU team also said the department's views on mastitis (a disease of the udder producing pus cells in milk) was almost certainly based on random general examples rather than on any comprehensive scientific study, of which there had only been one in South Africa several years ago.

Another milk industry denial is that the price is geared to keep the less efficient farmer's head above water.

According to the Milk Committee, its representations on prices are based only on data from producers belonging to the organisation's milk recording scheme. This scheme surveyed about 25% of the country's producers, all of them at the top end of efficiency scales in the industry.

Thus, according to Dr Theron, there is no question of supporting a price based on the less efficient non-members of the scheme.

The representations go to the Dairy Control Board, then to the Marketing Council, and finally to the Minister of Agriculture who decides on price increases.

The farmers get an average of just over 24c a litre for fresh milk, from which a 2,3c levy is deducted for transport charges. Whoever is right, one thing is certain: annual milk price rises are inevitable at each fixing of the maize price, and commodities such as sunflower seed used in oil seed cake.

And in the end it's the consumer who's paying for inefficiency, whether it's in the milk industry, or allied products on which dairy farmers rely.



'More food price increases'

News 29/4/81

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Consumer Reporter

A WAVE of new price increases is about to batter the consumer, who has already been faced with a 30 percent increase in the cost of food during the past year, say supermarket executives.

A spokesman for Pick 'n Pay said today 'The annual increase in the oil seed price will come soon. It is always announced at this time of year

'That means that the price of margarine as well as cooking oil will go up.

'Milk producers are asking for a 16 percent increase because of the 9,5 percent increase in the price of maize, and other expenses. That means the price of butter and cheese will also go up

CHICKENS

'The price of fresh chickens will go up by 6c a kg on Monday. That means they will be retailing at about R1,64 a kg

'This increase is to cover other costs apart from the new higher maize price, which will lead to another increase soon

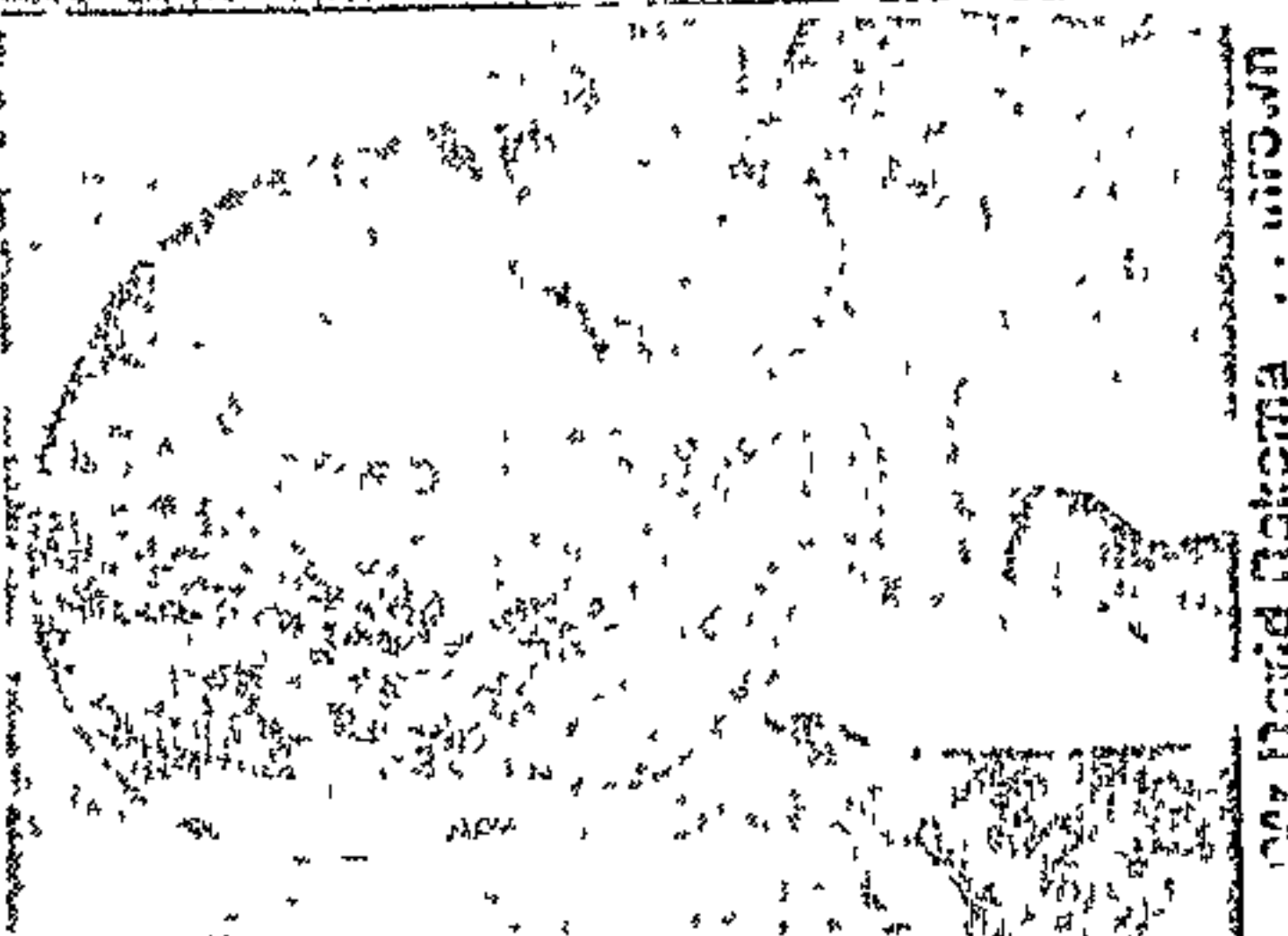
'The increase in the maize price will also lead to an increase in the price of eggs early next month, although we have not yet been notified of this

'And there is a strong rumour that the price of cigarettes is about to go up next week

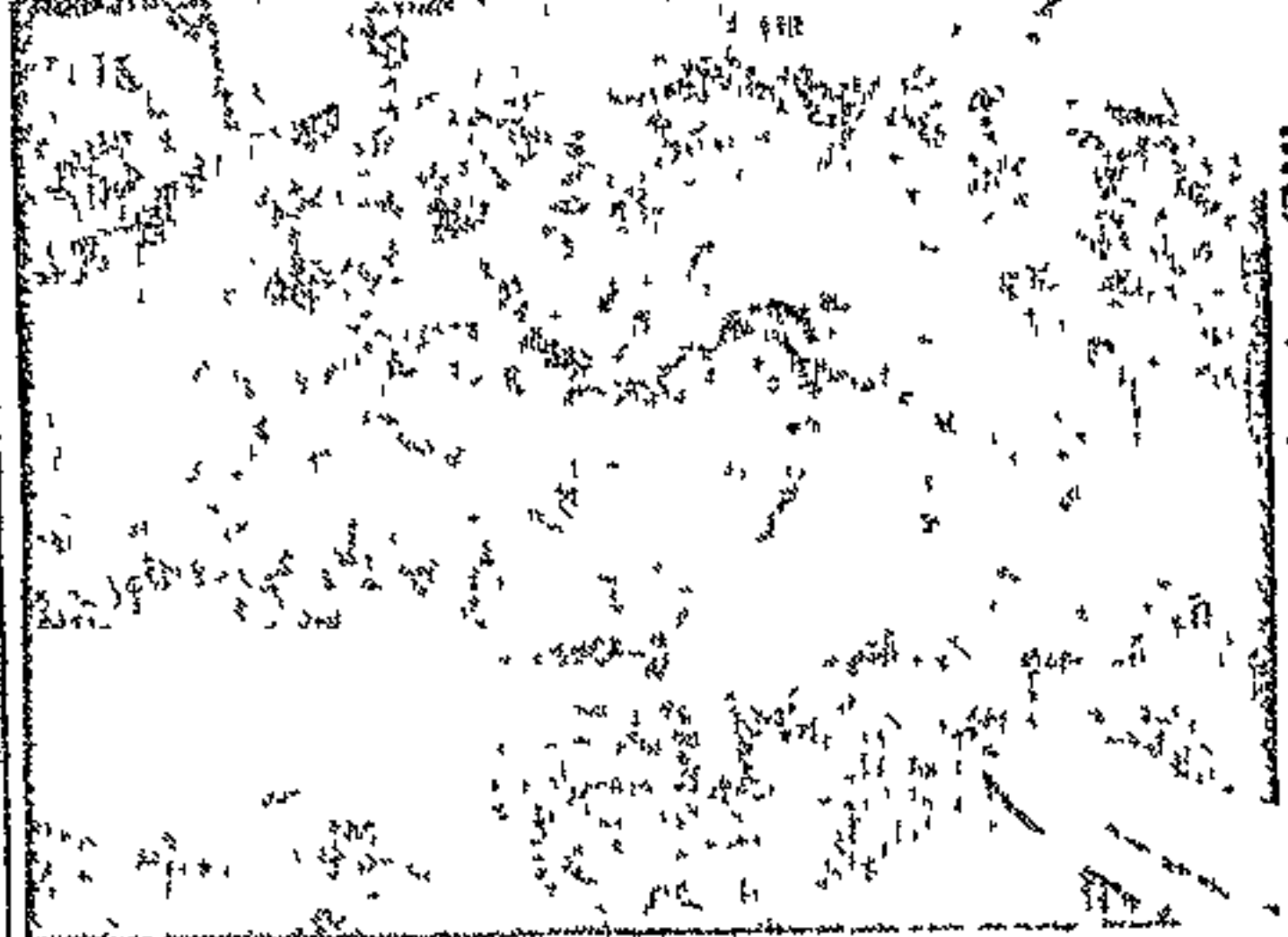
SUGAR

He said the recent 11 percent increase in the price of sugar would also affect the consumer next month.

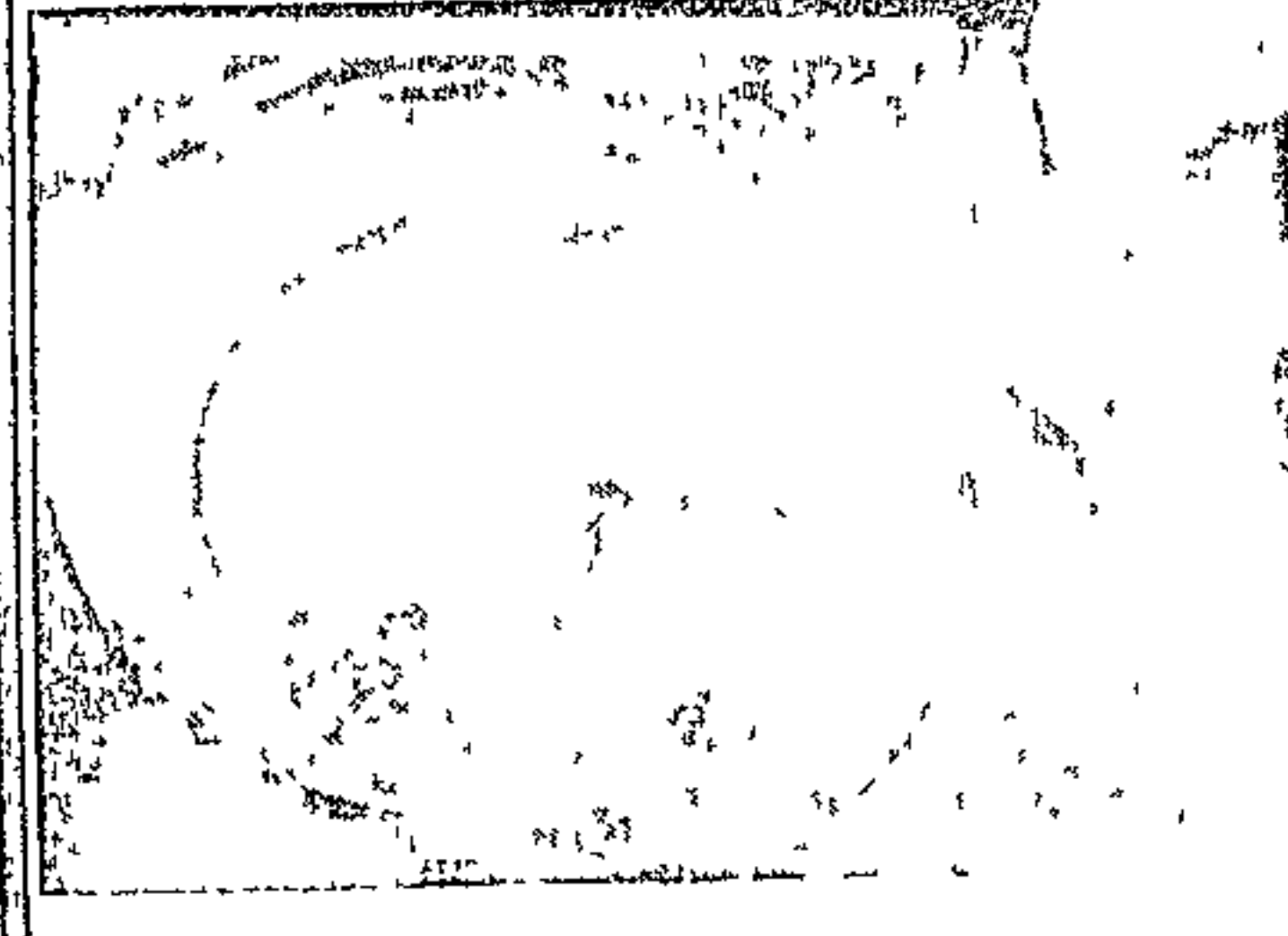
'The housewife has not really felt it yet,' he pointed out, 'because stocks of sugar are still being sold at the "old" price



Mrs Durrham Mokhele... "What about the pensioners?"



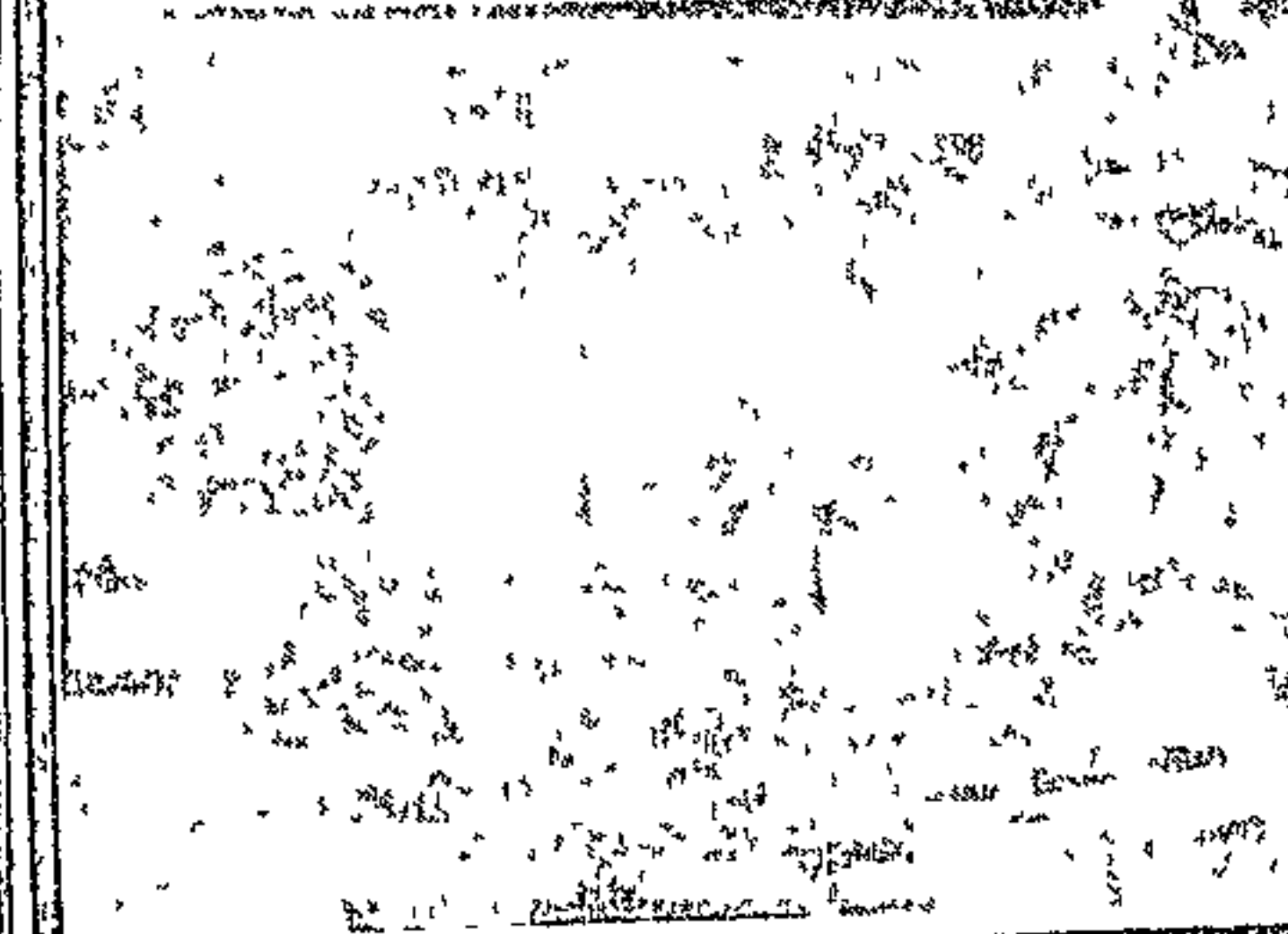
Mrs Ellen Mazibuko... "What makes me sick."



Mrs Agnes Fumani... "Our husbands must fight"



Mr B H C Mokhele... "Where has all the money gone?"



Mr David Rakoma... "I'm down out of a meeting"

Anger Over Rental Rises

VAAL residents are angry over the announcement that rents will be going up by R500 from May 1.

And, Miss Joyce Mokhele, a Sharpeville resident who has been in and out of detention numerous times, told SOWETAN that nobody in the township was prepared to supply a venue for a residents' meeting to discuss the issue.

"Everybody seems scared," Miss Mokhele said. All the residents interviewed in a SOWETAN survey this week said the in-

creased rents were beyond their means. Community Council chairman Mr Knox Mayula was accused of failing to discuss the issue with the residents before making the decision to raise rents.

Mr Pae "Fraser" Ramongana of Zone 14, Sebokeng, said the increased rents were frustrating even the residents who had bought houses.

"When I bought my house," Mr Ramongana said, "I knew exactly what it was going to cost me keeping it. But these daily additions drive one to the point

SOWETAN REPORTER

where one even regrets having spent so much money buying the house after all what the authorities fail to observe is that rentals are not all we budget for."

Pensioner Mrs Minam Maine of Sharpeville said the council had disregarded the aged when the decision was made.

"I personally depend on my son-in-law for survival, but what about the other pensioners who have to fend for themselves? I find

it depressing that all their pension earnings will have to go into the rent, and still it will not be enough," she said.

Mrs Maine, who lost her only son during the 1960 Sharpeville shootings, said residents were obviously dissatisfied with the increases, but feared to talk for fear of reprisals.

"Since the 1960 shootings, people just take in the bitter and dare not complain," she added.

Mr D H C Mokhele of Sharpeville said it was about time residents started questioning the rents they have been paying "since 1942".

"Where has all the money gone? The council has shown complete disregard for the man in the street, the aged and the invalid. The Government needs to step in on this issue," Mr Mokhele said.

Mother of five Mrs Agnes Fumani of Zone 7, Sebokeng, said: "Our husbands must stand up and fight. They have children to

put through school, clothes to buy, food and so many other things to do."

Mrs Ellen Mazibuko, wife of a leading Sebokeng businessman said "it makes me sick, so very sick."

Sharpeville resident Mr David Rakoma said when he complained about "unexplained expenditure" of the rentals in a recent public meeting, he was thrown out and accused by a councillor of "instigating the residents".

"And now, shortly after that, the rents go up," he said.

No rent hike in Duduza in 1981

MZIKAVISE IDOM
THE Duduza Community Council in Nigel, has suspended rent increases in the township for at least the rest of the year.

This was said by Mr Johnny Molote, the deputy chairman of the council.

Residents are presently paying a monthly house rental of R18.45. This also includes site rental.

Mr Molote said: "Since our township was built about 20 years ago, there has been little or no progress at all and we are not prepared to increase the rents in the future."

He added: "There are totally no facilities in the township. Residents still use the old bucket system. There is also no electricity and the streets are not tarred."

PROMISES

Mr Molote said that residents cannot be expected to pay high rents in such circumstances. He called on the East Rand Administration Board (Etab) to stop making unfulfilled promises and provide services to the residents.

He said: "Rents will only be increased in the township after Etab has introduced services and if that is not the case, residents will keep on paying the old rentals."

E Rand fares rise

By MZIKAYISE EDOM

TAXI fares in Daveyton and Wattville on the East Rand will be increased by 10c from Friday.

But most residents interviewed by SOWETAN yesterday said the increases were uncalled for at this stage.

The 10c increase was decided upon at a meeting held yesterday by the Benoni Joint Taxi Association at the Davey Social Centre in Wattville.

The last taxi fare increase in the township was introduced early last year.

In an interview with SOWETAN, after yesterday's meeting, Mr John Skhosana, chairman of the Taxi Association said:

"We have no alternative but to increase the fares as we are running our businesses at a loss."

He added: "People have to understand that petrol and car parts have gone up. We have tried to keep our prices as low as possible, but to avoid working on a loss we have to increase fares."

Mrs Kholeka Nkosi from Daveyton said: "The taxi people are just exploiting us. People should just boycott taxis until prices are reduced to the old fares."

Mr Caswell Naka said that the 10c increase was uncalled for as petrol was

increased by less than one cent.

Another resident from Daveyton said: "The price of maize has recently gone up and now it is taxi fares. It is funny because our wages and salaries are not increased but we are forced to pay more."

The increases are as follows: Wattville to Dunswait — 30c during weekdays and from 30c to 40c on the weekend; Wattville to town — from 30c to 40c throughout the week; Daveyton to town — from 50c to 70c during weekdays and weekends from 70c to 80c; Daveyton to Wattville — from 90c to R1,10 during weekdays and weekends from R1,10 to R1,20. All these are for single trips.

- (1) Plot this demand curve as accurately as possible, preferably using graph paper.
- (2) Now suppose that over a period of ten successive years the annual "crop" amounted to outputs of 80, 60, 70, 40, 50, 80, 60, 50, 40, and 70 million bushels respectively. Calculate and tabulate the gross value of the crop in each of these years, if the demand curve scheduled above was the demand curve of each of the ten years.
- (3) Calculate the average annual gross value of the crop over the ten years, and the output and price which would yield this value.
- (4) Construct a schedule showing what price would have to be received for each of the outputs in the demand schedule in order to make the gross value of the crop in each year equal to the average annual gross value. Plot this schedule on the same paper as the demand curve. (It will be a curve of unit elasticity).
- (5) From the demand curve find the total amount which must be offered on the market in order to fetch the prices discovered in part (4). From these amounts make a schedule showing how much the government would have to buy or sell for each total output.
- (6) Draw up a schedule showing how much the government would have to buy or sell in each of the ten successive years of part (2). Would the government have to sell a total greater than the amount it would have to buy over the ten years? Does the answer mean that stabilization of the gross value of a crop is impossible?

the farmers had a bumper crop to reap

And the Cabinet must have known that a reduction in the producer price would precipitate a psychological hiatus in outer herstigeland. Yet without a producer price reduction, the Maize Board will almost certainly make a net loss on the 13 Mt of grain it is going to have to buy. Had Hendrik Schoeman not been so generous to the mealie farmers last year, his successor would almost certainly have been advised to set the producer price lower this time.

The indignation expressed by Nampo leaders after the announcement was only to be expected. Messrs Crawford Von Abo and Fanie Ferreira lost no time in distancing themselves from the first maize price fixing, by which their names might otherwise have been besmirched. The new maize speciality organisation for which they had fought for so long and which received official recognition only six months ago, had declared its hand in advance by asking for an impossible producer price of over R140/t.

A more surprising response was that of the Balanced Feed Manufacturers whose president Gerhard Scholtenmeyer, expressed what appeared to be total satisfaction with the price announcement in a press release. To the extent that the lower-than-inflation price rises will favour an expansion of the livestock industry, the manufacturers of animal feedstuffs stand to gain. But, by widening the gap between the price at which farmers sell maize and the price at which they must buy it back for feeding to their animals, the Maize Board is probably going to divert a lot of business away from the millers altogether. Cost-conscious farmers who have stock as well as grain, now have a greater incentive to do their own milling and mixing. And big mealie farmers will henceforth find it much more attractive to plough their profits into subsidiary pig and poultry enterprises so that they can effectively market their maize at a higher price.

The Maize Board knows that of course. And it will no doubt be grateful to all those producers who show a willingness to help it out of its financing, storage and handling problems by keeping their grain on their farms.

But what about the farmers who don't have livestock to feed and the others who have animals to feed but no home-grown maize on which to feed them? This year's yawning price gap is going to make it mighty attractive for them to come to (technically illegal) private arrangements and by-pass the official price fixers altogether.

Will the Maize Board turn a blind eye? If it doesn't it will almost certainly stir up a hornet's nest. Why should specialist intensive stock farmers (many of them smallholders) be forced to compete on unequal terms?

MAIZE FM 1/5/81 (214)
Political pricing

By raising the consumer price to R134/t while leaving producer prices unchanged (at R118 for white maize and R115 for yellow maize) the government exercised the easiest political option open to it on the eve of the election. Had government elevated the consumer price by one further rand, it would have put the percentage increase into unacceptable double figures.

The punchdrunk housewife can safely be relied upon to stomach a 9,5% blow without squealing. But anything more than 10% might have attracted vote-swaying attention. Generous press reporting had already alerted the cities to the fact that

CPI 244 FM 1/5/81
Steady climb

The consumer price index continued its steady ascent in March, rising 0,7% to register a year-on-year increase of 16,2%. The rise is less than half the amount by

which it rose in February. But it signals no identifiable trend since it rose by even less in December and January, whilst maintaining a consistent upward drift in year-on-year terms.

And on a group basis, the message is even clearer. All income groups register higher year-on-year percentages than a month ago, with the worst afflicted being the lower income group at 20,6%. The middle income group weighs in at 17,2%, and the higher income group at 14,6%, the latter being the only one to undercut the all-items rate and paradoxically, the one supposedly best equipped to handle inflation.

The lower, middle and higher income groups are defined by the Department of Statistics as, respectively earnings under R2 000 per annum, R2 000 to R6 000, and R6 000 and over. But, says the Department, these are based on a 1975 sample survey, and each bracket should now be doubled to get a realistic picture, since both prices and incomes have doubled since 1975. This is, in itself, a sobering thought.

The year-on-year food index rose 29,9% to March, marginally below the annual rise as measured in February. But its

0,1% rise over the month of March is lower than it has been since January 1980, and way below the heady days of August last year when it rose nearly 6% in a single month! Had this been sustained for a year, it would have yielded an annual food inflation rate of over 70%! The extent to which the rise has been checked is probably due partly to the lull before the yearly round of administered price increases, but also to falling sales and quite possibly to self-restraint.

The all-items index excluding housing stands at nearly 17% which shows that housing actually exerted a downward drag on it despite the frenzy seen in the housing market last year. And the fact that the index is weighted heavily in favour of the higher income group shows that it bears a substantial brunt of the affluent end of the market. In other words the housing index which rose only 13,2% over the year to March reflects the inflation-vulnerable high-priced market. However this will probably rise as the time-period captured by the index advances.

Less subject to supply bottlenecks than others, domestic servants continue to be one of the least inflationary resources in the SA economy. The costs of employing them rose only 4,4% over the year.

The Department of Statistics CPI grants the numerically-dominant lower income group only a 15% share in the weighting of the whole index. Though it may reveal fairly accurately the pattern of rising prices across the spectrum of total expenditure it almost certainly understates the social and political costs of inflation.

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PLEASE CIRCLE ITEMS REQUIRED

Warning RDM 5/5/81 on food prices

By GERALD REILLY Pretoria Bureau

ESCALATING food prices would be the biggest, single factor determining the extent of strike action during the rest of this year, Mr Steve Scheepers, vice-president of the Trade Union Council of South Africa, warned yesterday

He said he would make a strong appeal to the Minister of Finance, Mr Owen Horwood, to remove General Sales Tax from certain basic foods in the main Budget in August, or to increase subsidies

The inability of black workers to buy enough food to satisfy the needs of their families was a basic reason for the discontent

The pleas of unions that basic food prices be cheapened either by bigger subsidies or the removal of GST has the support of the big unions, he said

Last week's conference of the Artisan Staff Association debated a resolution calling for a one-day strike as a protest against rising prices

The secretary of the Asa, Mr Wally Grobler, said rising prices were a major reason for industrial unrest

POLITICAL comment in this issue by Allister Sparks. John Ryan Lin Mango newsbills by John Leack headlines and sub editing by Chris Smith cartoons by Bob Connolly all of 171 Main Street Johannesburg

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Argus 5/5/81
Milk

price

set to

rise

Argus Correspondent

PRETORIA — An increase of 15 to 20 percent in the price of fresh milk is imminent.

The increase is likely to be between 6c and 8c a litre.

This could increase the current home delivery price and cafe price — respectively 35c and 41c a litre — to as much as 41c and 49c a litre.

Industry sources said today the Cabinet's food committee would deal with the matter soon. However, an announcement was not expected before June 1.

At the same time the price of industrial milk is also expected to rise, but experts would not speculate on the amount as too many factors were involved.

PRODUCTS

Nevertheless, price increases in both commodities would also result in increases in products such as yoghurt, butter, cheese and powdered milk.

In the main, the higher fresh milk price is aimed at alleviating dairy farmers' increased production costs. It does not make provision for an increase in distributors' costs.

Farmers received a 3,5c a litre increase on June 9 last year. Current prices a litre of fresh milk are Pretoria 26,715c, the Witwatersrand 26,615c, Bloemfontein 25,715c, Cape Peninsula 26,015c, Natal 26,558c; Western Transvaal 26,505c.

Dairy Board levies of 0,497c a litre are deducted from these prices.

4 Therefore the Community Development Board has in terms of section 10 (2) of Act 63 of 1975, determined the compensation at the amount as per attached Schedule

5 All interested parties are requested to submit in writing within 30 days from date hereof any representations they may wish to make in connection herewith to the Regional Representative, Community Development and State Auxiliary Services, Private Bag X18, Johannesburg, 2000 Telephone 37-1033

6 This advertisement is published in terms of the provisions of section 7 (3) and (5) of Act 63 of 1975

Dated at Johannesburg this 8th day of May 1981

L. FOUCHÉ, Director-General, c/o The Regional Representative, Department of Community Development and State Auxiliary Services Private Bag X18, Johannesburg, 2000

SCHEDULE

Registered owner	Property	Title deed	Compensation offered
Mary Mavina Northmor (8 May 1981)	Stand 101 West Germiston	T8963/1972	R17 050

gku

NOTICE 320 OF 1981
DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for March 1981 is as follows

CONSUMER PRICE INDEX ALL ITEMS *8/5/81*

Area	Index	
	Base 1975=100	Base April 1970=100
1 Cape Town	188,0	293,5
2 Port Elizabeth	187,4	296,7
3 East London	188,6	298,0
4 Kimberley	190,0	292,2
5 Pietermaritzburg	192,1	301,2
6 Durban	192,5	298,2
7 Pretoria	192,4	307,5
8 Witwatersrand	200,8	317,1
9 Klerksdorp	193,1	304,0
10 Vaal Triangle	199,5	309,2
11 O F S Goldfields	203,3	310,0
12 Bloemfontein	189,8	293,8
Weighted average of the 12 areas	195,2	306,9

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index has been replaced by a Consumer Price Index of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970=100

(8 May 1981)

4 Derhalwe het die Gemeenskapsontwikkelingsraad die vergoeding ingevolge artikel 10 (2) van Wet 63 van 1975 bepaal soos in Skedule hiertoe aangedui

5 Alle belanghebbendes word versoek om vertoe wat hulle in verband hiermee wil maak skriftelik binne 30 dae vanaf datum van hierdie kennisgewing by die Streekvertegenwoordiger, Departement van Gemeenskapsontwikkeling en Owerheidshulpdienste, Privaatsak X18, Johannesburg 2000 Tel 37-1033 in te dien

6 Hierdie advertensie word ingevolge die bepalings van artikel 7 (3) en (5) van Wet 63 van 1975 gepubliseer. Gedateer te Johannesburg op hede die 8ste dag van Mei 1981.

L. FOUCHÉ, Direkteur-generaal, p/a Streekvertegenwoordiger, Departement van Gemeenskapsontwikkeling en Owerheidshulpdienste, Privaatsak X18, Johannesburg, 2000

SKEDULE

Geregistreerde eienaar	Eiendom	Titelakte	Vergoeding aangebied
Mary Mavina Northmor (8 Mei 1981)	Erf 101 Wes-Germiston	T8963/1972	R17 050

KENNISGEWING 320 VAN 1981

DEPARTMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Maart 1981 so volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975=100	Basis April 1970=100
1 Kaapstad	188,0	293,5
2 Port Elizabeth	187,4	296,7
3 Oos Londen	188,6	298,0
4 Kimberley	190,0	292,2
5 Pietermaritzburg	192,1	301,2
6 Durban	192,5	298,2
7 Pretoria	192,4	307,5
8 Witwatersrand	200,8	317,1
9 Klerksdorp	193,1	304,0
10 Vaal Driehoek	199,5	309,2
11 O V S goudvelde	203,3	310,0
12 Bloemfontein	189,8	293,8
Beswaarde gemiddelde van die 12 gebiede	195,2	306,9

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussen stedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander woon nie. Die indekse toon vir elke stedelike gebied afsonderlik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir 'n beperkte tydperk gepubliseer word om gebruikers die geleentheid te bied om ooreenkomende veranderinge in die indekse met basis April 1970=100 betrekking hanteer te kry.

(8 Mei 1981)

ASIS SIM (244)
City coloureds,

blacks 'pay more'

Consumer Reporter
Johannesburg is the most expensive city in the country for blacks and coloured people to live

A household subsistence level (HSL) survey conducted by the Institute for Planning Research at the University of Port Elizabeth showed that a black family of six needed R216.22 a month to live in Johannesburg, while a coloured family of five needed R222.52 a month

The next most expensive city is Cape Town, where the HSL is R209.01 a month for blacks and R213.52 for coloured people

The least expensive centres are King William's Town Port Elizabeth and Pretoria. The HSL in King William's Town is R196.12 for blacks and R193.26 for coloured people in Port Elizabeth, R198.01 for blacks and

R208.27 for coloured people, and in Pretoria, R198.58 for blacks and R205.36 for coloured people

LUXURIES

The HSL is the theoretical minimum needed to exist without luxuries. It includes rent, food, clothing, fuel and light, washing and cleansing material and transport to and from work.

It does not take into account medical expenses, entertainment, cigarettes, replacement of equipment and furniture, or any other luxuries

The survey, which is updated every six months, shows that the HSL for blacks has risen 20.1 percent in the past year

High food prices and rent increases account for most of the HSL spiral

The survey predicts that by 1985, the average HSL for a black family could reach R305 a month

Shock egg

price rise

CT 9/5/81

~~2000~~ 244

for Cape

By GORDON KLING

THERE is to be a shock increase in the price of eggs in the Cape in one of the early spin-offs from the maize-price rise.

And there is growing discontent among producers at what they see as Egg Control Board mismanagement

The general manager of the board Dr A H Olivier yesterday rejected complaints put to the Cape Times, but said a meeting would be convened in Pretoria next week to deal with many of the issues raised

The largest egg producer in the Western Cape yesterday confirmed that it had already advised customers of a 4c-a-dozen price increase which could be expected to work down to the consumer by Monday. Although there is no price agreement at producer level in the industry, at least one other producer yesterday announced a 4c rise and the move is expected to be followed by most others.

Producers maintain that the rise could have been avoided if

the Egg Board would waive the 4c-a-dozen levy intended to provide for losses from the export of surplus eggs although they said the board had also made a loss on the import of eggs. After years of deficit they believed the fund serviced by this levy now stood at near R6 million, a level at which the levy was intended to be scrapped. A scarcity of eggs on the domestic market for several months has obviated the need to export.

Conceding that the stabilization fund now stood more than R6 million in the black, Dr Olivier contended that this did not mean the levy had to be stopped that it could not be easily altered, and that it was possible that eggs could soon be exported at a loss again.

Producers were unhappy about the import of some 16 million eggs from the United States and Canada earlier this year.

Dr Olivier said a loss of about R250 000 had been budgeted for the operation. About 25 percent of the eggs had proved suitable for table consumption during a period of about four weeks and

after that they had been pulped for use by bakeries and other commercial users. The pulping had permitted higher-quality South African eggs to be sold for table use.

"It is easy to produce eggs," said Dr Olivier "and easy to produce a surplus, but you have to be able to sell. We get no financial assistance from the government on export losses. Two years ago these losses were R7 million, last year about R3 million and this year it won't even be R1 million so we're doing our job."

If the farmer produced a surplus, the consumer indirectly paid for the losses because the levy needed to finance them was incorporated in selling prices.

Instead, the board tried to balance supply and demand which was currently in virtual equilibrium but which often required substantial periods of surplus to provide for times of scarcity. Undue fluctuations either way naturally required exports or the need to import.

Producers, however, were critical that the government was allowing the higher-priced, and record surplus maize crop to be exported at a loss when eggs were being imported.

Dr Olivier said the recent 9.5 percent maize price increase would add 1.5c a dozen to the egg price with the remainder of the new increase being required to compensate for higher costs including labour, electricity and packing.

The board had no control over prices but its policies were similar to those in Canada, Australia and New Zealand. In the EEC countries the state subsidized export losses while in the US there was a free market but it was so huge that a shortage or surplus in one state could be counteracted by the opposite in another.

"At the moment we have good consumption of eggs because of the economic boom, but if that changes later this year maybe we'll end up losing twice as much this year on exports as last."

Drama

5 Times 10/5/81

Now milk to go up ~~by~~ 5 or 6 cents a litre

AN increase in the retail price of milk of 'between 5c and 6c a litre' was likely, the Minister of Agriculture Mr Pietie du Plessis, said yesterday.

He said significant increases in the production costs of milk over the past year coupled with a shortage of dairy products had made a higher milk price unavoidable.

There is a tremendous shortage of milk, and we don't like importing dairy products from overseas.

As a result it has become necessary to stimulate the industry through a price increase.

The increase, expected towards the end of the month, will push the retail price of milk to around 52c a litre for home deliveries and close on 56c a litre for milk bought at cafes.

The South African milk price - in 1975 the second highest in the world - has soared by more than 60 per cent since then and will now be among the most expensive in the world.

By GERHARD PIETERSE

with this further 13 per cent increase.

Mr du Plessis said: 'We have looked at the whole situation very carefully and I believe that an increase of between 5c and 6c a litre in the retail price would be realistic.'

Mrs Joy Hurwitz, national



president of the Housewives League, deplored the increase.

It is going to affect the poor people with fixed incomes, pensioners and children who must have milk for proper growth.

While expressing her appreciation that the planned increase was not a high one in

previous years, she criticised the fact that it was above the 10 per cent maximum pleaded for by the league.

Mrs Hurwitz urged duties to return to plastic bottles to bring down the price.

A decrease of between 6c and 7c a litre can be achieved if glass is used rather than plastic containers, which are becoming increasingly popular.

The PDP spokesman on social welfare and pensions, Mr Alf Widman (MP Hillbrow), slammed the increase.

Our pensioners are already having a hard time making ends meet on their meagre pension of R109 a month.

I believe the time has come for the Government seriously to consider subsidising milk as it is one of the basic staple foods.

Mr du Plessis said much soul-searching had been done and he had taken advice from a

wide range of people and bodies in determining the new price.

It is normal to adjust the milk price at this time of the year along with the price of maize and oil seed.

It was important to ensure a continuous and adequate supply of milk to the consumer, Mr du Plessis said.

This could be done only by ensuring that farmers received



a fair price for their commodity.

We were careful not to over-stimulate the industry by putting the price too high.

This could have the result of an oversupply with corresponding losses to the farmer.

Price of milk, bread may rise

CT • 14/5/81 (244)

Own Correspondent

PRETORIA — The Minister of Agriculture is expected to announce an increase in the price of milk later this week, according to Pretoria sources.

This will be a particularly serious blow to the country's mass of low-income group workers who have had to absorb the shock early this month of a 12.5 percent increase in the consumer price of maize.

Already their living costs, according to the latest consumer-price index, have risen during the past 12 months by more than 20 percent.

And yet another shock lies just ahead.

The Minister of Finance, Mr Owen Horwood, is expected to announce in the Budget in August that the bread subsidy cannot be increased to the extent necessary to avoid a break-price rise.

In the mini-budget debate in the Assembly in February, the minister said that if the bread price were not raised soon, the government's food subsidy bill would rise above R300-million.

It is calculated that the price

of white bread could rise to 37c a loaf from the current level of 31c and the more heavily subsidized brown and wholewheat by at least the same amount.

Meanwhile, the general manager of National Co-operative Dairies, Dr M N Herman, said the current milk shortage amounted to between 10 and 15 percent.

It would last throughout the winter. Powdered milk would have to be imported in large quantities to bolster milk supplies.

The root reasons for the shortage, he said, were uneconomic producer prices which were persuading dairy farmers to move into beef and other branches of farming, the drought in some areas and rising consumption.

The Dairy Board meets in Pretoria today, and the expectation is that before the meeting ends on Wednesday the price will have been announced.

The home-delivered price on the Rand could rise to 47c a litre from the present price of 41.5c, and the canteen price from 49c to 56c.

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Big beef floor price rise looms

Pretoria Bureau

A SUBSTANTIAL rise in the floor price of beef is certain next month according to Pretoria sources

It is understood that the Meat Board after a meeting earlier this month passed on its recommendation to the National Marketing Council

According to the South African Agricultural Union's meat expert Mr Jan van der Walt the floor price for super beef - about 150 cents a kg - is unrealistically low

Farmers were demanding a floor price closer to the actual market price of about 230 or 240 cents

He said that for the past year and for at least two years to come, the supply of beef would fall short of demand, and prices would remain high

Mr Van der Walt claimed that an increase in the floor price of beef would not affect the consumer price

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PLEASE CIRCLE ITEMS REQUIRED

We ~~have~~ ~~asked~~ accept
living wage
— Sigma ~~(W)~~

Labour Reporter

Sigma accepted the concept of a living wage for its workers, the corporation's chairman, Mr Chris Griffith, said in Johannesburg yesterday.

Addressing a business conference at the Carlton Hotel Mr Griffith said Sigma had granted workers new wage terms after talks with the union broke down last week.

The minimum hourly wage for less skilled workers had increased from R1.00 to R1.60 and for skilled workers from R2.70 an hour to R3.12.

He outlined the development of the strike in which about 1,000 workers lost their jobs last month, most were subsequently rehired.

Sigma was presently waiting for the National Union of Motor Assembly and Rubber Workers (Numarw) to return to negotiations on recognition and employment.

What had been achieved during the dispute was that the union was finally able to prove it had worker support and was recognised.

A Numarw spokesman said that the union would meet with Sigma workers to decide on action in light of the breakdown of wage talks.

Canned foods price shock

Argus
15/5/81

186 244

Consumer Reporter

BAKED BEANS will soon cost nearly 50c a can, and a wide range of other popular canned goods will soar in price next month and in July.

Langeberg Co-operative, who markets its goods under the brand name of Koo, and H Jones and Co, makers of All Gold, IXL, and Silverleaf products, have announced price increases of between 10 percent and 16 percent for tinned spaghetti, tomato puree and vegetables

Price increases for most fruit and jams will be only a few cents to cover increased rail tariffs which came into effect in April, because the main fruit canning season is over

85 PERCENT

But fruit being canned now, such as guavas and grapefruit segments, will cost substantially more

Langeberg Co-op and H Jones and Co are believed to supply about 85 percent of the national market

A spokesman for Langeberg said the increases were necessary because of high sugar and vegetable prices and increased rail tariffs

But in the Western Cape a substantial section of the market is supplied by the local firm of Gants, of Somerset West, whose prices will rise by an average of only five percent

'UNREALISTIC'

A spokesman for Grand Bazaars said his firm expected to buy more from Gants and other small local manufacturers, and less from Langeberg and H Jones, whose prices he described as 'unrealistic'

A spokesman for Checkers, however, said that canners were paying high prices this season for vegetables, particularly peas and beans, because of shortages caused by the drought and the floods

The position regarding fruit is not so bad, he said. Most supermarket chains have big stocks of canned goods and expect to be able to hold prices at their present level until stocks are used up

R.D. 11/1/51

Costs of canned foods to rise

By VITA PALESTRANT
Consumer Mail Editor

CANNED fruit and vegetables will go in price by an average of 16% in mid-June, according to South Africa's major canners, Langeberg Co-operative

And the president of the Housewives League, Mrs Joy Hurwitz, has predicted that housewives will resort to their grandmothers' recipes and can their own fruit and vegetables rather than pay high prices

"Its ridiculous. All cost increases are merrily passed on all down the line to the poor consumer, who is at the bottom of the pile. Housewives are not buying as much canned stuff as they used to because they can no longer afford it"

Mrs Hurwitz wanted to know what Langeberg had done to rationalise their operation to bring prices down

In a Press statement yesterday, the general manager of Langeberg, Dr J A Mouton, said the co-operative was deeply concerned about the welfare of consumers and the negative effects of raising food prices

He said Langeberg was doing its utmost to contain costs and keep price increases to a minimum. "We are absorbing a number of cost increases ourselves, but it is unavoidable that some of these must be passed on to the consumer"

"Langeberg will absorb the April 1 rail tariff adjustments of 12% to 15% until June 15, when the co-op's new retail price list becomes effective," he said

Among the most important reasons given by Dr Mouton for the increase were the "acute local shortage" of items such as beans, tomatoes, peas and potatoes because of unfavourable weather, and increased costs of packaging and other materials used in manufacture

The marketing director of Checkers, Mr Harold Greenstein, said that while the increase appeared to be reasonable one question still had to be raised

"It's all very well blaming the increase on this season's shortages — but if we have surpluses next season, will prices come down accordingly?"

Some increases are: canned peaches by about 2%, canned guavas by 16%, strawberry jam about 20%

204/150
Canned food:
16 percent rise

LANGEBERG Co-operative, South Africa's major fruit and vegetable canner, is to increase the prices of certain canned vegetable, tomato and jam products by an average of about 16 percent

In a statement issued by the co-operative in Cape Town yesterday, Dr J A Mouton, chairman of Langeberg, said "We are absorbing a number of cost increases ourselves, but it is unavoidable that some of these must be passed on to the consumer"

He said Langeberg, which adjusted its prices once a year would absorb the April 1 rail tariff adjustments of between 12 and 15 percent until June 15, "when the co-operative's new retail price list becomes effective"

Dr Mouton said among the most important reasons for the price increases were acute local shortages of certain items such as beans, tomatoes, peas and potatoes, and increased costs of packaging — Sapa

Bread price rise on way

RDM
19/5/81
(244)

By GERALD REILLY
Pretoria Bureau

SOUTH Africans will be paying a record price for bread within the next few months according to Pretoria sources

And today the Cabinet is expected to approve a substantial increase in the prices of dairy products. An announcement is likely tomorrow afternoon.

The bread price will be increased either from a date to be announced by the Minister of Finance in his Budget in August, or from the start of the new wheat season in October.

The price of white bread could rise to 38c a loaf, and the more heavily subsidised brown loaf to 30c.

The Cabinet, according to the sources, is certain to reject any substantial increase in the subsidy.

The subsidy for the 1981-82 financial year is R130-million, according to a Department of Agriculture spokesman.

However, this is patently insufficient to maintain current prices when it is taken into account that the subsidy payout exceeds R17-million a month, or more than R200-million a year.

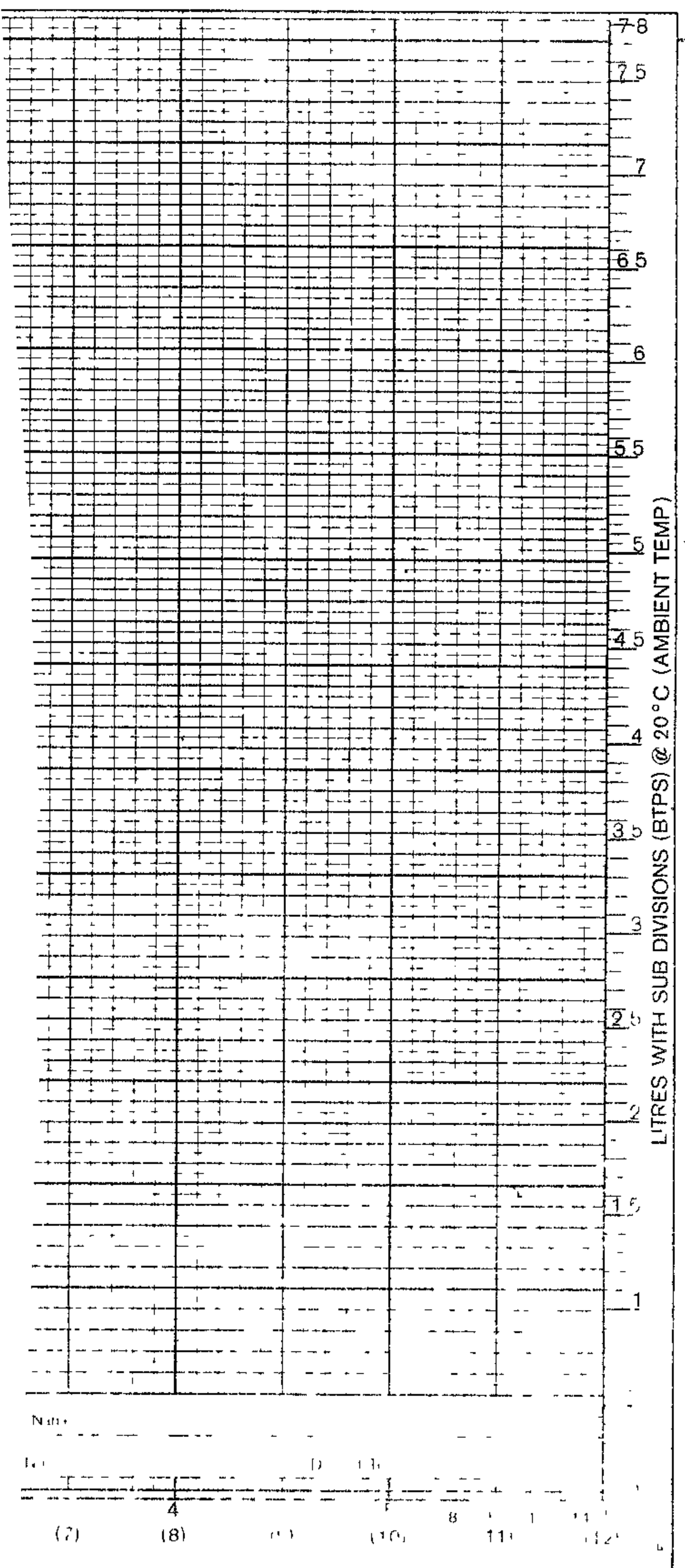
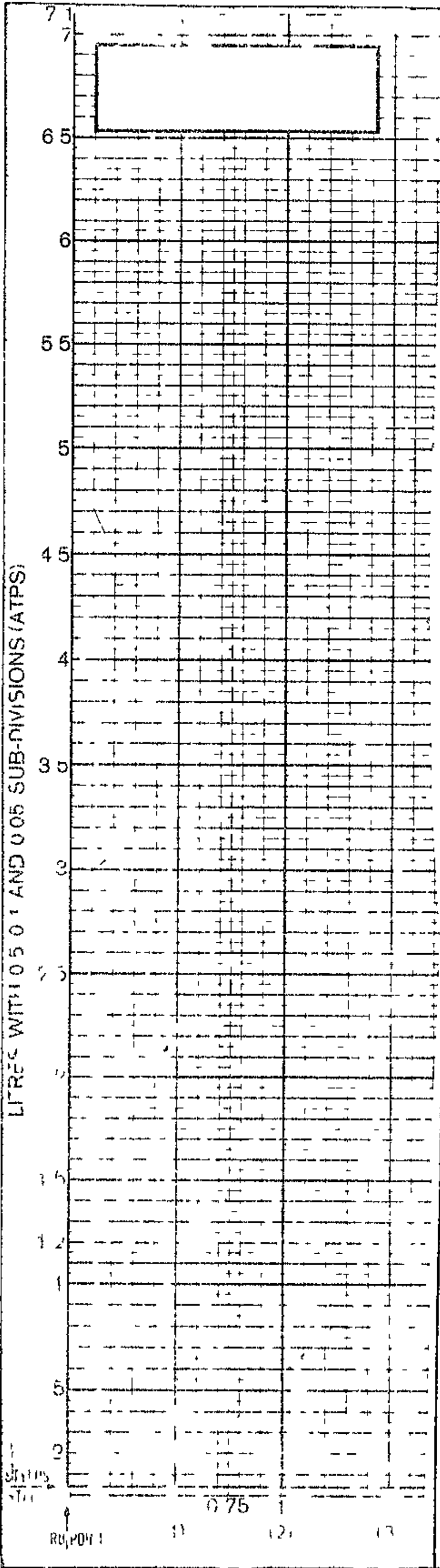
The price of bread may be loaded too, with increased margins for bakers and millers.

The Chamber of Milling and the Chamber of Baking are now engaged in separate costing surveys.

The last bread price rise — white bread went up from 28c a loaf to 31c and brown from 16c to 21c — was imposed from April 1, 1980.

The white bread subsidy is now 8,7662c a loaf and for brown bread 15,2497c.

Meanwhile the Minister of Agriculture, Mr Pietie du Plessis, is expected to inform the Dairy Board tomorrow morning of the Cabinet food committee's decision on the prices of dairy products.



ICS kills three birds

By DAVID CARTE
Deputy Financial Editor

IMPERIAL Cold Storage, Tiger Oats' giant meat and cold storage associate, reports sales of nearly R700-million and pre-tax profit of R32 780 000 in the year to March

But the group has switched to the lifo method of stock valuation and this knocked a nominal R7 554 000 off pre-tax profit, reducing this to R25 226 000 and saving tax of R2 556 000

Lifo reduces pre-tax profit growth from 38% to 6%

With the tax rate up from 38% to 40%, taxed attributable profit before lifo was 29% better at R16 845 000 against R13 087 000 in 1980

After lifo earnings were R11 868 000 a decline of 9%

Earnings a share before lifo were 29% ahead at 71 2c (1980 55,3c), but after lifo they were 50,2c

Once again the group has raised dividend cover. The final dividend of 13,5c makes 18c for the year, a 12,5% improvement on the 16c paid last year

COMMENT The group could improve its communications with shareholders. It refrains in its preliminary report from describing trading or explaining its miserly dividend

Lifo serves to illustrate that

earnings growth was entirely inflationary, in fact that earnings "really" declined

This kills three birds with one stone. It placates consumer activists, who have accused the meat companies of profiteering. It could cut ice with the Price Controller and, of course, it saves tax.

Petrol price poser for the Govt

KDM 23/5/81

244

By GERALD REILLY
Pretoria Bureau

EITHER the Government will have to absorb increased price margins to be granted to oil companies, or the price of petrol will have to go up — probably towards the end of next month, according to Pretoria sources

The extent of any increase could be influenced by the outcome of the mid-year meeting of the Organisation of Petroleum Exporting Countries (Opec) starting in Geneva on Monday

The price of petrol was last raised in June 1979 by about 30% — by 14,7c/l. It is understood that if the increase is passed on to the consumer the price would rise by as much as 2c/l.

At the higher price, petrol retailers would also be entitled to an adjustment in margins

Some sources believe it likely Opec will agree to a price freeze in Geneva because of a world over-supply — mainly due to a big increase in Saudi Arabian production — but a rise in the

price of crude is possible

Claiming 'under-recovery', some weeks ago South African oil companies asked the Minister of Mineral and Energy Affairs, Mr F W de Klerk, for higher margins. He said the application was being processed.

Oil company executives claim the need for increases is urgent. They say these could be passed on to the consumer directly, or fully or partly absorbed by the Government.

The Progressive Federal Party's spokesman on finance, Mr Harry Schwarz, warned that a fuel price rise "at this delicate stage in combating inflation could have extremely serious economic consequences".

Fuel was a cost factor throughout commerce and industry and its effect on the price spiral would be immediate and distressing.

There was still "some fat" on the huge price increase in 1979, and the Government could afford to absorb the cost of the relief it intended giving the oil companies, Mr Schwarz said.

Milk, cheese and butter up in price next Monday

STAR 25/5/81 (244)

Own Correspondent

The price of fresh milk will go up by 6c a litre next Monday

The retail price of choice butter will go up about 11,5 percent

The price of 1st grade cheese about 21 percent, the chairman of the Dairy Board Mr Jan van Vuuren said in Pretoria today

Mr van Vuuren said an average increase of between 15 and 16 percent in the producer price for fresh milk together with an increase of 10 percent in the distributors' margin would increase the price of fresh milk by 14,5 percent — 6c a litre

"The increase is necessitated by the shortage situation in the dairy industry," he said.

This had resulted in a drop in production and an increase in demand.

This situation had already resulted in large imports of skimmed milk powder.

Indications were that further imports of dairy products could be necessary, Mr van Vuuren said.

CHEAPER

The drop in dairy production could mainly be ascribed to the fact that dairy farming had become relatively less profitable than other farming activities

Mr van Vuuren said that buying milk in glass bottles through home deliveries was cheaper than buying milk at cafes

He advised consumers against stockpiling milk tokens between now and June 1 because they would have to pay the difference in price after that date

Mr van Vuuren called on retailers to sell all their dairy stocks at old prices even if they still had supplies after June 1.

Storm warning to Govt on food

Julie Rom. 27/8/81

By GERALD REILLY
Pretoria Bureau

THE fragile stability in the major urban areas could be shattered if the Government continued sanctioning huge increases in basic food prices, community spokesmen said yesterday.

They issued the warning after the 15% boost in the fresh milk price, saying it would impose severe hardships on a black community which has over 1 500 000 unemployed.

The spokesmen pleaded for the lifting of General Sales Tax from essential foods, alternatively bigger food subsidies.

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said the Government would face a major onslaught in the Assembly in August for its inability to curb the rising inflation rate.

The inability of thousands of black families to buy enough essential foods had reached crisis proportions. Basic foods were becoming a luxury to lower income groups, he said.

He criticised the SABC TV "propaganda campaign" to try to convince consumers that, in fact, they were fortunate prices of dairy products had not gone up even further.

Mr Schwarz said hungry people were vulnerable, and a potentially serious destabilising factor, open to exploitation by elements committed to exploiting grievances.

"For political reasons, the Government has failed hopelessly to take timely steps to counter inflation."

The SA Institute of Race Relations, black trade unionists and white labour leaders pointed out that so far this year, consumers had had to absorb higher sugar and mealie meal prices, and that within three months the price of bread would probably rise by 7c or 8c a loaf.

The combined impact of the higher food prices would push thousands of township families closer to or under the breadline.

The chairman of the Dairy Board, Mr Jan van Vuuren, said although it was felt the

producer merited a bigger price rise, it had been decided, in the interests of the industry and the consumer, to keep the fresh milk price rise to below 16%.

The higher industrial milk price will push up the prices of powdered and condensed milk — two more products prominent in the diet of lower income groups.

Economists said it would be unrealistic to expect a drop in unemployment this year. A growth rate of 4% to 5% was forecast.

At this rate, it was impossible to keep all those currently employed in jobs — as well as the more than 200 000 new workseekers coming into the labour market every year.

It would be unwise to ignore the consequences of high food prices against this background.

The general secretary of the National Union of Clothing Workers, Mrs Lucy Mvubelo, said the increase in the price of milk, on top of the recent 12,5% mealie meal rise, would be an intolerable burden for black families.

The deputy director of the Institute of Race Relations, Mrs H Moolman, said even at present prices, the vast majority of black families could not afford to drink milk. At the new price, virtually all black families would be unable to afford it.

Mrs Moolman suggested the subsidy on butter be used to cut the fresh milk cost. Butter was a luxury product and margarine was a substitute for it.

The general secretary of the Trade Union Council of SA, Mr Arthur Grobbelaar, said Tuca and other big trade unions organisations had repeatedly pleaded with the Government to remove GST from basic foods.

GST was imposed on everybody — even those without incomes, including tens of thousands of jobless blacks.

"It should be part of our total strategy to ensure that hunger does not spread to any extent in South Africa's volatile climate should be avoided at all costs," he said.

Rhodesia since Federation.
17 Groenewald, Sosiale Afstand by Afrikaans-sprekendes:
Verdere Toeligting met 'n Steekproef van Studente.
18 Van der Horst, Women as an Economic Force in Southern Africa.

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NDM 28/5/81

Big rise in price of SA bricks JLK

DURBAN — Corobrik has announced price increases of its clay and cement bricks manufactured at its South African factories, from June 1, Tongaat Group Limited said yesterday

Mr C M L Savage, managing director of Toncoro, the building company of the Corobrik factories, said the price increase on average would be about 14,5% and would vary between product groups and from region to region

Existing prices had remained firm for 14 months since the last price increase on April 1, 1980

Mr Savage said it was impossible to absorb increasing production costs and the price increase, was less than the 17% estimated inflation rate over the same 14 month period

The Stellenbosch Bureau of Economic Research has reported that since the last brick price rise, building costs have risen by 30%.

A Tongaat statement said the new prices would add only 1% to the cost of building an average house

In the Johannesburg region, Corobrik common bricks would rise from R42,50 per thousand ex-works, to R48,50 per thousand Most face-brick prices would rise from R103 per thousand ex-works, to R118,25 per thousand

On a three-bedroomed house, costing R35 000, this would increase brick costs by R280, the statement said — Sapa

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Professor J Degenaar
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People warned about Putco

PEOPLE attending anti-Republic Day meetings over the long weekend have been warned to watch out for a new strategy Putco intends using to implement increased fares this month.

And in another incident a crowd attending an anti-Republic Day meeting prevented a pleasure outing by members of the Garment Workers Union by turning away their buses in Dube Village on Saturday.

The pleasure outing was to have taken members of the Garment Workers' Union to Sun City on Saturday afternoon. Their buses were to have left from the Dube YWCA where the anti-Republic Day meeting was held.

Putco on the other hand was accused of not publicising the date for its increases and of trying to implement the new fares

without informing the people. Speakers at the meetings said Putco was afraid of boycotts and therefore planned to make people pay increased fares without publicising them.

"People would be told when they board buses or when they go to Putco ticket outlets to buy weekly tickets that the fares have gone up," speakers said.

Resolutions to boycott buses should this happen were taken and people were urged to watch out for the new strategy and report to their leaders so that joint action should be taken immediately.

In Pretoria several shebeens in Soshanguve were raided by anti-Republic celebration youths at night

— damaging one shebeen, reports Norman Ngale.

About 17 youths are believed to have been arrested after the incidents on Thursday and Saturday. Police could not be reached for confirmation of the arrests.

And Mr Peter Khowane, chairman of the Soshanguve Tavern Association, whose house was among those stoned by the youths, has described the incidents as "unfortunate".

According to shebeen owners affected a group of youths raided them at night and ordered them not to sell liquor over the long weekend as this would be seen as celebrating the Republic's 20th anniversary.

23. Venter, J D Die Drinkpatroon van Kleurlinge in Kaapland en Natal, Nasionale Buro vir Opvoedkundige en Maatskaplike Navorsing, Navorsingsreeks no. 19, 1965.
24. Verslag van die Kommissie van Onderzoek na Aangeleenthede Rakende die Kleurlingbevolkingsgroep, Die Staatsdrukker, Pretoria, 1974.
25. Williams, R J Biochemical individuality and cellular nutrition in Quarterly Journal of Studies on Alcohol, 20, 1959.

Although a very impressive body of facts and figures about alcohol use, misuse and alcoholism have been established over time through the involvement of a wide spectrum of academic disciplines, this enlarged field of knowledge has increased difficulties of conceptualization and communication. One of the major methodological problems concerns the conceptual confusion and vagueness persisting around

critical terms such as addiction, alcoholism, addictive

Another wave of price rises

By GERALD REILLY, Pretoria Bureau

ANOTHER series of price rises, which will keep the inflation rate knocking on 16%, come into operation from today. Fresh and industrial milk prices rise by between 15 and 16%, cement by 9% plus allowances for the higher railway tariff, and bricks by 14.5%. The milk price rise — it amounts to 6c per litre — is the penultimate basic food price rise this year. Coming is the higher bread price which will either be announced by the Minister of Finance in his Budget in August, or will come into operation from the start of the new wheat season in October. The impact of the higher brick and cement prices, with the steel price rise of about 15% expected later this month, will send building costs to a new high level. Another price shock which will generate an inflation spurt is on the way. The Cabinet, it is understood, is expected to decide on the extent of the fuel price rise before the end of the month. The oil companies have asked for relief. They claim it is long overdue according to the formula used by the Government to determine the extent of price adjustments. Motor industry sources said yesterday there was still plenty of fat on the fuel price — it was raised by 15c a litre in June 1979 — and that the Government could and should sacrifice some of its substantial income from petrol taxes to keep the price at its present level. The basic food price rises will intensify the struggle in thousands of lower income group families to maintain living standards. Economists point out that the country's high unemployment level among unskilled workers had aggravated the struggle.

and eventually integrative theories about alcohol problems.

The following examples will suffice:

1. We are not sure that any amount of alcohol will always act as an depressant.
2. We still don't know the whole truth about liver cirrhosis.
3. Our once absolute belief that alcoholism is definitely not hereditary is not so strong anymore.
4. We still have no ultimate answer why certain people become alcoholics and others do not.

I saw it necessary to make this methodological and historical

cal detour from the formal topic in the event of any delegate being disappointed by the relative inconclusive nature of the existing body of knowledge available in the alcohol field. I also tried to illustrate how a sociological variable such as professional and public values and sentiments can deter scientific involvement and progress in a field of enquiry

DISTINCTION between two manifestations of alcoholism and habitual drinking criticized as being generally believed that it

makes sense to differentiate between these two ramifications of problem drinking

An operational definition of alcoholism which is generally accepted by medical and social scientists is by Keller & McCormick (Keller & McCormick, 1963, p. 50).

"A chronic and usually progressive disease, or a symptom of an underlying psychological or physical disorder, characterized by dependence on alcohol (manifested by loss of control over drinking) for relief from psychological or physical distress or for gratification from alcoholic beverages sufficient to cause physical or mental or social or economic disability"

From this rather all-encompassing definition certain key concepts and insights must be accentuated:

- 1) Alcoholism whether conceptualized as a disease or not,

Cost of repairs not set to rise

Staff Reporter

THE Motor Industries Federation yesterday allayed fears of an increase in the cost of motor repairs resulting from the recently announced 20% increase in the minimum wage for mechanics

And a spot check on 15 Reef garages yesterday confirmed the MIF viewpoint

The federation's national secretary, Mr W Fourie, said yesterday rumours of reported repair cost increases came from a Port Elizabeth member who had been 'dealt with'

He would not elaborate on the leak

He said the increase in the minimum wage would have no effect as most mechanics were already earning way over the new minimum

"There is not going to be any increase in the foreseeable future" he said

However there could be increases due to other unknown

factors' linked to general inflation levels although Mr Fourie said he did not know if or when these would come into effect

Garages contacted yesterday knew of the increase but were generally satisfied it would have no effect on their cost structures

One service division manager said there was 'no laid down law for labour costs' and that his firm adjusted its charges according to increases in overheads

Sapa reports that Mr Cecil Jowell, first vice president of the MIF said yesterday the 20% wage increase for motor mechanics was 'merely a periodic adjustment to the minimum prescribed wages for journeymen and other employees of the motor industry'

He confirmed the viewpoint that most motor mechanics wages were well in excess of the new rates and would therefore not be affected by the new increase

3/6/41
KOR
FFA
2/4/41

Food prices in PE are up by 28% since last May

3/6/81

Handwritten initials and scribbles.

AN Evening Post price check has found that the total cost of 20 items chosen at random has risen a staggering 27,8% in the past year

The 20 items chosen for the first expanded Post price check in May last year were again checked in May this year. The cost of the 20-item basket had risen from R16,05 last year to R20,51

The basket consisted of white sugar, cake flour, sugar beans, breakfast oats, cooking oil, loose tea, corned meat, powdered milk, smooth apricot jam, potatoes, margarine, fresh milk, topside mince, fish cakes, large eggs, chicken stock cubes, vegetable soup, tomato sauce, frozen peas and washing powder

All the particular items chosen in May last year were not available at all the stores in

May this year, so an average price for each item was worked out when assessing the difference in price over a year

In May last year the following stores in the Western Suburbs were visited: the Pick 'n Pay Hypermarket at Hunter's Retreat, the Checkers and OK supermarkets in Linton Grange, the Grand Bazaars and Pick 'n Pay supermarkets in Newton Park and the Checkers Hypermarket at Greenacres

The OK Superstore was included with these six stores in the May, 1981, check. It opened only in the second half of last year

The average price of only one item dropped between May last year and May this year — that of apricot jam (Koo, 450g). Last year the

Post Price Check

— By —
SUSAN STEAD

average price was 48c and this year 46c

The most striking increase in the average price of one particular item is that for topside mince. The cost for 0,928kg of mince rose from R2,02 to R3,75 — 85,6%

Corned meat (a 300g tin of Bull Brand meat), also showed a large increase, but at 40,9% it was not as dramatic as the rise for fresh meat. The price rose from 66c to 93c

This was the second highest percentage increase

Of the 19 items that showed a price increase, the smallest

percentage was for a packet of loose tea (Joko, 250g) — 7%, from R1,14 to R1,22. This was the only one of the increases that was a single figure increase

Oil products and milk all showed double figure increases. The price of cooking oil (Solo, 750ml) rose 12,5%, from 96c to R1,08 and margarine (Rama, 250g) 27,3%, from 33c to 42c

The fresh milk price (for a litre pack) rose 10,8%, from 37c to 41c. But powdered milk (Farmer's Pride, 500g) showed a greater increase — 16,5% —

from R1,33 to R1,55. (The fresh milk price rose by another 6c a litre on June 1)

The third biggest increase over the year was 38,5%, for a 500g packet of Lion sugar beans, used by many as a meat substitute

The price rose from 52c to 72c

The table shows the average price of the 20 items in May last year, in May this year and the percentage price increase (and in the case of jam, the decrease). The prices do not include sales tax

	Average price May 1980	Average price May 1981	Percentage increase/decrease
White sugar (Huletts, 2,5kg)	R1,01	R1,17	15,8
Cake flour (Snowflake, 1kg)	47c	54c	14,9
Sugar beans (Lion 500g)	52c	72c	38,5
Breakfast oats (Jungle, 1kg)	67c	74c	10,4
Cooking oil (Solo, 750ml)	96c	R1,08	12,5
Tea (Joko 250g loose)	R1,14	R1,22	7
Corned meat (Bull Brand 300g)	66c	93c	40,9
Milk powder (Farmer's Pride, 500g)	R1,33	R1,55	16,5
Smooth apricot jam (Koo, 450g)	48c	46c	-4,3
Potatoes (3kg)	R1,23	R1,65	34,1
Margarine (Rama 250g)	33c	42c	27,3
Fresh milk (1l)	37c	41c	10,8
Topside mince (0,928kg)	R2,02	R3,75	85,6
Fish cakes (I&J Savoury, 400g)	67c	85c	26,8
Eggs (1 dozen large)	72c	84c	16,7
Chicken stock cubes (Knorr, 24g)	11c	13c	18,2
Spring vegetable soup (Unox, 405g)	56c	65c	16,1
Tomato sauce (Koo 375ml)	56c	66c	17,9
Frozen peas (Table Top, 500g)	R1,06	R1,33	25,5
Washing powder (Surf, 1kg)	R1,18	R1,41	19,5
Total price (without tax)	R16,05	R20,51	27,8

...place to the accompaniment of a ...
...at the legislative and administrative levels designed
...access to land and to foster the development of a
...ng agricultural sector predominantly owned by Whites.
...State in South Africa has had a long history of
...art in attempts to establish an adequate labour supply,⁽³⁾
...e period after the establishment of the gold mining
...s interesting to note that until very recently, very
...essure had been placed on White farmers to reduce
...y. This is despite the fact that when one looks
...tribution of the African rural population it becomes
...nt that only a relatively small proportion of the
...African population was in fact resident in the reserve areas. The

(3) Government efforts to generate labour supplies in the pre-Union States are well documented by S.T. van der Horst [27]

(4) Jeeves [13].

Handwritten signature or initials.

244

3/6/81

EP

'Big three' come out best

PORT ELIZABETH'S three big stores — the superstore and the two hypermarkets — top the Evening Post price check for May. They were found to be the cheapest stores to shop in for the 20-item price check basket.

The Checkers Hypermarket at Greenacres came out the cheapest store for the second month running. The OK Superstore was the second cheapest outlet in May and the Pick 'n Pay Hypermarket at Hunters Retreat the third cheapest.

For the check, seven chain store food outlets were visited in the western suburbs. Apart from the "big stores", they were the Pick 'n Pay and Grand Bazaars supermarkets in Newton Park and the OK and Checkers supermarkets in Linton Grange.

In the April check, in which the OK Superstore was also in second place, the Walmer stores as well as the "big stores" were visited.

For the May check 20 items of household toiletries, tinned goods, biscuits, dairy products and general groceries were chosen. The identical items were included at each outlet.

For the 20-item basket the

total cost (excluding tax) at the Checkers Hypermarket was R17,36 and at the OK Superstore R17,66.

At the Pick 'n Pay Hypermarket, the third cheapest outlet, the basket cost R17,80 (also without tax).

Of the supermarkets the OK in Linton Grange was the cheapest — in fourth place overall — with a cost of R18,10 (without tax).

The most expensive market was found to be Checkers in Linton Grange, where the basket cost R18,66. The second most expensive was the Pick 'n Pay supermarket in Newton Park — R18,40 (without tax).

At Grand Bazaars the 20 items were the third most expensive, at R18,27.

The difference between the costs at the most expensive outlet and at the cheapest, between Checkers Hypermarket and its sister store in Linton Grange, was 7,5%. In money terms this was R1,30.

This percentage difference is the lowest since the January check when outlets in the Northern Suburbs, as well as the hypermarkets and the superstore were visited. In that month the difference was 7,2%.

Since then the difference between the highest and lowest cost of the price check basket has risen to 10,2% (in February), then to 10,3% (in March) and to 12,1% (in April).

When the price check was last taken in the western suburbs, in March, the OK Superstore was found to be the cheapest store for the 20 items chosen. The Pick 'n Pay Hypermarket was the second cheapest and the Checkers Hypermarket sixth on the list.

The OK supermarket was then, too, the cheapest of the supermarkets and Checkers supermarket the most expensive of all of the outlets.

In May, the biggest difference in the prices of an individual item is for a one kilogram packet of Surt washing powder. It cost R1,56 (without tax) — its most expensive — at Pick 'n Pay in Newton Park — and its cheapest, R1,26 at the OK Superstore.

The prices at the other stores were R1,39 (Grand Bazaars, OK in Linton Grange and the Pick 'n Pay Hypermarket), R1,44 (Checkers Hypermarket) and R1,47 (Checkers in Linton Grange).

All prices in the price check table exclude general sales tax.

Mechanics' pay rises ^{20%} will not affect cost of ^{20%} car repairs, say traders

Motoring Editor

THE 20 percent increase in basic wages for mechanics is not going to affect the cost of car repairs, says Mr Jessel Celine divisional chairman of the Motor Traders Association in Natal.

Most mechanics are getting far more than the minimum right now — even before the raise came

in. The good ones are getting R200 a week. Mr Celine said yesterday. The public has been feeling the effects of mechanics being paid these rates for a long time.

He explained that the 20 percent increase applied to a minimum level for mechanics wages and only those on the very bottom line would be affected — but there are very few of those around.

Cost of living is up ^{glide} 15,5% over past year

By VITA PALESTRANT
Consumer Mail Editor

THE Consumer Price Index for all income groups rose 0,6% in April and 15,5% in the 12-months which ended in April

Latest Department of Statistics figures show the cost of living for lower, middle and higher income groups rose 6% in April

For the 12-month period, the index for these groups rose 19,1%, 16,4% and 14,2% respectively — with lower income groups being hardest hit by inflation

Although the overall food index showed no increase in April, its upward spiral will continue in coming months as the ripple effect of recent food price increases take effect

Over the past year the food index rose 27%. Major increases in the food sector during April were meat and fish up 1,3%, sugar 2,9%, fats and oils 0,8%, milk, milk products and eggs 0,6%, grain 0,5%, coffee and tea 0,4%. Fruit and vegetables dropped 1,7% and 6,4%. Soft drinks increased 1,4% and alcoholic drinks as much as 8,3%. There was no rise in the price of cigarettes

But over the past year there have been substantial increases in meat (up a huge 50,5%), fruit (22,7%), vegetables (22,1%), fats and oils (16,3%) and sugar 13,5%

Increases in other sectors of the CPI were clothing and footwear rose 0,9% in April and 9,4% over the past year — with clothing alone costing 9,9% more over the past year and footwear 7,8% more

Housing rose by 0,4% during April and 13,3% over the year, with fuel and power up 0,4% and 11,6%

In the furniture and equipment sector — up 0,3% in April and as much as 16,3% over the year — furniture alone rose 0,2% in April and a huge 21,5% over the past year, while appliances rose 0,8% and 10,9%

Under household operations — up 1% during April and 6,4% over the year, cleaning materials alone rose 9% in April and 9,8% in the past 12-months

Medical costs rose 12,3% in the past year — 0,1% in April

Under the transport sector — up a substantial 1,2% in April and 8,4% over the year — vehicles showed no increase in April but rose 14,6% over the past 12-months

Public transport rose 6,2% in April and 8,2% over the year

Communication and recreation showed no increase in April, but reading material increased 0,3% in April and an enormous 54% over the year

Personal care rose 0,4% in April and 11,5% over the past 12-months

Education showed a huge increase of 21,2% over the past year but no rise in April

Every month the Department of Statistics analyses masses of information about the cost of goods and services in 11 major urban areas. These are processed to make up the monthly CPI

	April 1981	March 1981	April 1980
ALL ITEMS	196.4	195.2	170.0
Lower income group	198.6	197.4	166.7
Middle income group	197.6	196.4	169.8
Higher income group	195.2	194.0	171.0
FOOD	217.8	217.8	171.5
Grain products	195.1	194.2	178.6
Meat	242.9	239.8	161.4
Fish	215.2	212.5	190.5
Milk, milk products & eggs	177.8	176.8	158.8
Fats & oils	210.6	208.9	181.1
Fruit	198.6	201.9	161.8
Vegetables	197.4	210.1	161.7
Sugar	271.8	264.1	239.4
Coffee & tea	247.7	246.7	238.1
Other	195.6	193.2	172.2
COLD DRINKS	203.9	201.0	174.7
ALCOHOLIC DRINKS	176.9	163.4	160.5
CIGARETTES CIGARS & TOBACCO	157.7	157.0	150.6
CLOTHING & FOOTWEAR	168.0	166.5	153.5
Clothing	159.5	158.0	145.1
Footwear	213.1	211.6	197.6
HOUSING	164.5	163.8	145.2
L & POWER	248.8	247.7	223.0
FURNITURE & EQUIPMENT	180.1	179.5	154.9
Furniture	166.9	166.6	137.4
Appliances	168.3	167.0	151.7
Other	184.3	183.6	165.9
HOUSEHOLD OPERATION	220.2	218.0	207.0
Cleaning materials etc	210.1	208.2	191.3
Domestic servants	221.9	220.2	211.8
Other services	203.5	199.4	193.7
MEDICAL CARE	180.8	180.6	161.0
TRANSPORT	220.0	217.4	202.9
Vehicles	203.1	203.1	177.2
Running costs	255.0	253.8	243.8
Public transport	178.5	168.1	164.9
COMMUNICATION	114.5	114.5	118.6
RECREATION & ENTERTAINMENT	180.6	180.3	161.1
READING MATTER	260.1	259.2	168.8
EDUCATION	244.8	244.8	201.9
PERSONAL CARE	184.5	182.6	165.5
OTHER	198.7	198.3	171.0

2. (cont.)

- Pender assistance in family budgets.
- Involve shop to render service

4. (cont.)

- Follow-up of clinical condition done by Clinic Sister and backed up by Health Centre for E.S.R., sputum smear, weight and clinical check.
- Referral to hospital only on indication. No routine 3-monthly or 6-monthly X-rays
- Improve case detection and contact examination by Clinic Sister and/or C.H.W.
- Short term treatment schemes by making Rifampicin available.

3. Low immunisation status.

B.C 2.	63-82 %
Smallpox	46-65 %
Polio	22-54 %
D.W.T.	18-40 %
Measles	3-5 %
Typhoid	19-28 %

No difference observed whether there is a clinic in the village or not

- Immunisation station in village
- Each child seen and recorded at home by C.H.W. every 6 months to ensure coverage
- Immunisation card by C.H.W. and or Health Assistant visiting the village weekly (transport by local authority).
- Preparation for immunisation at the village done by C.H.W. and or C.P.N. helped by the Care Group.
- Intensification of the Health Education Input
- Health Centre staff mobilise for smaller regions.
- Use pedogel for oral immunisation.
- Monitoring immunisation

No move by Marx on rent

THE EAST RAND Administration Board (ERAB) has not yet responded to a request by Wattville residents to explain how rentals were increased in the township and the hostel last month

A seven-man committee which has two members from the nearby Wattville mens hostel was elected at a meeting held a few weeks ago, to meet ERAB and discuss the rent issue

Rents were increased from R27 to R29 in the township and at the hostel from R8 to R12 per bed at the beginning of the last month

A spokesman for the seven-man committee said yesterday, "We handed in a letter to Mr F.E. Marx, chief director of ERAB three weeks ago, asking for a meeting whereby ERAB will explain how and why our rentals were increased

Facilities in the township and at the hostel are bad

a) Report letter for communication between hospital and clinic;

b) patient retained record card,

c) Clinic Sister/C.P.N. retained record file for P.B. and mental illness compulsory, and other chronic disease if possible.

- Patient retained record card makes home visits by C.H.W. useful, and improves chance of continuity of treatment, even when patient leaves for the towns.

- Improve follow-up further by positive follow-up by Sister and C.H.W. Making use of the clinic retained record file. C.H.W. seeing each patient at home and reports factors for non-compliance.

5. 50% of deliveries at home.

- 7 days/week, 24 hours/day service in Health Centres and other clinics.
- Having waiting mother facilities available at the Health Centre.
- Health Centre to have an ambulance
- C.H.W. seeing each woman at home every 6 months.
- Involvement of Care Group through health education and knowledge of hygienic delivery.
- Train C.H.W. in doing emergency deliveries, in the clinic or at home when called
- C.H.W. doing post natal care

6. 50% of the children never made use of the clinic.

- Examine reasons for not attending.
- Visit every child at home by C.H.W. and/or Care Group.

7. High mortality and morbidity of diarrhoeal diseases.

- Rehydration packets based on local cup size (300ml mag) available from each Care Group member and C.H.W.

8. Psychiatric patients. High relapse rate and great majority of patients not on treatment.

- Train psychiatric nurses.
- Establish a Mental Health Team and a Mental Health Unit (10 beds) in each hospital.
- Improve follow-up on the same basis as for tuberculosis.
- Make treatment available at each clinic.

Home builders will pay more

By Frank Jeans
Property Editor

The escalating costs of building materials, including bricks, cement and steel will raise the cost of building the average home from the present R38 000 to R45 500 this time next year.

The cheapest home built today, with three bedrooms and 1 1/2 bathrooms, is in the R38 000 range and uses about 34 000 bricks.

The latest brick price increase will add an estimated R400 to the cost of the house.

More expensive cement will push up the price by another R150 and, while the steel price increase has not yet filtered through to the building industry, site reinforcement costs plus the many steel based components which go into the

home will add another estimated R400.

According to Schachat Cullum spokesman the R7 500 rise in the contract price of a new home next year is based on a yearly 17 percent cost increase.

This is not as high as Schachat Cullum's escalation figure of 26 percent in the previous year, but any further price rises in materials, plus statutory labour costs on the way will certainly alter the situation and that R7 500 could go even higher.

Another homebuilder, Gallic, forecasts that the cheapest home built this time next year will cost R50 000 — an increase of 31 percent.

Mr John Campbell a spokesman for the group, warns home buyers not to be misled into believing prices will drop because of the shortage of building society finance and the "reported" slowing of the inflation rate.

GENERAL NOTICES

5/6/81 NOTICE 387 OF 1981

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for April 1981 is as follows.

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975 = 100	Base April 1970 = 100
1 Cape Town	190.1	296.7
2 Port Elizabeth	190.1	300.9
3 East London	190.2	300.5
4 Kimberley	191.5	294.5
5 Pietermaritzburg	192.5	301.8
6 Durban	193.2	299.3
7 Pretoria	194.4	310.7
8 Witwatersrand	201.5	318.2
9 Klerksdorp	194.5	305.8
10 Vaal Triangle	200.9	311.4
11 O F S Goldfields	203.8	310.8
12 Bloemfontein	192.0	297.2
Weighted average of the 12 areas	196.4	308.7

ALGEMENE KENNISGEWINGS

KENNISGEWING 387 VAN 1981

DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir April 1981 soos volg is

VERBRUIKERSPRYSINDEKS ALLE ITEMS

7607 Gebied 5/6/81

	Indeks	
	Basis 1975 = 100	Basis April 1970 = 100
1 Kaapstad	190.1	296.7
2 Port Elizabeth	190.1	300.9
3 Oos-Londen	190.2	300.5
4 Kimberley	191.5	294.5
5 Pietermaritzburg	192.5	301.8
6 Durban	193.2	299.3
7 Pretoria	194.4	310.7
8 Witwatersrand	201.5	318.2
9 Klerksdorp	194.5	305.8
10 Vaaldriehoek	200.9	311.4
11 O V S -goudvelde	203.8	310.8
12 Bloemfontein	192.0	297.2
Beswaarde gemiddelde van die 12 gebiede	196.4	308.7

gew

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 = 100 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 = 100 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970 = 100.

(5 June 1981)

NOTICE 388 OF 1981

DEPARTMENT OF COMMUNITY DEVELOPMENT
AND STATE AUXILIARY SERVICES

NOTICE IN TERMS OF SECTION 31A OF THE QUANTITY SURVEYORS' ACT, 1970 (ACT 36 OF 1970)

I, Stephanus Francois Kotzé, Minister of Community Development and State Auxiliary Services, hereby notify in terms of section 31A (2) of the Quantity Surveyors' Act, 1970 (Act 36 of 1970), that I intend, in terms of section 31A (1) of the said Act and subject to the conditions set out in the Schedule, to grant exemption from the provisions of section 22 (1A) of the said Act to the companies and other legal persons mentioned in the Schedule within sixteen weeks from the date of publication hereof.

Interested parties are requested to submit any objections to or representations regarding the proposed exemptions to the Director-General Community Development and State Auxiliary Services, Private Bag X65, Pretoria, 0001, within four (4) weeks of the date of this notice.

SCHEDULE

DEFINITIONS

1. In this notice, any word or expression to which a meaning has been assigned in the Quantity Surveyors' Act, 1970 (Act 36 of 1970), shall have the same meaning and, unless the context otherwise indicates—

“the Act” means the Quantity Surveyors' Act, 1970 (Act 36 of 1970),

“the professional code of conduct” means the code of conduct contained in the Act and in the regulations promulgated under section 27 (1) (f) of the Act.

Companies and other legal persons to which exemption from the provisions of section 22 (1A) of the Act is granted.

2. The following companies and other legal persons are, subject to the conditions in paragraph 3 which are mentioned in each case, exempted from the provisions of section 22 (1A) of the Act.

(a) Any local authority, including any institution contemplated in section 84 (1) (f) of the Republic of South Africa Constitution Act, 1961 (Act 32 of 1961), and any public utility corporation or public utility company established under or in terms of a special act of Parliament, subject to the conditions contained in paragraph 3 (a), (b), (c), (d) and (m) of this Schedule.

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspele of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderings wat van tyd tot tyd plaasgevind het.

Met ingang van 6 Julie 1979 is die Verbruikersprysindeks met basis April 1970 = 100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970 = 100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970 = 100 betrekking het, te wysig.

(5 June 1981)

KENNISGEWING 388 VAN 1981

DEPARTEMENT VAN GEMEENSKAPSONTWIKKELING
EN OWERHEIDSHULPDIENSTEKENNISGEWING INGEVOLGE ARTIKEL 31A VAN
DIE WET OP BOUREKENAARS, 1970 (WET 36 VAN
1970)

Ek, Stephanus Francois Kotzé, Minister van Gemeenskapsontwikkeling en Owerheidshulpdienste gee hierby kragtens artikel 31A (2) van die Wet op Bourekenaars, 1970 (Wet 36 van 1970), kennis dat ek van voorneme is om kragtens artikel 31A (1) van genoemde Wet en behoudens die voorwaardes in die Bylae uiteengesit, binne 16 weke vanaf die datum van publikasie hiervan, die maatskappye en ander regspersone wat in die Bylae vermeld word, vrystelling te verleen van die bepalings van artikel 22 (1A) van genoemde Wet.

Belanghebbendes word versoek om enige besware teen of vertoeë aangaande die voorgestelde vrystellings binne vier (4) weke vanaf die datum van hierdie kennisgewing te rig aan die Direkteur-generaal, Gemeenskapsontwikkeling en Owerheidshulpdienste, Privaatsak X65, Pretoria, 0001.

BYLAE

WOORDOMSKRYWING

1. In hierdie kennisgewing het 'n woord of uitdrukking waaraan in die Wet op Bourekenaars, 1970 (Wet 36 van 1970), 'n betekenis geheg is, dieselfde betekenis, tensy uit die samehang anders blyk, en beteken—

“die Wet” die Wet op Bourekenaars, 1970 (Wet 36 van 1970),

“die professionele gedragskode” die gedragskode vervat in die Wet en in die regulasies afgekondig kragtens artikel 27 (1) (f) van die Wet.

Maatskappye en ander regspersone waaraan vrystelling van die bepalings van artikel 22 (1A) van die Wet verleen word.

2. Die volgende maatskappye en ander regspersone word, behoudens die voorwaardes in paragraaf 3 wat in elke geval vermeld word, vrystel van die bepalings van artikel 22 (1A) van die Wet.

(a) Enige plaaslike bestuur, insluitende enige instelling bedoel in artikel 84 (1) (f) van die Grondwet van die Republiek van Suid-Afrika, 1961 (Wet 32 van 1961), en enige openbare nuts korporasie of openbare nutsmaatskappy gestig by of ingevolge 'n spesiale wet van die Parlement, behoudens die voorwaardes vervat in paragraaf 3 (a), (b), (c), (d) en (m) van hierdie Bylae.

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Taxi fares up in Vaal

(244)

The secretary of the Orange-Vaal Taxi Association, Mr A T Moshebi announced that taxi fares will be increased as from June 15.

Mr Moshebi said that these increases will affect all passengers in the Vaal Triangle.

The increased fares will affect the following places:

- o From Sebokeng to Vereeniging - Monday to Thursday 60c. The fare increases by 10c on Fridays and weekends.
- o From Sebokeng to Vanderbijlpark by 50c. Fridays and weekends 60c.
- o Evaton to Sebokeng 40c.

An extra 10c will be added on all routes after 7.30 pm.

Some of the inadequacies in this paper can be attributed to lack of data. However, available data does allow the use of more detailed analysis than has been attempted. Analysis by magisterial district (instead of by economic region) would be preferable, because of differences within regions. The use of a longer time period might smooth out some of the inconsistencies in employment by region which are often the result of the choice of base year (as well as of the choice of time interval).

Analysis by farm would also be enlightening. The extension to this paper will also include some work on wages: in particular, wage distribution by worker, the relationship of wages to farm product per worker and some attempt to define unemployment by region (or by magisterial district) and test its relationship to wage rates.

A second important subject for discussion in the follow-up to this study would, of course, be casual workers. Casual workers form 43% of the work force in agriculture and deserve greater attention in any study of agricultural employment.

Guide-lines for the better use of the data available on casual workers - and on employment in general - will probably emerge at this conference.

Crockery prices: second rise in six months

slowly
2/15/77

By Caroline Braun
Consumer Reporter

The price of locally made pottery, porcelain and stoneware is to increase by an average of 20 percent on July 1.

This will be the industry's second increase in six months, and will push up the price of crockery about 50 percent higher than last year's prices.

A cup and saucer which last December cost 99c will cost R1.19 next month. A dinner plate which went for R1.60 last year, will soon cost R2.59.

The new prices are so high that retailers are considering importing crockery, which could be cheaper than the local product in spite of high import duty tariffs.

These tariffs were introduced last July to protect local industry which was being out-priced by cheap imported crockery.

Mr Allen Kleinick, national buyer for Checkers and local crockery manufacturers, said they are now taking advantage of the monopolistic situation which had been created with the introduction of the high import duties.

"Up till now because of these duties, it has not been viable to import crockery. This lack of competition has led local manufacturers to believe they can virtually

put up prices at will, he said.

"These new increases are so exorbitant, however, that buyers will be looking again at imported alternatives which have a wider range and are better quality than the local product," he said.

Mr J D G Hontsch, manager of Grahamstown Pottery, a local crockery manufacturer, said the latest increases had been unavoidable because of higher production costs.

"Some of our raw materials have gone up 40 percent, and we have also had higher packaging labour and railage costs," he said.

"We hope our new prices will hold for the next year," he said.

1 - 5 76
1 1/2 - 2 1/2 57
9/12 - 5

- 16. Transkei, Tsolo 1975 193 children, 91% under-5 population Av. household income: R25 per month
- 17. Transkei, Ealy Cross 1977/8 100 children at clinic & hospital O.P.D.
- 18. Transkei, Tuleza 1977 20 children at clinic near Tuleza
- " " " 245 children at St. Barnabas hosp. clinics
- " " " 25 children at under-5 clinics in area

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Below 50% of standard, but 3rd percentile, also is 20%

Below 80% standard but 40% are circumference

Below 75% standard weight for age, i.e. a more conservative measure than 3rd percentile

9,9 pc medical fee

increase likely

Argus Correspondent

PRETORIA — An increase of 9,9 percent in the medical tariff appears imminent although the Minister of Health, Welfare and Pensions, Dr L A P A Munnik, has not yet endorsed it

The Medical Association of South Africa (Masa) will present its case for the increase and the impact it is expected to have on medical costs at a press conference on Monday in Pretoria

The minister previously refused to approve the increase and referred Masa's request to the SA Medical and Dental Council, who have subsequently again recommended that

the Minister approve the Masa tariff request

An informed source within medical aid circles said the major objection to the present request for a tariff increase was that 9,9 percent was excessive after the average 52 percent increases in November 1979

According to the source, it is highly unlikely that the Minister will reject the request this time. He suggested that the previous refusal was possibly made in order not to antagonise voters before the general election

If the increases are approved, it appears likely that members of smaller medical aid schemes face inevitable increase in membership fees.

- (1) Plot this demand curve as accurately as possible, preferably using graph paper.
- (2) Now suppose that over a period of ten successive years the annual "crop" amounted to outputs of 80, 60, 70, 40, 50, 80, 60, 50, 40, and 70 million bushels respectively. Calculate and tabulate the gross value of the crop in each of these years, if the demand curve scheduled above was the demand curve of each of the ten years.
- (3) Calculate the average annual gross value of the crop over the ten years, and the output and price which would yield this value.
- (4) Construct a schedule showing what price would have to be received for each of the outputs in the demand schedule in order to make the gross value of the crop in each year equal to the average annual gross value. Plot this schedule on the same paper as the demand curve. (It will be a curve of unit elasticity).
- (5) From the demand curve find the total amount which must be offered on the market in order to fetch the prices discovered in part (4). From these amounts make a schedule showing how much the government would have to buy or sell for each total output.
- (6) Draw up a schedule showing how much the government would have to buy or sell in each of the ten successive years of part (2). Would the government have to sell a total greater than the amount it would have to buy over the ten years? Does the answer mean that impossible?

HOSPITAL FEES SET TO SOAR 50 PERCENT

244
11/6/81

244

11/6/81

Political Reporter

FEEs in Natal provincial hospitals will rocket by 50 percent from October 1, Dr Fred Clarke, MEC, announced in the Provincial Council yesterday.

But pensioners and others in lower income groups could end up paying less than at present because the cut-off points for wage earners have been raised substantially.

Hospital fees will go up 100 percent in cases where the full amount is recoverable from workmen's compensation

Cut-off level

Dr Clarke, who was delivering his first budget speech as MEC in charge of hospitals said the drastic increases were forced on the Executive Committee by the shortfall in revenue from hospitals

The increases would bring in an additional R3 700 000. He said the cut-off level for a single person would be raised from R326 to R501, while the point for a person with one dependent would jump from R375 to R650. Hospital superintendents would be given discretionary powers to raise the cut-off point by 10 percent in cases where representations were made to them

Impatient doctors heading for clash with Munnik over tariffs claim

Mercury Correspondent

PRETORIA—The Minister of Health, Dr L.A.P.A. Munnik, and the Medical Association of South Africa are heading for a clash over the issue of doctors' fee increases

The association announced this week that it had called a Press conference in Pretoria on Monday to explain the justification for a 10 percent fee rise

The association is known to be impatient with the time the minister has taken to respond to a recommendation by the South African Medical and Dental Council for higher fees

Yesterday Dr Munnik said in an interview that he found it 'very strange' that the association had called the Press conference 'before I am still studying the council's recommendation'

The council's letter reached him in Cape Town on May 25. Soon after that he had to leave for the Republic Festival in Durban. This was fol-

lowed by a four-day trip to the border with the rest of the Cabinet.

He gave the letter his immediate attention on his return to Cape Town

Towards the end of last year the council submitted its fee rise recommendation to Dr Munnik. He sent it back and asked for further justification

After a meeting in Cape Town in April the council resubmitted its claim unaltered for an increase of 99 percent for doctors and 25 percent for dentists.

At the time the president of the association, Prof Guy de Klerk, said an increase of 14 percent could be justified

Doctors were granted a fee increase in October 1979—52 percent, which the council and the association refused to water down in spite of arguments from the minister

At the time the council had full authority to set doctors' fees.

However, legislation was amended in the 1980 parliamentary session to give the minister a final say.

WMM

11/6/81

(244)

The across-the-board increases will mean rises in charges ranging from ward fees through to the cost of operating theatres. At present the fees in Natal provincial hospitals are the lowest in the country.

General

Dr Clarke detailed fee increases as follows, with existing fees in brackets. White, full-paying patients in general wards in closed hospitals would pay R22 (R15) a day, while the charge for private wards would be R27 (R18). Non-white patients in general wards would pay R15 (R10) while private wards would cost R18 (R12).

In open hospitals, full paying white patients in general wards would pay R12 (R8) a day, while the charge in private wards would be R16 (R11).

Comparable

Full-paying non-white patients in general wards would be charged R7,50 (R5), with the charge in private wards being R10 (R7).

He said the other three provinces would follow suit soon and increase their fees to a level comparable to Natal charges.

Dr Clarke explained that a closed hospital was a hospital at which only NPA doctors were allowed to practise and thus the fee structure was higher because the doctor's fee was built into the overall charge.

Benefit

Dr R Roos, chairman of

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PLEASE CIRCLE ITEMS REQUIRED

Doctors prescribe fees rise

11/6/81
244

Own Correspondent

An increase of 99 percent in medical tariffs appears imminent although the Minister of Health, Welfare and Pensions Dr Munnik, has not yet given his approval

The Medical Association of South Africa (Masa) will present its case for the increase and discuss the impact it would have on medical costs at a Press conference on Monday in Pretoria

The Minister previously refused to approve the increase and referred Masa's request to the SA Medical and Dental Council. The council has recommended that the Minister approve the request

An informed source within medical aid circles said that the major objection to the present request for an increase was that 99 percent was considered excessive after the average 52 percent increase in November 1979

The source said it was unlikely that the Minister would reject the request this time as the previous refusal was possibly aimed at not antagonising voters before the general election

If the request is approved it appears likely that members of smaller medical aid schemes face inevitable increases in membership fees

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PLEASE CIRCLE ITEMS REQUIRED

Doctors, Munnik set for fees clash

11/5/81
nom

~~43~~ (24)

By GERALD REILLY, Pretoria Bureau

THE Minister of Health, Dr L A P A Munnik, and the Medical Association of South Africa (Masa) are heading for a clash over the issue of increased doctors' fees.

The Medical Association announced this week that it had called a Press conference in Pretoria next Monday to explain the justification for the 10% fee increase it had asked for.

Masa is known to be impatient with the length of time the Minister has taken to respond to the recommendation by the South African Medical and Dental Council for the higher fees

Yesterday Dr Munnik said in an interview that he found it "very strange" that Masa had called the Press conference "while I am still studying the medical council's recommendation"

The medical council letter reached him in Cape Town on May 25. Soon after he had to leave for the Republic Festival in Durban. This was followed by a four-day trip to the border with the rest of the Cabinet.

He gave the letter his immediate attention on his return to Cape Town. It included an economist's "complicated justification" for the fee increase application.

He had referred the economist's comments to his own economic advisers for their comment. Until he received that he could make no decision on the council's application.

Towards the end of last year the medical council submitted its fee rise recommendation to Dr Munnik. Dr Munnik sent it back to the council and asked for further justification.

After a meeting in Cape Town in early April the medical council re-submitted its claim unaltered, asking for an increase of 9.9% for doctors and 25% for dentists.

At the time the president of Masa, Professor Guy de Klerk, said an increase of 14% could have been justified.

The assistance of the following people, without which this study would never have materialised, is acknowledged with gratitude:

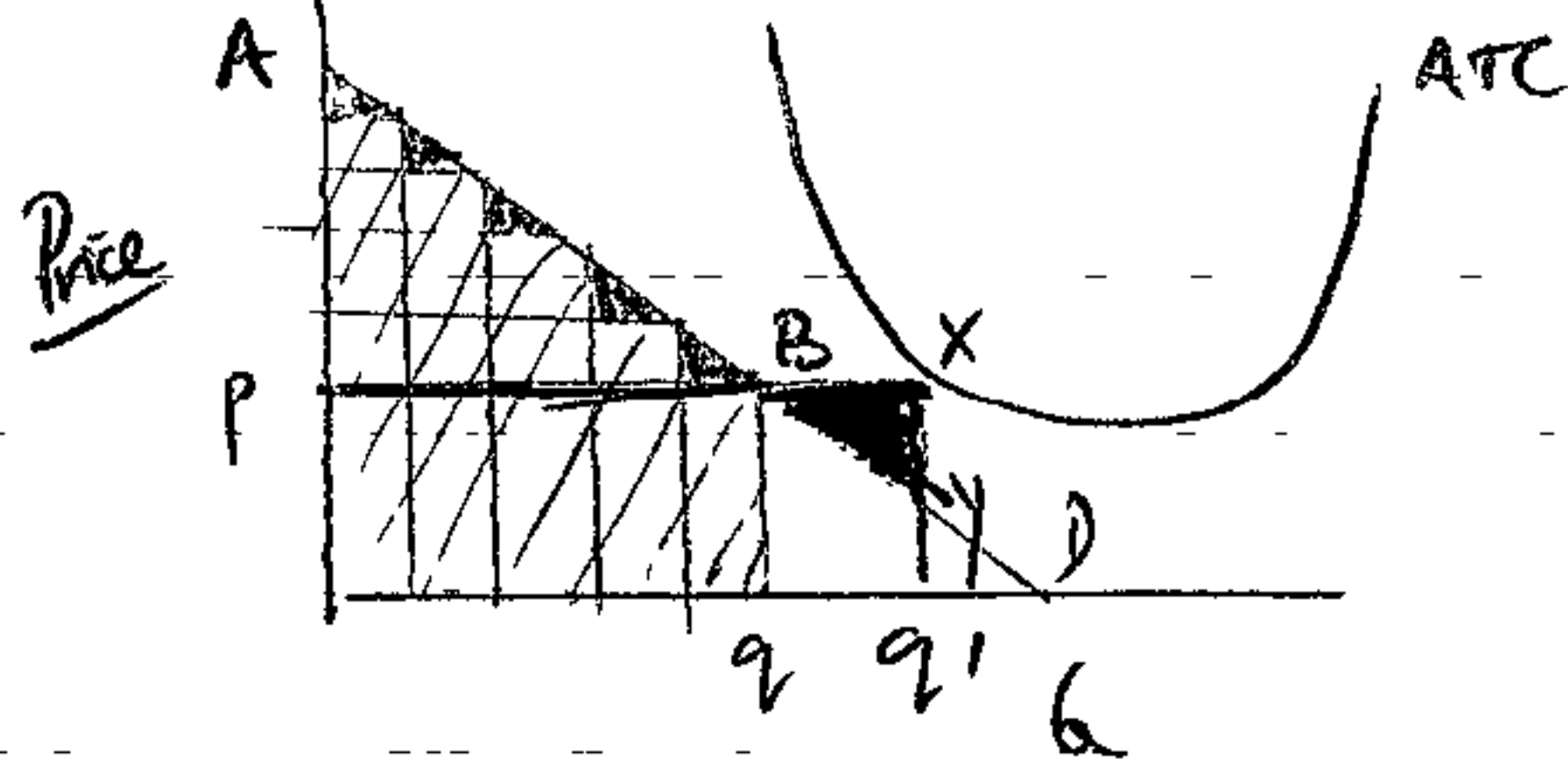
Dr's Robert and Susan Baker, Paediatricians, C.J.M. Hospital,
Miss Lucille Dlamini, Research Worker, S.A.I.I.R.,
Mrs Laureen Nicobela, for six years was Sister-in-Charge of the Malnutrition ward at C.J.M. Hospital and who never despaired and by whose example and dedication helped many others of us not to despair.

The families of the

Doctors were last granted fee increases in October 1979 — a huge 52%, which the medical council and medical association refused to reduce in spite of appeals from the Minister.

FOOTNOTE At that time the medical council had full autonomy to set fees. Legislation was passed last year to give the Minister a final say on fees.

very high price to cover his costs.



So the producer's income will be a part. If we were able to draw thousands of consumers we would have the black Δ 's which would be the revenue of the producer in a case. So besides his normal block as we

FM 12/1/81
INFLATION INDEX 153
244 el

Riding the Hydra

As the many-headed Hydra of inflation has become the most visible economic enemy the consumer price index has leapt to notoriety as its most visible barometer. It claims to keep tabs on price rises where they hurt most — that vulnerable place on the body just beneath the consumer's cash pocket. But what in fact does it measure?

Like all such indexes the SA cpi is ultimately an abstraction of several abstractions. It is based on a statistical method created by a Frenchman called Laspeyre. Its main competitor is the Paasche system which differs primarily in stressing the measurement of the substitution effect. As prices rise consumers substitute cheaper goods for more expensive but comparable goods like butter and yellow margarine. Spending patterns can change considerably over time in this way. But monitoring them — and Paasche recommends updating at least monthly — is itself expensive and guaranteed to inflate statistical costs. So French practicality in the great inflation indexes of the world tends to outweigh German idealism!

But the substitution effect is the problem where accuracy is concerned. To

derive an SA index the Department of Statistics chose an arbitrary base year — 1975 in fact — and charted price changes from that point. It based its expenditure pattern on an average of those of 5,000 households in the 12 main urban areas, dividing them into lower, middle and upper income groups on the basis of their annual incomes. Because it collectively spent most, the upper income group was given a 55% weight in the index. So as it emerges monthly, the cpi records primarily the struggle between the upper middle class and the rising cost of living. As the upper income index rises more slowly than the other two, the overall inflation rate looks better than it might, but understates the socio-economic unhappiness of the population at large.

Each income group was given a 'market basket' based on how it divided its total expenditure in 1975 between lamb chops, light bulbs, gardening tools, and so on. These differ considerably, of course. The lower income group was given a 36% weighting for food in general, but appeared to spend less on mutton than the higher (who spent less than the middle incomers) and considerably more on offal than either of the other two. By the same token, the lower group's expenditure on home ownership was minimal, as was its contribution to domestic servant costs. But it spent proportionately more on an

were his costs must be equal exactly or vice discriminated that would it a single pr

item headed drinks and prepared food bought away from home.

The Laspeyre system calls for an expenditure pattern update every 10 years. But spending patterns must change considerably over that period of time and non-cyclically most when inflation rates are high. For instance, in the last six years, meat has risen 143%, sugar 171%, fuel and power 250%, etc. Goods substitution must have taken place during that time to

mitigate the effects of price rises, but the index does not reflect it.

There is also a problem in making a distinction between consumption and investment goods. Houses are considered to be investments, so house prices do not enter the index at all. Instead, rents and mortgage interest payments go in, along with other housing costs like rates and municipal service fees. These are registered monthly in postal returns from the

Food survey and the binding is depressing

HOW COSTS HAVE COME UP: THE 1980-81 TABLE

SPAR BULK TONS	PICK'N CHECK- LA OVER- LUCIA PORT	OK BARS BATAAPS DURGAN WORTH	PICK'N HYPER- RAMA	1980-81 PERCENT CHANGE	1980-81 PERCENT CHANGE
289	3 19	3 13	2 99	2 99	-6
39	35	38	26	27	-11
99	35	38	26	27	-11
1 29	1 39	1 45	1 39	1 43	+16
1 35	1 35	1 27	1 15	1 23	-27
49	53	48	47	48	+0
1 70	1 69	1 89	1 79	1 79	-28.5
25	25	21	22	24	28
95	95	95	92	95	-7
69	69	69	65	65	14.5
49	47	47	43	44	20.5
45	45	45	42	44	+14
45	45	45	42	44	-10.5
52	52	52	48	49	-20.5
99	99	99	85	85	-13
1 09	1 09	1 09	1 07	1 07	-12.5
49	49	49	45	45	-17
99	99	99	93	93	-10.5
99	99	99	93	93	-18.5
99	99	99	93	93	-18.5
1 45	1 45	1 45	1 37	1 37	-13.5
45	45	45	42	42	-13.5
45	45	45	42	42	-13.5
1 55	1 55	1 55	1 53	1 53	-1.5
1 19	1 19	1 19	1 18	1 18	-1.5
1 09	1 09	1 09	1 08	1 08	-1.5
99	99	99	93	93	-1.5
1 79	1 79	1 79	1 77	1 77	-1.5
55	55	55	53	53	-1.5
85	85	85	83	83	-1.5
79	79	79	77	77	-1.5
69	69	69	67	67	-1.5
45	45	45	43	43	-1.5
65	65	65	63	63	-1.5
2 39	2 39	2 39	2 37	2 37	-1.5
79	79	79	77	77	-1.5
1 29	1 29	1 29	1 27	1 27	-1.5
7	7	7	6	6	-1.5
15.7	15.7	15.7	15.7	15.7	PERCENT

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Canned food to cost more ^{Answers 15/6/41} _{24/4}

Consumer Reporter
 WHOLESale prices of a wide range of canned food and dry dog food (packets) went up today — but it may be a week or more before shoppers feel the effects.
 Supermarkets and some other retailers were expecting the increase and

built up stocks, which will be sold at the 'old' price.
 Langeberg Co-Operative, makers of Koo Products, have increased their prices by an average of 16 per cent because of higher fruit, vegetable and sugar prices and because the cost of rail transport has gone up

The price of All Gold, Silverleaf and IXL products will go up on July 15
 A spokesman for Grand Bazaars said his firm would deal as much as possible with smaller local manufacturers, such as Gaunt's of Somerset West,, whose prices had gone up by a smaller percentage.

* * * * *

- (1) Plot this demand curve as accurately as possible, preferably using graph paper.
- (2) Now suppose that over a period of ten successive years the annual "crop" amounted to outputs of 80, 60, 70, 40, 50, 80, 60, 50, 40, and 70 million bushels respectively. Calculate and tabulate the gross value of the crop in each of these years, if the demand curve scheduled above was the demand curve of each of the ten years.
- (3) Calculate the average annual gross value of the crop over the ten years, and the output and price which would yield this value.
- (4) Construct a schedule showing what price would have to be received for each of the outputs in the demand schedule in order to make the gross value of the crop in each year equal to the average annual gross value. Plot this schedule on the same paper as the demand curve. (It will be a curve of unit elasticity).
- (5) From the demand curve find the total amount which must be offered on the market in order to fetch the prices discovered in part (4). From these amounts make a schedule showing how much the government would have to buy or sell for each total output.
- (6) Draw up a schedule showing how much the government would have to buy or sell in each of the ten successive years of part (2). Would the government have to sell a total greater than the amount it would have to buy over the ten years? Does the answer mean that stabilization of the gross value of a crop is impossible?

Care Research Unit at the University of Newcastle on Tyne and, in an editorial article, by the Archives of Internal Medicine (1975)³, while Pauker and Kassirer⁴ described the principles of cost benefit analysis in therapeutic decision making in individual cases.

Broadly speaking the two poles of opinion as to the best method of rendering and remunerating medical care can be summed up by the following quotations:

Little of the fruits of such work has yet filtered down

"We trust our health to the physician. Such confidence could not be safely reposed in people of low condition. Their reward must be to give them rank in society which requires".

and "That any nation having observed the interest in baking bread for you, should go on to give a surgeon a pecuniary interest in cutting off your leg is enough to make one despair of political humanity".

George Bernard Shaw.
But either way, the provision of health care of good quality is becoming increasingly expensive. Much work has now been done in terms of cost: benefit ratios in selecting therapeutic options or in the choice between alternative policies. Limits on health care resources mandate that resource allocation decisions be guided by considerations of cost in relation to expected benefits, the mathematics and economics of which are so ably described by Weinstein and Stason.
Further examples are provided by Glass² of the Medical

Electrical services to cost more

Labour Reporter

THE cost of electrical services and installation will increase by as much as 25 percent following the introduction of a new wage agreement for the electrical contracting and servicing industry in the Western Cape

Mr Norman Morris, secretary of the Electrical Contractors Association (SA), said the agreement secured an average increase of 30 percent for the 1583 workers in the industry. It comes into effect this week.

"As a result of the new wage rates, it is inevitable that the costs of electrical services and installation will increase," Mr Morris said.

PASSED ON

"The employers cannot afford to absorb the total cost and therefore some of it had to be passed on to the consumer."

The average expected increase for electrical services was 15 percent for household maintenance and repair, 20 percent for new house wiring and high buildings, and 25 percent for industrial buildings where the work has a higher labour content.

REGULATE

Mr Morris said the competitive nature of the electrical contracting industry would regulate costs being passed on to the consumer.

In spite of the high wage increases contained in the new agreement, it has not been welcomed by all workers in the industry.

Some artisans see the creation of a new job category, 'electrical systems installer,' for work of a repetitive nature, as a threat to the future of skilled workers

even hints darkly at a deliberate at and earning capacity of the medical instrument of cost containment.

In order to obtain the co-operation would seem politic for health planners file members into their confidence, professional body the Medical Association of South Africa but this is rarely done until the Association, becoming conscious of a wind of impending change, raises its voice in inquiry, protest or alarm.

The medical profession cannot however hold entirely aloof from blame for this communication gap for we have ourselves been notoriously blind to trends indicative of the howling blizzards of economic and political change and have not

INTRODUCTION

Cost of building market up four-fold in 7 years

By JOHAN BUYS

THE staggering rate at which building costs have escalated over the last few years, was demonstrated in an expensive lesson for the Springs Town Council which abandoned plans in 1974 to build a new market because it did not have the R3 000 000 needed for the project.

Now the council is reconsidering the project, but this time it will cost between R10 000 000 and R12 000 000 — nearly four times the price only seven years later.

Demands on the present market — one of fourteen national fresh produce markets in the country — had grown to

such an extent that the council had to spend R400 000 last year to double floor space in the present building.

Turnover in fresh produce had increased so much that a new market building with rail facilities had become a necessity.

When a new market was contemplated in 1974 plans were drawn up, tenders were asked for and a site selected near the Pam Brink Rugby Stadium — venue for many international rugby clashes.

The town council's management committee now wants to take another look at those plans and has asked that they be resubmitted for consideration.

But the consulting engineers have warned that the project would now cost between R10 000 000 and R12 000 000.

The council has decided that if this is the case, it can only go ahead with the project if the Department of Agriculture is prepared to help with a subsidy.

It will approach the Fresh Produce Markets Commission with the request to establish whether the Department of Agriculture will be able to help.

When this information is available, the council will ask for a further report on total costs involved, alternative construction methods and recommendations for a suitable site.

Surviving children per mother

Ciskei	2,64	4,07	3,06
Transkei	2,24	3,86	2,32
Basutoland	2,02	4,30	2,28
Mean ..	2,28	3,95	2,45

Survivors as percentage of children born

Ciskei	62,8	52,3	58,3
Transkei	50,3	49,9	51,7
Basutoland	71,6	68,2	70,8
Mean ..	55,0	51,6	54,0

Child mortality per 1 000 live births

	1 year or under	2 years or under	18 years or under
Ciskei	164	244	374
Transkei	284	379	557
Basutoland	140	189	290
Mean ..	242	327	508

244) 21/6/81

Worst crisis for 20 years likely unless quick solution is found

THE worst housing crisis for 20 years is likely unless immediate and determined action is forthcoming from Pretoria and home-owners.

There is a severe shortage in the stock of houses for purchase as well as a growing scarcity of bond finance and a rapidly dwindling number of flats available for rent. The Director General of the Department of Community Development, Louis Pouché, told Business Times that he is aware of a problem and the reasons for it, and has put forward several schemes to make rent-development attractive to various landlords.

However, he says, "for good reasons of their own until now they have been unable to implement them. Industry sources tell Business Times that a number of schemes have been put forward by Community Development and other departments because of fears that developers would pocket the full benefits of any concessions while leaving rents at impossible levels.

The main reasons for the lack of interest in residential properties for rent are 1) Developers' low returns are on low if current rental levels 2) Flats that if a new development is undertaken it faces the problem of rent control as rents are kept at the level of the Government's protest putting the Government under heavy pressure. On the housing front, there is a dangerous shortage of units.

This is in sharp contrast to the situation at the end of the last boom when there was a surplus of houses on the market after the massive developments of that period. This surplus kept the industry busy during the ensuing recession.

Today there are virtually no new blocks of flats for letting in the pipeline and the current number of units available for occupiers is rapidly dwindling.

Carrot for builders must be honey-sweet

By Vera Beljakova

If developers of the residential and commercial sectors are to be brought out of hiding with a carrot, then, says the industry, the carrot must give them at least a 10% initial yield.

Such a yield in terms of present building costs, will mean
• R450 a month in rentals for an uncarpeted, unfurnished three-bedroom flat
• R12 a sq m for office rentals
Since building costs are rising at the rate of 25% a year, developers should be encouraged to build now
Within 12 months prices for cement have leapt by 25%, for construction steel by 22%,

Storm clouds loom as housing prices take off

By Tony Hudson

As sectional-title or block-share purchases take their toll

It is estimated that the shortage of houses and flats is growing at more than 8 000 units a year. This means that by the end of next year up to 16 000 people could be fighting for what little accommodation

Hillbrow and Berea could be facing rent rises of 20% to 25% in next year

there is with a consequent upward pressure on rents.

Cape Town economist Isadore Goldberg estimates that at least 50 000 new units are needed countrywide to meet the overall shortfall.

And with precious few new major flat or letting developments on the horizon the already worrying shortage of homes will become critical in the next two years.

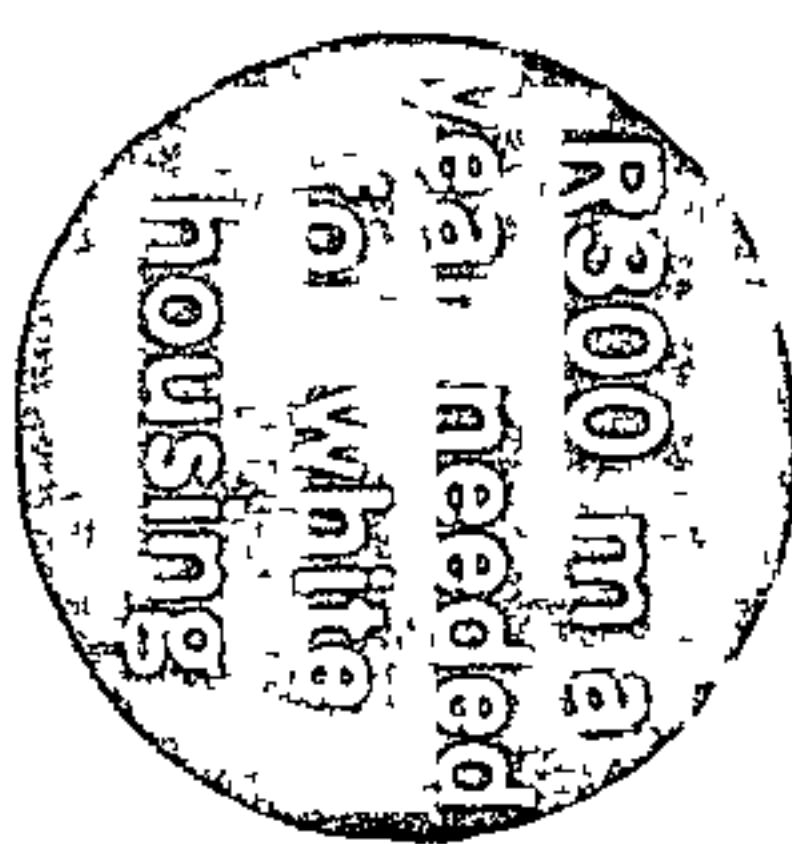
Sid Davydoff, managing director of (Ridplan), tells Business Times that he expects rents to increase by as much as 20% during the next 12 to 18 months.

This will mean that modest two-bedroom flats in Hillbrow and Berea now letting for R300 will be going for R350 to R400.

He says there already is a shortage of flats in the R150 to R300 a month range and that the situation is going to get much worse.

Possible solutions put forward to Business Times by people such as Mr Goldberg, Dr Philo Webb of the Business Leadership School at Unisa and Ian Fife of Landmark include

- Tax incentives: A developer of rental accommodation could be limited to a maximum yield of, say, 10% from rentals. However, his net yield could be raised to, say 15% by means of tax concessions.
- Lower standards of housing: People should be shown that



ALMOST R300-million a year in investment is required to overcome the present white housing shortage — which is running at 8 000 homes a year.

homes was 8 000 units — a figure expected to increase dramatically this year. If each new unit (conservatively) is a small two-bedroom flat of 85 sq m, then, at 1981 replacement costs of R420 a sq m, an outlay of nearly R300-million annually is needed to keep abreast of current demand.

This shortfall is particularly serious in view of the fact that developers are fighting shy of sinking their funds into rental accommodation — primarily because of the Government's inconsistent stand on rent controls and de-

Vera Beljakova

PEOPLE'S FAIRES

RAISES

24/11/79
 PE
 24/11/79

Longer rides may cost less

By SANDRA SMITH

All Port Elizabeth, Uitenhage and Despatch bus commuters can expect a rise in fares at the end of the year, it was announced by the general manager of PE Tramways, Mr Carl Coetzer, today.

He estimated some fares would increase by between 3c and 5c for a single journey. A 17c clipcard fare would probably go up to 20c and a 31c cash fare to 35c. Mr Coetzer also said a system under which only two types of fares would operate — a 20c clipcard one and a 35c cash fare for any distance, other than feeder services — would probably be introduced. This may have the effect of lowering the fares for long distance travellers to areas such as Wide Horizon, St Albans, and New View.

the care groups and the indices:

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4.1.2 Attitude to health
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We have got a wage agreement which expires at the end of this year, and we will therefore be negotiating new wages between now and then," Mr Coetzer said.

To cover these increases there will have to be an adjustment to fares. This would mean some fares will go up.

The size of the proposed increases would depend on, among other factors, by how much salaries were increased, and by how much the passenger subsidy received from the Government was increased or reduced.

Other factors were the ability of passengers to pay increased fares, the profit margin allowed PE Tramways by the local Transportation Board, and the further extension of the flat, or single fare, basis.

Mr Coetzer said the new fares would probably come into operation on Christmas Day when the Industrial Council wage agreement expired.

The last increase in bus fares in Port Elizabeth was in July, 1979.

Reacting to the announcement of the proposed increases, the chairman of the Coloured Management Committee (CMC), Mr Laurence Erasmus, said "It will affect our people adversely. We know PE Tramways have to meet a wage determination, but at the same time people cannot afford any more increases."

Mr Erasmus said members of the CMC would meet PE Tramways management to discuss the proposed increases, and "to see if they can't take the load off the people."

The MPC for Walmer, Mrs Molly Blackburn, said she endorsed what Mr Erasmus said but needed more information before she could comment fully on the matter.

"But any form of price rise obviously has a spiralling effect," she said.

Food prices: is it ²⁴⁴ calm before storm?

Own Correspondent

DURBAN — For the third month in a row, food prices hardly moved upwards in May. This was the finding of the Department of Statistics in a sampling of items included in the Consumer Price Index.

The food index worked out at 217,9 compared with 217,8 in April and March and 217,5 in February.

But the prospects for June are ominous.

The calm spell has been broken by the 5,5c increase in the price of milk and Koo's announcement that its tinned foods are going up 16 percent this month.

Other increases are in the pipeline — and so is a petrol price increase.

Increases in the "all-items" are comfortably

back in single figures.

Since January the "all-items" figure has risen from 191 to 197,7 — an annual rate of just under eight percent.

But big price increases in the second half of last year kept the year-on-year comparison at a 15 percent increase.

All indices use prices and spending patterns in mid-1975 for their base figure of 100.

Year-on-year comparisons with the other cost of living indices were: food prices only (up 25,7 percent); low income families (up 18,2 percent at 199,3 percent), middle income families (up 15,6 percent at 198,8 percent) and upper income families (up 13,8 percent at 196,7 percent).

● Page 6: Believe it or not — food prices have dropped.

Believe it or not — food prices have dropped

Star 22/6/81

244

By Caroline Braun
Consumer Reporter

And now for something completely unexpected — more than half the items in our regular shopping basket have dropped in price since the beginning of the year.

Of the 14 articles surveyed in the same shops in January, eight are now cheaper, one is the same price, and five are more expensive. The total price has dropped from R29,85 to R28,40.

The most notable commodity to have come down in price is meat. In the New Year, when demand was high because of the festive season, the price of meat rocketed. Since then the market has gradually stabilised and today steak is 25c a kg cheaper than in January, chicken is 99c a kg cheaper, and lamb chops 20c a kg cheaper.

Chickens are in short supply however and prices are expected to climb to between R1,75 and R1,90 a kg within the next few weeks.

The price of potatoes has dropped dramatically since January. Supplies are good at the moment, because they are not affected by frost.

Tea and coffee prices are also down. The reason seems to be that stores are running special offers and selling some brands at or below cost.

The steepest increase is

for fish, which went up more than 17 percent since the January survey.

Milk is up nearly 11 percent, reflecting the dairy price increase which came into effect on June

1. Butter is still the same price as existing stocks are sold off but the price will soon rise to between R1,40 and R1,44 for 500 g as the new stocks come in.

Eggs are about 6c a dozen dearer than in January. The hypermarket has a good bargain at 76c a dozen, but is restricting customers to five dozen each.

16/6/81
Prices exclude GST

	Pick 'n Pay Hypermarket, Norwood	Pick 'n Pay, Benmore	OK Bazaars, Sandton City	Checkers, Sandton City	Average Price	Average price on 9/1/81	Percentage increase or decrease
1 kg Porterhouse Steak	6,54	6,58	6,98	6,98	6,77	7,02	-3,5%
1 kg Frozen Chicken Grade A	1,44	1,47	1,69	1,29	1,47	1,99	-23,8%
1 dozen Large Eggs	,76	,82	,82	,82	,80,5	,75	7,3%
2 kg Medium Potatoes Grade A	,58	,78	,69	,79	,71	1,05	-32,3%
1 kg I & J Hake Fillets	2,25	—	—	2,70	2,47	2,10	17,6%
250 g Eskort Middle Cut Bacon	—	1,09	1,32	1,29	1,23	1,24	-0,8%
1 kg Super Lamb Loin Chops	5,80	5,84	6,04	6,04	5,93	6,22	-4,8%
1 kg Tastic Rice	,92	,89	,99	—	,93,5	,91	2,75%
500 g Choice Butter	1,22	1,26	1,26	1,22	1,24	1,24	0%
1 litre Milk	,46	,47	,46	,47	,46,5	,42	10,7%
500 g Buffalo Salt	,35	,37	—	,39	,37	,33	12,1%
500 g Kellogg's Cornflakes	,55	,55	,55	,53	,54,5	,60	-9,2%
250 g Nescafé Instant Coffee	3,98	3,99	4,29	3,99	4,06	4,58	-11,3%
250 g Five Roses Teabags (tagless)	1,48	1,37	1,39	1,37	1,40	1,46	-4,1%

Taxi fare hike seen ^{South}

By NORMAN NGALE
THE Mamelodi Taxi

Owners' Association is considering raising fares on all their routes from July 1 by between 20 and 25 percent.

Mr L Mokoena, secretary of the association, said yesterday the soaring cost of living, including increased fuel, spares and household necessities, compelled the hikes

ABSORBED

He said his association had absorbed these prices since 1978, the year fares were last raised in the township, and that they could no longer do so

The routes include Mamelodi to Pretoria City, Waterkloof and Sinoville, Waterkloof to city — where the current fare is 60c per single trip Mamelodi internal service, which includes trips to Feerste Fabrieke and Denneboom stations, currently 30c per

single trip

Mr M L Ngoma, vice-chairman of the association said it was engaged in sorting out misunderstandings between taxi drivers and members of the public

COMPLAINED

Commuters who had complained about taxi drivers, should take down the address on the side of the cab and bring it to the association's attention, he said

"It is our sincere wish to maintain good relations with our customers, but find it hard to exercise control because of the existence of Indian and coloured taxis in the townships," he added

Mr Ngoma said taxi-owners from the two groups made it difficult in not attending meetings called by the association

Public to be told of rent

24/6' By MZIKAYISE EDOM

THE Tembisa Action committee and the Tembisa branch of Inkatha will call a public meeting soon to give a report back on the meeting they held last week with the local community council concerning rentals

The two parties held a meeting with the local council to discuss the recent rent increase in the township, but no agreement was reached and the meeting ended in a deadlock.

Rents in Tembisa were increased early in April by R5 in the township and R6,50 at the hostel. Residents were not happy with the increases and they later burnt and damaged properties belonging to the Erab. They also stoned the house of the "mavor" of Tembisa.

Mr Andries Kheswa, chairman of Tembisa branch of Inkatha, said yesterday: "We did not reach any agreement with the council on the rent issue."

He added: "At one stage, we threatened to leave the meeting as we were not given satisfactory answers concerning rent increases."

Mr Kheswa said they were told by the Council that rentals had to be increased in the township so as to improve facilities in the township.

He said "We will tell the residents what the council told us last week and they will decide on what steps to take."

In the past, attempts by the residents' committee to get the community council to meet them, proved unsuccessful.

I. GENERAL INTRODUCTION

The socio-economic causes of ill-health in the South African homelands have been widely recognised. In recent years people at mission hospitals, particularly, have tried to implement projects aimed at countering malnutrition and other poverty related diseases. Examples of such projects are feeding schemes, nutrition rehabilitation centres and employment centres such as small factories and home industries. All of these projects entail external management and resources and thus can only cover limited areas. Partly for this reason and also because of a concern to generate self-confidence, management skills and general involvement and control by local people, there has been a new emphasis on self-help projects.

In this paper, I will deal with small self-help projects of basically two types:

- 1) Production projects. That is, those producing food and so supplementing the diet of members, and those aimed at generating a cash income for members through sale of what is produced.
- 2) Service projects such as clinics, creches and marketing centres.

The paper is divided into two sections:

PART I in which the problems confronting, established producer co-operatives are considered as problems likely to confront any small scale project in the South African reserve environment were it able to get off the ground. The main focus is on which economic groups the projects benefit and the extent to which projects are economically viable in the situation of extreme shortage of resources.

PART II deals with different classes' response to projects and the relationship between this and the degree to which projects benefit them. It focuses on problems in establishing projects and inspiring commitment from people and on the particular problems and misconceptions which external agencies might have.

. / ..

PART I

2. INTRODUCTION & BACKGROUND INFORMATION TO PROJECTS SECTION

I have chosen to focus on one distinct Mhlaba to be able to show more clearly how a particular social and economic system works: how all the parts are integrated into a whole.

The description is very detailed because I am specifically trying to show what kind of information one needs, to be able to work out whom a project really benefits and how it works. When I first heard of and visited these

projects, I was very impressed with the initiative and the energy of the initiators and organisers and the initiators want them to.

I will use pseudonyms for people involved in this leads to a loss of authenticity. Actors involved were I to use people play in the structural or "bad". As I hope readers are often different from the

People are giving up food for luxuries

By VITA PALESTRANT
Consumer Mail Editor

CONSUMERS are hell bent on buying luxuries and will even limit their food expenditure to buy luxuries, according to the South African Co-ordinating Consumer Council

Mr Bill Heunis, assistant director of the consumer council, made the claim after analysing the latest expenditure figures recorded by Department of Statistics

While total retail sales have increased by 21,7% during the 12-month period up to March

1981 - or 2,8% after inflation has been taken into account - food sales have shown a decline

According to Mr Heunis, butchers' real sales were as much as 23,5% lower than in March last year, while grocers and traders in foodstuffs showed a 3,2% decline

However, furniture and appliances showed an increase of 5,1%, jewellery 7,7%, clothing, shoes and textiles 12,3%, liquor 14,2% and new cars 23,1%

"The question arises whether consumers are not possibly acquiring durable and semi-durable goods at the expense of food

"This trend is a clear indication that the consumer has no intention of improving his standard of living by curtailing his expenditure," Mr Heunis said

2.1 REHABILITATION

In order to understand the situation must know how the programme, also into villages. These areas are to keep the community and to restore

It is also easier to provide services such as schools, clinics and water when the people are living together in villages instead of in scattered homesteads.

However, this physical reorganisation was only a small part of the stated aims of the policy: "Ultimately, the transformation of the rural community is sought by means of a gradual resettlement of the population in Rural Townships as well as on full economic farm units". (1)

. / ...

Call for greater depth in bus fare increase inquiry

EP
25/1/45
L44

Post Reporter

THE Road Transportation Board should also consider the trading position of companies in the Tollgate Group when it dealt with the application by PE Tramways for an increase in bus fares later this year, according to the MPC for Walmer, Mrs Molly Blackburn

In a statement issued today, she said PE Tramways, which is part of the Tollgate Group, had a monopoly created by the Road Transportation Board

"When the board considers applications for an increase in bus fares, I sincerely hope they will examine not only the trading position of PE Tramways but also the trading po-

sition of the other companies in the Tollgate Group who derive a large measure of their profitability from inter-company trading with PE Tramways, the statement said

"They should consider this matter carefully because, in my mind, the public interest is not served when, as in the past, they confine their inquiry to PE Tramways alone"

Mrs Blackburn was commenting on the announcement this week by the general manager of PE Tramways, Mr Carl Coetzer, that bus fares in the Port Elizabeth, Uitenhage and Despatch areas would probably rise by between 3c and 5c later this year

CONSUMER PRICES *FM 26/6/81* Slowing down *244*

Inflation is showing encouraging signs of slowing, with the rate of increase of the consumer price index having risen by less than 1% for the third month in a row

The 12-month inflation rate for all income groups is now down to 15% for the end of May, compared with 15.5% at the end of April and a record 16.2% for March, according to Department of Statistics figures

The cpi rose by only 0.7% in May following increases of 0.7% in March and 0.6% in April. Figures for the last three months annualised would indicate an inflation rate of around 7% or 8% for this year

And while three months don't make a year, the tempo of inflation in the first five months of last year looked a lot worse than it does for the same period this year

Taking monthly rates of increase of the cpi for the period January to May in 1980, one gets an annualised figure of 11.52%, whereas the same calculation for these five months this year gives an annualised inflation rate of 9.36%

The cpi increase for last year eventual-

ly totalled 13.7% after runaway monthly rates in the last quarter of the year which would have given an annual rate of increase of 15.1%. Monthly rates for the first quarter of this year on the other hand would give an annual rate of increase of the cpi of 10.3%

But while the trend is definitely one of slower inflation the May figures are not yet cause to sit back and breathe sighs of relief

Cause for alarm

Firstly the breakdown of the cpi figures for different income groups is cause for alarm. Whereas the year-on-year increase in the cpi for the higher income group at the end of May is 13.8% — down on the last May's 14% — the figure for lower income groups is 18.2% compared with a May 1980 figure of 13.8%

What is happening, then, is that those who can least afford it — mainly black South Africans, bear the main burden of inflation and unequal distribution of income becomes more unequal

Secondly, while food inflation is down from the April 12-month figure of 27% to 25.7% for May this component of the cpi increase is still undesirably high

Food price rises have been at a standstill for the last two months mainly the effect of the April 29 general election which slowed down increases in administered prices. But the full effects of the 9.5% maize price increase which preceded the election and the various administered price increases which followed it — eggs rising by 4c/dozen, milk by 14.5% canned foods by an average 16% and new floor prices for meat — have not yet been felt

And while the trend is towards anti-inflationary measures on administered food prices and towards a slowdown of demand as consumers feel the pinch of tight monetary policies, there are more increases on the horizon — for example in the price of bread

Food inflation will probably come down this year but it is doubtful whether it will come down to satisfactory levels

And although the overall cpi increase looks like it will be slower this year than last, it is still too early to predict with confidence the end of double-digit inflation

Puteo and other bus fares rise

By Z B MCLEFE

WHILE the Witwatersrand is reacting from the announcement that Puteo bus fares will be going up on July 6 the Benoni Town Council has advised yesterday that the Daveyton-Wattville bus fares will be increased next Wednesday. *Sowetan 2/1/68 (27/7/68)*

The five and ten cents increases were confirmed by Mr P B Gous, commercial manager of the bus service which is owned by the Benoni Town Council and operates in Daveyton and Wattville.

Petrol, diesel and parts have gone up in the past two years and we have not increased our fares. We will be working at a loss if we do not increase our fares, said Mr Gous.

Wattville and Daveyton residents interviewed by SOWETAN yesterday said they were against the bus fare increases. Mr Peter Thipe from Wattville said: "It is strange that bus fares are going to be increased whereas the pay of the black man will not be increased."

The new fares in the East Rand are as follows, with the old fares in brackets:

- Wattville to Northmead Station (15 cents) — 20 cents
- Northmead Station to Ryfield (16 cents) — 20 cents
- Wattville to Dunsweat Station (15 cents) — 20 cents
- Daveyton to Benoni (25 cents) — 30 cents
- Daveyton to Ryfield (20 cents) — 40 cents
- Daveyton to Northmead Station (30 cents) — 40 cents
- Benoni Station to Santa Hospital (25 cents) — 30 cents

At the same time the newly formed Congress of the People (Cope) yesterday sent telegrams to the Minister of Internal Affairs, Mr Chris Heunis and the Minister of Transport Affairs, Mr Hendrik Schoeman, to discuss proposed bus fare increases in Cape Town.

PETROL TO

GO

UP

Star

27/6/81

244

Increase in fuel cost is imminent

By Caroline Braun,
Consumer Reporter

The Minister of Mineral and Energy Affairs, Mr F W de Klerk, today told The Star that petrol price increase was imminent.

Mr de Klerk said he had already determined the new price but would not announce it until he had discussed the matter with the Cabinet, oil companies and various other organisations.

The Minister denied a report in a morning paper that the price of petrol would increase by 5c or 6c on Monday.

The report quoted sources in the motor industry saying that an announcement to this effect would be made some time during the weekend.

Mr de Klerk said the price would definitely not go up on Monday, as it had to go through various processes before it could be made public.

The new price is expected to be announced within the next two or three weeks.

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Inflation

Local oil companies, who made representations to the Minister in April for a higher petrol price, are believed to have asked for a hefty increase. Motor industry spokesmen have speculated the price could rise between 2c and 6c a litre. The last national petrol price increase was in July 1979 when the price rose 14.7c to just over 54c a litre. On April 1 this year, the price rose 0.6c a litre on the Witwatersrand because of higher pipeline tariffs. The new increase could push the price as high as 60c a litre. Mr Hamme Kleynhans, public relations director for the Automobile Association said he hoped the Government had taken a careful look at the price structure of petrol to find a way of absorbing some of the increase without having to pass the full burden on to the consumer. A higher petrol price boosts inflation. Transport costs rise, and this affects the price of all commodities," he said. With a petrol price increase around the corner comes the news that taxi companies have applied to the Road Transport Council for a fare increase. The companies are believed to have asked for the fare to go up from 60c to 80c a km, and for the waiting fare to increase from R4,50 an hour to R6. If the increases are approved, a taxi ride that now costs R3,70 will cost about R4,50. This has been another bad week for the consumer. The price of cigarettes went up by 3c for 20 and 6c for 30 on Thursday.

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also report that in some areas villages are set up as fronts to ensure receipt of government assistance

Petrol, steel prices set to rise this week

RDM 29/6/81

244

By GERALD REILLY
Pretoria Bureau

GOVERNMENT-administered petrol and steel price rises — which will send an inflation shockwave through the economy — are expected to be announced later this week

Informed sources said yesterday a steel price rise of 15%, effective from Friday, would probably be announced tomorrow

The Minister of Mineral and Energy Affairs, Mr F W de Klerk, confirmed yesterday the Cabinet had taken a decision on the higher petrol price, but "it still has to go through a number of processes before being announced"

He would not indicate the extent of the increase, but with the expected higher margins for petrol retailers it is likely to be as much as 6c/ℓ

It has been indicated in the Rand Daily Mail that the price rise would come next month

Leading economists, including the Barclays Bank chief economist, Dr Johan Cloete, said fuel and steel were basic commodities and the impact on the inflation rate and on a wide range of consumer prices would be severe

Fuel particularly was a cost factor in virtually every commodity and service sold in South Africa

They warned that the consumer price index, which had slowed down during the past three months — the rise in March, April and May was less than 1%, arousing hopes that South Africa was on the way back to single-digit inflation — could be expected to escalate till at least the end of the third quarter

The managing director of Trek Petroleum, Mr Donald Masson, said yesterday oil companies had been "under-recovering" for months according to a Government formula

And earlier this year, Mr De Klerk said his department was "processing" applications from oil companies for financial relief

The director of the Motor Industries Federation, Mr Janne van Huyssteen, said it could be accepted that the margins of petrol retailers — also determined by an agreed formula — would have to be raised after the extent of the petrol price rise was known

Economists claimed there was still "fat" on the fuel price

from the 15c/ℓ increase imposed in June 1979. This brought the price to 53c/ℓ on the Rand and in Pretoria

Some claim the oil companies could be compensated for their higher costs if the Government sacrificed some of its huge tax take for fuel, without raising the price

That the Government could well afford to absorb the relief to be granted the oil companies is clear from the make-up of the petrol price

According to Mr Van Huyssteen, more than half the price of petrol — about 28c — goes to the Government in one form or another

About 14c is a levy shared by Sasol, a stabilisation fund and a stockpiling fund

Another 9c goes in customs and excise duties, and 4c to the Railways for pipelines and other forms of fuel transportation

Meanwhile, steel industry executives said the steel price rise would inevitably be inflationary, but was justified by spiralling production costs

Costs, an Iscor official claimed, had increased by 20% during the past 12 months

Iscor is also committed to pay rises for its 60 000 workers

The senior extension officer attributes this to the

fact that whereas in other districts the extension officers "push" the projects, in Umhlaba "members of the community" approach the extension officers to help them start a project.

progressive farmers improve rather than concentrating on improving the agriculture of the very poor. Some junior extension officers explained their emphasis on the rich farmers (e.g. those with full- and half-economic units) by saying that it is impossible for the poor to improve their agriculture, they have too little land and too few resources. They concentrate on the possible, helping the bigger farmers who, they say, are usually the only people interested anyway.

U.J. Lele and J.W. Meller write of the Green Revolution: "For the poor or labourers to receive any good effects the political environment must be favourable and economic policy astute. The better for the poor do not rise automatically from the system as they do for the rich."³⁷

As Michael Lipton shows³⁸, in countries where richer power groups remain entrenched it is extremely difficult for a government to implement a policy directed at benefitting the poor. They have various ways of ensuring that they secure resources made available.

6.2.2.2 Communalism as a Cover

I have discussed for the dairies and communal gardens how N.M. was able to obtain resources on the basis they would benefit the community, and how these then benefitted her mainly.

One should see her role as similar to that of "patron" figures in other underdeveloped regions³⁹. Brett writes for Tanzania: "Individuals who have been in the field

ALARM GROWING AT COOL

Algo 2/7/81 244

AT COOL

Political Staff

OPPOSITION spokesmen today expressed alarm at the continuing spate of price increases that have hit the public since the general election.

The latest — including a 10 percent rise in doctors' fees from September 1 and a proposed increase in fuel prices — add to a long list announced since Nationalist politicians ridiculed opposition warnings before the election.

Increases in the six weeks after the election included Butter, 11.5 percent, cheese, 21 percent, cooking oil, 15 percent, fresh milk, 16 percent and tinned food, 16 percent.

Warning

The Progressive Federal Party spokesman on consumer affairs, Mr Horace van Rensburg, said his party had warned that the National Party's slogan for the election should have been 'vote now, pay later'.

'Since the election there has been a wide range of commodity price increases. In particular the proposed fuel price increase will have a ripple effect on other commodities.'

6c a litre petrol price rise expected

Transport Reporter

A PETROL price increase of up to 6c a litre is expected to be announced by the Minister of Mineral and Energy Affairs, Mr P W de Klerk, on Saturday night, it was strongly rumoured in Cape Town today.

In March, The Argus was told that oil companies had been granted a 6c a litre increase to compensate them for an erosion in their profit margins and that 2c would be passed on to the public in April and the balance in July.

Mr van Rensburg, MP for Bryanston, said salary increases had failed to keep pace with the inflation rate. The Government could expect angry demands for salary increases.

'Dismal'

The Government had failed dismally in its efforts to check inflation, and the man-in-the-street was baffling to survive.

Mr Ken Andrew, PFP MP for Gardens — where inflation and the cost of living were major election issues — said: 'The Nationalists deny that they are "fat cats" who do not care about the problems of ordinary people. Well, it is about time they matched their words with action.'

Mr Andrew said millions were struggling desperately to make ends meet, yet the Government did little about it.

'Terrifying'

It was terrifying to imagine what rocketing prices were doing to the health of those below the headline.

Mr Andrew said the Government should take immediate and drastic action. He called for these steps.

The Minister announced soon after that the price would not go up. However, last week he said a price increase could be expected.

TOPPING UP

This week dealers have been filling up their tanks and fishing vessels have been topping up theirs after being advised to do so in the face of a '6c a litre' increase.

Mr Hennie Kleynhans, public relations director of the Automobile Association, said he expected an announcement soon, but 'it would be very surprised if it is as much as 6c a litre.'

'Six cents would be a very sharp rise. One shudders to think what it will do to the inflation rate.'

BLAND REPLY

'It's no good them making these pious appeals to commerce and industry not to take advantage of the price rise to put everything up.'

'When a consumer queries price increases he gets a bland reply "Oh, it's due to the petrol price increase".'

Mr Kleynhans said that in view of Trek Petroleum's profit of R10-million — the only oil company in South Africa which discloses its profits — last year, it was hard to justify

(Continued on Page 3, col 3)

has led to omissions. 3) Because of the rapid development of secondary... 2) Overcoming... 1) Industrial... 5.78 million... Refraining from increasing the price of petrol at a time when there was a world-wide glut and the Government's coffers were overflowing, it should be given to pensioners, and should be made available to prevent a sharp increase in malnutrition and infant mortality, and... The Government should free our people and the economy from the shackles of apartheid.

ALGEMENE KENNISGEWINGS

KENNISGEWING 472 VAN 3 JULIE 1981

DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Mei 1981 soos volg is

VERBRUIKERSPRYSINDEKS ALLE ITEMS

Gebied	Indeks	
	Basis 1975 = 100	Basis April 1970 = 100
1 Kaapstad	191,0	298,2
2 Port Elizabeth	191,7	303,5
3 Oos London	192,0	303,4
4 Kimberley	193,1	297,0
5 Pietermaritzburg	194,6	305,1
6 Durban	194,8	301,7
7 Pretoria	194,3	310,5
8 Witwatersrand	203,1	320,7
9 Klerksdorp	196,3	308,6
10 Vaaldrichhoek	202,1	313,3
11 O V S -Goudvelde	205,4	313,2
12 Bloemfontein	193,1	298,9
Beswaarde gemiddelde van die 12 gebiede	197,7	310,8

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970 = 100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970 = 100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970 = 100 betrekking het, te wysig.

(3 Julie 1981)

KENNISGEWING 473 VAN 1981

DEPARTEMENT VAN GEMEENSKAPSONTWIKKELING EN OWERHEIDSHULPDIENSTE

KENNISGEWING VAN ONTEIENING

VERW L4005/1802/5

Aan

BOEDELS RAMDEOV, RAMLUGAN EN INDEL

1 Geliewe kennis te neem dat die Minister van Gemeenskapsontwikkeling en Owerheidshulpdienste, kragtens die bepalings van artikel 38 (1) (a) van die Wet op Gemeenskapsontwikkeling, 1966 (Wet 3 van 1966), op 19 Maart 1981 goedgekeur het dat die volgende onroerende goed ten behoeve van die Gemeenskapsontwikkelingsraad (hierna die Raad genoem), ingestel by artikel 2 van

GENERAL NOTICES

NOTICE 472 OF 3 JULY 1981

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for May 1981 is as follows

CONSUMER PRICE INDEX ALL ITEMS

Area	Index	
	Base 1975 = 100	Base April 1970 = 100
1 Cape Town	191,0	298,2
2 Port Elizabeth	191,7	303,5
3 East London	192,0	303,4
4 Kimberley	193,1	297,0
5 Pietermaritzburg	194,6	305,1
6 Durban	194,8	301,7
7 Pretoria	194,3	310,5
8 Witwatersrand	203,1	320,7
9 Klerksdorp	196,3	308,6
10 Vaal Triangle	202,1	313,3
11 O V S Goldfields	205,4	313,2
12 Bloemfontein	193,1	298,9
Weighted average of the 12 areas	197,7	310,8

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 = 100 as base has been replaced by a consumer Price Index with the average for 1975 as base. For purposes of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 = 100 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970 = 100.

(3 July 1981)

NOTICE 473 OF 1981

DEPARTMENT OF COMMUNITY DEVELOPMENT AND STATE AUXILIARY SERVICES

NOTICE OF EXPROPRIATION

REF L4005/1802/5

To

ESTATES LATE RAMDEOV, RAMLUGAN AND INDEL

1 Please take notice that on 19 March 1981, the Minister of Community Development and State Auxiliary Services approved, in terms of the provisions of section 38 (1) (a) of the Community Development Act, 1966 (Act 3 of 1966) that the following immovable property be expropriated on behalf of the Community Development Board (hereinafter

Burst of price rises will batter economy

ADM 3/7/81

244

By GERALD REILLY
Pretoria Bureau

HARD on the heels of yesterday's 9.9% rise in doctors' fees, increases in the prices of petrol and steel will hit South Africa's inflation-battered economy during the next two days.

And the Minister of Health, Dr L A P A Munnik, is still considering a dentists' demand for 25% fee rises and a 50% fee increase for physiotherapists.

In his August Budget speech, the Minister of Finance, Mr Owen Horwood, is expected to announce a bread price rise — which could inflate the price of a white loaf to 36c or 37c.

All these are Government-administered prices — and they are being raised amid acute

concern over the continuing price spiral and an intensified campaign against inflation.

A section of the 15 000 medical practitioners is dissatisfied with the 9.9% fee rise, and with the ministerial delay in authorising it.

The higher fees come into operation from September 1, 10 months after the original recommendation was submitted to Dr Munnik, and nearly two years after the previous rise.

Meanwhile it is understood Iscor expects the steel price increase to be announced this afternoon. The expectation is that it will be about 13% — below the current 15.5% inflation rate.

And the petrol price rise —

anticipated as 6c/l — is expected to be announced tomorrow, effective from Monday.

At the same time, the Minister of Mineral and Energy Affairs, Mr F W de Klerk, is expected to announce an extension of petrol selling hours.

Whether he has heeded last-minute appeals from organised commerce and industry for the Government to absorb at least some of the intended increase will only be known when the hike is announced.

Economists are warning the higher steel and fuel prices will ripple through the economy, raising inflationary pressures over a wide area.

More important, motor industry sources said, would be

the inflationary effect of the higher diesel price in tandem with the petrol price.

The sources pointed out that industry, commerce — and particularly agriculture — were heavily dependent on diesel as an energy source, and that South Africa had a surplus of petrol.

Therefore the main reason for the coming price rise is not that the country is short of fuel, nor that the authorities are trying to discourage consumption.

It is that the rand has sagged sharply against the dollar, and as South Africa pays for its crude oil imports in dollars, these are costing substantially more.

For the second best student in the

C W von Düring

subject of Building Construction.

For the best student in the
S A Brick Association Prizes

III: No award

II: A R Low Keen

I: N D G Sessions

For the best student in each of
LTA Prizes
the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

P R Swift

For the student obtaining
the highest marks in
Professional Practice.

For the student obtaining
Surveyors' Prize
Cape Chapter of Quantity
The Committee of the Western

P C Key

For the best all-round student
in any year of study.
Bell-John Prize

(Continued)

QUANTITY
SURVEYING

Steel price rise will spread like a shockwave

Star 3/7/81 244

Own Correspondent
A steel price increase of 12 percent in force from today will have a shock-wave effect on costs throughout South Africa.

Coming at the time of an expected fuel price rise, it will send costs up and seriously hamper the Government's attempts to curb the inflation rate.

The 12 percent rise means the official steel price has risen by 38,3 percent since June 1979.

The sectors which will

be hardest hit by the new price include

• The building industry, which uses vast amounts for reinforcing and in doorframes and other components.

• The motor industry, which is compelled to use South African steel to push up the local content in car production.

• The tanning industry, which uses steel in equipment and implements.

Consumers will also be affected later when the price is passed on by

manufacturers of products such as radio and television sets, kitchenware, and electrical appliances such as refrigerators, stoves and freezers.

The increase is also likely to affect Eskom — which could lead to a rise in electricity charges before long.

The new price fixed by the Government and announced in Pretoria, is not considered adequate by steel producers, and is well below the inflation rate.

It could therefore be followed by another increase later.

A statement by the Rolled Steel Producers' Coordinating Council says the increase has become necessary because of rises in the costs of coal, rail-gage furnace linings and salaries and wages.

Margarine is also up

Own Correspondent

Yellow margarine is to cost more.

A notice in the Government Gazette today says that the maximum price of 250 g tubs has been increased to 54c. The price of 250 g packs in other containers has increased to 50c.

URBAN & REGION/PLANNING

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QUANTITY SURVEYING (Continued)

RDM 4/7/81 (244) (1818)

Double inflationary blow

By GERALD REILLY
Pretoria Bureau

THE combined force of yesterday's 12% steel price hike and the petrol and diesel increase expected to be announced later today, will help push the inflation rate back up above 16% within the next three months, according to economists spoken to yesterday

The petrol price rise — it is likely to be 6c — will come into effect on Monday

The Minister of Mineral and Energy Affairs, Mr F W de Klerk, is also expected to announce that from next week pumps will be kept open until 6pm on Saturdays

Announcing the steel price increase Mr F P Kotzee, chairman of the SA Rolled Steel

Producers' Co-ordinating Council, said the price rise was not adequate to offset the rises in input costs experienced by the steel industry in the past year

Mr Kotzee said the current rate of inflation of about 15% gave some indication of the manner in which prices were increasing. As far as the steel industry was concerned, there were a number of factors which caused production costs to rise more steeply than the general rate of inflation — despite considerable improvement in productivity.

Barclays Bank's chief economist, Dr Johan Cloete said the increase would "permeate" through the economy, inflating the prices of a large range of products.

He strongly recommended the Government should make it firm policy to announce all administered price rises on the same day each year

Until this was done, he said, the prices policy would remain out of line with the Government's fiscal and monetary policies

The director of the Motor Industries Federation, Mr Janne van Huyssteen, said the higher steel price could add as much as R130 to motor vehicle prices.

Building industry sources said the higher steel price, with the increases in cement and bricks announced six weeks ago, would add significantly to building costs

● See Page 7

PL/REC/URE

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QUANTITY
SURVEYING
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K Strong

12% steel price rise will not cover costs, say producers

RPM
4/7/81
489
244

By GERALD REILLY
Pretoria Bureau

AN average increase in the steel price of 12% was announced in Pretoria yesterday by the chairman of the South African Rolled Steel Producers Co-ordinating Council, Mr F P Kotzee

He said that unfortunately the price hike was inadequate to offset the rises in the input costs experienced by the industry during the past twelve months

Mr Kotzee said the current 15% inflation rate gave some indication of the way prices in general were increasing

As far as the steel industry was concerned, however, there were — in spite of considerable productivity improvements — a number of factors which caused production costs to rise more steeply than the general rate of inflation, particularly with the ore and coal-based manufacturers —

“In addition, there has also been a backlog because of cost increases which could not be met from the previous steel price increase in June 1980”

Mr Kotzee said these high cost increases were due mainly to uncontrollable rises in the

prices of coking coal, railage and refractories, whilst salary and wage adjustments also had to be made for the steel industry to remain competitive in the labour market

The average price of purchased coking coal, of which Iscor at present bought some 4 500 00 tons a year from the private sector and which constituted the most important cost element after salaries and wages, rose by about 24% in the past year. There were indications that it may show a similar increase in the coming year

The cost of railage on Iscor's raw materials increased by an average of 16.2% on April 1, 1981, after it had been raised by 20.8% a year before

Mr Kotzee said these increases were considerably higher than the average rate of inflation and also exceeded the average increases in railway tariffs, since the railways levied above-average increases on the transportation of raw materials in the past few years

The effect on Iscor's cost structure was evident from the fact that railage at present represented about two-thirds of the delivered cost of Sishen

iron ore at the Newcastle works

Labour, railage and coal purchases, together with refractories (18.2% increase), constituted about 50% of Iscor's total input cost

For the other half of the input cost the increases were, on average, in line with the current rate of inflation

“Steel producers are in sympathy with the Government's efforts to fight inflation to which it lends its full support. Requests for price increases are consequently kept within responsible limits”

However, the industry was concerned that too low a domestic steel price would have a detrimental effect on its profitability and capital formation, and eventually, therefore on the economy as a whole

The steel industry was constantly trying to offset the effect of cost increases by increased productivity

In Iscor's case the National Productivity Institute found that over the three years from 1976/77 to 1978/79, overall productivity improvements of approximately 5% a year in real terms, had been achieved

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QUANTITY
SURVEYING
(Continued)

Margarine prices climb by 6%

RD 4/7/81

244

Staff Reporter

THE price of yellow margarine has been increased by 6%

New maximum prices have been prescribed by the Price Controller, Mr E G de Beer.

The measure, effective from yesterday, set the maximum at which a manufacturer may sell yellow margarine in a tub at R1,08 per 500g. Yellow margarine not packaged in a tub will sell at R1 per 500g

Checkers' merchandise manager, Mr H Goldberg, said: "Our policy is to sell old stock at the old price initially, which normally results in the consumer stocking up."

Mr Richard Cohen, of Pick 'n Pay, said previous non-tub packaged margarine prices

ranged between 82c and 94c per 500g "We expected the price rise due to the increase in butter and oil prices," he said.

Mrs Joy Hurwitz, of the Housewives' League, said it would thoroughly investigate the increase in margarine prices. She said supermarket prices were "always well below" the maximum prices and therefore the rural consumer would suffer.

"There have been bumper vegetable oil crops so the price of margarine should not increase," she said.

Levies on imported milk powder (25c/kg) and skim-milk powder (26c/kg) were also announced yesterday

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(Continued)

QUANTITY SURVEYING

Profit at the pumps

S. Tribune 5/7/81 (244)

By Peter Mann

THE price of petrol in South Africa has increased by 654.05 per cent in the past 10 years and it is about to go up again.

It is now cheaper to buy petrol in the United States, Britain, Australia, Canada, Holland, Germany and New Zealand. And that is not an exhaustive list.

Oil companies in South Africa have been making astronomical profits — of hundreds of millions of rands — which are kept secret.

In addition, they work in ideal conditions. South Africa is one of the few countries in the world where there is retail price maintenance on petrol — preventing price cutting to the benefit of the consumer.

The international oil companies operating in South Africa, including BP, Shell, Total and Mobil, steadfastly refuse to tell the public how much money they are making because, they say, they are proprietary companies and not required to do so by law.

But two public companies, Trek and Sasol, have to publish trading figures and their results give some indication of the vast profits being made.

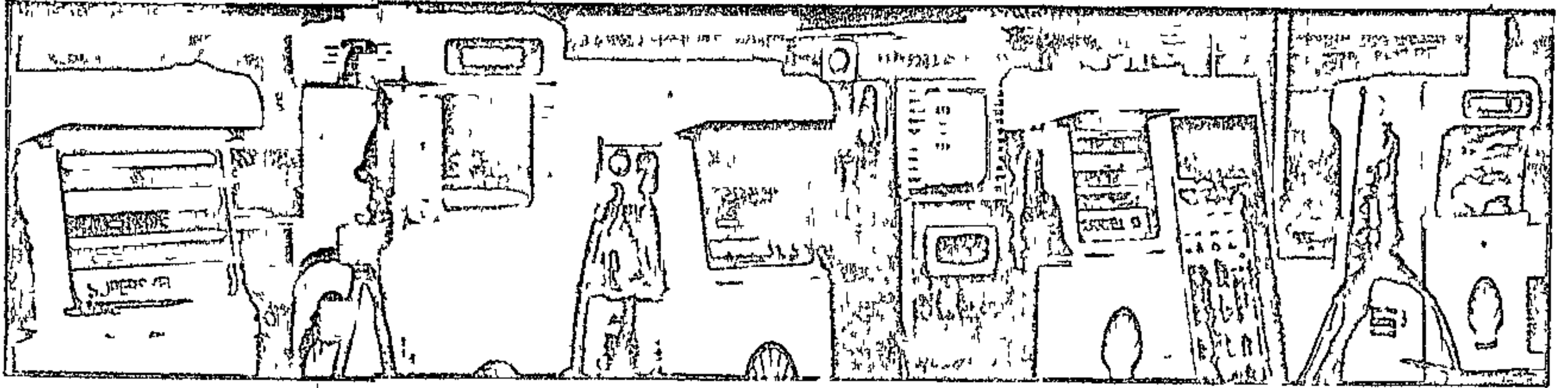
Last year Trek released figures showing its profit had jumped 63 per cent to an after tax figure of R10.6 million.

Petrol sales were worth R309 million, an increase of 23 per cent. Shareholders were rewarded by a dividend which increased by 66 per cent.

Trek has only a 5.5 to six per cent share of the South African market — which is dominated by the international companies.

Projections based on Trek's figures and their share of the market show that the total value of petrol sales in this country is close to R5.150 billion.

If the other companies have a similar profitability to Trek, oil companies last year would have pocketed a mammoth R176 million in profit.



But the oil giants just refuse to tell how much

Dr Lapa Munnik, is still considering a demand for a 25 per cent increase in dental fees and a 50 per cent rise in the fees of physiotherapists.

Latest speculation is that the Minister of Finance, Mr Owen Horwood, will announce a bread price increase in his budget speech on August 12.

White bread could then cost 36 to 37 cents a loaf.

Economists are now warning that unscrupulous businessmen are certain to take advantage of the petrol price increase to jack up their prices even more.

Hiding

And oil companies appear to be hiding behind the skirts of the government and the law and refusing to say and motivate their reasons for requiring a petrol price increase.

Only the managing director of Trek, Mr Donald Masson, was prepared to motivate his need for an increase this week.

Mr Masson said that while oil companies did make money last year profits had dropped sharply in the first six months' trading of this year.

"I anticipate showing my half-year results as a loss," said Mr Masson. "Profits are down 60 to 70 per cent."

The major reason was the slide of the rand.

recompensed for our costs. We also put up salaries by 15 to 18 per cent.

"In any case the petrol price has not gone up in two years. Even if it goes up by 12 per cent it's cheap. What other commodity do you know which has increased by only that much in two years?"

He warned however that the increase would have a ripple effect and said consumers should ensure that businesses did not exploit the increase.

"For example taxi fares are likely to go up — but in percentage terms not more than the petrol increase," he said.

Spokesmen for the international oil companies refused to comment and said the Department of Mineral and Energy Affairs was the only body which could do so.

Some referred to South Africa's Petroleum Products Act which makes it an offence to publish information about the source, manufacture, transport, destination, storage quantity or stock level of any petroleum products acquired or manufactured or being acquired or manufactured for or in the republic.

The Act also makes it an offence to publish information relating to negotiations in respect of the acquisition of petroleum products for the republic and the transportation thereof, or

any statement, comment or rumour, calculated directly or indirectly to convey such information or anything purporting to be such information.

The international oil companies also refused to give details of their profitability.

"We are a proprietary company. We are not obliged to do so," said one spokesman.

One oil company source, who declined to be named, claimed they were being "lambasted" for something which was not their doing.

"The price control regulations mean that we are not able to comment on requests for the increase," he said. "That is the prerogative of the Minister."

Unprofitable

"One of the oddities of the oil business is that we are accused of profiteering when, in fact, the business is appallingly unprofitable."

We move large amounts of money but the return on capital investment makes it hardly worthwhile.

"It is a fact that our profit margins have not been increased for over 20 years. All the increases have been due to costs. If the Arabs put up the price of oil there is nothing we can do. If the buying power of the rand declines there is nothing we can do."

Oil executives may find

consumers are not impressed with their complaints about the falling value of the rand.

For when the government last increased the petrol price in July 1979 by a massive 147 cents per litre, they created an equalisation fund precisely to meet the situation which now faces them.

The government already takes in excess of 28 cents a litre — or more than the entire petrol price in the US, the UK and Canada — in various forms of taxation.

Opposition spokesmen have now told the government that if the oil companies need a rise it should be financed from this fund — the precise amount of which is kept secret.

They also discount the government's other excuse that it needs to raise money by taxing petrol to pay for the development of the Sasol plants. A vast amount is needed for this. Sasol III alone is estimated to cost R5.800 million.

Mr George Bartlett, New Republic Party spokesman, has called on the government to make Sasol by allowing the public to invest in it again.

"I remember the last time they had a share issue in Sasol it was hopelessly over-subscribed," he said. "If my memory serves it was 15 times."

244

Sasol fared very well last year. It netted profits of R121 million from sales of R1 331 million.

And even the railways managed to make a tidy profit — nearly R437 million in four years — simply by transporting petrol from the coast to the Reef.

Despite this profit the railways in April increased their tariffs and pushed up the price of petrol by 0,6 cents per litre on the Witwatersrand.

Inflation

South African consumers already suffering inflation in excess of 15 percent, may well ask why it is necessary for the price of petrol to be increased.

The latest increase — which comes at the same time as an increase in the price of steel — is certain to add to inflation.

Oil industry sources say openly that the Government delayed it until after the General Election to avoid losing support at the polls.

In the same week consumers have had to face pay increases for doctors of 9,9 percent, giving them an effective increase in excess of 60 percent in two years.

The Minister of Health,

"Since January the rand has devalued by an effective 17 percent against the dollar," he explained.

"Oil transactions are carried out in dollars and that means we have to pay 17 percent more for the crude."

"It's true that some oil producers have lowered prices but not all of them. For example, the Saudis have not lowered their price. Don't get me wrong I'm not saying we are buying oil from the Saudis."

"But even where the price of crude has dropped the fall of the rand has kept the oil as expensive, if not more expensive."

"I reckon that 90 percent of the rise is caused by the different price of crude."

Mr Masson added that the Iran-Iraq war had caused a world shortage of fuel oil. His company had managed to make a profit on this which it would not necessarily be able to repeat.

"I've got absolutely no conscience about this price rise," he admitted. "In fact, I think we are going to get less than our due."

"We work on fixed profit margins, not percentages, and we don't get

What others pay

A comparative table of petrol prices in some countries. The prices are in South African cents per litre. Conversions have been made on the latest foreign exchange rates. Where countries, like Britain, have a wide range of brands, an average price has been taken. Figures were obtained from the A.A.

USA		GERMANY	
Regular	24,2	Regular	47,06
Super	25,3	Super	49,3
UK		FRANCE	
Regular	19,95	Regular	55,05
AUSTRALIA		Super	58,35
Regular	29,28	ITALY	
Super	34,02	Regular	62,8
CANADA		Super	65,4
Regular	23,27	SWITZERLAND	
Super	24,54	Regular	50,88
HOLLAND		Super	55,23
Regular	53,26	NEW ZEALAND	
Super	54,4	Regular	42,55
		Super	44,07

Barge: 4 cents
 Stockpiling, equalisation fund
 and costs of Sasol: 16,81 cents
 Customs and excise: 9,34 cents
 Retailers' mark-up: 3,50 cents
 GST: 2,30 cents.

A LITRE of 98 octane petrol costs
 54,94 cents at the coast. This is
 how the price is constituted:
 Purchase, landing and refining
 costs and oil company profit:
 18,99 cents

Petrol price is up — to 60c a litre

13. Peterson O.L. and Stoockle J.D. (1977) Editorial.

By KEVIN MAYHEW

THE price of petrol goes up tomorrow to 60c a litre. The Minister of Mineral and Energy Affairs, Mr F W de Klerk, announced the 6c-a-litre rise yesterday. (R2,70 for an imperial gallon of premium petrol.)

The Minister also announced that Saturday selling hours would be extended to 6pm.

The increase was immediately attacked by the president of the Associated South African Chambers of Commerce (Assocom), Mr Issy Pinshaw.

He complained that the higher price, associated with the recent steel-price rise, would be "highly inflationary".

He said the Government had warned Assocom on Friday of the increase.

It had requested that the organisation ask all member chambers to try to minimise its effects.

"But this will be difficult, because the Government did not consult us prior to this decision being taken," said Mr Pinshaw.

"We don't have justifiable grounds on which to base such an appeal."

The president of the Afrikaanse Handelsinstituut, Mr I J Steyn, said the institute accepted that the increase was "unavoidable".

But it was concerned about the effect of the increase on the motor industry, recently hit by the 12 percent increase in the price of steel.

He said the tourist trade

would benefit from longer selling hours.

But, he pointed out, the extension could result in higher working costs which might not be compensated for by Saturday afternoon sales.

The managing director of Total SA, Mr A Hough, said the increase would compensate oil companies for losses incurred in the present unfavourable dollar/rand exchange rate.

Oil companies had been losing up to R8-million a month, he said.

In addition to the 6c petrol and diesel increases, the price of illuminating paraffin will rise by 5,2c a litre, power paraffin by 5,1c a litre and jet fuel by 5,9c a litre.

Exchange ratio

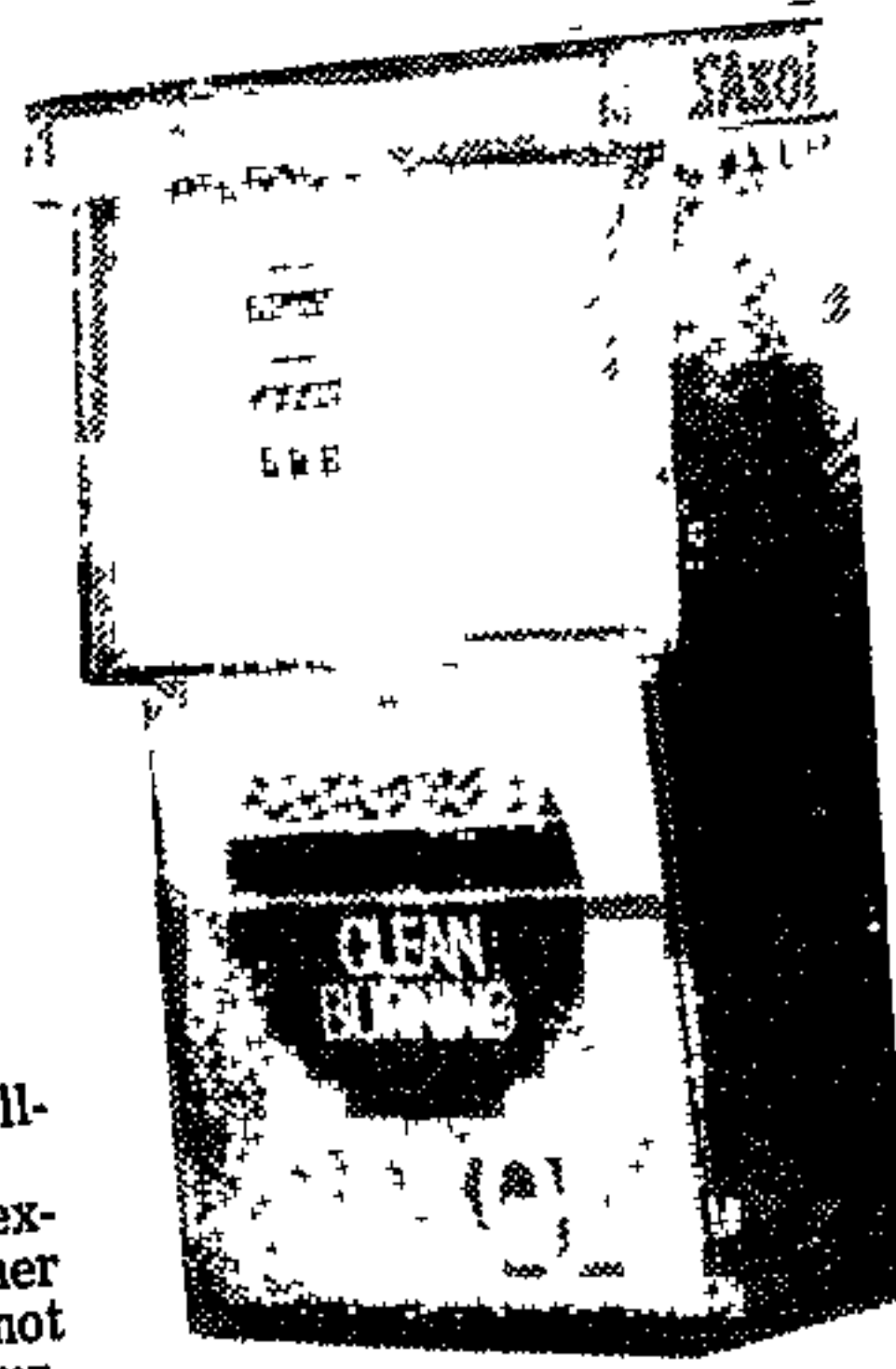
These reasons were given for the increase.

● The landed cost, over which the Government has no control, had increased substantially between February and April this year as a result of the weakening of the exchange ratio between the rand and the dollar.

● This increase could not be absorbed by the already over-taxed equalisation fund levy, as was the case in November 1979.

● At this stage the State cannot undertake to cover the price increase.

The Minister dismissed allegations that the increase was unjustified in view of a "surplus" of crude oil on the world market.



He said the oversupply, applied only to the open market, which accounted for a marginal two to five percent of the world's crude oil.

"The availability and price of crude oil for South Africa is also influenced by the unofficial embargo by most crude oil-producing countries and hostile organisations determined to cut South Africa's supply," he said.

South Africa, therefore, paid a higher than normal premium price.

Mr de Klerk said the Government realised the move would be inflationary, but it had taken every step possible to make the increase as small as possible.

The last national price increase occurred in July 1979, when the price rose 14,7c to 54c a litre — and South African premium petrol became the most expensive in the world.

In April — to offset increased pipeline tariffs — the price was increased by 0,6c a litre on the Witwatersrand.

The public relations officer for South African Airways, Mr John Smith, said he could not predict whether the increase in the price of jet fuel would affect air fares.

The matter had not yet been discussed by SAA management, he said.

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S Times
5/7/81
244

Petrol price rise spreads confusion

140M 6/7/81

244

URBAN
REGION
PLANNING

STAFF REPORTER

CONFUSION reigns among garage owners after the official announcement at the weekend of an approximate 6c petrol price increase.

Filling station proprietors have still not been told exactly how much to charge on each grade.

And yesterday many phoned the Rand Daily Mail continually seeking clarification of their position.

They were confused by conflicting forecasts last week that

the price would rise by either 5c or 6c, and because the announcement by the Minister of Energy Affairs, Mr F W de Klerk, did not give price differentiation between petrol grades.

One irate garageman said "It's always left to the newspapers to tell us what to charge."

A spokesman for Mr De Klerk's department, in an effort to clear up the confusion, said yesterday that garage owners should increase prices by an overall 6c — and be prepared for minor adjustments later.

Mr J P de Lange, Director of Energy Supplies, said the

Motor Industries Federation would be informed of the exact tariff increases for each area early today.

Garage owners would be informed as soon as possible of the exact increase applicable to their respective areas, he said.

However, as the adjustments would only involve fractions of a cent, proprietors need not worry about the possibility of overcharging, he added.

Although oil companies were involved in the initial negotiations and submitted their calculations to determine the new price, garage owners and the public were kept in ignorance to avoid a "panic" situation, he said.

This would have meant a rush for supplies and the petrol companies would not have been able to keep pace with the demand for supplies at the old rate.

Meanwhile, although the increases come into effect today, at least one garage owner was too quick off the mark.

A journalist travelling through Villiers yesterday morning on a fuel permit was charged the new rate — 60,6c/l.

● Mr George Bartlett, NRP spokesman on industry and commerce, warned yesterday that the announced price increases would tighten the inflationary spiral, and said the Government should have set off any production cost increase by cutting petroleum taxes and levies, Sapa reports.

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QUANTITY
SURVEYING
(Continued)

Star 6/7/80
Garages 244
score on
new price

By John Bentley

Today's petrol price increase could turn out to be a windfall for the majority of South Africa's 4 800 filling stations

If stations had an average of 10 000 litres in their tanks this morning, and all charged the new price, the extra 6c a litre would net them R2 800 000.

A check by The Star showed that most outlets were selling petrol at the new price

"It's the luck of the draw," said one proprietor, Mrs M Gmsberg of Craighall.

Cars blocked the driveway of a service station at Eastgate, Bedfordview, today as motorists took advantage of an offer of petrol at "old stock" prices.

Mr Hennie Kleynhans, the AA's director of public relations, said that it was inevitable that some garages would make a profit out of the increase

The new price structure gives garagemen an extra 0,5 percent profit margin on petrol but Mr I J Steyn, president of the Afrikaanse Handelsinstituut, said it would be absorbed by higher working costs as a result of the longer selling hours on Saturdays.

C G Archibald

mark.
 together with the final examination
 Awarded on the class mark taken
Dr Kurt Gillis Prize for Anatomy

T A Hockey

H J Ball

C G Archibald

the MB ChB degree.
 in the anatomy course leading to
 For the highest class mark obtained
M R Drennan Memorial Prizes

J M Cornell

For award in 1980.
 For the best student in Anaesthetics.
S A Society of Anaesthetists' Medal

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LOGOPAEDICS

HAEMATOLOGY

COMMUNITY HEALTH

ANATOMY

ANAESTHETICS
 (Continued)

Widespread condemnation as new increases nudge inflation upward

Stev 6/7/81 (244)

Petrol price may rise again

Staff Reporters

Today's drastic petrol price increase does not preclude further increases in the near future.

"Adjustments will be made if the situation demands it," said the Director of Energy Supply, Mr Lourens van den Berg.

Mr van den Berg said there was no possibility of further increases being absorbed by the Equilibrium Fund. It had already been used to absorb two previous increases, and the Government had been unable to use it to take in today's price rise.

The Minister of Mineral and Energy Affairs, Mr F W de Klerk, announced at the weekend that the price of petrol and diesel oil would be increased by 6c a litre from today. At the same time Mr de

Klerk announced the extension of fuel selling hours on Saturday to 6 pm.

There has been widespread condemnation of the increase.

Assocom says that the increase, taken together with the recent steel price increase, will be "highly inflationary".

President Mr I J P. Shaw said that there would be a ripple effect on the cost structure of commerce and industry.

Folly

"The already unacceptably high consumer price index, now 15 percent, could be as much as one percent higher by the end of the year," he said.

The Government's failure to absorb the increase would lead to a certain extent weaken confidence in its determination to reduce the inflation rate, he said.

Farmers have described the diesel price increase as "sheer folly".

A spokesman for the South African Agricultural Union said in Pretoria today that the increase of 15 percent for diesel fuel as against 11 percent for petrol represented discrimination against the more productive fuel.

This would immediately send food prices up again as diesel was one of the main cost items in farm production.

New Republic Party's chief spokesman on industry and commerce, Mr George Bartlett, said that the increase confirmed his view that the Cabinet was not paying serious attention to the fight against inflation.

"The Cabinet should have absorbed any rise in oil or fuel production and retail costs by reducing its taxes and levies on these products," he said.

The price increase will add R55-million to the fuel bill of the SA Railways administration (including airways and harbours), according to a spokesman this morning.

But he stressed that this did not mean an automatic rise in fares. "At this stage there will not be any increase in tariffs because of the fuel increase," he said.

South African Airways fuel expenditure is already up to 40 percent of its total operating costs, but a spokesman for the

Petrol price 244
Stev 6/7/81
may rise again

airline said that, it was "not company policy" to pass on every price increase to the passenger. On the bus transport side, Putco said its management is giving active and immediate consideration to applying for a fare rise. The fare increase that came into effect today does not even take account of 1980 fuel price rises, a spokesman stressed.

The cost of commuting

Your new fuel bill in a medium-sized car which has a consumption of 9 litres per 100 km for weekly commuting (five days a week) from Bryanston to Johannesburg will be R13 (previously R11,80); Benoni-Johannesburg, R28 (R26); Florida-Johannesburg, R13 (R11,80); Lenasia-Johannesburg, R20 (R18,50); Soweto-Johannesburg, R20 (R18,25).

The Automobile Association stresses that these intercity figures are rough estimates as distance is not the only criterion. Traffic density, synchronisation of robots and number of stop streets also have to be taken into consideration.

A return trip between Johannesburg and Pretoria will cost R6 (previously R5), Johannesburg-Durban return will be R68 (R57); Johannesburg-Letaba (Kruger Park) return, R70 (R58,50); Johannesburg-People's Town return, R160 (R134).

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To Page 3, Col 3

(Continued)

SURVEYING
QUANTITY

Price control urged on consumer goods

RDM 8/7/81 (244)

DURBAN — Warning that "unpleasant reaction" could develop if the rate of food price rises went on as they are, a leading businessman, Mr Fred Beard, called yesterday for price controls over all goods sold to the public

Mr Beard, who is chairman of the Protea Holdings group, said the inflation rate for foods would exceed 30% after the latest increases in maize, eggs, milk and canned foods had been taken into account

In this event "we can expect serious unrest among the non-whites in the lowest group, which could lead to rioting"

Mr Beard said it was no good "just talking", concrete action was needed

He recommended that all products sold to the public be placed under the price controller who could determine a reasonable return on capital for each class of business

To save the price controller the enormous amount of work involved, the auditing profession could be made responsible for issuing certificates showing their clients price increases were within permitted limits.

"My suggestion will no doubt raise an outcry, especially from the more profitable businesses, but I consider it is about time the increase in costs are absorbed by them if their profits are unduly high"

Mr Beard said he had been surprised to discover a large number of products sold to the public no longer fell under the price controller

In his view a return of 30% a year on capital employed appeared to be reasonable for a manufacturing company.

He also attacked the operation of agricultural control boards which were "largely responsible for the high rate of inflation" — Sapa

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I : N D G Sessions
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QUANTITY
SURVEYING
(Continued)

Nov 14 7 81
Tinned food

up again (244)

Consumer Reporter

The second round of
canned food price
increases comes into ef-
fect tomorrow

H Jones and Co, makers of
All Gold, IXL, and Sil-
verleaf products, will put
up prices by an average
of 16 percent

This follows a similar
increase for Koo pro-
ducts last month

The steepest rises will be
for tomatoes haricot beans
and vegetable products.

The price increases have
been implemented to
cover higher sugar and
vegetable prices, and
increased packaging and
transport costs.

Student Planners Award
... who has shown
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QUANTITY
SURVEYING
(Continued)

Housewives condemn a year of food price rises

870r 2/7/81. (244)
Own Correspondent

CAPE TOWN — This has been "the worst year in memory" for the housewife, but the cost of running the boards responsible for controlling production and distribution of basic foods has risen — by 94 percent in one case.

This is pointed out by the national president of the Housewives' League, Mrs Joy Hurwitz, in her annual report.

She criticises mismanagement by the control boards, the attitude of producers with a near monopoly who push up prices, and supermarkets which advertise the best deal for the consumer while their annual statements show increased profits.

Calling on the Government to "step in" with more price controls unless the situation changes, Mrs Hurwitz says the league must enlist the support of local chambers of com-

merce, members of Parliament and members of provincial councils in the fight against continued increases in basic food prices.

Mrs Hurwitz points out that since 1975 the price of maize has risen by 150 percent, brown bread by 61 percent, white bread by nearly 100 percent, margarine by nearly 60 percent, eggs by nearly 74 percent, milk by more than 60 percent, sugar by 214 percent, chicken by 100 percent, tea by 93 percent and coffee by 211 percent.

She points out that in the past year alone the cost of meat has risen by 57 percent.

Mrs Hurwitz says that while these prices are increasing, the cost of running the control boards has gone up from R3 856 988 in 1978 to 1979 to R5 082 044 in the past year.

Inflation rate down — but CoL will go up

Mail Reporters

THE annual rate of inflation as measured by the Consumer Price Index dropped to 14,5% at the end of June

This is the third consecutive month in which it has slowed.

But there are signs that the cost of living will move up again over the second half of this year.

The Consumer Price Index (CPI) rose last month by 1,2%.

However, it soared by 1,6% in June 1980 — so this means the annual inflation rate actually eased in June this year

In the 12 months to the end of March 1981 the CPI increased by a record 16,2%.

But this slowed to 15,5% at the end of April, to 15% in May and now to 14,5% in June.

Even more encouraging is the trend for the first half of 1981 as a whole

This shows the CPI moving up from 189,9 at the end of 1980 to 200 at the end of June — a six-month rise of 5,3% or an annual rate of 10,6%.

There are, however, many big price increases which have yet to make themselves felt.

Among them are the 12% steel price rise and the 11% petrol price hike which will have ripple effects right across the

Big price rises still to come

economy.

But these rises are still below the current level of inflation and their impact should not be exaggerated

What is alarming, however, is the fact that the amount of money in the economy has been rising excessively — and rapidly.

Over the 12 months to the end of May the broadly defined money supply measure rose by nearly 38%

This, plus all the range of price rises in the pipeline, convinces most economists that inflation for 1981 is unlikely to be less than 15%.

Some say it could be even higher

The chief economist of Volkskas, Mr A S Engelbrecht, said last night the inflation rate would accelerate during the next four or five months

The price spiral would speed up and a rate exceeding 16% was possible by the end of the year.

Factors included higher municipal rates and taxes, higher costs of imports because of the sagging value of the rand in terms of the dollar, and the expected bread price rise.

Economists said the 2% rise in the bank rate would also be inflationary in the short term.

The rise last month in the CPI to 200 means that living costs have increased by an average of 12,2% a year, or by just over 1% a month since mid-1975

The food only index level in June this year was 217,9 — giving a 12-month increase of 25,8%.

The lower income groups are still the worst hit by the overall cost of living.

The CPI rose by 17,2% for them in the year to June against 15,3% for middle incomes and 13,5% for the upper incomes

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QUANTITY
SURVEYING

Now paint price is to rise

22/7/81
244

Consumer Mail

THE price of paint is to rise by about 8.5% in September, in the wake of the recent petrol price increase

Although paint contributes only 1.65% to the cost of a building, the increase adds to the enormous increases in building costs over the last 18 months

Last year the cost of building a house went up by 32%, a spokesman for the Building Industries Federation of South Africa (Bifsa) said yesterday

But this year, up to June, costs had already risen by a further 15%, he said

And since June costs had risen by a further 5%

Cost increases

In other words, a house that would have cost R40 000 to build in June will now cost R42 000 — less than two months later

The increased costs since June are attributed to rises in the price of steel, cement, bricks, glass, petrol

The paint price increase has been forced by the petrol price increase

A spokesman for a major paint manufacturing firm said all paints used petroleum products, although some water-based paints like PVA used less

The paint manufacturing industry was meanwhile involved in research to find a way of producing paint with less dependence on petroleum products, he said

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(Continued)

QUANTITY
SURVEYING

15% inflation looks best bet

ROM
23/7/81

244

By HOWARD PREECE

THE consumer price index rose by 14.5% in the year to the end of June

This means, as the Rand-Daily Mail reported yesterday, that the annual rise in the CPI has fallen for three months in a row

The increase for the 12 months to the end of March this year was a record 16.2%

This eased, however, to 15.5% in April and 15% in May. It fell again in June to 14.5%

The CPI last month was 200.7 against 197.7 in May and 174.6 in June last year

There is a better chance than is generally appreciated that the inflation rate as measured by the CPI will stay close to or below 15% over the next few months, and could even briefly come near to 14%

That is in spite of the wide range of price increases that have yet to make themselves fully felt, notably the rises in

petrol and steel prices, and those that are in the pipeline.

The reason for this cautious optimism is primarily statistical

In the four months July to October 1980 the cost of living soared at an annual rate of 20%

One result is that even if, as expected, prices rise sharply over the same months this year, they may not push up the annual CPI rate by the end of October beyond the present annual level.

It is almost certain, however, that the July figure will show an upward trend and probably take the CPI back to around 15%

That is because of the petrol rise, in particular, will surely increase the CPI by more than the 1.5% it rose in July last year

In August that upward trend could be repeated because the CPI rose by "only" 1.13% in August 1980

However, the CPI raced up

by 2% in September last year and by 1.9% in October and it is reasonable to expect that the CPI will consequently show a declining annual trend in these months this year

But this could still give a false impression for the outlook for 1981

In November 1980 the CPI went up by only 0.8% and in December by a below-average 1.1%

The last two months of this year can, therefore, be expected to show an accelerating trend in the CPI again

Even so, however, I think the 1981 rate is likely to turn out in the 15% region and not the more pessimistic 16% to 17% range and even higher that some economists believe

But the more sombre forecasts could still be correct — there is that whacking 38% rise in broadly defined money supply for the 12 months to May which both reflects and threatens severe inflationary pressures

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(Continued)

QUANTITY
SURVEYING

Survey warns: Stand by for a price lift-off

2017 24/9/81
244

STAND by for accelerating commodity price rises next quarter as cost increases are passed on to the consumer — probably resulting in an even higher inflation rate

This is the prognosis reached by the Bureau for Economic Research at the University of Stellenbosch in its latest survey of the factory and trade sectors

It says the labour shortage, the sharp rise in interest rates and the further deterioration of exports leaves little doubt the growth rate will flatten significantly during the second half of the year, although it will still be satisfactory at between 4.5% and 5%

Inflation

Inflation will remain the major economic problem, the bureau says

The shortage of skilled workers — and, to an increasing degree, of semi-skilled labour — is causing bottlenecks which retard activity and can lead to pressure for higher wages and salaries, it reports.

This once again emphasises the necessity for education and training facilities for all types of labour

Factories still have a high potential of production capacity, and it may be expected that fixed investments will continue at a high level for a long time, the bureau forecasts

The unit costs of about 80% of factories in the survey rose

Shortages

This is mainly ascribed to a shortage of skilled labour and, to a lesser degree, shortages of raw materials and semi-skilled labour and longer working hours

In most cases higher costs were shifted off by increased sale prices

The exceptions are furniture factories and printing and publication firms which apparently absorbed a portion of their cost increases

It appears from the survey that business in sectors of the factory industry which manufacturing intermediate and investment goods, such as metals, metal products, electrical machinery and timber, is flattening out.

Sectors producing consumer goods continued to do good business in the last quarter

The turnover of most wholesalers rose during the quarter, and retailers — with the exception of those dealing in expensive goods — also fared better

However, most wholesalers and retailers expect their purchasing and selling prices will rise in the next quarter, the bureau says

About half expect prices to rise more rapidly than before — Sapa

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'Surplus, then increase not only in agriculture'

Staff Reporter

PRICE INCREASES when there was a surplus of a particular product was not a phenomenon peculiar to the agricultural sector, said Mr Piet Swart, assistant director of the South African Agricultural Union after the annual congress of the WCAU had ended at a City hotel yesterday

He was responding to a request to explain in simple terms, for the "man in the street" why the prices of certain foodstuffs increased when there was a surplus

He said local prices of various non-agricultural products, for example coal and steel, had been increased when a surplus existed

"Stability in price and supply is of great importance for both producer and consumer," he said

"If it were left to the unbr-

dled forces of supply and demand, consumers would have to pay excessive prices during times of shortages and the bottom would fall out of the market for producers when there was a surplus

Price increases had to be expected in these inflationary times, when producers' production costs had been increasing at an average rate of about 20 percent over the past few years

Market differentiation, where different prices were charged in local and export markets, was an accepted principle of pricing, not only in agriculture, but in all economies, he said

But when export prices were higher than those on the local market, the producer was entitled to be paid a reasonable and stable "real" price for produce sold on the local market, Mr Swart said

By PETER DAVIS

INFLATION is one of the most sophisticated forms of theft devised.

This is the opinion of former banker and former MP for Pinetown, Dr Jan S Marais, on a subject which is highly complex and has no solution because so many of its facets are out of South African control

Inflation affects us all and in a simple way its vicious circle goes something like this: A factory produces an essential item and pushes up its price because the imported content of the product has been increased. Because everyone must have this product, people go to their employers and demand wage and salary increases. These are granted but they have now pushed up the costs of all the products and services provided by the employers, so these too go up in price. The Government has to print more money to keep up with these increases and with more money available, the demand for products grows, so prices go up, so wage demands increase, so prices go up

"In my experience," said Dr Marais, some businesses, some professions and Government prosper in times of high inflation. Those people who have put their hard-earned money into banks, building societies or other interest bearing investments and insurances lose out

"A man puts relatively good money into the monetary system, but the money he gets back is had because even with interest he is not able to buy the same amount of goods as before. The value of his money has been eroded and this is the 'theft' I was talking about"

Bank economist Dr Johan Cloete agreed

"Businessmen also want an increase so they put up prices and in some respects this suits the Government because increased profits mean increased taxes

"And it is these very people who cause inflation who are able to protect themselves when the economy dips through the excesses made in the good times," Dr Cloete said

"The rich man can



MARAIS

South Africa does not have a hope in hell of eliminating inflation



CLOETE

The rich man can protect his money by investing in assets



HURWITZ

The past year has been the worst in memory for the housewife

STOP THIEF!

In the face of rocketing food costs, creeping prices in most other commodities and this week's increase in interest rates, inflation has become Public Enemy No 1. With the Budget due early next month the Government will make an effort to control inflation now running at 15 percent, but with growth as a priority, it is unlikely the Budget will be too stringent because it is almost impossible to restrain inflation without restraining growth

YOU CAN'T — AND HERE'S WHY INFLATION? *S. Marais* 6 JUL 1987 IS EATING YOUR MONEY

protect his money by investing in assets which are indexed to inflation like certain shares and gold but the wage and salary earner is not protected and inflation eats away at his savings and pension"

Dr Marais pinpointed five causes of inflation which work together in the economy

(1) The human animal wants to work less for more pay

(2) Politicians have to please so they are reluctant to take unpopular economic decisions

(3) When the gold standard was abandoned, the disciplines of financial control were thrown out of

the window. Now governments are able to print money almost at will

(4) The price of oil and other commodities affected by drought and scarcity are out of control of the authorities

(5) Production is not related to pay and creeping socialism is costly

"Because of these reasons, South Africa does not have a hope in hell of eliminating inflation on its own but unless something is done, there will be a revolution because people will no longer have faith in the system"

Dr Marais said while it was important to have some cash in the bank for

emergencies, people should invest at least 50 percent of their capital in "hard assets"

"I would advise people to invest in assets which increase in value at a higher rate than inflation such as gold, diamonds, selected properties and, if they have the expertise, in stamps, shares and Persian carpets"

Dr Cloete's attitude is more optimistic

"The problem is difficult and world-wide, but we are learning to live with it. The real problem in this country is to keep the rate of inflation steady so that we have a fixed index."

Dr Cloete says incomes

are being indexed to prices on an informal level and even interest rates are becoming more inflation orientated.

"The figures show the real standard of living went up by 1.5 percent between 1970 and 1980 which meant people were beating inflation. Of course without inflation, the standard of living could have increased by more"

Dr Cloete said although the incomes for blacks had risen better than the inflation rate, the starting income level had been too low and there was still much to be done in this field

"The fact is, inflation is here to stay. Last year wages and salaries went up by about 20 percent but output of production only went up by 8 percent. This means there is too much money chasing too few goods which puts an upward pressure on prices"

There is also the conflict of interests. Last year, according to Volkskas, the financial position of farmers improved considerably with greater production volumes and higher prices which meant the net income of farmers increased by 42 percent to R2 313 million

On the other hand the past year "has been the worst in memory for the housewife," according to Housewives League president Joy Hurwitz who also called for a fight against continued increases of basic food prices.

"Never since the annual statistics were first recorded has there been a more monumental rise in basic foods as during the past year"

Mrs Hurwitz said since 1975 the price of maize had risen by 150 percent, white bread by 100 percent, brown bread by 61 percent, margarine nearly 60 percent, eggs 74 percent, milk 60 percent, sugar 214 percent, chicken 100 percent, tea 93 percent and coffee 211 percent

She also criticised the control boards, the attitude of producers with a near monopoly who pushed up prices and supermarkets who advertised the best deal for the consumer while their annual statements showed increased profits.

Handwritten scribbles and numbers: 244

It Costs More Than A Year To Run The Wheat Board

CONTROL boards — benighted or benign? That is what consumers want answered and is why I wrote to 23 of those bodies on June 10 and asked five questions:

1. How many members comprise your board?
2. What percentage is the farmer representation?
3. How many board members are there in an honorary capacity?
4. What is the cost of operating, including overheads, salaries and fringe benefits, in fact the total cost of running your board?
5. How does the operation of your board serve the interests of the consumer or is it primarily concerned with the welfare of the producer/farmer?

The response has been good and to date 15 have replied, mostly openly.

Two boards were interested enough to invite me to visit them in Pretoria — the Citrus Exchange and the Wheat Board. This I did, fortuitously, and let us defy the alphabet by starting with the Wheat Board, under general manager D. F. Van Aarde. It presented a sound case.

There are 13 members, all paid, of which eight represent winter cereal producers (wheat, barley, oats and rye). Being an agricultural board it feels that farmer representation should predominate but this is questionable because then the producers are able to set their own prices.

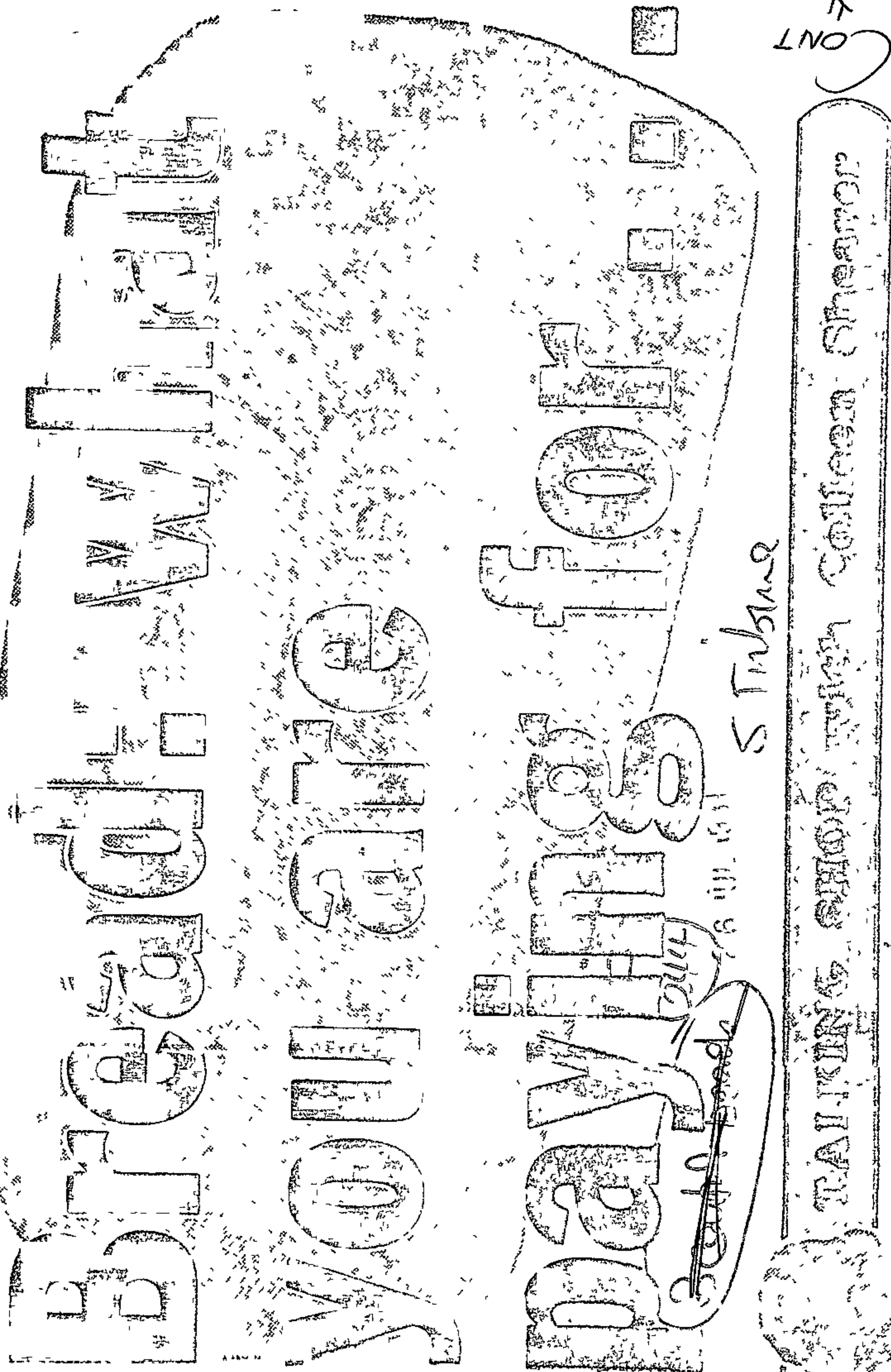
The total cost of running the board for the year ending September, 1980, was R2 295 169, and these administrative costs were financed by means of a levy paid by the buyers of winter cereals. Naturally, though, these costs eventually filter through to the end of the line the loaf of bread, the consumer.

Two million rand plus is a lot of money, but perhaps it will be fair throughout this exercise to relate this figure to its effect on the retail price of the product.

In the case of the Wheat Board the emphasis thus alters dramatically and we find that in an analysis of the bread price (June, 1981), the control board's administrative costs amounted to 0,1cent per unsubsidised loaf of bread.

What do we get for that fraction of a cent?

A team of analysts whose primary function is to improve the quality of South African wheat, and also to raise the yield per hectare. This latter aim is vital because at present, due to poor soil and fickle weather conditions, our yield is 115 tons per hectare compared with 2,29 in the



ONT

United States and 3,55 in western Europe

This means that our wheat farmers must be paid much more for their crops to be on a viable footing and also to discourage these farmers from opting out to the less hazardous and more lucrative maize farming.

This is where I demur, although let's be fair and admit that as yet I haven't studied the Marze Board. But if maize farmers are allowed to produce with impunity and to export at a loss, then the Wheat Board is forced to attract farmers to its cause by

Credit cards are convenience cards and the banker should pay for this facility, not the dealers. Dealers obviously raise all prices to finance their contribution to the bank's so the bank falls on the good and the bad, on the cash and credit customers, on the poor and the rich. This is not fair.

At present, to help consumers, the Government should put the horse back in front of the cart. Let me explain. At present, to help consumers, the Government should put the horse back in front of the cart. Let me explain. At present, to help consumers, the Government should put the horse back in front of the cart. Let me explain.

ment subsidies breed 15 cents on brown and 6 cents on white (standard loaf), an amount which exceeds R100 million a year. Without this subsidy brown bread would cost 35 cents plus GST, and white would cost 36 cents plus GST.

THOUGHT FOR THE WEEK

The board's suggestion is that a greater proportion of Government money should go towards wheat crop yields, and in this positive, productive way keep down the prices to the consumer instead of having such high subsidies. There is also a pressing need for scientists and technologists in the Wheat Board's laboratories where at present the spread is thin.

Nevertheless current research is impressive and laboratories are well-equipped with sophisticated apparatus.

The board's technicians liaise with breeders on trials and research farms as well as with senior officers of the Department of Agriculture and Fisheries in a constant quest to improve strains and yields that is the breeding of new and better cultivars. This is a long-term project, the breeding of a new cultivar takes 10 years. This programme is aimed at making South Africa self-sufficient in winter cereals and particularly wheat production. A winter Cereals Research Fund was developed. Fund was

STUBBLE DAYS FOR TALKING SHOP WITH COTTON SHEARER

S. TUBANE

Sunday TRIBUNE,
July 26, 1987

established in 1953, at the insistence of wheat producers. This fund is financed by producers through special levies on the sale of their cereal grains.

The administrative functions of the board include the buying and distribution of winter cereals, a service to farmers in co-ordinating their marketing efforts; the monitoring of controlled prices, the examining of bakers' accounts for the payment of subsidies, the rationalisation of the milling and baking industries by registration procedures.

A vital function of the board is the analysing of bread so that consumers are assured of full value for money, and bakers are prevented from using water for profit!

This test is the minimum dry solids and fat content in standard bread, and the minimum fat and milk powder content of superwhite bread.

For political reasons South Africa exports wheat to neighbouring states and though, at times, we do have to import wheat, too, there are also political reasons why some countries are reluctant to make up any shortfall we may experience due to poor crops. Hence the need to be self-sufficient and the need for research.

Bread products with a higher bran and germ content are more nutritious than white bread flour products that contain little or no bran, but all bread products make an important contribution to the diet in the form of protein, minerals (calcium and iron), vitamins and carbohydrates. In fact, grain is one of the four basic constituents of a balanced diet, the other three being fruit (vegetables), meat and milk products.

Today is an appropriate time to repeat the answers to often-asked questions regarding the sale of bread.

Shops may NOT charge for slicing unless this facility is used AFTER the bread has been paid for. They may NOT charge for wrapping bread. They MAY refuse to sell half loaves (some consumers buy half a loaf of brown to avoid paying GST).

Present prices of bread are 20 cents plus 1 cent GST on brown and whole wheat, and 30 cents plus 1 cent GST on white.

• Next week I shall examine the activities of the Ex. Board and the Citrus Exchange.

reward or reinforcement. According to Dollard et. al (Dollard & Miller, p 54)

From this it follows that a person or group of people who are repeatedly subjected to environmental stress are eventually, more prone to drink alcohol the qualities of alcohol than those individuals who experience less stress and for whom, therefore, alcohol has only a weak reinforcing value.

Psychoanalysts concentrating on alcoholism (and problem drinking)

alcoholism has in their application to rehabilitation and therapy

4.3 PSYCHOANALYTICAL THEORY

There exists in psychological literature a vast amount of theories on drinking alcohol problem drinking. Within the scope of this paper only the most noteworthy can be discussed.

Sociological theories postulate a causal relationship between the development of some kind of alcohol problem and the socio-cultural setting in which that problem is located.

Debts point to pricier sugar

By Tony Hudson
THE already hard-pressed man-in-the-street may face another sugar price increase in the near future because of the high level of debt in the sugar industry.

Retiring SA Sugar Association chairman Ian Smeaton told the association's annual meeting in Durban this week that the domestic price of sugar increased at a rate less than that of inflation.

He said that the domestic price calculations were based on a normal crop and if normal economic principles were applied to the 1980-1981 season, and costs were allocated between the domestic market and the export market on the basis of production actually achieved during the season, the calculations reveal that a R54-million loss was made on the domestic market.

He told the meeting that, while the industry will endeavour to keep the domestic price as low as possible, the high debt levels of the industry may force it to ask for a price that is higher than the cost of production for a short period.

He said that the move will depend on the world sugar price, as it is the export market that will have to generate sufficient revenue to repay outstanding loans and start rebuilding the sugar price stabilisation fund to a level where it can once again shield the industry from major price fluctuations.

He said that the 1980-1981 crop of 1,6-million tons was 27% below the potential of 2,2-million, and that this was the sixth successive season where a shortfall had been experienced. He said the total shortfall for the period was R257-million.

Of this, R97-million came from the price stabilisation fund, which was cleaned out, R130-million in interest-bearing loans from local and overseas banks and the balance of R30-million as a reduction in the entitled returns on capital of millers and growers over the past three seasons.

If the local price does increase, the ripple effects will be marked.

Not only did direct domestic consumption increase by 4% last year, but offtake by mineral water manufacturers was up by 26% and sales to cordial and squash manufacturers up by 21%.

symptoms like anxiety, depression and sexual insufficiency.

- (c) Alcoholism develops in response to an inner conflict between dependency drives and aggressive impulses

The main problem with these theories are the difficulties that arise with any effort to subject them to experimental testing and verification.

The important value though of psychoanalytic theories about

ried a relatively high amount of anxiety (created by a structural condition within the society) to be the main contributory variable to a generally high level of insobriety.

The process of acculturation was also assumed to create high levels of anxiety. Horton demonstrated that those societies in which he found evidence of acculturation in progress were also categorized by extremely high levels of insobriety.

Bales proposed three ways in which culture and social organization can influence the rates of alcoholism

request): R16,00 (plus primary fee applicable to taxpayers).
The fees for semi-private and private wards at own request are fixed tariffs.

TABLE 11

THE PRIMARY FEES PAYABLE FOR IN-PATIENTS ARE THE FOLLOWING:

Single persons without dependents	Married persons and single persons with dependents.	Monthly income
R 2	R 2	R 0-R50,00
R 5	R 4	R50 - R100
R 8	R 6	above R100

Call for fairer pricing

29/7/81
244
Own Correspondent
DURBAN — With 31.1 percent food price inflation it is essential that basic prices be set on a basis of "cost of production plus a fair profit" and not on what the market can bear, says the Housewives' League.

The league has appealed to food producers to remember there are many in South Africa to whom every cent spent on food is important.

The severe price increases in basic foods have been a factor in demands for higher wages and these directly cause inflation.

Since 1975 the price of maize has increased by 150 percent, brown bread 61 percent, white bread nearly 100 percent and margarine nearly 60 percent. Milk is up more than 60 percent and sugar by a record-beating 214 percent. Chicken prices have increased 100 percent, tea 93 percent and coffee 211 percent.

Department of Agriculture figures show there has been a decline in consumption of many basic foods.

Monthly income
R60,00 singles:
R100,00 Married, single with 1 dependent
R140,00 Married with 1 dependent; single with 2 dependents.
R185,00 Married with 2 dependents; single with 3 dependents.
R235,00 Married with 3 dependents; single with 4 dependents.
(Thereafter R50,00 must be added for each additional dependent).
Members of medical aid funds (along with Workmen's Compensation Act insured patients) are automatically classified as 'private patients'. 'Hospital patients' will be required to pay 50c per day for hospital services.

The following is a list of out-patient fees

Monthly income	Fees per dayat: Teaching hospitals	Non-teaching hospitals
Private cases All persons irrespective of income.	R10,00	R6,00
Hospital cases.		
0-R50,00	R 0,50c	R0,50c
R50 - R100,00	R 1,00	R1,00
R100 - R200,00	R 4,80	R3,00
Above 200	R 8,00	R6,00
Maternity clinics. (Covers all ante-natal and post-natal visits.		
0-R50,00	R 2,50	R2,50
R50 -R100	R 5,00	R5,00
R100 - R200	R20,00	R15,00
Above R200	R40,00	R30,00
X-rays services to Pneumococcosis bureau	R4,00 per examination.	
State services	Teaching & non-teaching hospitals	
Pathological examinations	R5, per examination.	
X-ray examination.	R2 per plate	
Ambulance fees: equal to 1 days stay at the net daily rate. (i.e. Between R14 and R19 for teaching hospitals and between R12 and R16 for non-teaching hospitals, if not rebate is given.		
Dental clinics: exist at Hope Street, and Tygerberg: fees 40c - extraction, R2,00 - filling; 50c extraction of tooth for children; Full set of dentures: R40,00.		
Optical clinic: at Heidelberg, Bishop Lavis and Epping. Testing for spectacles.		

teaching hospital : 60c) to 5% in respect of the total assessed tax being between R255,00 and R240,00 per year (Daily tariff will be teaching hospitals: R13,30 and non-teaching hospitals. R11,40)

This way of calculating a rebate takes into account the income of a person as well as the number of dependents he/she has. This is because tax payment decreases with the number of dependents a person has. We therefore see that the less tax the person pays that is the lower his/her income or the greater number of dependents he/she has, the greater the rebate. This rebate will be calculated in the following manner: For e.g. Single with one dependent: Monthly income R230,00, Annual tax (P.A.Y.E.) R16,10 x 12 = R193,20; percentage rebate 20%.

In-patients are either classified as 'hospital patients' or as 'private patients'. This is according to the gross monthly income of the family. If a family's income is less than the income ceilings below, the person is classified as a 'hospital patient'.

Shock at rise in ^{Argus} bread price

30/7/51 244

Crime Reporter

THE unexpectedly steep rise in the price of bread — which, with sales tax, will cost a maximum of 28c for a brown loaf and 42c for a white — has shocked the Housewives' League, supermarket executives and the Consumer Council.

The present maximum price is 21c for a brown loaf and 31c for a white, but supermarkets charge one or two cents less than this.

Mrs Joy Hurwitz, national president of the Housewives' League, said such a steep increase made nonsense of the Government's claim to be fighting inflation.

PRICE INDEX

Mr Jan Cronje, director of the Consumer Council said this increase alone would push up the consumer price index for food by about 1.9 percent.

The new price comes into effect on Saturday and Mr Cronje said it had come at a very inopportune time, when the lower income groups were finding it difficult to satisfy their daily needs.

'We are engaged in an all-out struggle to combat inflation and price increases should be lower than the inflation rate to have a counter-effect,' said Mr Cronje.

Mrs Hurwitz said the Housewives' League had realised that an increase in the bread price was inevitable because the price of wheat had been increased, but had not expected it to be so large.

'We condemn this very high increase,' she said, 'we are absolutely shocked and appalled.'

'The increase should not have been more than eight percent, and in fact it is 40 percent for brown and 33½ percent for white.'

'Think of the effect this is going to have a person earning R200 a month who eats one loaf a day.'

Mrs Hurwitz said this was the latest in 'a constant run of increases in basic food prices' this year, including milk, cheese, maize, eggs and meat.

She said many black people had switched to eating more bread when

the maize price rose recently. 'What are they going to do now?' she asked.

She said the latest increase made her wonder whether the members of the Government had any idea of the plight of the man in the street and whether they, themselves, had to live on any kind of budget.

'This will be a tremendous blow to the average consumer,' said Mrs Hurwitz. 'It is absolutely disgraceful.'

'We have done everything we can to bring it home to the Government and the Ministers what the real cost of living is and how it affects ordinary people.'

Supermarket spokesmen said they would continue to sell bread at below the maximum price.

Mr John Barry, director of operations for Pick 'n Pay in the Eastern and Western Cape, said: 'We were absolutely appalled that a staple food on which the poorest people are dependent should go up by such a large amount all in one go.'

'We feel very strongly about it. The Government should have increased the bread subsidy by raising money through a company tax or some such means, so that it would not have had such an effect on the man in the street.'

A spokesman for Grand Bazaars said: 'The price of a loaf of bread — the most basic of foods — is ridiculously high now. This increase will really hit the man in the street.'

BAKERS

Mr Colin Boyes, secretary of the Cape Town Master Bakers' Association said that bakers would not benefit from the higher price but would in fact have their subsidy cut to enable the Wheat Board to balance its books.

'We are as disturbed as anyone else by the extent of the increase,' said Mr Boyes.

He said that, in addition to a lower subsidy until cost margins were reviewed in October, the bakers would also encounter consumer resistance to the higher prices.

said in Johannesburg: 'I am amazed the Government did not increase the bread subsidy.'

He told The Argus Correspondent that Pick 'n Pay would be prepared to pay a higher company tax to cover the increase cost rather than the consumer foot the bill.

Both Pick 'n Pay and Checkers will sell bread at cost — 2c below the new retail price.

Bread price

Mr van Rensburg accused the Government of 'a cynical lack of sensitivity and should realise this action is going to escalate mounting discontent among the underprivileged.'

Mr Richard Cohen, a director of Pick 'n Pay,

Huge bread price rise

201/30/7/81
(244)

By GERALD REILLY
Mail Reporter

THE huge increase in the price of bread — the biggest cost-of-living shock of the year — will hit the lower income groups hard, economists and trade unionists said last night.

Earlier the Minister of Finance, Mr Horwood, announced that white bread would rise from 30c to 40c a loaf, and brown and wholewheat bread from 20c to 28c a loaf.

The Minister's announcement means that all basic foods which constitute the staple diet of hundreds of thousands of blacks — and a large section of whites, including pensioners — have all risen steeply this year.

They include the prices of mealmeal, sugar, milk and milk products and margarine.

The Progressive Federal Party's finance spokesman, Mr Harry Schwarz, said "The increase must be regarded as a disaster for the ordinary people of South Africa."

Appalling

To increase the price of probably the country's most important staple food by so wide a margin was "appalling".

The PFP would raise the matter in Parliament, he said.

The deputy leader of the Labour Party, Mr Norman Middleton, was shocked.

"The poor man lives on bread — often dry bread. To raise the price by so great an amount is the mark of a Government indifferent to the hardships of the poorer section of the population struggling to survive in a climate of spiralling prices."

Mr Middleton said the Government should rather have made those lucky enough to be earning enough to pay taxes pay for the increase.

The general secretary of the Trade Union Council of South Africa, Mr Arthur ... said "This is the ... of all. It will ... costs of many ... er-income group families to an intolerable extent."

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PLANNING
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(Continued)

SURVEYING
QUANTITY

Bread
\$1.30/2/m
price

dismays
public *244*

By Caroline Braun
Consumer Reporter

The massive bread price increase has been described as "outrageous" and "appalling" by consumers, retailers and opposition spokesmen.

The price of white bread will rise to 42c a loaf (a 30 percent increase), and brown and whole-wheat bread to 29c a loaf (a 40 percent increase) on Saturday. These prices include GST.

Mr Richard Cohen, a director of Pick 'n Pay, said he was appalled by the increase which would most affect poorer people who could least afford it.

"I am amazed that the Government did not increase the bread subsidy. Bread is a staple food and an increase is a sensitive issue in very sensitive times."

He said Pick 'n Pay would be prepared to pay a higher company tax to cover the increased cost rather than have the consumer foot the bill.

Both Pick 'n Pay and Checkers will sell bread at cost — 2c below the new retail price.

Mrs Joy Hurwitz, national president of the Housewives' League, said she was dismayed at the increase.

"I am astounded that the Government could have put such a high price on a basic commodity," she said.

Mr Jan Cronje, director of the Consumer Council, said the higher bread price would be a hard blow to consumers who had already been hit by continual price increases this year.

The Opposition's spokesman on agriculture, Mr Phillip Myburgh, said producer prices had to be increased to keep the farmer on the land. But in the case of basic foods the increases should not be passed on to the consumer.

"It is the duty of the Government to subsidise these foods heavily," he said.

\$1.30 30/7/81
New bread price 'a blow to poor'



244
bread prices in Cape Town yesterday, the Minister of Finance, Mr Horwood, and the Minister of Agriculture, Mr du Plessis, said it had proved impossible to increase the bread subsidy to maintain

present bread prices because of the "tightening financial position in the economy and the manifold claims on the Exchequer". The Ministers said the bread subsidy in the 1980-81 financial year

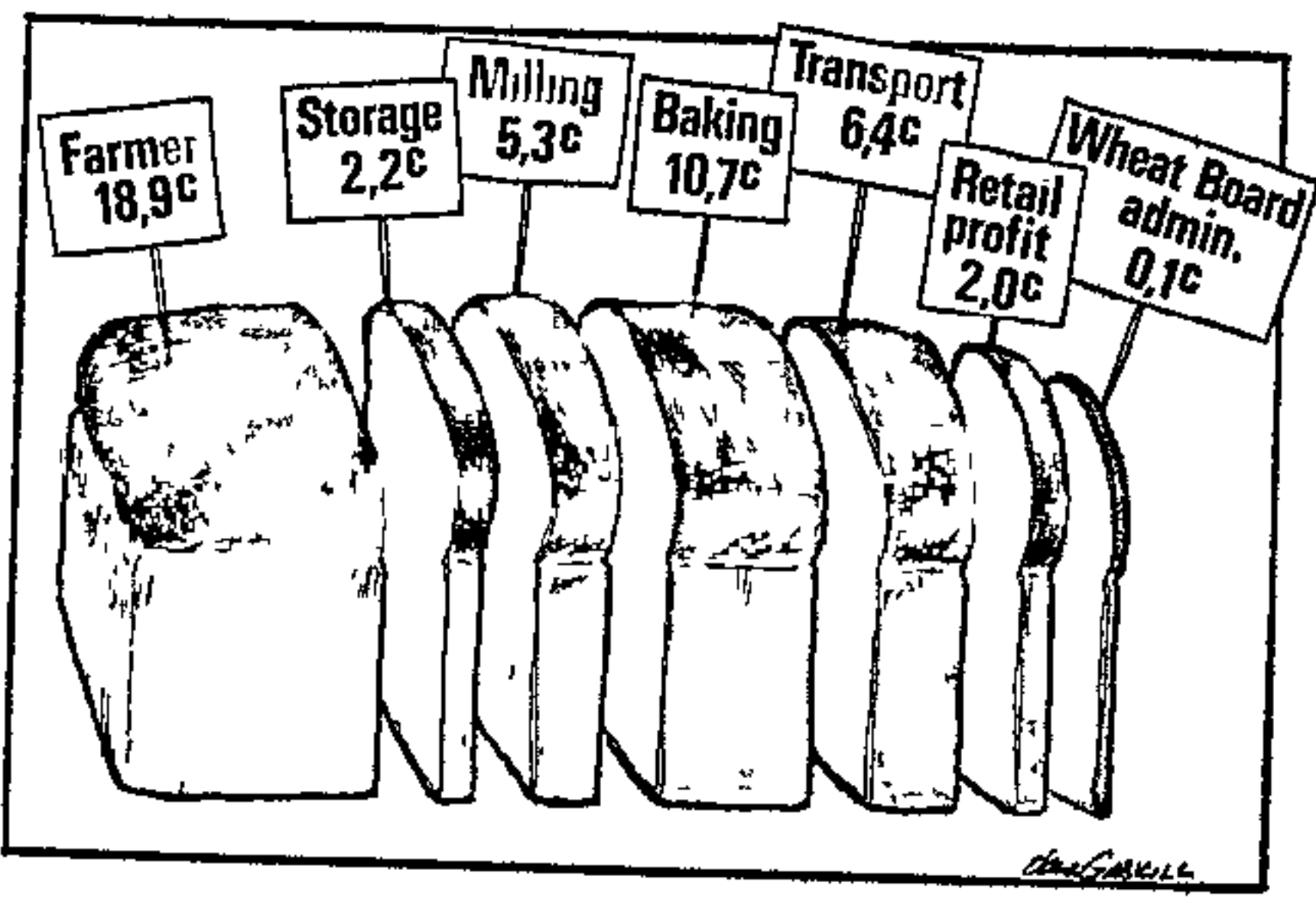
amounted to R162-million. Bearing in mind an increased wheat price in October and increased millers' and bakers' profit margins, it was estimated that a R233-million subsidy would be needed to keep bread prices at their present level.

The Government could not bear this additional R71-million drain, the Ministers said.

The Ministers also pointed out that even after the price increase the subsidy on brown and wholewheat bread would be 11,2c a loaf. The new price of brown bread would still be 2c less than the present price of white bread.

Brown and wholewheat bread account for about 70 percent of the country's total bread sales.

Mr du Plessis said the bread price would not be reviewed again until October 1982 unless something unforeseen happened.



This illustration shows the approximate apportionment of costs in producing and selling a loaf of bread. The unsubsidised cost of a loaf is 45,6 cents. The subsidy is 13,4 cents resulting in a subsidised cost of 32,2 cents a loaf. The figures are based on the fact that bread sales are made up of 70 percent brown and 30 percent white bread.

Announcing the new

(244) Angus 31/7/81

'Bread cost will spark pay calls'

ask employers for more money.

'It is becoming impossible to live,' said Mr Daniels. 'Workers will have to look to their employers to alleviate these tremendous rises in the cost of living.'

'We believe we need a wage that will allow us to buy the necessities of life.'

'People tell Tuca not to make inflationary demands, but now we are

faced with this absolutely scandalous increase in the price of bread, which is the main food of the poorer people'

'And we are almost certain to be hit soon by another huge increase in bus fares that we have been warned is in the pipeline.'

'We will certainly have to press employers for

relief. They are the only people we can turn to.'

'How can people live in the face of this latest rise? It was totally irresponsible to approve such a rise'

Mr C E McCarthy, deputy director of the Cape Chamber of Industries, said Mr Daniels' remarks were not unexpected.

But he pointed out that demands for higher wages

would give another turn to the inflationary spiral, by leading to more price increases.

'Anything that adds to the cost of living sets up an inflationary spiral,' he said

'As wages go up, the cost of goods goes up too, and our whole emphasis has been on trying to keep prices down to fight inflation.'

Bread price aggravates poor's discomfort index

12/31/78
244

THIS year has been a "disaster" for the lower-income groups which have been pressed deep into poverty.

The Progressive Federal Party's spokesman on finance, Mr Harry Schwarz, gave this view in Pretoria yesterday after the bread price increase.

According to official estimates, the lower-income groups spend 36% of their incomes on food, the middle-income group 29%, and the higher-income group 20%.

The big increase in the bread price — up 11c for a white loaf to 42c — was just one in a long line of basic price rises which had increased the poverty of many thousands of South Africans, he said.



Among them was a high proportion of old-age pensioners whose pension increases over the past few years had come nowhere near compensating for spiralling prices of food and other necessities.

Mr Schwarz said that in the past few months the price of sugar had risen 10%, meal-meal by 11,5% and cheese by 21%.

Pensioners were due for an increase in October, but it would be pathetically inadequate to compensate for the rash of price rises this year.

This was why the PFP would again demand in Parliament that the Government take a more sympathetic look at the plight of pensioners, black and white.

The deputy leader of the Labour Party, Mr Norman Middleton, supported Mr Schwarz's view that the lower-income group "has had about as much as it can take".

"There is a privileged section of the population who can afford to eat cake — let them pay for the huge increase in the price of bread through higher taxation."

Barclays Bank's chief economist, Dr Johan Cloete, warned that the "discomfort index" among blacks had gone on rising. This was an index compiled on a calculation involving the levels of unemployment and the consumer price index.

"Quite obviously the big bread price increase will aggravate the index. This is very worrying. What it can do to industrial relations and labour peace, is cause for serious concern."

Dr Cloete said that, along with other price rises, the increase in the price of bread would particularly add to demands for pay rises by lower-paid black workers.

The chairman of the Premier group, Mr Tony Bloom, said the bread price increase had been inevitable.

No choice

But he felt it would have been better to raise the price by small amounts over the years rather than hit consumers with a massive price rise at once.

With the Government subsidy running at more than R250-million, there was no choice but to increase the price, he felt.

Pointing out that South Africa was exporting mealies at a loss and importing wheat, Mr Bloom argued for an increased subsidy on maize to encourage higher consumption of maize products instead of the more-expensive wheat products.

The increase, he contended, did not "find its way" into the pockets of the millers, it served only to reduce the subsidy in other developments yesterday.

The leader of the New Republic Party, Mr Vause Raw, said the size of the bread price increase was one more shocking blow for people already suffering on the breadline. Commenting in Cape Town on the increase, he said it showed the Government's total insensitivity to the crisis facing millions of South Africans.

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Reeling

● The leader of the Congress of the People, Mr Lofty Adams, who is a member of the President's Council, said in a telegram to the Minister of Finance that the bread increase was "another blow to our community already reeling under impact of other price rises". Mr Adams suggested that the baking and milling industry's profitability be examined with a view to reducing profit margins. The General Sales Tax on luxury items should be raised so food subsidies could be increased or at least maintained.

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PEP disputes govt claim on bread subsidy

Political Staff

IF the government could not find the R71-million needed to prevent an increase in the bread price, there was either something wrong with the country's finances, or the government had its priorities wrong, Mr Harry Schwarz, Opposition spokesman on finance said yesterday

Mr Schwarz was criticizing the reasons given by the Minister of Finance, Mr Owen Horwood, for the 10 cent price increase on a white loaf and an eight cent increase on brown that will come into effect tomorrow

Mr Horwood said that because of the present financial position and factors such as the drop in the gold price, the government could simply not afford the R71-million increase in the subsidy necessary to hold bread prices at their current levels

Mr Schwarz said "There is no doubt that if the government wished to find an additional R71-million to subsidize bread there would be no real problem, bearing in mind that the size of the budget according to the estimates of expenditure is R13 246-million"

"There are many other areas where R71-million could be saved. What is more important — that we have a contented population and not increase the bread price, or that there be continued erection of some government building or other?"

He also criticized the reason given that the wheat shortage had contributed to the need for a higher bread price

"There are other substances from which bread can be made. What is more, in the international market there is no wheat shortage."

Mr Schwarz also criticized the government for giving no adequate reason on why the announcement had been delayed till after April's General Election

"Price increases have clearly been withheld until after the election. The ministers say this is not true, but they have failed to give adequate reasons for saying so. They knew the price would go up. Why was the public not told?" Mr Schwarz said

Mr Vause Raw, leader of the New Republic Party, also criticized the government for withholding the announcement until after the General Election

"The size of the increase is one more shocking blow for people already suffering on the breadline," he said

At a press conference held to announce the price increase earlier this week, Mr Horwood said it would not be fair to say the government was placing too heavy a burden on lower income groups if the size of the subsidy was taken into account

"What does it really come to per person per month when you think what a low base you are starting from?" he asked "Our bread price is among the lowest in the world"

It was important to note that brown and whole wheat bread sales accounted for 70 percent of total bread sales, and that the price of brown bread meal in small packs was also subsidized

SHOCKING

Massive bread price hike hits poor hard in stomach

Soweto
3/7/81

244



Miss Anna Dibetla



Miss Mapaseka Seabeala



Miss Sibongile Manyoni

THE Government's announcement of a massive increase in the price of bread, coming into effect from tomorrow, has been described as unfair and shocking by black leaders and members of the community.

The announcement, by Minister of Finance, Mr Owen Horwood, means the price of white bread will rise from 30 cents to 42 cents, an increase of 30 percent. Brown and wholewheat bread will rise from 20 cents to 29 cents, an increase of 40 percent. These new prices include general sales tax.

But Pick 'n Pay and Checkers will sell bread at two cents below the new retail price.

The increase was making a luxury out of basic foodstuffs, say critics. All basic food, including milk, mealie meal, margarine and sugar,

By SELLO RABOTHATA

have been massively increased this year.

Ms Inna Perlman, of the Institute of Race Relations, said "This whole thing is appalling. A recent survey on how much people were earning showed that about 60 percent earn under R200 a month.

SUBSIDY

"On these facts one can only deduce that the Government is now making a luxury out of basic foodstuffs. This should be its prime concern because, like mealie meal, bread is the staple food of the majority of the people," she said.

Dr Nthato Motlana, chairman of the Soweto Committee of Ten, said "It is unfair that the price of food should escalate out of control. In 1979-80 it was said there is a boom in the country's economy but inflation in Soweto.

"It is mainly the price of food that is out of control and this needs the control of the Government. They

should also do away with general sales tax."

"Shocking!" was Bishop Tutu's reaction. "People are going to be heavily taxed especially as the poor use bread as their staple food."

"The bulk of the poor people are black and this is going to hit them hard. I call on the Government to increase their subsidy on bread. Every year food prices are going up but wages remain the same."

The Director of the Consumer Council, Mr Jan Cronje, said that the new price of bread will increase the monthly consumer price index by about 0,5 percent and the food price index by about 1,9 percent.

Mr Phillip Myburgh, opposition spokesman on Agriculture, said producer prices had to be increased to keep the farmers on the land, but that in the case of basic foods the increases should not be passed on to the consumer. It is the duty of the Government to heav-

ily subsidise these foods, he said.

A director of the supermarket chain, Pick 'n Pay, Mr Richard Cohen, said "I am amazed the Government did not increase the bread subsidy. Pick 'n Pay would be prepared to pay a higher company tax to cover the increased cost rather than have the consumer foot the bill."

Mrs Joy Hurwitz, National President of the Housewives' League, said "I am dismayed at the increase. I am astounded that the Government could have put such a high price on a basic commodity."

DUMPLINGS

Miss Anna Dibetla of Klipspruit, said "The Government can sometimes be said to be doing things on purpose. We are at present financially unbalanced and it is common knowledge that for us bread is the staple food. It is really against our budgets and at the same time we are not getting any wage increases."

Mrs Esther Ntsamba said it is going to be hard for the blacks to afford bread at the rate things are going up. She said she would have to forget about eating white bread anymore and will instead make do with dumplings. She will only be able to buy brown bread for the children.

Miss Busi Nkosi of Rockville, said "I am surprised at this, I did not know the price of bread was going up. What is this country really coming to? All one can do now is to put one's hope on brown bread. This is really unfair to us blacks as we are in the lower income group."

Food price rises will
be against the grain

Per 31/7/81 (244)

Consumer Reporter

Consumers should steel themselves for another round of price increases after the new wheat, oats, barley and rye prices come into effect on October 1

The new prices will inevitably affect flour and meal, which have already risen a few cents after April's rail tariffs rise

Breakfast cereals, pearl barley, beer, which has barley as an ingredient, and animal feeds will be dearer. Bakers' confectionery will also cost more

Our farming correspondent reports that the wheat price increase could be substantial after the failure of last year's Free State wheat crop.

PRICES — GENERAL

2 AUGUST 1981 — 31 Dec. 1981

OVERNIGHT PRICE

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244

Poor's plea: More bread, sewer tanks

By TONY SWIFT

CLAIMS by Minister of Finance Mr Owen Horwood that the massive bread price hikes would not hit people hard have angered spokesmen for the elderly and the poor.

The rises amount to 8c on a brown loaf and 11c on white.

A senior Wheat Board executive, Mr D F de Villiers, this week explained that the Government had been paying a

subsidy of 8.7 cents on the price of a white loaf and of 15.25 cents on a loaf of brown. The subsidy on white bread had now been dropped altogether for the moment and the subsidy on brown had been cut by eight cents to 7.22 cents.

With 1 500-million loaves sold in the Republic each year — roughly 70 percent brown — the subsidies represented nearly R200-million.

Mr de Villiers said that the Wheat Board had recommended that subsidies be withdrawn gradually — "not suddenly like this".

Who gets what? A breakdown on the average cost of bread as at June 1981:

- 14.4 cents — cost of wheat
- 1.8 cents — storage
- 13.1 cents — cost of manufacture (miller/baker)
- 5.3 cents — overall delivery costs
- 1.5 cents — margin for the trade
- .1 cents — admin costs of Control Board.
- 36.2 cents plus sales tax.

Files:

- Departmental file allocations 1
- File usage, cycles, overflow, etc. 21
- File backup, recovery, etc. including r
- Other:
- Accounts, sign-on, passwords 5
- Alleged operations faults/mistakes 3
- Cartridge tape 1
- Hardware (general) 1
- Hanging jobs 1
- Interpretation of errors (general) 7
- Limits/quotas 3
- Long runs, large core requirements, etc. Packages (general) 2
- Paper tape 4
- Plotting (general) 20
- Programs written by Programming Service Punching, punch codes 3
- Queue printer 1
- Requests for loading files of seldom use Computing Service tape library 2
- Special printing 4
- STN and S accounts 5
- Terminal usage and techniques 7
- Word processing 1
- Miscellaneous unclassified 3

ANGER OVER STATE POLICY ON THE PRICING OF WHEAT

Tribune correspondent WHEAT FARMERS have criticised the new bread prices as much as consumer bodies.

Prominent Free State wheat producers said that the latest increase in the price of bread proved that farm production costs were getting completely out of hand.

Wheat production costs had risen by 16 percent in one year, implements, fertiliser, diesel fuel and farm chemicals, all of which were controlled by the Department of Industries, Commerce and Tourism, the sources said.

The Minister of Agriculture had repeatedly promised to curb the prices of farm requirements, but he could do nothing about them as they were within the orbit of his colleague, the Minister of Industries.

As for the crippling price rise in tractors to be powered by the locally produced Atlantis diesel engine, policy statements had even been made by the Deputy Minister of Finance, Mr Danie Steyn.

How many ministers of agriculture were there in the Cabinet? farmers asked.

After announcing the increases — which represent a 40 percent hike in the price of brown loaves and 33 percent for white — Mr Horwood was reported as saying that the increases would not amount to much per person per month and couldn't be said to impose hardship on the poor, as black income had gone up faster than white in recent years.

His claims have been angrily denied by people working with the poor.

"It's a disgrace that they are increasing the bread price; it is a severe blow to pensioners," said Mr Geoff Oldfield MPC for Umbilo, who has for 20 years worked in the interests of the elderly.

"They are already having an impossible struggle against inflation and they rely heavily on bread, eating it over several days and toasting it when it gets dry."

The manager of the Essenwood Nursing Home — a non-profit-making private nursing home on Durban's Berea — described the price hikes as "criminal".

"It will add R85 a month to our bread account and we have already decided to stop buying white bread except where a doctor orders it. This comes at the end of a host of rises, of which meat hit us particularly hard."

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Professor J. F. Potgieter, director of the

Sunday TRIBUNE Aug 2 1981

Research at the University of Port Elizabeth, said the bread price rises alone would add R3,48 a month to the Household Subsistence Level (HSL) for coloureds and R2,73 to the level for blacks.

Economist Prof. Jill Natrass of the University of Natal rejected as "callous" the Minister's argument that the rises wouldn't hit the poor hard.

"It's true that black wages overall have been rising but what's been happening is that rich blacks have been getting richer while poverty is growing in South Africa. By pushing up the price of bread they are pushing up the cost of living for people who can't protect themselves.

"I can see no case for reducing the subsidy — why pick on bread? Why not a few less tanks? This way you will increase discontent and may end up having to spend more on law and order than you gain by increasing basic food prices."

Two months before the new price of wheat was to be determined, made a mockery of the Wheat Control Board which had been kept ignorant of what had been decided high-handedly by the Ministers of Finance and Agriculture.

Agricultural economists pointed out that if the Wheat Board had not had the foresight to import 280 000 tons of wheat when the rand was still worth 136 dollar cents, the bread price could have been another 5c a loaf higher.

At the time, the landed costs of imported wheat had roughly, compared with the equivalent local producer price. At present imported wheat would have been much more expensive.

A spokesman for the SA Agricultural Union said in Pretoria that the bread price shock had come at a bad time, when the economy was slowing down and money was getting tighter.

Egg price comes down next week

By CHERYL VAN EYSEN

NOW for the good news. something is coming down in price, says the Minister of Agriculture, Mr. Pietié du Plessis

Country-wide consumers are welcoming this week's two cents-a-dozen drop in the egg price which comes into operation a week tomorrow

It results from a decrease in purchases of surplus eggs for export by the Egg Control Board and consequently cuts export losses, said Dr A Olivier, an executive of the Board

Yesterday the managing director of Pick 'n Pay, Mr Raymond Ackerman, said the two cents' decrease in the Board's special levy on eggs would be passed on to the consumer

In May this year the egg price escalated by between 10% and 12% and this drop in price is only 3%.

Mr Ackerman said the price hike earlier this year had been "unwelcome" and he believed the egg-price would drop even more

"Most egg producers are having a fantastic profit time," Mr Ackerman said

Shoppers at hyperstores will pay 76c for a dozen eggs, and the average price of eggs will be 80c.

Govt's ²⁴⁴ claim on ^{4/1/51} bread 'is ^{DOM} nonsense'

By GERALD REILLY

THE Government's boast that South Africa had the cheapest bread in the West was "nonsense", consumer ombudsman Mr Eugene Roelofse, said yesterday.

He said what was not taken into account when bread prices in Western countries were compared with South Africa's price was the per capita incomes in those countries, which were far greater than in this country with its masses of poverty-stricken blacks.

Mr Roelofse said the huge bread price rise — by 11c to 42c for a white loaf — was a political decision not an economic one.

It was one of the Government's "spastic responses" to the success of its extreme Rightwing in the April General Election.

Exorbitant

"They see the platteland slipping from their grasp and are making the poorest section of the population pay exorbitant prices for their staple food to satisfy farmers, in an effort to cement party loyalties."

South Africa was in a position to produce the cheapest wheat in the world, Mr Roelofse claimed.

"To compare the price of bread in South Africa with the price in Brussels and Britain is ridiculous, there is no basis for comparison."

In Britain farm labourers earned R500 a month and in Brussels their salary was R550.

"In this country, according to researches, farm labourers in some areas get R15 a month — enough to buy two loaves of bread a day," he said.

Pulco ~~applies~~ for 35% fare increase ~~with~~

Transport Reporter

Pulco is seeking a 35 percent revenue increase on all its bus services in South Africa by October.

Announcing the application this morning, Pulco's financial executive Mr. J. L. Coetzee, said: "Only through fare increases can Pulco keep abreast of rising costs and continue to provide a top class service. We regret the necessity to increase fares, but for economic reasons it is unavoidable."

He said a 33.7 percent rise in operating costs over the past two years had resulted in the 35 percent proposed increase.

The new fares covered the recent six cents a litre fuel increase but did not take into account any passenger subsidies paid by the Department of Transport.

"It is important for the public to realise that only after it has gone to the local transportation boards in Johannesburg, Pretoria and Durban, and then to the National Transport Commission, and been approved, negotiations over government subsidies begin. We cannot, therefore, say how much the actual increases will be."

WITWATERSRAND

The application comes just a month after Pulco increased its fares by an average of 7.5 percent on the Witwatersrand for the first time since May 1979.

Last month's increase came after several months of negotiation and covered increased expenses incurred during 1979 only, particularly the massive fuel rise during that year.

To recover higher costs for the subsequent two years and to make up for an 85 percent government subsidy which fell away on July 6 — the date the new fares were implemented — the company said at the time that much bigger increases would be necessary before the end of 1981.

Wholesale-price rises slow

By PAT SIDLEY

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4/8/81
Jlu

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under which the operator

THE wholesale-price index rose by 13.9% in the year to June, showing a decrease on the May year-on-year figure of 14.2%

The monthly rate for June rose 0.98% and the May increase was 0.76%

This is the first time for well over a year that the 12-month figure has dropped below 14%, and this follows the pattern of the consumer-price index

The CPI increase has slowed for the past three months

Since the beginning of the year wholesale prices have been rising by less than the latest annual rate of 13.9%, suggesting that the level for 1981 as a whole could slow considerably further

But the figures for the first half of 1981 may have been influenced by the delayed announcement of rises in administered prices, like steel and fuel, which have yet to be reflected in the WPI index. More administered rises are expected in the second half of the year

In January the index rose 0.3%, February 1.3% and in March it slowed to 0.1%

SA-produced commodities have contributed largely to the increases over the past few months. They rose steadily from 206.0 in March to 211.9 in June

Imported goods rose less steeply — 219.2 in March, 219.3 in April, 222.3 in May and 223 in June

This probably still reflects the strong Rand of last year. Its weaker position in the first half of 1981 will probably reflect on the index in the second half of the year

the need for continual
has to work are far from
Often a great deal of m

INCREASE CAPACITY	8.2.2
1	Maintain a constant rate of production.
2	Co-ordinate the materials handling system with the production processes.
3	Revise the plant layout to allow for a:
(a)	stances.
(b)	tion.
(c)	f materials handling personnel.
4	An ing
5	Carefu
6	Suitab
7	Speed
8	A red
9	The el

Much of the costs associated with materials handling arise from short interrupted production runs requiring frequent loading of jobs to the shop and their eventual collection for dispatch. Many of these costs may be reduced by paying careful attention to the following:

6	Reduce the amount of paper work associated with the handling and recording of material movement to the minimum necessary for the effective control of the materials.
7	Through realistic scheduling and timely loading production control can reduce the total amount of material in the system at any one given time.
8	Improve security and control procedures to reduce pilferage and losses.
9	Lower inventory and production control costs.

FARE INCREASE ~~242~~ **244**
Putco applies for a 35% revenue in-
crease on all its bus services, only a
month after its fares were increased
7,5% on the Witwatersrand for the first
time since May 1979 Putco financial
executive J L Coetzee says a fare in-
crease is necessary to cover rising
costs **FM 7/8/81**

CONSUMER PRICES (2114)

Looking back
FM 7/8/81

If for some perverse reason you wish to incur a serious bout of indigestion at breakfast time consider this. That boiled egg you are now cracking costs nearly 70% more than it did five years ago, and the salt you're sprinkling over it is over 56% more expensive than it was in 1976.

The toast you are buttering is no less than 76.4% more costly than it was five years ago, while the instant coffee has gone up by 70%, and the milk by 42%.

According to Department of Statistics records, the increase in food prices since 1976 has outstripped that of almost all other commodities. The food component of the consumer price index (1975 equals 100) increased by almost 70%, from 107.1 in 1976 to 181.6 last year. This compares with an overall cpi increase for the five years of 57.6% — from 111.2 in 1976 to 175.3 in 1980.

Another record rise was in the petrol price which rose by 125% from 23.8c a litre five years ago to 54c a litre in 1980.

Other components of the cpi have gone up by less than the overall inflation rate. The price of housing, for example, went up 41.9% between 1976 and 1980, while furniture and equipment prices went up 42.3%, clothing and footwear 40.9% and transport 41.5%.

This is not to say that there have not been enormous increases in the price of individual commodities. The average refrigerator cost 54.3% more in 1980 than it did in 1976, while a bus coupon costs 69.5% more.

There are, however, a few commodities which have risen very little in price compared with the overall inflation rate. This applies especially in fields where technological development has brought down costs — for example, in the manufacture of nylon pantihose and transistor radios whose average prices have risen by 12% and 20.6% respectively.

The table shows increases in the prices of a selection of consumer goods over the past five years.

	PRICE SPIRAL					% increase over 5 years
	1976	1977	1978	1979	1980	
White bread	0.17	0.20	0.26	0.26	0.30	76.4
Beef — grade 1 sirloin (kg)	2.14	2.19	2.30	2.54	3.43	60.2
Fresh milk delivered (litre)	0.26	0.30	0.30	0.34	0.37	42.3
White sugar (2.5 kg)	0.43	0.65	0.86	0.99	1.11	158.1
Instant coffee (250 g)	0.78	1.21	1.38	1.23	1.34	69.6
Lounge suite-3-piece	376.34	388.81	417.47	382.51	453.86	20.5
Portable transistor radio	55.60	54.26	62.81	65.35	67.07	20.6
Refrigerator	304.74	341.38	387.53	432.49	470.32	54.3
Nylon pantihose	0.58	0.57	0.62	0.58	0.65	12.0
Two piece men's suit — wool	85.72	88.34	93.54	96.58	109.35	27.5
Bus coupons — per km	2.3	2.9	3.3	3.6	3.9	69.5
Petrol (Witwatersrand 93 octane)	0.23	0.28	0.30	0.54	0.54	125.0
Whisky (750 ml)	5.36	5.87	6.42	6.94	7.63	42.3
Beer — SA Lager (340 ml)	0.30	0.34	0.36	0.38	0.40	33.3
Cigarettes — packet of 30	0.53	0.60	0.66	0.70	0.71	39.6
Visit to the doctor (GP)	4.00	4.40	4.40	6.60	6.60	65.0
Cinema ticket	1.21	1.77	2.20	2.59	2.74	126.4

12-18 (Continued)

EXHIBIT A
Solution to Requirement of Problem 12-18.

Meat Board. offal
21 Mr P A MYBURGH asked the
Minister of Agriculture and Fisheries.

- (1) (a) At what stage and (b) for what reasons did the sale of offal come under the control of the Meat Board;
- (2) whether there was an adjustment in the price of offal when the Meat Board took over control, if so, what was the price (a) before and (b) after the take-over?

The DEPUTY MINISTER OF AGRICULTURE AND FISHERIES:

(1) (a) 1 September 1950

From Table 4, Appendix B

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FRIDAY, 7 A

(b) The Directorate of Meat Supplies was instituted as a war measure to ensure the even distribution of meat. At the dissolution of the Directorate its functions were transferred to the Meat Board.

(2) No

(a) and (b) Fall away

Total Present Value
\$ 49,765
5,000
(44,000)
<u>(1,342)</u>
<u>\$ 9,423</u>

SKETCH OF CASH FLOWS

Year	Cash Flow
0	\$ 18,500
1	\$ 18,500
2	\$ 18,500
3	\$ 18,500
4	\$ 18,500
	\$ 2,600

Big bread price rise slices the loaf sales

If we assume c

simplifies to:

$$P_o = \frac{D_I}{k-g}$$

Where ;

D_I = the dividend

Problems

The accuracy of

the variables

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the scope of this seminar for me to go into partial

differentiation models and the like. At any rate all

models rely on some type of subjective evaluation.

By GERALD REILLY

BREAD sales have dropped dramatically in some urban areas following the recent huge price increase, according to wheat board sources

Last month the price of white bread was raised by 11c to 42c a loaf and brown and wholewheat bread from 21c to 30c

If the present trend continues bread consumption over the next 12 months could drop by as much as 300-million loaves from the normal sales pattern of about 1 500-million loaves

The big drop in sales has been mostly in the urban areas. In some it has been as much as 23%, according to a wheat board source

Pretoria bakers say their sales are down by between 7% and 9%

The consumer resistance to the price has been far greater this time round than after after previous bread price increases, it was stated

Blacks are by far the biggest bread eaters. But, economists point out, with most of them there is a limit to what they can spend on food. Beyond this limit they have to cut down on quantities purchased

No breakfast *from 15/6/61*

This year their basic costs had been loaded with increases in the prices of all essential foods — dairy products, sugar, mealie meal and others

According to a recent survey by the West Rand Administration Board to determine the demand for electricity in Soweto, 79% of Sowetans did not eat breakfast

Mr. Eugene Roelofse, an ombudsman, said some Sowetans got up too late and had to rush to work, others ate something at work — "but the majority just cannot afford to have breakfast. That is the tragic reality of our lop-sided society"

He criticised the Government for exporting maize at a huge loss and for giving the Maize Board a handout of R71-million to subsidise the dumping of maize on foreign markets

He said the extent of hunger and undernutrition in urban 'black' townships should be the subject of an urgent, high level investigation

Meanwhile, the Wheat Board is spending nearly R60-million on importing 285 000 tons of wheat from the United States to supplement one of South Africa's smallest ever wheat crops — 1,38-million tons

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the cause of a tremendous amount of Supreme Court litigation in the nineteenth century.⁶⁹ The first leadership dispute came to the fore in 1836,⁷⁰ about the same time when participation in local government was given serious consideration. It was never resolved and pre-occupied most of the community's energy thereafter. This is possibly why the Muslims never participated in local government in the early years when participation became possible.

From Representative Government to the Cape Malay Association

After the promulgation of Ordinance 3 of 1839, the demands of the whites in Cape Town and the British settlers in the Eastern Cape for elected representatives in a central parliament, gathered momentum. Since 1834, legislative power had been vested in the Cape Legislative Council. This body was composed of wholly nominated members, five senior officials and five to seven private persons nominated by the Governor.

The idea of representative institutions was not considered tenable by the British Government in 1842. The fear was expressed that it might lead when the Colonial Legislative Institution no political colour index will be reviewed when the results of the survey of household expenditure to be conducted during 1985, become available. The policy of reviewing the index at ten-yearly intervals was approved by the statistics advisory council in view of the cost of revision and the minor gains in accuracy resulting from more frequent revisions.

Several constitutions. WEDNESDAY.

and considered by the Cape Legislative an issue. The issue franchise and member Legislative Council This was rejected by it would "leave the of intelligence are power, practically of the British Government, without distinction bond of loyalty and be attained if political

the Cape Legislative an issue. The issue franchise and member Legislative Council This was rejected by it would "leave the of intelligence are power, practically of the British Government, without distinction bond of loyalty and be attained if political

Whether any further consideration has been given to reviewing the composition of the consumer price index, if so, what is being envisaged in this regard? The MINISTER OF EDUCATION AND TRAINING (for the Minister of Statistics) The composition of the consumer price index will be reviewed when the results of the survey of household expenditure to be conducted during 1985, become available. The policy of reviewing the index at ten-yearly intervals was approved by the statistics advisory council in view of the cost of revision and the minor gains in accuracy resulting from more frequent revisions.

Consumer price index 244
13 Mr H H SCHWARZ asked the Minister of Statistics
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Stellenbosch sees confidence ebbing

Rising prices

signal gloom

RDM 21/8/81 244

By HAROLD FRIDJHON

CONSUMER confidence is very much on the wane.

There is a tinge of pessimism about prospects for the next 12 months, according to the consumer survey report edited by Mr Attie de Vries and produced by the Stellenbosch University's Bureau for Economic Research (BER)

With this deterioration in consumer attitudes, it is not surprising that businessmen, after having experienced a good first half of this year, expect a slowdown from this quarter onwards

This is especially noticeable among motor traders. Most retailers of consumer goods are still optimistic about the immediate outlook, but some retailers take a gloomy view

One reason for this contrary outlook is the "near universal" expectation that not only will prices rise, but that the rate of increase in prices will accelerate

Private consumption expen-

POINTS from the BER report:

- Afrikaans-speaking people are less pessimistic about future prospects for the economy than English-speakers. While Afrikaans respondents to the survey recorded a confidence index which dropped from 127,5 to 103, the index for English-speakers dropped from 129,3 to 98,8.

- The confidence of the high-income group dropped from 138,5 a year ago to 104; that of the middle-income group fell from 127,5 to 99,5 and the lower-income group's confidence fell from 116,7 to 96,8.

- The gloomiest province is the Transvaal where the confidence factor dropped to a level which touches on pessimism. Then came the Cape, followed by Natal and the Free State with identical levels of relative optimism

diture recorded its biggest net increase in the third quarter of last year and since then the rate of increase has slackened, according to figures in the Reserve Bank's Quarterly Bulletin

These figures indicate a marked slowdown in the rate of increase in the buying of durable goods. Semi-durables did not lose as much ground. But non-durables did

Mr De Vries expects an even more pronounced levelling off in demand during this quarter

In trying to assess the prospects for private consumption expenditure for the rest of this year, these factors must be taken into account

- Personal disposable income will probably rise at a faster pace than in 1981 because of wage and salary increases resulting from the severe shortage of skilled workers. Pressure for higher pay will also come from other sectors of the labour market to offset inflation — particularly of food prices

- During 1980 private consumption expenditure increased at a faster pace than personal disposable income did. This indicates some "dis-saving" and a sharp rise in the use of consumer credit which has now become scarcer and more expensive, a negative influence on

durable goods spending

- Personal finances are now much tighter with the savings ratio low after last year's spending spree. Before consumers will be able to go on another spending spree they will have to repay their debts and then they will certainly want to replenish their savings

- Consumers have, on average, reached their desired level — as circumscribed by their income — of consumer goods, such as cars and household appliances

- The high rate of inflation must have a negative influence on consumers' ability and willingness to buy certain products

- Apart from the ability to spend, consumer willingness to do so must also be taken into account. The sharp deterioration of optimism among consumers, suggests a levelling off in spending on durables in the months to come

Mr De Vries sums up "Spending on durables and to a lesser extent semi-durables is likely to level off quite sharply in the second half of 1981"

"In the case of durables, an absolute decline in real spending can be expected towards the end of this year. Although total consumer spending will also show a trend towards slowing down, that on non-durables and services may continue to increase at a relatively healthy rate"

Since November last year, consumer confidence — the view of economic conditions in the year ahead — has dropped from an index number of 139,1 to the negative rate of 83,3. The numbers for the last four quarters show a steady decline.

The BER survey says that the downturn in confidence is reaching a point which had previously been reached at the nadir of the previous recession. Consumers' report that their financial position has deteriorated to a point reflecting fairly tight finances, with the index the lowest since the fourth quarter of 1979

Consumers believe that now is the right time to save, indications are that most of them will not be able to save in the next quarter

Consumers hit by huge living cost increases

EBM 22/8/81

244

By GERALD REILLY

THE "SHATTERING" increase of 2,3% in the Consumer Price Index in July indicated South Africa was in the grip of an accelerated phase of inflation, economists said yesterday.

They pointed out that the increase for July, released in Pretoria yesterday by the Department of Statistics, reflected an annual rate of 28%.

The huge July increase was due mainly to a rash of post-election, Government-administered price rises.

It is the biggest monthly increase since the fuel price was raised by 15c a litre in July, 1979.

And still in the inflation pipeline is the 33% increase in the bread price — which will add another 0,5% to inflation — and the expected further increase in the fresh milk price of 3c or 4c a litre.

Shattering

The PFP's financial spokesman, Mr Harry Schwarz, said: "It's a shattering increase. It makes nonsense of the Minister of Finance's statement during his Budget speech that the tendency was for inflation to decrease."

Mr Schwarz said the "vote now, pay later" slogan during the election is coming home to roost.

The Prime Minister's economic advisory council had warned the Minister that to bring down the inflation rate would be his number one priority.

However it was apparent that no effective action had been taken.

Barclays Bank's chief economist, Dr Johan Cloete, said the full force of the post-election Government-administered price rises had hit the economy.

"We are caught up in a phase of accelerating inflation, and it will be a long uphill battle next year to get the rate back to anywhere close to 12%, he said.

Ice-cream price
goes up

Consumer Reporter

Ice cream prices have
been increased by between
7 and 15 percent

Ice cream manufactur
ers said the increase was
due to higher milk, butter
and sugar prices, increased
petrol and packaging costs
and higher wages

UNIVERSITY OF CAPE TOWN
DEPARTMENT OF ACCOUNTING

TAXATION AND ESTATE DUTY II - 1981

COURSE OUTLINE/READING LIST - 3rd & 4th QUARTER

LECTURE DATE	LECTURE NO. TOPIC	THE INCOME TAX ACT	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
31 August	20 Tax Planning for Asset Acquisitions - leasehold improvements - lease or buy decisions - leverage leasing	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

Doctors' fees go up next week

By ADA STUIJT

DOCTORS' fees will rise 9,9% and private hospital tariffs by 10% next Tuesday, according to a spokesman for the Department of Health, Welfare and Pensions

But provincial hospital tariffs will remain unchanged

Fees in general wards of private hospitals with more than 70 beds will rise from R31,50 to R34,50 per day

And in-patient theatre fees will now be R58,50 - from R52,70 - for the first 15 minutes of an operation, and R91,50 for a one-hour operation.

Out-patients will pay R22,50 for the first 15 minutes and R11,50 for every subsequent 15 minutes the operation continues

The Minister of Health, Dr L A P A Munnik, approved the increase for doctors at the beginning of July after a recommendation by the South African Medical and Dental Council

Spokesmen for medical aid schemes said the rise might necessitate a review of members' subscriptions

Doctors' fees were last raised - by 52% - in November 1979

VACATION - 5 SEP

14 September	21 Tax Planning for Business Acquisitions - partnerships and joint ventures (briefly) - acquiring assets and liabilities - acquiring shares - interest payable on acquisition	ss.11(a), (c) 22, 22A, 24A
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21 September

REVISION

T.1424, T.1425
T.1431, T.1432
T.1525, 14.5
16.7, 16.9

EXAMINATION - OCTOBER 1981

N.B. THE TUTORIALS REFER TO 'QUESTIONS ON S.A. INCOME TAX 1980' AND THE SOLUTIONS ARE PREPARED ON THE BASIS THAT THE QUESTIONS ARE UPDATED BY ONE YEAR.

FM 28/8/51
CONSUMER PRICES

Short-lived respite

It looks like the inflation "holiday" of the past few months may have ended. With the consumer price index soaring by 2.3% for the month of July to bring the year-on-year rate of increase back to 15.5%, the recent inflation respite looks as if it may have been temporary.

The 12-month inflation rate had fallen from a March peak of 16.2% to 15.5% in April, 15% in May and 14.5% in June.

Monthly rates of increase of the cpi for first half of the year gave an annualised inflation rate of 10.6%. But that figure now stands at 18% for the seven months ended July, and predictions that the inflation rate for this year will rise to between 15% and 17% begin to look convincing.

The effects of the August 1 bread price rise — with brown bread rising by 40% and white bread by 33% — and the Budget increases in the prices of alcohol, cigarettes and other "less-essential" items are not reflected in the July cpi figures. But they should contribute to further rises in the inflation rate over the next few months. However, July's 11% petrol price rise and 12% steel price increase no doubt boosted significantly that month's cpi increase.

Department of Statistics' figures indi-

cate that rising housing costs were the biggest factor in the July cpi increase, accounting for 1.2% of the 2.3% monthly rise. They rose by 15.6% over the year ended July, but soared by 7.2% during that month. Another enormous monthly increase was in the prices of cigarettes, cigars and tobacco, which went up 6.2% in July. And food inflation is still running way ahead of the inflation rate at 22.5% for the year ended July. This component

of the cpi has fallen over the last few months, from peaks of 30% in February and 29.9% in March, but remains at an undesirably high level.

An interesting point about the July cpi figures is that inflation rates for the middle and upper income groups have risen while that for the lower income group has fallen slightly. The slowing rate of food inflation probably contributed to the decrease in the cpi rate of increase for

the lower income group, while rocketing housing costs raised inflation rates for the middle and upper income groups. However, the lower income group, which can least afford it, continues to bear the brunt of inflation, with a group annual rate of 17.2% against 15.2% for the higher income category.

GENERAL NEWS

Farming Correspondent

Export quality oranges and grapefruit have been diverted to the local market to prevent a steep rise in consumer prices.

In his mid-season report the general manager of the Citrus Exchange, Dr Cameron Maconie, said in Pretoria yesterday the local market was still of prime importance

As many as 400 000 cartons of grapefruit and 2-million cartons of Valencia oranges had been withheld from the export market to ensure adequate

Export citrus in SA shops

supplies of oranges and grapefruit to the South African consumer.

Total domestic marketing was 14-million cartons, of which 30 percent, was sold as fresh fruit. The rest was processed to pro-

duce juice and canned products.

The Citrus Board, of which the Citrus Exchange is the executive arm, had no power to fix prices. But after increased local marketing to satisfy rising local demand, the overall average wholesale price was now 170c for a pocket of 10 kg

Last year it had been 158c and in 1979 135c. These price rises were lower than the inflation rate. Production costs had risen much more but farmers had looked to the export market for compensation.

28/8/81

SA

shops

244

Association was its first ever conference held in the Cape Town City Hall in June, 1925. This study will attempt to place this Conference, hailed by the Cape Times as "the first Muslim Conference in South Africa",¹⁸ in its historical perspective.

The Cape Muslims and the Cape Political Milieu

a) From Company Rule to Ordinance 50

No strong colour prejudices existed with the early white settlers,¹⁹ nor was a strong colour bar evident.²⁰ The first two marriages at the Cape were between manumitted slave women and white colonists.²¹ Then there was also the famous marriage of Pieter van Meerhoff and the Khoi woman, Eva.²² The first school at the Cape had a definite multi-racial character²³ and even land grants to free blacks were made adjacent to land of whites.²⁴

Year	(a)(i)(aa)		(a)(i)(bb)		
	R	Brown bread R	Whole-wheat bread R	Compound bread R	
1977/78	3 938 113	39 975 004	2 950 384	1 439 133	
1978/79	7 557 902	76 190 989	3 935 201	1 682 844	
1979/80	24 930 302	127 479 455	5 569 657	2 301 077	
1977/78	(a)(ii)(aa) R	(a)(ii)(bb) R	Republic		
	131 915	48 543	Transkei, Bophuthatswana and Venda		
1978/79	1 843 835	1 280	Republic		
	None	None	Transkei, Bophuthatswana and Venda		
1979/80	4 668 296	941	Republic		
	3 771 237	571 765	Transkei, Bophuthatswana and Venda		
	10 888 657	1 992			
1977/78	(b)(i) (Million)	(b)(ii) (Million)			
1978/79	492,1	590,1			
1979/80	373,4	891,3			
	387,5	1 021,5			

The MINISTER OF AGRICULTURE AND FISHERIES

127 Mr K M ANDREW
Minister of Agriculture and Fisheries

(a) What amount was paid in subsidies on (i) (aa) white and (bb) brown bread and (ii) (aa) brown bread and (bb) whole-wheat meal and (b) how many loaves of (i) white and (ii) brown bread were subsidized, during each of the latest specified three years for which figures are available?

ad of Islam at the Cape, becomes very history of Cape Town. When Jan van - 28 -
asted for Mardjcker - free Muslim servants -
his request was met with the re-issue of
Bread
ate reads. "No one shall trouble the
by the Batavian Governor, John

Rent riots warning if increases now

1/9/81
21/9/81

TRANSVAAL'S most powerful business organisations were yesterday strongly warned of unrest in Greater Soweto if the Government accepted their recommendation that rents be increased by R20 a month.

This is the result of a memorandum from the Johannesburg Chamber of Commerce, the Sakekamei and the Transvaal Chamber of Industries to the Ministers of Finance and Co-Operation and Development.

But the memorandum warns Mr Owen Horwood and Dr Piet Koornhof against imposing the total rent increase now because of the dangers of serious disturbances doing 'enormous damage' not only to

Soweto but to the economy of South Africa.

On the other hand according to some labour sources it appears the business community is ready to offer blacks a deal by creating a climate for higher wages in return for higher rentals.

These business organisations will create problems, retorted Mr Sam Kikine, secretary of the South African Allied Workers (SAAW), 'there will be riots and strikes because of these increased rentals.'

Mr Kikine also argued

that as long as employers do not pay black workers on the rate-for-the-job basis, rents and other living expenses will always be a problem. Most of our people are earning slave wages. How then can they be speaking of increased rents?

simplicity, the range is widely used as a measure of scatter. There are, however, major snags to its general use:

1. It only uses a portion of the information contained in the observations, since the range would remain the same whatever change were made in the observations lying between the highest and lowest.

2. It depends on the number of observations in the sample. In general, the range increases as the sample size increases. This can be seen to be the case if the test voltages are examined:

The range of the first two observations is	10,3 - 9,9	= 0,4 volts
The range of the first four observations is	10,3 - 9,6	= 0,7 volts
The range of the first eight observations is	10,3 - 9,5	= 0,8 volts

2 Standard Deviation

It would seem desirable to obtain a measure of scatter (or variability) which was free from these two disadvantages. Any such measure must take all the observations into account, dealing particularly with the 'dispersion' of the observations from the 'central' value. The standard deviation is one such measure which deals with deviations from the average. For example, consider the first five (5) voltages:

OBSERVATION (X)	DEVIATION (X- \bar{X})	(X- \bar{X}) ²
10,3	+ 0,3	0,09
9,9	- 0,1	0,01
10,1	+ 0,1	0,01
9,6	- 0,4	0,16
10,1	+ 0,1	0,01
<hr/> Average (\bar{X}) 10,0	<hr/> Total = 0	<hr/> Total = 0,28

Farmers are fighting millers price rise

Star 3/9/81 (Banyo) (204) (KRW)

Farming Correspondent

Maize farmers are fighting the mills to keep down the consumer price of maize meal

Allegations that millers were trying to set up a cartel to increase meal prices worry farmers as much as consumer bodies. The price of maize grain is controlled but the price of maize meal is left to the mills and the trade

After this year's record crop, farmers must carry a loss of about R300-million on exported maize

Any rise in maize meal prices would reduce domestic consumption, further increasing the export surplus as well as the export loss

According to the mills, meal sales since April are running at a level 6 percent lower than last year. Farmers feel that they cannot afford to lose any more of their home market

It was reported that a comprehensive agreement between millers to stick to prices "recommended" by the Maize Millers' Associa-

tion was ready to be signed. Consumer bodies feared this would lead to high maize meal prices

The president of the MMA, Mr I J Rutowitz, confirmed that such an agreement was being prepared.

He said the price situation in the maize meal trade was chaotic. Lower sales volume was causing overcapacity and mills were undercutting each other to grab every bit of business they could get

If this situation was not ended, the whole milling

industry would run at a loss

The director of the Consumer Council, Mr Jan Cronje, said that competition among millers was exactly what the consumer wanted. If it became clear that millers were to restrict competition, his council would take steps against it and if necessary would ask that the matter be raised with the Competition Board.

Farmer reaction was fierce. Farmers did not expect much from the Competition Board but they served notice of their intention to block any move to rig the maize meal market.

Dr Kit le Clus, deputy director of the National Maize Producer's Organisation, said that any millers' cartel would be fought tooth and nail. He would urgently study a copy of the agreement and if cartel plans were to be taken further, Namso might ask the Maize Board to reimpose price control of maize meal

Up to about 10 years ago maize control had been as complete as wheat control and included sales of maize products down to the consumer. Then the control over maize products had been lifted with the understanding that the mills and the trade would maintain healthy competition

The millers' cartel agreement would now change the situation

On education, general dissatisfaction was expressed with the way in which the Provincial Council administered education and a call was made to bring education under the control of Parliament. The resolution also favoured compulsory education for all children, regardless of race, and the introduction of night schools.¹⁴⁴

For the rest, such welfare issues as free railway tickets for Imams, representation on juries in cases involving Muslims, old age pensions, equal treatment for coloured and white prisoners, representation on juvenile boards and the Cape Muslims' appreciation for Mr Treiman Roos conceding the waiving of autopsies on Muslims, were discussed.¹⁴⁵ The issues give an idea of the social milieu in which the Cape Muslims functioned and also provide an indication of the socio-educational-religious concerns of the Cape Malay Association, placing it in the category of a sophisticated welfare organisation rather than a political body.

What must be remembered is that the Cape Malay Association had to contend with a changing socio-religious milieu. The Association itself was an agent for change in this regard. It was the first time in the history of the Cape Muslims that females were allowed to deliberate with males in a common association. This was not appreciated by the conservative elements in the Cape Muslim community. It caused Mona de Vries, secretary of the Moslem Women's Association, to write: "This is the first time in the history of

our community that a woman social and political times, well, I fear for resolution calling on the compel Muslim women to Association scorn from cal left. However, it is socio-religious milieu gamiet to jump on the p Nevertheless, despite the Association, the first conference put it in the newspapers. Both the Cape questioned the Cape Muslim

18/9/81
Sta 1/9/81

Rice joins price rises

Consumer Reporter 244

Honey, rice and methylated spirits are the latest products to be subject to price increases

A major honey supplier in the Western Cape put up prices 25 percent this week. A 450 ml jar which previously cost 99c will now cost R1,25.

The price of methylated spirits has been increased for the second time in two months. In August the price went up from 88c to 88c for 750 ml and today it went up to 95c.

Rice has also become more expensive because it is imported and the rand has dropped in relation to the dollar.

and along with our menfolk this is a sign of the It was Mrs Gamiet's introduce legislation to ch earned for the ive right and the radi- ce with the changing plicity caused Arshud of the Cape Malay of its first-ever from the opposition Cape Argus seriously with the fact

KENNISGEWING 681 VAN 1981
DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Julie 1981 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks
	Basis 1975 = 100
1 Kaapstad	197,8
2 Port Elizabeth	198,3
3 Oos-Londen	198,4
4 Kimberley	197,9
5 Pietermaritzburg	200,9
6 Durban	203,1
7 Pretoria	201,2
8 Witwatersrand	209,6
9 Klerksdorp	201,8
10 Vaaldriehoek	208,9
11 O V S -goudvelde	212,9
12 Bloemfontein	200,2
Beswaarde gemiddelde van 12 gebiede	204,6

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

(4 September 1981)

KENNISGEWING 682 VAN 1981
DEPARTEMENT VAN GESONDHEID, WELSYN EN PENSIOENE

WET OP VOEDINGSMIDDELS, SKOONHEIDSMIDDELS EN ONTSMETTINGSMIDDELS, 1972 (WET 54 VAN 1972)

REGULASIE —KORING EN ROGPRODUKTE—
VOORGESTELDE WYSIGING

Die Minister van Gesondheid, Welsyn en Pensioene is voornemens om kragtens die bevoegdheid hom verleen by artikel 15 (1) (b) (i) van die Wet op Voedingmiddels, Skoonheidsmiddels en Ontsmettingsmiddels, 1972 (Wet 54 van 1972), subregulasie (2) (d) van die regulasie gepubliseer by Goewermentskennisgewing R.1655 van 14 September 1973 te wysig deur—

(a) die weglating van die item "gesuksmileerde gedistilleerde monoglyseriede" van kolom I, en

NOTICE 681 OF 1981

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for July 1981 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index
	Base 1975 = 100
1 Cape Town	197,8
2 Port Elizabeth	198,3
3 East London	198,4
4 Kimberley	197,9
5 Pietermaritzburg	200,9
6 Durban	203,1
7 Pretoria	201,2
8 Witwatersrand	209,6
9 Klerksdorp	201,8
10 Vaal Triangle	208,9
11 O F S Goldfields	212,9
12 Bloemfontein	200,2
Weighted average of the 12 areas	204,6

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

(4 September 1981)

NOTICE 682 OF 1981

DEPARTMENT OF HEALTH, WELFARE AND PENSIONS

FOODSTUFFS, COSMETICS AND DISINFECTANTS ACT, 1972 (ACT 54 OF 1972)

REGULATION —WHEATEN AND RYE PRODUCTS—
PROPOSED AMENDMENT

The Minister of Health, Welfare and Pensions, by virtue of the powers vested in him by section 15 (1) (b) (i) of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972), intends to amend subregulation (2) (d) of the regulation published under Government Notice R. 1655 of 14 September 1973 by—

(a) the deletion of the item "Succinylated distilled monoglycerides" from column I; and

Higher black wages — more is spent on food

FOOD, although traditionally considered more inelastic, is certainly affected by changes in economic conditions for South Africa's lower income groups.

Food is a special case for black people almost everywhere in a developing country on food. The food purchase is generally more nutritious and more varied than in the developed countries, with more poor people cannot afford.

For this reason most food companies expect a year of steady growth reflecting a real growth rate of not more than 5% in contrast to the 10% of 1980.

The 1981 budget change from first generation food such as bread and maize meal to third generation foods like chicken, eggs and rice.

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Ratio	1976	1977	1978	1979	1980	1981
Current Ratio	1.42	1.35	1.54	1.29	1.64	1.41
Fixed Assets Turnover (Sales - net fixed assets / average net fixed assets)	0.61	0.91	0.70	0.80	0.94	0.74
Interest bearing debt to directors	4.3	8.8	5.2	3.8	6.4	4.6
Net Profit (Total) / Total Assets	6.2	7.7	8.7	8.1	9.3	10.2
Net Profit (Total) / Total Assets	0.012	1.41	1.52	1.01	1.25	1.33
Net Profit (Total) / Total Assets	0.11	0.46	0.61	0.15	0.11	0.20
Net Profit (Total) / Total Assets	9.2	1.55	1.14	1.1	1.88	4.02
Net Profit (Total) / Total Assets	21.4	16.3	11.4	12.8	16.4	16.88
Net Profit (Total) / Total Assets	22.7	19.7	14.2	12.8	14.8	18.48
Net Profit (Total) / Total Assets	26.1	7.9	22.2	12.7	19.2	23.8
Net Profit (Total) / Total Assets	116.7	116.9	111.9	46.3	203.5	266.6
Net Profit (Total) / Total Assets	36.0	34.0	18.0	1.0	44.0	51.0
Net Profit (Total) / Total Assets	37.2	43.5	35.0	49.5	34.5	22.0
Net Profit (Total) / Total Assets	31	29.15	16.18	23.8	21.64	19.12

ANNENMABE MOLENO

Prices of 14% was accompanied by an approximate 19% increase in food prices.

During 1980 red meat prices rose by over 57%, beef by 87%, mutton by 59%, lamb by 57% and pork by 27%.

The fact that the meat price had been kept artificially low for six years has not improved matters.

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tion chain, starting with cattle farming and ending with meat, meat products and leather goods.

Rationalisation and modernisation benefits are predicted in spite of the phenomenal inflation rate and high production costs.

Kanhyam achieved a 3% compound growth rate

over the four years to September 30 1979, and Karoo 22.5% for the four years to June 30 1979.

In the case of Kanhyam, record sales for 1980 have raised growth rates to 45.9% compounded (using a weighted number of shares) to calculate earnings per share.

Bearing in mind that the benefits of rationalisation are yet to be felt, and given the excellent results to date, growth can only continue in the long run.

Nevertheless, Kanhyam's exceptional growth (projected at 56% for 1981) must be attributed to its dominant position in the meat industry at a time of sharply rising prices.

Acquisition of a controlling interest in the Karoo Meat Exchange and the merger of Kanhyam, Karoo and Askor's meat interests have created a vertically integrated produc-

tion chain, starting with cattle farming and ending with meat, meat products and leather goods.

Rationalisation and modernisation benefits are predicted in spite of the phenomenal inflation rate and high production costs.

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overseas group with well-researched and established brands and high quality products mainly aimed at the upper end of the market — enabling it to benefit particularly well from the latest period of prosperity and relatively high discretionary levels.

Above-average management and a commanding position in the market in (Kanhyam's) to reduce turnover in real terms, while earnings per share rose at a compound rate of growth of 35.4% over a low-year period.

Given the high rate of inflation the 4.9% compound rate of growth in turnover amounts to a significant decrease in sales.

New investment was lower in 1980 compared with other companies analysed while its net profit margin at 9.7% was 2.4 times greater than Jager's.

A guideline as to what percentage of earnings is spent on research and development, innovation and staff-training schemes would be helpful in assessing future performance.

All the companies analysed draw attention to the problem of obtaining skilled manpower, and the importance of shouldering responsibility for a huge investment in training its staff.

It is clear that the staff black staff in particular is clearly split out in the Jager Oats annual report by the outgoing chairman, Mr R. I. Raphael.

He says that "the Republic's economic future, and accordingly the well-being of all its inhabitants will primarily depend on the success of the continuing efforts being made to improve the productivity of the indigenous population, especially that of the blacks."

The duty of tackling this most formidable task now rests squarely on the shoulders of the private sector.

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Industry lags 12 to 18 months behind economy

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Year	1976	1977	1978	1979	1980	1981
Food	100	63	76	68	121	87
Meat	100	212	112	108	173	226
Other	100	117	122	128	155	216
Industry	100	111	122	128	155	216
Meat	100	111	122	128	155	216
Other	100	111	122	128	155	216
Industry	100	111	122	128	155	216
Meat	100	111	122	128	155	216
Other	100	111	122	128	155	216
Industry	100	111	122	128	155	216

Year	1976	1977	1978	1979	1980	1981
Food	100	117	123	224	316	126
Meat	100	80	116	139	177	161
Other	100	33	100	137	147	223
Industry	100	114	171	228	47	16.12
Meat	100	116	177	204	231	301
Other	100	113	117	127	151	218
Industry	100	114	131	154	191	209
Meat	100	113	126	143	180	15.72
Other	100	113	126	143	180	15.72
Industry	100	113	126	143	180	15.72

Industry lags 12 to 18 months behind economy

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EDM 9/9/81
Price of
~~231,000~~ 244
wheat is
up 11,8%

By HELEN ZILLE

THE producer price of wheat will increase by 11,8% on October 1, the Minister of Agriculture, Mr P du Plessis, announced in Cape Town last night. Mr Du Plessis said the basic producer price of "class A one" wheat had been fixed at R241,40 a ton.

Mr Du Plessis also said a shortage of about 260 000 tons was expected in the coming season.

The Opposition spokesman on agriculture, Mr P Myburgh, said the Government had created a situation in which producers would barely cover their costs while the consumer would have to pay through the neck.

(244)
CT 9/9/8

Wheat price to rise 11 percent

Political Staff

THE producer price of wheat will increase by 11,8 percent on October 1, the Minister of Agriculture, Mr Pietie du Plessis, announced last night

In a statement, Mr Du Plessis said the basic producer price of "class A1" wheat had been fixed at R241,40 a ton for the new season starting on October 1. This is 11,8 percent higher than the price of R215 a ton set last year

Mr Du Plessis also announced that a shortage of approximately 260 000 tons of wheat was expected during the coming season, after allowance for the normal buffer stocks

The 11,8 percent increase was described as "surprise" by Mr Philip Myburgh, Opposition spokesman on agriculture, because it was considerably lower than the recent 40 percent increase in the price of brown bread and the 33 percent increase in the price of white

Mr Myburgh said he feared the price of bread would be increased again during the current financial year unless the government was pre-

pared to increase the R160-million subsidy on bread allocated in this year's budget

"The government has created a situation in which the producers will barely cover their production costs while the consumer will have to pay through his neck for bread. The only answer to this situation is a considerable increase in the bread subsidy, which is the kind of action expected by every civilized society," Mr Myburgh said

The "dramatic increase" in the bread price was clearly due to factors other than the wheat price increase. The causes of the bread price increase could be laid at the door of government policy including

- The restriction on the issuing of bakers' licences,
- the insistence on applying general sales tax to bread,
- taxes on diesel fuel for agricultural purposes,
- the high cost of tractors and other agricultural equipment which, in South Africa were among the "highest in the world"

(Report by H Zille, 77 Burg Street Cape Town)

Consumers feel like 'victims'

9/9/87
244

Political Staff

HOUSE OF ASSEMBLY. — South African consumers were seeing themselves as the victims of the free enterprise system and the target of fortune-seekers, the report of the Co-ordinating Consumer Council said yesterday.

Consumer awareness, it added, was growing because consumers were increasingly realizing, or getting the feeling, that they were not on an equal footing in the market situation

The council, whose annual report for 1980/81 was tabled in Parliament yesterday, warned that developments on the flat market last year were strongly reminiscent of the Chaim Wainer "happenings" and it lashed out at the way credit was being given

It said an aspect of granting credit that had been causing concern for some time was "the cold-blooded manner in which some dealers grant credit to the lower income groups", particularly in the furniture and motor trade

The disadvantage to the consumer, or the suspected disadvantage, was "manifested in the consumer's unequal footing with contracts and guarantees, low standard of products and after sales service, unsafe or harmful products and, not least of all, the high inflation rate of the last decade which has, unavoidably and without exception worked through to the final consumer in the form of a bombardment of price increases

'Suspicion'

"Without covering the merits with a blanket judgment it must be mentioned that the role of the agricultural control boards are under suspicion and are seen to a great extent by the consumer in the same light as powerful and sometimes unscrupulous business institutions that "can prescribe and dictate without taking into account the consumer's interests"

"That many of the accusations are unfair or untrue and in many cases originate from ignorance or a lack of insight or understanding, does nothing to dispel the existence of a general feeling of dissatisfaction

"The consumer sees himself increasingly as the victim in a situation where he stands defenceless against a superior force of capital, decision taking and influence

"Remarks about ever-increasing prices, 'crooked dealers and manufacturers' etc, have apparently taken the place of weather as a conversation starter"

The upswing in the economy had brought dozens of fortune seekers into the flat market who had no other goal than to attain the maximum short-term advantage out of the boom situation

The government-funded council said "Seen from the consumer's point of view, he is the lightning conductor for price increases, the target of fortune seekers, the suffering party in complicated contracts, the guinea pig for innovations, the victim of a system of free enterprise and the punchdrunk boxer in the arena of advertising and marketing techniques"

Spending spree

The feeling of prosperity during the 1980/81 financial year had led to one of the greatest spending sprees in history

"To this end commerce made a great contribution, because credit was freely available and, in many ways, granted in an almost wreckless manner

"It can therefore be expected that in the next year or two a big increase will occur in the number of summons for debt"

The council also said serious attention should be paid to guarantees which "in the majority of cases" they were used as sales gimmicks and "they deprive the consumer of his basic rights and protection he would enjoy under common law"

The council said many guarantee advertisements "very often border on the false or misleading"

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Maize millers, cartel

Document C 136 30-214
*24 Mr P A MYBURGH asked the
Minister of Agriculture and Fisheries

- (1) Whether his attention has been drawn to the formation of a cartel by the maize millers with a view to controlling the (a) price (b) distribution and (c) market shares of white maize products,
- (2) whether the authorities concerned were consulted before the formation of such cartel?

+The MINISTER OF AGRICULTURE AND FISHERIES

- (1) Yes
- (2) No—I have no confirmation that such cartel has actually been formed

RDM 244

Millers' price fixing pact to be shown to Minister

Mall Correspondent

MR PHILIP Myburgh, chief Opposition spokesman on Agriculture, is to hand to the Minister of Agriculture, Mr Pietie du Plessis, a controversial agreement aimed at fixing the price of white maize products supplied by millers to distributors

Mr Du Plessis said in Parliament yesterday in reply to questions tabled by Mr Myburgh that his attention had been drawn to the proposed formation of a cartel by maize millers

Mr Myburgh said he was sur-

prised that the Minister had taken no visible action after being informed of the mooted cartel agreement

He would hand evidence in his possession to Mr Du Plessis following the Minister's reply to a further question that the authorities had not been consulted about the cartel Mr Du Plessis said he had received no information "that such a cartel has actually been formed"

"I hope the Minister will take the necessary action to prevent the formation of a monopoly," Mr Myburgh said

A study of the proposed

agreement drawn up on behalf of a number of maize millers and distributors had indicated a "definite attempt at forming a cartel with a view to preventing competition between the millers of maize at the selling level"

"They have done this by proposing certain market quotas individually and appropriating a penalty at the rate of about R80 a ton against those who exceed the quota"

Mr Myburgh said if the agreement was ever to be applied, millers could increase profitability by increasing prices

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required to be objective, whereas this requirement is relaxed for economic purposes. It is felt that financial accounting should not be at variance with economics unless there are compelling reasons.² Financial accounting does not recognise the interest cost of Equity capital at all, because to do so would not be in accordance with GAAP. Anthony feels that this conclusion is unwarranted.³

In this chapter I propose to discuss briefly the Proprietary and Entity theories of Accounting, and then to highlight various of the arguments both for and against capitalising an imputed interest on equity capital. I will conclude by examining some of the major problem areas involved were such a policy to be implemented.

5.1 Proprietary vs Entity Theory

The proprietary theory of accounting views the enterprise as being owned by the proprietor himself. He is the centre of all accounting. - all the assets are his, and the liabilities are his obligations, and any excess of assets over

Wheat, milk rises slammed

Staff Reporter

A PROBABLE rise in the price of milk and wheat from the beginning of next month was slammed yesterday by the chairman of the Domestic Workers Association, Ms Maggie Oewies

"Many workers are living under the breadline already. They cannot afford any more price rises in basic food-stuffs like milk and meal-meal," Ms Oewies said

The price of wheat will rise by 11,8 percent from October 1 at the start of the new wheat season. This means that the price of flour and meal will also rise

The milk price is expected to go up by between three to four cents a litre pending a decision by the Marketing Council. The council is at present considering an application by the milk committee of the South African Agricultural Union for a milk price rise

Ms Oewies said meal and milk were the staple foods of workers earning very low wages. Wages had not kept up with the rise in bread and milk prices earlier this year

Domestic workers, because of their low earnings, were already struggling to survive. Ms Oewies said

"They cannot afford to buy milk regularly at the current price. If the price goes up, they won't be able to afford it at all," she said

"Workers rely on milk to provide them with nourishment because their diet consist mainly of carbohydrates. They simply cannot afford to pay more for milk," she said

The Domestic Workers Association would protest strongly to the Minister of Agriculture if the price of milk did rise. Ms Oewies said

ET 11/9/57
400
2004
244

Handwritten notes on the left side of the page, including "11-9-57" and other illegible scribbles.

Handwritten notes on the right side of the page, including "11-9-57" and other illegible scribbles.

Large handwritten notes at the bottom of the page, including "The price of wheat will rise by 11,8 percent from October 1 at the start of the new wheat season. This means that the price of flour and meal will also rise" and other illegible text.

Bus fares rise by 9%

~~137~~ Mail Reporter ²⁴⁴
MUNICIPAL bus fares in Pretoria go up by an average of 9% as from today.

The tariff increase was necessary because of rising maintenance costs and wage increases, said a city council statement.

^{com}
¹⁹¹⁶
The increase meant monthly tickets would now cost R24, as against R21. The price of tickets for one stage which are bought on the bus, would remain the same and bus coupons and tickets already bought from the council would remain valid.

Accusing finger on food prices

Parliamentary Staff

THE Minister of Agriculture and his agents had to be held largely responsible for the 'wild' increases in food prices, the Assembly was told yesterday.

Mr Philip Myburgh (PFP, Wynberg), the chief Opposition spoke man on agriculture, called for an inquiry by independent experts into the entire agricultural marketing set-up.

Speaking in the budget debate on the Agriculture vote, he said about 75 percent of all agricultural products was under the control and administration of control boards in terms of the Marketing Act.

A further ten percent was controlled under other legislation.

URGENT

The role of the control boards and the manner in which they carried out their marketing functions had to be investigated urgently.

Mr Myburgh also accused the department of having failed in part of its task through its inability or unwillingness to cope with the emergence of highly sophisticated monopolistic organisations.

These organisations were getting a stranglehold over both consumer and prime producer.

'How incompetent can the Maize Board be in its regular surveys to allow what developed in the last few months?' Mr Myburgh asked.

He said that only last week he had asked the Minister of Agriculture, Mr P. T. C. du Plessis, whether his attention had been drawn to the forma-

tion of a maize millers' cartel.

The Minister had answered in the affirmative but said he had no confirmation that such a cartel had actually been formed.

Mr Myburgh asked 'Is that Minister living in an ivory tower? Has he no contact with the world outside?'

'I heard of the cartel for the first time at the end



Mr Philip Myburgh

of June while on holiday in Transkei. During the last two or three weeks newspapers have carried articles and reports on the formation of such a cartel. They even approached the Minister for comment.'

Mr Myburgh said the farmers cared because against a drop in maize product consumption of six percent last year any price rise would reduce domestic consumption still further.

This would increase the export surplus as well as the export loss.

Mr Myburgh also questioned the Minister about an agreement against which 'everybody is up in arms.'

The agreement, which Mr Myburgh said should be illegal, had expressed the aim of regulating the

sale of and to control the prices of all consumer maize products.

The Minister seemed to know little about the agreement the effect of which would be to criminate any miller who refused to co-operate.

Replying the Minister rejected Mr Myburgh's allegations of 'wild' food price increases. He accused Mr Myburgh of not wanting farmers to enjoy the same prosperity which other sections of the community were enjoying.

Mr du Plessis quoted figures which, he said, showed that food price increases had not been excessive.

Reacting to Mr Myburgh's allegations about a maize millers' cartel the Minister said he had followed up on Press reports and had instructed the Maize Board to report any cases of exploitation to him.

WATCHED

He had also warned that he would not hesitate to reintroduce retail price control of maize meal if there should be any exploitation and the situation was being watched by his department.

Rejecting Mr Myburgh's criticism of the control board system the Minister said a parliamentary commission of inquiry had found unanimously after a three year investigation that the control board system in South Africa was one of the best in the world.

One aim of the system was to reduce the price gap between producer and consumer as much as possible.

16/9/81. KMM
Prices in hotels to go up

Mail Reporter

TWO major hotel groups have indicated their rates will rise in December — and a spokesman for one of the groups says the rise may be as much as 20%

This follows an announcement this week that several top hotels in Cape Town will increase their fees before Christmas

A spokesman for Holiday Inns said yesterday rates would definitely go up, but it had not yet been decided by how much

Mr Jurgen Burmeister, group marketing manager for Southern Sun, said the company's rates would also rise in December — probably by 15 to 20%

He said increased building costs, furniture costs and salaries were responsible for the increase

"Ten years ago it cost about R13 000 to build a room for a five star hotel. This has risen to about R100 000 today," he said

Mr Burmeister said hotels had to pay better wages to attract the best staff

liabilities equals the p
 Under this concept there
 cost of Equity funds use
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from its owners.⁴ They contend that due to these inconsis-
 tencies and other unanswered problems that remain, there
 was the need for another more logical and consistent theory
 of accounting. This led to the Entity Theory.

The Entity Theory is essentially an economic viewpoint. It
 is thought to be more consistent with the corporate form of
 the enterprise, in that the corporation is viewed as an
 entity entirely separate from its proprietors, thus fitting
 in with the legal form. Under this concept, the entity
 receives its capital from two principle sources - equity
 capital from its shareholders, and debt capital from its
 creditors. Accordingly, equity capital is just another
 source of funds, and it would seem just as appropriate to
 measure the cost of equity capital as it would be to measure
 the cost of debt capital, as both are supplied by outside

Fears that Govt may increase petrol tax

all
KRM
17/9/81

By GERALD REILLY

MOTOR industry executives fear that the Government is considering increasing its tax take from petrol sales to supplement the depleted road fund

Pretoria sources pointed out yesterday that roads were considered an important part of the country's defence system

A deterioration in the high priority road building and maintenance programme would therefore not be tolerated for long, they said

Speaking during the Transport vote in Parliament earlier this week, Minister of Transport Mr Hendrik Schoeman said reduced revenue, with costs soaring at 25% a year, had forced the National Transport Commission to make substantial cutbacks and postpone some major road construction projects

As a solution to the finance problem, Mr Schoeman suggested the possibility of toll roads - a possibility now being investigated

He also mentioned the petrol tax as another possible way of boosting the National Road Fund

Compensation

Motor industry sources said it was not known how much was taken from motorists to feed the road fund. But of the 61c a litre paid for petrol on the Rand, 18c was taken for the Equalisation Fund and 9,341c in customs and excise duties

The purpose of the Equalisation Fund is to provide funds to compensate for fluctuating fuel import prices. The Sasol levy and the Road Fund also gets a share of the 18c

The public relations director of the AA Mr Hennie Kleynhans said the AA would forthrightly oppose any effort to increase the petrol price to boost the road fund

Since 1973 the motorist had been made to bear the full impact of the higher fuel costs. He was already making a huge contribution to road building through huge levies and taxes on petrol

"The motorist is being exploited to the hilt. It is about time the building of roads was funded from general revenue," Mr Kleynhans added

Research Bureau
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5.3 Evaluation of Proposals

The proposal of capitalising interest imputed on equity funds is essentially an economic one. Economists speak of three factors of production - natural resources, labour and capital - and associate a cost to each (rent, wages and interest). Capital here includes all capital, whether debt or equity, and therefore a cost must be incurred for

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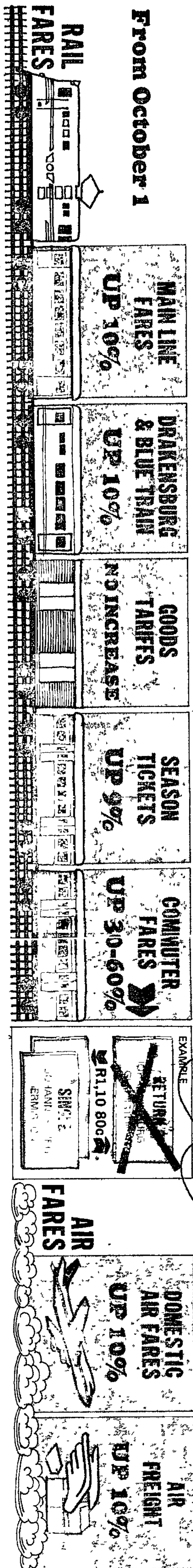
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From October 1



RAIL FARES

MAIN LINE FARES UP 10%	DRAKENSBURG & BLUE TRAIN UP 10%	GOODS TARIFFS NO INCREASE	SEASON TICKETS UP 9%	COMMUTER FARES UP 30-60%
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AIR FARES

DOMESTIC AIR FARES UP 10%	AIR FREIGHT UP 10%
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EXAMPLE

~~RETURN~~
SINGLE JOURNEY
JOHANNESBURG
DURBAN
R1,10 80c

SA and main line railway fares soar by 10%

SUBSTANTIAL increases in domestic air fares and rates and main line and commuter rail fares were announced by Mr Schoeman.

He said domestic air fares and rates were to be increased by 10%. Main line rail fares would also be increased by 10%. The increase would also apply to the Drakensburg and Blue Trains.

Commuter fares for single trips would not be increased, but return tickets would be abolished. This would mean an increase of between 30% and 60%.

Weekly and monthly season tickets would be increased by 9%. There would, however, be no increases in tariffs. Rates on all goods including livestock would remain unchanged.

Mr Schoeman said there was no alternative but to increase fares with effect from October 1.

Because no other rates on any of the other services were to be increased, there was no reason why the proposed adjustment should result in an increase in the Consumer Price Index.

In terms of the adjustment, the price of a first class ticket from Johannesburg to Cape Town, now R83,85, increases to R92, while the price of a third class ticket from Johannesburg to Durban increases from R13,15 to R14,50.

"In the first instance the fare increases by .5c per kilometre while the price of the third class ticket is increased by a mere 0,2c per kilometre.

"As for commuter journeys, fares for single trips are not being increased. Return tickets, however, give rise to large scale evasion of fares and are being abolished.

"This step will bring the cost of commuter journeys on a par with main line journeys where the return fare is double the fare for a single journey.

"The fare for a first class return journey between Cape Town and Wynberg will, for instance, increase from 75c to R1 while the fare for a third class return journey between Johannesburg and New

Canada will increase from 28c to 40c.

Although these fares represent increases of 33% and 60% respectively, they do not apply to the worker who travels with a special season ticket.

Weekly and monthly season tickets are being increased on average by 9%. Over shorter distances the percentage increase is slightly more than the average and over longer distances it is less.

"A first class weekly ticket between Johannesburg and Krugersdorp will increase from R6,25 to R6,70 while a third class weekly ticket between Johannesburg and Dube is to be increased from R1,20 to R1,30 and between Cape Town and Mitchells Plain from R1,55 to R1,70.

"The increase in third class fares is approximately 1c per journey and only a fraction of a cent per kilometre.

"For the holder of a season ticket the fare in first class will still

than 840%.

The fuel increase effected in July 1981 will cost the railways R53m in the current financial year and R71m for a full financial year.

"I am glad, therefore, that we are not proposing any other tariff increase Rates on all goods, including livestock, remain unchanged. May this contribute towards combating inflation."

Reviewing the prospects for 1981/82, Mr Schoeman said it was expected that goods traffic would increase by 4% with some 183-million tons being conveyed.

Suburban train journeys were expected to increase by 5% and main line journeys by about 7%.

Notwithstanding these increases it was anticipated that passenger services would reflect a comparable loss.

Commuters' season tickets will cost 9% more — and return tickets have been scrapped

be only 1,6c per kilometre and the third class only 0,5c per kilometre over an average travelling distance of 20km.

"Notwithstanding the proposed increases in passenger fares it is expected that rail passenger services will operate at a loss of R628-million for the 1981/82 financial year.

"It is expected that the proposed tariff adjustments will yield additional revenue of altogether R27,9m in the 1981/82 financial year which will convert the anticipated deficit of R24,3m into a surplus of R3,6m.

"From April 1973 to July 1981 fuel prices increased by no less

On the other hand, it was expected that expenditure would amount to R5 429m, almost R966,5m or 21,7% more than the revised estimate for 1980/81 leaving a deficit of R24,3m.

One of the main reasons for the rise in expenditure was the increase in the price of fuel on July 6, 1981 which was considerably higher than expected.

"This increase has caused severe cost pressure, especially on the airways, and will result in additional expenditure of R20m in the current financial year and R27m for a full financial year.

"Consequently, it is expected that South African Airways will show a loss of approximately R29m for 1981/82."

The aviation industry worldwide experienced its worst year ever in 1981.

"SAA has to contend with an ever-increasing gap between revenue and expenditure but it is in the fortunate position that it has one of the most modern aircraft fleets at its disposal.

"Timeous provision has been made to supplement and replace its aircraft with equipment which incorporates the latest technology in the field of the conservation of fuel, the most important single cost factor in the exploitation of any airline.

"Losses on rail passenger services remain a source of great concern to the Railways.

"In terms of the recommendations of the Franszen Committee the Railways should, apart from the exemption of interest to which the State has already agreed, receive still further financial relief from non-railway sources in 1981/82 in respect of certain services the railways is still obliged to render at a loss.

"It is therefore imperative that the recommendations of the Franszen Committee be afforded early attention in order to effect further financial adjustments," he said.

SOUTH African Railways was transporting blacks at a cost of 0,5c a kilometre in some cases, a tariff which could not be equalled anywhere in the world.

Mr Schoeman said

Speaking at a Cape Town Press conference on his budget proposals he said the Railways had no alternative but to increase fares and rates.

"Since 1973, the price of fuel has risen by 840% and the passenger services of the Railways are showing a loss of R640m.

"The 10% increase in passenger fares will not make much of a difference, but had it not been done, we would have shown a loss of about R29m in the budget.

"With the 10% increase we will now have an overall surplus of R3,6m."

Domestic air passenger fares and rates were also increased by 10%, except for express cargo fares which were increased a few months ago.

With the 10% increases in rail and air tariffs announced in the Railways Part Appropriation Bill earlier this year, passenger fares have increased by 20% this year.

Mr Schoeman said the State's contribution to uneconomical passenger transport services was R280m and the Railways was considering the implementation of the recommendations

of the Franszen Commission. This would entail the payment of a third of these costs by employers, a third by the State and a third by the Railways.

Apart from the uneconomical passenger services, the Railways had to find funds to provide salary increases for its staff.

"Salary increases were awarded in April and if we have to give another 12,5% a year, it will mean an additional R20m for every 1% increase."

He said trade unions were well aware that there were not enough whites to do all the jobs on the South African Railways and had agreed that the employment of blacks in certain jobs was not a threat to whites.

"There are just not enough whites to do all the work."

Black rail tariffs 'best in the world'

STARVE. Mrs Elsie Mazibuke. SHOCKED. Mr Alfred Mokgokoro. UNFAIR: Mr Anice Ratselane. ASHAMED. Mr Poles Moolisoa. WALK. Mr Patrick Mokoete.

Railways budget

FARES SHOCK

TRAIN fares are to go up again in two weeks - the second increase this year.

The overall increase will be ten percent, but casual commuters will pay twice the old single fare for a return trip.

The shock announcement was made yesterday

By CHARLES MOGALE, ELLIOT TSHINGWALA AND NKOPANE MAKOBANE

by the Minister of Transport, Mr Hendrik Schoeman when he introduced the Railways Budget in Parliament.

Passengers making return trips will have to buy two single tickets at the old fare. A Railways spokesman explained that both tickets could be bought from either

terminal station. This means that a passenger travelling from Johannesburg to Natal will not pay the old 50c return fare. Instead, he will have to buy two single tickets of 50c each.

Both tickets will be valid for one day only.

Season tickets have increased by nine percent, and according to Railways officials workers will not be affected "to that extent."

The new system, he said, was introduced to put South Africa in line with the methods used abroad, and to combat fare evasion.

Before introducing the budget, Mr Schoeman told reporters that the Railways were losing R640-million annually on its passenger service. The new tariffs were expected to yield R27,9-million a year.

The last time the fares were increased was in February, when a 15 percent increase was added.

Air fares will also go up by 10 percent. Railway

SHOCKED: Miss Noume Dlamini.

TOUGH: Mr Joseph Ntshongwe.

FAIR: Mrs Naomi Seshato.

SHOCKED: Mrs Ivy Nakeal.

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PAGE 23

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PAGE 24



SHOCKED: Mr Thomas Dlamini.

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FARES GO UP

From Page 11

bus fares will not go up Here is a list of some of the old and new return fares along the Reef

Reacting to the announcement of the rail fares increase, Mr Chris Mokoloto former executive member of the banned Black Peoples' Convention said it was a terrible thing for the poorest class in the community to be confronted with such abrupt high fares

He said as far as the question of issuing tickets is concerned, this will entail not only higher loss of money to the poor but also a duplication of service to the booking offices

Without doubt, the present long queues will double and this will cause inconveniences to commuters, which on the other hand can be considered as abuse of manpower

What you'll pay

Jhb to	1st class		3rd class	
	old	new	old	new
Germiston	80c	R1,10	30c	50c
Cleveland	55c	70c	20c	30c
Dube	95c	R1,30	35c	60c
Raodepoort	R1,00	R1,30	35c	60c
Naledi	R1,35	R1,80	50c	80c
Kempton Park	R1,35	R1,80	50c	80c
Pretoria	R3,05	R4,10	R1,10	R1,70
Vereeniging	R3,30	R4,40	R1,20	R1,90
Springs	R1,80	R2,10	55c	90c
Krugersdorp	R2,05	R2,80	75c	R1,20

...The fact that the Railways is running at a loss is not a justification for it to increase the fares because it is providing an exceptionally essential service which if it was utilised by the voters it would have been definitely subsidised," he said

Miss Amanda Kwath, a social worker said the increase was a blow to blacks in the low income considering that there has been numerous increases recently in basic commodities, as well as bus and taxi fares

She said the irony of it all was that the Government kept on increasing the Defence Budget annually but seemed not prepared to subsidise needs affecting blacks most She added that at least black wages should also be increased

Sept 1981

2/7

Farmers will
RDM 18/9/81
be paid more
for cereals

The problem arises when f
accounted for on the Equi
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room for manipulation of th
as can be seen from the fol

THE Government has approved
an increase in the price of
barley, oats and rye, the
Wheat Board announced in
Pretoria yesterday.

The basic producers' price for
these cereals in the 1981-82
season will be, barley R210,02
ton, oats R140 ton and rye
R229,33 ton

Compared with this year's fig-
ures, the increases are 14,8%,
13,4% and 12,2% respectively

The board said that, at the re-
quest of winter cereal produc-
ers, contributions to research
and development funds had
been increased. Total produc-
ers' levies for each of these
cereals would amount to R1 a
ton - Sapa

Assume that investee Company holds 40% of A (the associate
company) and accounts for that investment on the Equity
Method. I then lends A R1 000 000 at 14% p.a. to finance
the construction of a manufacturing facility. The R140 000
of interest has been treated as interest income by I,
whereas A has capitalised the amount, and therefore shows no
expense. This has the effect of increasing A's profits by
R140 000. Through this occurrence, I has increased its
profits by 40% of R140 000, i.e. R56 000,⁵⁷ (based on I's
shareholding in A).

This does not seem equitable, and the effect of capitalising
the interest relating to such borrowings should be eliminated
before calculating the investor's share of the associate's
earnings. The question arises as to whether the full
R140 000 should be eliminated from the earnings of the
associate before the investor calculates its share of the
profits or just 40% of the profits, based on the percentage
shareholding. The views of two prominent accounting firms,
and with which I concur, is that the investor should

By DAVID CARTE

Inflation at 16% annual rate

HIGHER bread, chicken, cigarette and liquor prices were some of the items that lifted the consumer-price index 1.66% in August, making the year-on-year rise of the cost of living 16.07%.

In July, when petrol and steel prices provided the spur, the CPI rose 2.3%, making the year-on-year rise 15.5%.

The index, which was 100 in 1975, rose to 208 at the end of August from 204.6 in July and 179.2 in August 1980.

While the indices for the upper-, middle- and lower-income groups rose more or less in line in August, on a year-on-year basis the lower-income group was being hit hardest by rising prices.

The higher-income group index rose to 207.6 in August, a 1.67% increase for the month

and a 15.7% rise for the year. The middle-income index rose to 208.6, a 1.71% increase on the month and 16% for the year.

The lower-income group index rose to 208, an increase of 1.61% for the month and 17.5% for the year.

The food-only index rose to 227.1 in August, a 2.21% increase for the month and a 23% rise for the year.

In June the CPI rose 1.2% on the month and 14.5% on the year, while the food price index increased 1.6% during the month and 26% during the year.

Whinney contends that the calculation of the minority interest should be based on the net income shown in the separate financial statements of the subsidiaries.⁵⁶ It is submitted that this is the best treatment of the minority interests.

4.8.3 Unconsolidated Subsidiaries

A parent company and its unconsolidated subsidiary may be viewed as a single entity for financing purposes. For this reason, I feel the entire amount of profit resulting from inter-company financing should be eliminated, and therefore not be eligible for capitalisation, when reports are drawn up in conformity with the Companies Act of 1973, or when the subsidiary is accounted for on the equity method.

4.8.4 Associated Companies

When accounting for associate companies on the Cost Method, there is no problem because the investor company only recognizes profits as they accrue in the form of dividends.

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Ernst &

Star 19/9/81

More expensive milk soon

(241)

Farming Correspondent

With the exception of milk, food price increases are now levelling out, but may take off again next year.

This emerged from a survey of expected price movements of foods on supermarket shelves as well as of meat, milk, eggs and vegetables up to the end of this year.

The only important price rise still on the cards for this year was for milk, which could go up by about four cents a litre. Butter, cheese, condensed milk and milk powder would follow.

A spokesman for a supermarket chain said that apart from dairy products, he expected no more important food price increases this year.

After that, the effect of rail increases and new wage determinations might cause a renewed ~~swing~~ rise.

The trade assured that the sugar price would not go up again before January. Many other prices depended on the sugar price.

The price rise of flour has still to be announced by the Government. It will be around ten percent.

Mr L W Allan, managing director of Bakers Ltd, said that it was unlikely that the price rise of flour by itself would lead to higher biscuit prices.

If sugar prices, wages, packing material prices or even the interest rates should go up as well, the bakeries would have no choice but to adjust the biscuit prices. New wage determinations were due at the end of the year, he said.

FIG 7.2 Control chart for means from Table 7.2

The process may be considered out of control if one of the cases a), b) c) or d) on page 168 (for attributes) occurs

Further points

- 1) A larger number of samples could have been used to estimate the overall mean $\bar{\bar{x}}$.
- 2) The process may also get out of statistical control through changes in the variation of the process. We may use the ranges and a further table to set out an R-chart which checks for this. We shall not cover this here.

7.2 Acceptance Sampling

When shipments or "lots" of products are transferred from one firm to another, from one division of a firm to another, or from a producer to a supplier or consumer, the manager receiving the lot wants to know whether or not it meets a required standard. Because both producer and consumer are likely to suffer penalties of some sort if standards are not met, some type of sampling is usually carried out.

Acceptance sampling involves choosing a random sample from the lot, inspecting it, and (on the basis of the number of defectives found) either accepting or rejecting the entire lot.

A sampling plan is expressed in terms of the sample size n and the acceptance number c . If in a sample of

Cold drink prices leap by average of 13%

RDM
19/9/81
244

FROM today, cold drink consumers will have to pay an average of 13% more for their favourite soft drink, reports Sapa.

The hardest-hit are those who prefer the 500ml size. They will have to pay 20% more — excluding GST and refundable container deposit, it will now cost 25c.

The lowest increase is about 10% for the 750ml size which will now cost 34c.

In a Press statement yesterday, the South African Federation of Soft Drink Manufacturers said the Price Controller had granted an increase in the price of carbonated soft drinks from today.

The new maximum retail prices which come into operation today, excluding GST and refundable container deposits, are: 1l = 44c, 750ml = 34c, 500ml = 25c, 300ml = 19c, 175/200ml = 15c.

The new can prices are: 340ml = 32c, 450ml = 36c.

Costs absorbed

Mr J. H. Viljoen, President of the South African Soft Drink Manufacturers, said last night it was the first time in one year the price of soft drinks had been increased.

"During the last year we had cost increases of R35-million. This included the increases of sugar, fuel, container bottles and the competitive labour market," Mr Viljoen said.

He said the Minister of Finance, Senator Horwood, had decided in August to increase the excise duty on soft drinks from 176c a 100l to 276c a 100l.

"This will be an annual additional cost to the industry of some R8,9-million," Mr Viljoen said.

The total bill for excise duty is now reported as R24,5-million a year.

Through the increase some relief was now granted but there would still be a shortfall of R8,5-million — which would be absorbed by the industry.

Mr Viljoen said the return on investment was lower than the accepted norm the Price Controller applied.

WHILE the public and consumers have been shaken by a series of hefty steel price increases during the past few years, steel producers say inflation is still beating them hands down and they would like another increase this year.

Nols Olivier, Iscor's divisional general manager (steel marketing), says the last steel price increase granted was, the producers feel, not nearly enough and was a lot lower than asked for.

Olivier points out that steel-makers appreciated the Government's concern and desire to fight inflation, but rapidly soaring costs were proving to be a major headache.

"The cost of our inputs has risen by more than the inflation rate in the last years" he says.

"Coking coal, which we buy from a private mine, has risen by 24%, rail tariffs on raw materials by 16% following a 21% hike last year; refractory material by 18% and labour by nearly 16%.

"Those commodities account for more than half our input costs and on average are 17% more expensive than they were 12 months ago".

Olivier points out that had productivity in the group not grown by 6% a year during the past few years, Iscor could have found itself in serious difficulties.

In addition to its concern over price levels, Iscor is also unhappy about the system of allow-

Increase S. Express in steel price ~~189~~ 20/9/81 244 wanted

By ARNOLD DAVID

ing one large hike in the steel price around the middle of the year.

Olivier says "This system has been used for the past three years and is so predictable that it leads to large purchases in the second quarter by people who want to stock up at the lower prices.

"This leads to a 25% drop in demand in the fourth quarter. All steel producers are most unhappy about this state of affairs and we would rather have a number of small increases throughout the year. This would keep the demand flow constant."

However, despite pricing problems, the local steel market is in reasonable shape.

SA tea
 star 22/9/61
 double
 world
 price

244

Blap

too great for the required tolerances unless products outside the tolerances unless:

The dr (11)

Process (1)

Process correctly centred, This process must

The evident failure on the part of the Government and the local tea producers to appreciate that tea is a price sensitive commodity has led to the prices of local teas being well above world prices, says Mr C D Gray, chairman of T W Beckett

In his annual statement to shareholders Mr Gray attacks the protection granted to local tea manufacturers who "have enjoyed a substantial price increase for their output of tea"

Mr Gray says their products are now more than twice the cost of imported teas of similar quality. Process centred too low, but tolerance.

Another year has passed during which local producers are protected while no agreement has been reached between Government, tea packers and local growers.

Mr Gray says a similar situation is developing with coffee where local growers continue to increase their local coffee plantings "and no progress has been made to establish the qualities required by roasters, or the pricing procedure"

Reviewing the year, Mr Gray says the company sold more tea and coffee than in the previous year and only a lack of effective capacity at the Isando plant prevented record sales of instant coffee.

Despite the slowing down of the economy, Mr Gray says: "The future is viewed with confidence as the consumer market shows a continuing tendency to improve" — David Bamber

DEFECTIVE WORK

Here the process is correctly ce

lured tolerances.

Milk producers

to ask for early

price

Star 25/9/81 (244) ~~3 milk~~
INCREASES

By Caroline Brann
Consumer Reporter

The Transvaal Fresh Milk Producers' Association will send a telegram to the Minister of Agriculture, Mr P J C du Plessis today urging him to revise the milk price as soon as possible.

At the association's annual general meeting in Alberton yesterday, milk producers said the 6c a litre increase in June was unsatisfactory and that a

critical milk shortage could result next year unless drastic steps were taken to raise the price.

If South Africa had insufficient milk supplies, milk would have to be imported — and the consumer would pay dearly.

In his annual report, the chairman, Dr Louis Theron, said the June increase had already been swallowed up by mounting costs. Any increase took 18 months to have a positive effect on the produ-

cers pocket, so it was in the government's interest to act as soon as possible before more milk producers left the industry.

Dr Theron said the annual milk price increase should be granted earlier in the year — say February.

Dr Theron said much harm had been done to the dairy industry during the past year by consumer organisations which had made unnecessary and inaccurate statements to the media about the dairy industry and the price of milk.

Many farmers had left the industry.

He called on milk producers to reorganise themselves into a united and responsible body which could counter these unjustified attacks on the dairy industry, and put the record straight.

Dairy farmers churn out their grievances

By Caroline Braun
Consumer Reporter

The Housewives' League was given a resounding rap on the knuckles by Transvaal dairy farmers this week

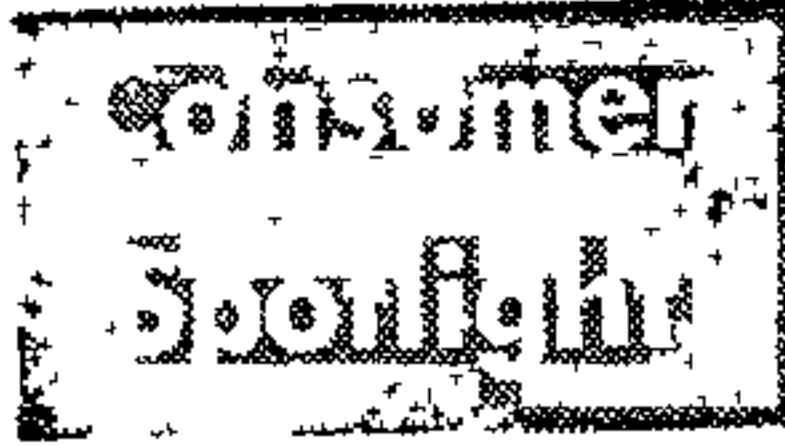
At the annual meeting of the Transvaal Fresh Milk Producers' Association on Thursday milk producers repeatedly slammed the Housewives' League for making "emotional, sensational and unjustified statements" about the milk price

Also in the line of attack were the media, especially the Press, which carried these statements

"Consumers have no idea how milk is produced. They know nothing about production costs or the risks of producing a perishable product

"They seem oblivious of the fact that we are also affected by inflation," a dairy farmer said.

"Consumer organisations run to the Press with unfounded and inaccur-



rate statements and the Press seems only to keen to cooperate in this agitation against a higher milk price," said another.

DETRIMENTAL

Association chairman Dr Louis Theron said the bad publicity engendered by these statements had had a detrimental effect on the industry.

"A disturbingly higher number of dairy farmers have left the industry because they have lost confidence in it as a result of these sensational and emotional statements," he said.

The milk producers agreed that it would be in their interests to use the media to counter the attacks against the indus-

try and to inform the public of the dilemma in which dairy farmers found themselves.

Reacting to the accusations Housewives' League president, Mrs Joy Hurwitz said the league had every right to complain about price increases of basic foods

"The consumer finds herself in an ever-worsening predicament as the price of product after product escalates

"Eventually she cannot bear the load and has to cut down on consumption to meet her budget.

"It has been proved that consumption of bread and milk has dropped since the hefty price increases

"The dairy farmers should be pleased that we are so concerned about the matter.

"If milk consumption drops the dairy farmers are the ones who suffer most," Mrs Hurwitz said.

DEPARTEMENT VAN STATISTIEK

No 2068 2 Oktober 1981

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Augustus 1981 soos volg is

VERBRUIKERSINDEXS - ALL ITEMS

Gebied	Index
	Basis 1975 = 100
1 Kaapstad	202.1
2 Port Elizabeth	202.6
3 Oos Londen	201.6
4 Kimberley	200.7
5 Pietermaritzburg	204.3
6 Durban	205.2
7 Pretoria	204.1
8 Witwatersrand	213.1
9 Klerksdorp	204.7
10 Vaaldriehoek	212.3
11 O.V.S. goudvelde	216.8
12 Bloemfontein	203.9
Beswaarde gemiddelde van die 12 gebiede	208.0

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duider is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

DEPARTEMENT VAN WATERWES, BOSBOU EN OMGEWINGSBEWARING

No 2053 2 Oktober 1981

ONTTREKING VAN 'N SEKERF GEDFELTE STAATSBOSGROND AAN DEMARKERING

Ooreenkomstig die besluit geneem deur beide Huisse van die Parlement gedurende die Sessie van 1980 (Volksraad, 27 Mei 1980, Senaat, 5 Junie 1980) kragtens artikel 8 (2) van die Boswet, 1968 (Wet 72 van 1968), soos gewysig, word die gedeelte van die gedemarkeerde Staatsbosgrond in die Bylae hiervan vermeld, hierby aan demarkering onttrek.

BYLAE SCHEDULE

Distrik District	Beskrywing van grond Description of land	Groote in hektar Area in hectares	Gedemarkeer by Goewernementskennisgewing Demarcated by Government Notice
Stellenbosch	Resterende gedeelte van die plaas Kraaifoor 732 Remaining extent of the farm Kraaifoor 732	240.5356	989/1931

No 2054 2 Oktober 1981

KAMMANASSIE-BRANDBESTRYDINGSBEFRIED — INTREKING VAN KENNISGEWING

Kragtens die bevoegdheid my verleen by artikel 12 (5) van die Grondbewattingwet, 1969 (Wet 76 van 1969), trek ek, Cornelius Visser van der Merwe, Minister van Waterwese, Bosbou en Omgewingsbewaring, Goewernementskennisgewing 936 van 20 April 1951, waarby die Kammanassie-brandbestrydingsgebied, gelee in die distrikte Oudtshoorn, Uniondale en George, provinsie die Kaap die Goede Hoop, ingestel is, hierby in

C. V. VAN DER MERWE Minister van Waterwese Bosbou en Omgewingsbewaring

ALGEMENE KENNISGEWINGS

KENNISGEWING 757 VAN 1981

DIE SUID-AFRIKAANSE GENIEFSKUNDIGE EN TANDHELFKUNDIGE RAAD

Kennis word hierby gegee ingevolge regulasie 12 van Goewernementskennisgewing R 2279 van 3 Desember 1976 dat by 'n verkiesing gehou ingevolge die Wet op Genceshere, Tandartse en Aanvullende Gesondheidsdiensberoepers

DEPARTMENT OF STATISTICS

No 2068 2 October 1981

The Secretary for Statistics notifies for general information that the Consumer Price Index for August 1981 is as follows

CONSUMER PRICE INDEX - ALL ITEMS

Area	Index
	Base 1975 = 100
1 Cape Town	202.1
2 Port Elizabeth	202.6
3 East London	201.6
4 Kimberley	200.7
5 Pietermaritzburg	204.3
6 Durban	205.2
7 Pretoria	204.1
8 Witwatersrand	213.1
9 Klerksdorp	204.7
10 Vaal Triangle	212.3
11 O.V.S. Goldfields	216.8
12 Bloemfontein	203.9
Weighted average of the 12 areas	208.0

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

DEPARTMENT OF WATER AFFAIRS, FORESTRY AND ENVIRONMENTAL CONSERVATION

No 2053 2 October 1981

WITHDRAWAL OF A CERTAIN PORTION OF STATE FOREST LAND FROM DEMARCATION

In accordance with the resolution adopted by both Houses of Parliament during the 1980 Session (Assembly, 27 May 1980, Senate, 5 June 1980) in terms of section 8 (2) of the Forest Act, 1968 (Act 72 of 1968), as amended, the portion of the demarcated State forest land referred to in the Schedule hereto is hereby withdrawn from demarcation.

No 2054 2 October 1981

KAMMANASSIE FIRE PROTECTION AREA — WITHDRAWAL OF NOTICE

Under and by virtue of the powers vested in me by section 12 (5) of the Soil Conservation Act 1969 (Act 76 of 1969) I, Cornelius Visser van der Merwe, Minister of Water Affairs, Forestry and Environmental Conservation, hereby withdraw Government Notice 936, dated 20 April 1951, by which the Kammanassie Fire Protection Area, situated in the Magisterial Districts of Oudtshoorn, Uniondale and George, Province of the Cape of Good Hope, was established.

C. V. VAN DER MERWE Minister of Water Affairs Forestry and Environmental Conservation

GENERAL NOTICES

NOTICE 757 OF 1981

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

It is hereby notified in terms of regulation 12 of Government Notice R 2279 of 3 December 1976 that at an election of a member of the Professional Board for Health Inspectors for the unexpired portion of the five-year period ending 30

1974 (W. Gesondh. die vyfja. plek van stemme gende is

Le Gr. Van V. Von M.

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van du. Aan. JOH. Saluut

Nad. in te s. verplig

En. lem Ge. Komm. missie

R4.8-million in profits

(244)
5/10/81

BUT PUTCO WANTS HIKE IN FARES

By MANDLA NDLAZI

THE more money one gets, the more one wants. That seems to be the pattern in Putco's application for increased fares, after its record R4.8 million profit last year.

Whatever way one looks at it, to do good business is to have profitable dealings. But that in itself cannot escape criticism from the public that pays the money to make the profits.

Again, the matter gives one the impression that while the rich get richer, the poor get poorer. That is why the company's desire to increase fares is being challenged by the Commuter's Watchdog Association (Comwaso).

The matter has become a bone of contention, so much that Comwaso would like to be represented at the hearing of the company application for increased fares and to participate in the inquiry.

Mr Denzil Bradley, the company's PRO, says the profit was "not excessive," taking into account the soaring fuel prices, and other items such as repairs and maintenance. Considering such expenses he said, the company's actual profit return was 5.7 percent.

But the company's financial executive, Mr J L Coetzee, explains it differently. He says the company's profit was due to the special fuel bridging subsidy of R9.5 million from the Government.

PROFIT

The subsidy it is believed, favours Putco in the making of its profit. In another expla-

return on capital, its methods of financing operations and possible alternatives to such methods, say Comwaso.

Made up of 20 black organisations, Comwaso's objection to the fare hikes is on grounds that they are 'unreasonable and not in the public interest'.

EXCESSIVE

The notice of objection — lodged with the secretary of the Johannesburg Road Transportation Board last week — states that if the increases are granted, Putco was likely to make "excessive profits."

Putco claims that the fare increase was unavoidable for economic reasons. The company's application was published in the Government Gazette early last month.

Comwaso represents thousands of commuters from black, coloured and Indian townships in and around Johannesburg. Among those who signed the objection were Dr Nthato Motlana, chairman of the Committee of Ten, Mrs Ina Perlman of the South African Institute of Race Relations and Mr Gibson Thula local representative of Inkatha.

According to the company's annual report, profits went up more than fourfold — R1.1-million to R4.8-million, and Putco turned a profit of R5.5-million for the year ending June 30, according to reports last week.

This is the company that has a fleet of 538 buses operating in Greater Soweto,



Is Putco stuck in a rut of always making profits at the expense of its commuters?

routes to the city, he said. Considering the number of trips, the average breakdowns was "not alarming," he added.

Mr Bradley said Putco was not responsible for the erection of bus shelters. The com-

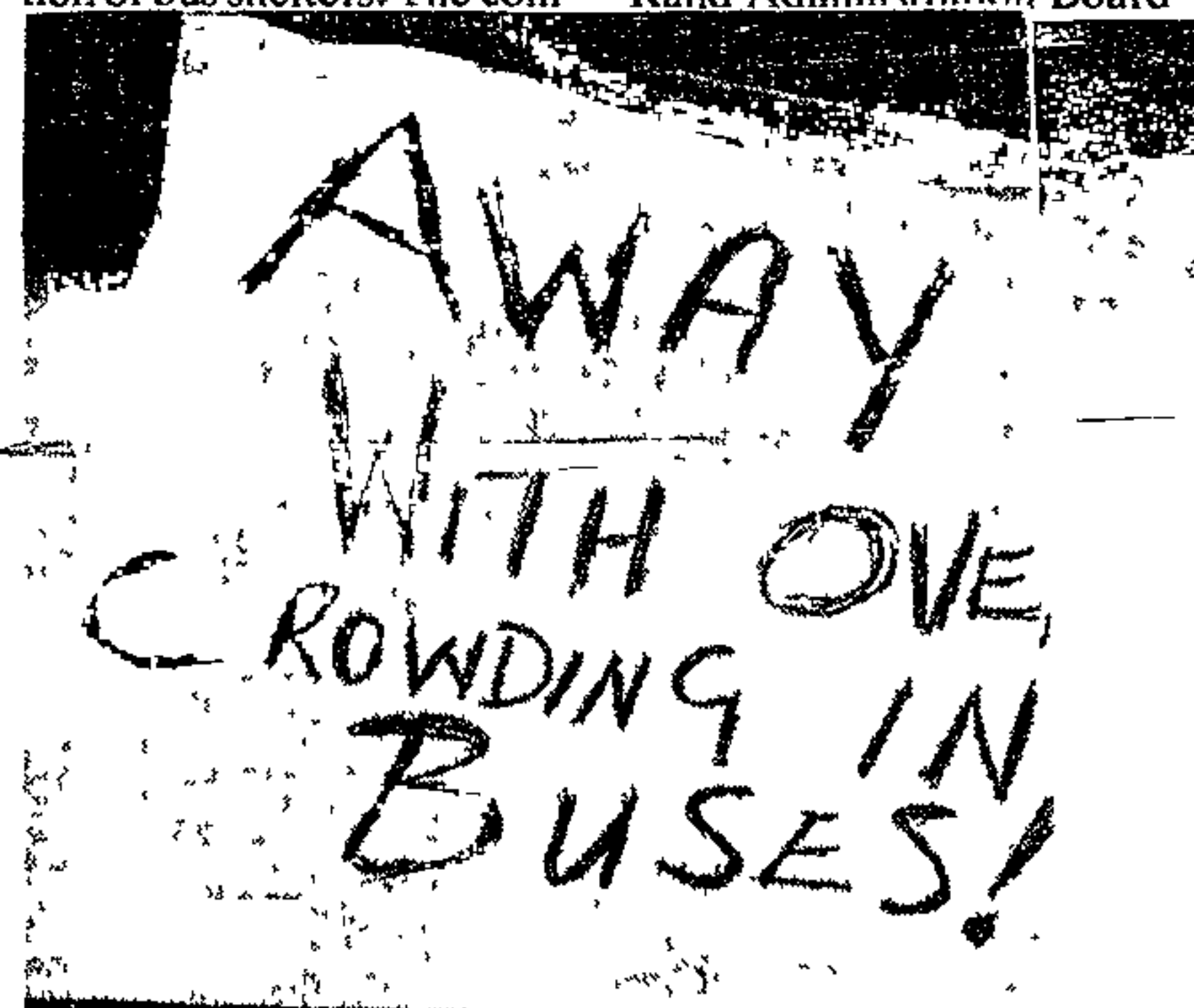
pany paid the Johannesburg City Council a levy of R170 per bus annually, but he did not know whether with the change of authority such money was transferred to the Soweto Council or the West Rand Administration Board.

He said the local authority was responsible for the building of bus shelters, toilets and erection of signs.

Mr Bradley said Putco was planning to purchase 500 new buses to keep pace with commuters' demands. He said this would cost R25-million, and such money

would come from the profits made by the company. He added that from now on all new buses will have padded seats.

He blamed the bad roads of Soweto for the filth outside the buses. During rainy days mud splashed the buses and the blame for such roads lies with the local authority.



Placard at a demonstration in Daveyton a increases in bus fares

Cont →

Sowetan 5/6/81

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nation, Mr R W Button, the company's finance controller, said the company had increased profits because of "negotiated tariffs which were implemented in May and July 1979 to provide a reasonable return on shareholders' funds"

"It's true," said Mr Button, "that Putco had its best financial year ever last year, but there would have been growth in any case"

BLAME

Comwaso have objected strongly to Putco's bid for another increase in fares — the first was in July this year when fares went up by an average of 7.5 percent on the Witwatersrand, after an 8.5 percent Government subsidy fell away.

They call upon Putco to give full information on the application of its income, the income and costs on the routes for which it wants the increases, and the money Putco would make from the increases

Putco must spell out how it applies the capital investments of shareholders, their

where it covers a total of 2 750 trips every day.

Disgusted passengers have continually complained about the filth of the buses, inside and out, breakdowns that make them get to work late or arrive home late and about the unpadded seats and broken windows — while members of other race groups travel in the comfort of better and well-kept buses

For years commuters have been drenched in the driving rain while waiting at termini without shelter. They have shivered through the winter months, with seemingly nobody to blame.

But Mr Bradley has a way to explain all this. First, he asks, "who makes the buses dirty every morning?" It is the people who "eat their breakfast in the bus" while on their way to work, he said

He said the buses are cleaned every day, but soon after the morning peak hours they are piled with garbage. This happens again in the afternoon peak hours

There were an average of 15 breakdowns on the 2 750 trips covered by the buses in Greater Soweto and on

Beef price starts to fall in city

Consumer Reporter

THE price of beef has begun to fall at Cape Town abattoir auctions after rising last week because of the increased demand at the end of the month.

But lamb and pork prices are still high.

Super beef fetched from R2,37 to R2,38 a kg at today's auction compared with R2,41 on Friday and R2,46 at the beginning of last week.

Super lamb fetched from R2,77 to R2,96 a kg today compared with from R2,80 to R2,96 on a Friday and R2,84 at the beginning of last week.

Super pork fetched from R2,04 to R2,30 a kg today. It was R2,30 a kg on Friday and R2,24 early last week.

A Meat Board spokesman said supplies were plentiful. Today 700 pigs, 5 200 sheep and lambs and 750 cattle were slaughtered for tomorrow's auction.

VAAL BUS FARES GO UP

Increases in their lives
"Just recently the price of bread went up, and it is expected to go up again. Our people are caught up with inflation. Where are they expected to get all this money from? On the other hand, it seems the company just doesn't care about the comfort of its passengers, and the drivers are unbelievably rude," Mr Mokuene said
The secretary of the local Ratepayers Association, Mr Tom Mzimba, sounded a warning to the Government

By CHARLES MOGALE
THE Vaal Transport Corporation is to increase its overall fares by five cents from Monday.

This was confirmed by the general manager of the company, Mr F Brick, who said the rise in operation costs had risen "tremendously" over the past few years.

"For two-and-a-half years now we have not had a single fare increase relating to services. We only increased the fares when fuel went up, but every single item has gone up—tyres, spares, licences and everything," Mr Brick said.

He said although all areas in the Vaal would be affected by the increase, "a few exceptions" would not rise by five cents. He could not elaborate on the "exceptions."



RUDE: Tegobo Mokuene.

Commuters interviewed yesterday expressed disgust in the increases. They accused the company of offering inferior service which did not warrant the rise.

"This is madness," Mr Irish Molotsi, of Evaton, said.

"In all my life I have never seen a bus company as poorly maintained as

CHOLERA: Rose Molloa.

this one, and if they see the need to raise their fares, they should first clean their house. Where does all this money go?" Mr Molotsi asked.

Beauty queen Miss Rose Molloa said the buses owned by the company were few and filthy.

She said "Everytime I get into their buses I think, here's cholera. And when

MADNESS: Mr Molotsi.

it rains, passengers are forced to stand because most seats are wet. The company should do something about the services if it expects the community to co-operate.

Former security detainee and official of the Vaal Students Representative Council Mr Tebogo Mokuene said blacks could not afford the "daily" in

"If they don't stop these frequent increases, they are courting trouble. Recently they saw rent increases erupt into violence

"The Putco issue is threatening to erupt, and now the Vaal buses must go up. It seems when increases are sought, blacks don't seem to matter. They are expected to take it all in

Govt blamed for on milk price delay

price

24
R 10-81

By GERALD REILLY

MILK producers claim the Minister of Agriculture is stalling on a decision on the higher milk price demanded by the South African Agricultural Union (SAAU) two-and-a-half months ago.

The Dairy Board considered a 5c a litre claim and sent its recommendation to the Marketing Council weeks ago

Producers warned that South Africa would run into a serious and permanent milk shortage unless their demand was met

The current shortage was an early warning of what would soon deteriorate into a crisis, they said. The milk price was raised by 6c a litre in June but the producer got only 4,5c a litre of this

Switching

A SAAU economist, Mr G V White, said the demand for a 5c a litre increase was supported by a whole range of cost increases since June including fuel, steel, building materials, interest rates, wages and cattle feeds

Statistics supported the claim that large numbers of farmers were abandoning fresh milk farming and switching to other branches of agriculture

Between June 1980 and June 1981 the number of registered dairy farmers had decreased from 1 958 to 1 825. Production had also dropped significantly. It had fallen by 59 000 litres when the first six months of 1980 were compared with the same period this year

Escalate

"The indications are that the number of farmers leaving the industry will escalate until a price is paid that gives them a fair reward for their huge capital investment and compensates them adequately for their seven-day-a-week operation," Mr White said

The SAAU estimated it would cost at least R170 000, excluding the price of land, to start an average-size dairy farming business. "If he put that in a building society, he would earn R20 000 a year with no risk and no 12-hours-a-day seven-days-a-week", Mr White said

Big jump in living costs for Africans

Ev Post 15/10/81
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By SHELAGH BLACKMAN
IT NOW costs an African family of six in Port Elizabeth R219,46 a month to live — up by 19,2% in a single year, according to an authoritative survey by the University of Port Elizabeth.

And the latest six-monthly Household Subsistence Level survey by UPE's Institute for Planning Research also reveals that coloured families in Uitenhage live cheaper than African families in the town

If the inflation rate remains constant, the average HSL for an African household in South Africa's five major urban centres could reach R388,00 a month by October, 1985, the survey warns

It also shows that African families in both major Eastern Cape cities experienced cost of living increases this year which were higher than the 16,1% Consumer Price Index for the country as a whole

Whereas it now costs a minimum of R219,46 for an African family of six to subsist

PE up by 19,2% over 12 months

in Port Elizabeth, the HSL for a similar family in Uitenhage is now R221,42

This is 9,7% up on the April figure and 18,8% in a year

The average annual increase in the HSL for all 13 areas included in the UPE survey is 14,5%. This is the highest registered since the institute began its surveys in 1972

For an average-sized Port Elizabeth coloured family, the HSL now stands at R222,73, which is only 6,9% up on the figure for April but a steep 17,2% rise for the year

An equivalent family in Uitenhage now needs R200,62 a month to live — about R20 cheaper than for their African counterparts

Over six months, the HSL for coloureds in the town rose only 5,7%, although the increase for the year was 18,7%

The report reveals that in the six months to September there were five areas where the cost of living for blacks exceeded the CPI

These were Port Elizabeth

(19,2%), Durban (18,3%), Johannesburg (21,2%), Uitenhage (18,8%) and Umtata (17,3%)

Coloured families in Port Elizabeth were found to be doing well when compared with families elsewhere. The HSL for coloureds in the city rose by only 6,9% in the six months to September

Generally coloureds were less affected by the cost of living increases than blacks. The survey found that the increase in the HSL over the past year for coloured families in South Africa was 12,2%, which "in present-day terms is very moderate, as the Consumer Price Index increased by 16,1% during the same period"

The report indicated that the HSL over the past six months was higher for African than for coloured families chiefly because of the high increases in the prices of basic foodstuffs, such as bread, and maize products

The average increase for African families in the 13 cen-

tres — including East London, King William's Town, Queenstown and Umtata — was 10,7%, and 14,5% for the past year

The cheapest urban area for Africans was Kimberley, where it cost R217,43 a month to maintain a household of six. The area with the highest household subsistence level in the country was Johannesburg where R242,49 a month was required

The report pointed out that although there were moderate rent increases in many black areas, Johannesburg (Soweto) was "once again hard hit"

Last August a three stage R13,50 rent hike was introduced — the last R4,50 stage becoming effective in February. New rent increases of R8,00 a month from October had a "substantial" effect on the total HSL for Johannesburg

The HSL calculations included the following elements

- An adequate balanced low cost diet
- Clothing
- Fuel, lighting and cleansing materials
- Transport for the breadwinner to his place of work and back
- Housing

Milk price

decision

likely soon

ARGUS 20 10 '27

Argus Correspondent

PRETORIA—The Cabinet is expected to decide on an increase in the milk price soon

Dr Louis Theron, chairman of the fresh milk committee of the South African Agricultural Union, said today it was expected that the Minister of Agriculture, Mr Pietie du Plessis, would 'give attention' to the matter this week

"The increase was requested because the producer does not find the industry rewarding," he added

Blends 'short on nutrition'

Consumer Reporter
Claims by milk blend manufacturers that their products were superior to fresh milk were false, Mr Marius Kritzinger, executive director of the South African Dairy Foundation, said in Johannesburg yesterday.

Mr Kritzinger told a meeting of consumer organisations that the nutritional value of milk blends fell far short of milk, which provided 19 per cent of one's daily protein requirement, 51 per cent of the calcium requirement, and 11 per cent of daily energy requirements.

Mr Kritzinger quoted a report by the Medical Research Council which said the vegetable fats in milk substitutes could harm the health of consumers who were hypertensive, overweight, who smoked, or who had high cholesterol levels.

He said the dairy industry planned to introduce a stamp similar to the Citrusal, to identify dairy products.

Milk is underpriced, warns industry chief

**By Caroline Braun,
Consumer Reporter**
Milk in South Africa is underpriced, claims Mr John Fisher, vice chairman of the Rand Milk Association.

He reached this assessment after analysing production and processing costs, world milk prices and food value.

Mr Fisher, who was addressing consumer organisations at the Johannesburg Country Club yesterday, said: "If consumers are to continue receiving the quality and variety of dairy products, they must accept that the price of milk will have to rise."

"In the case of the milk producer, production costs

such as fertiliser, maize and fuel have increased alarmingly. There is nothing he can do except absorb the costs until he is granted an increase in the price of milk.

Early this year the producer calculated that he needed an additional 6.5c a litre to cover his increased costs. The distributor, with his higher packaging and transport costs, needed an extra 3c a litre.

"The Government however, only granted the producer 4.5c and the distributor 1.5c a litre. This caused much dissatisfaction and disillusionment, and resulted in a certain number of milk producers

leaving the industry," he said.

Referring to world prices, Mr Fisher said the South African milk price was sixth lowest of 25 countries. "Our butter and cheese are both third cheapest."

Turning to food value, he said milk was still one of the cheapest sources of protein, calcium, lactose, animal fat and essential vitamins.

Over the past 10 years, the price of milk has increased about 200 per cent, while the national average wage of a labourer in commerce and industry has increased 326 per cent.

Deposits on bottles are the problem

Consumer Reporter
It is not possible to sell milk in glass bottles through retail outlets because of difficulties with deposits on bottles and crates, said Mr Fanie Lombard, chairman of the Rand Milk Association.

He told a meeting of consumer organisations yesterday that supermarkets were not prepared to pay a

deposit on milk crates, although they happily paid a deposit on cold drink crates.

"The dairy industry loses nearly R1-million a year on crates that circulate through the depots. The industry could not bear the additional loss of mislaid crates at supermarkets," Mr Lombard said.

Star
21/10/81
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2

Inflation will pinch as the brake goes on

By GERALD REILLY

THE inevitable round of Government-administered price rises and salary increases in the public and private sectors would continue to generate double-digit inflation next year, economists said yesterday.

They were reacting to the Consumer Price Index for September, now released, which slowed down fractionally.

It showed an increase over August of 1.6% and a rate of 15.6% for the 12 months to the end of September.

August's increase was 1.7%, with a 16.1% annual rate. The Department of Statistics attributes the drop in the annual rate mainly to the removal from the calculation of the 5.6% hump in September last year, caused by huge meat price increases. During September the living costs for lower income groups rose by 2% with a 12-month rise of 16.3%, for middle income groups 1.7% (15.5%) and for high-

er income groups by 1.4% (15.3%)

In six years, the GPI's point count has more than doubled, to 211.3%, cutting deeply into the living standards of many thousands of workers whose pay rises have failed to keep pace, economists pointed out.

Shrunk

The already marginal living standards of the poor, particularly pensioners, had shrunk to and below subsistence levels, because of unrelenting inflation and lack of adequate financial adjustments.

The chief economist of Barclays Bank, Dr Johan Cloete, said the inflation rate for 1981 would probably be between 15% and 15.5%.

However, because of the economic slowdown, which was worsening, next year's overall rate should be about 12% or 13%.

He agreed administered price rises and pay increases would be major causes of continued double-figure inflation.

However, because of the economic slowdown, labour would not be in as strong a bargaining position when negotiating increases, which could be expected to drop below the inflation rate.

At the weekend, the Minister of Finance, Mr Owen Horwood, warned a further economic decline next year must realistically be expected because of international economic prospects. Inflation was still too high, despite recent indications of a moderating tendency.

PDF 22 10 81

244

10 pc jump in electricity charges likely in the New Year

Municipal Reporter

DURBAN'S electricity tariffs are likely to rise by an average 10,3 percent to meet Escom's 14,3 percent surcharge increase next year

Most householders in the city — those using single-phase or 220-volt power — can expect to pay an extra 77 c a month for their first 100 kWh, an extra 45 c for the next 500 units and an extra 0,26 c a unit for the rest

Those on three phase power (380 v) are likely to pay 55 c more for the first 100 units, R2,25 more for the next 500 and an extra 0,26 c a unit for the rest

Businessmen and other consumers using between 220 v and 11 000 v are to pay 5,75 c a unit instead of various scales which apply at present. Their monthly service charge will go up from R4,55 to R7,50

Big businesses and industries using bulk power supplies are to pay higher demand and energy charges. Their discounts will be halved

Regional surcharges to householders in areas fairly close to the city (Amanzimtoti and Kingsburgh, for example) will be reduced from 10 percent to 7,5 percent

Surcharges to householders further away (in Gillitts and Hillcrest, for example) will be reduced from 20 percent to 15 percent.

This is due to increased demand

The adjustments, announced at a Press conference at Durban's City Hall yesterday, will be recommended to the Trading Undertakings Committee next week

A report from the City Treasurer and City Electrical Engineer says Escom's increase is expected to increase the cost of current to the city from R115 348 000 to R127 100 000 during this financial year

If normal growth were taken into consideration the cost is likely to be R144,8 million in the 1982-83 financial year. The Electricity Department may have to meet a total expenditure of R215 million from the sale of current

Adjustment

Municipal officials said Escom's increase, effective from January 1, spelled the end of a five-year 'holiday' which Natal had enjoyed while charges had gone up from time to time in other provinces

Durban's last major tariff adjustment had taken place in 1976 when Escom had increased its prices by 25 percent

Yesterday officials also announced a recommended service charge of R25 a month to replace a charge based on a minimum of 300 kVA demand by low-voltage bulk users

They said small businessmen should consider whether it would be economical to switch to the I.V. three part tariff

This should be done before January 1

Inquiries should be made to the Chief Engineer (Commercial), Mr Duncan Wallace, telephone 319295

Inflation's grip tightens as CPI soars 22%

By HOWARD PREECE

SEVERE inflationary pressures are still battering the economy. The implication, most private sector economists say, is that the Treasury and the Reserve Bank will dig in for a long period of tough monetary and fiscal policy.

Inflation as measured by the consumer price index soared at an annual rate of 22,2% in the third quarter of this year.

That arose from monthly rises of 2,3% in July, 1,7% in August and 1,6% in September.

The overall CPI was 211,3 in September compared with 203 in August and 182,8 in September 1980.

That gave a 12-month increase of 15,6%.

This was a reduction on the 16,1% level for the year to August even though the September monthly increase was at an annual rate of more than 19%.

An exceptionally heavy jump in meat prices in September 1980 caused an even larger monthly increase in the CPI and thus the annual rate actually slowed in September this year.

According to the sub-division of the CPI, the 12-month rise for upper-income groups in the year to September was 15,3%, for middle incomes 15,45% and for lower incomes 16,3%.

Food prices raced up by 18,9% in the 12 months to September, but this was still way below the level reached in 1980.

Even so, food continues to make a major impact on the cost of living and to be the most important single factor for lower-income groups.

In its September quarterly bulletin the Reserve Bank said "The rate of increase in consumer prices slowed down considerably from a seasonally adjusted annual rate of 22% in the fourth quarter of 1980 to 13,1% and 10,4% in the first and second quarters of 1981."

That seemingly hopeful trend was clearly sharply reversed in the third quarter.

PAT SIDLEY reports that Professor J. L. Sadie of Stellen-

bosch says the year-on-year CPI figure for 1981 should fall below the present 12-month level because of large increases in the index in October, November and December last year.

He says Pretoria's present fiscal and monetary policy has failed to contain inflation effectively and that other means, such as wage and price controls, should be introduced.

Most private economists are, however, opposed to this.

A bank economist says the inflation rate has been accelerating.

When the increase between August and September — which appeared to slow — is seasonally adjusted, it in fact increased from 1,17% to 1,36% last month.

The inflation rate will slow down, he says, but not significantly and this will only be visible in 1982.

1982 financial battleground is forecast

By PAT SIDLEY

NEXT year will be tough for consumers — and a busy one for consumer organisations.

This was the prediction of Mr Noel Klomfass, director of productivity of a leading supermarket chain, when he spoke at the National Development and Management Foundation's Business Outlook conference in Johannesburg yesterday

Listing retail trade factors influencing the level of retail trade, Mr Klomfass painted a picture of a battleground next year with consumers fighting higher prices retailers hit by falling sales in certain sectors and suppliers unable or unwilling to make price or service concessions. And wage demands will not be met.

"Inflation has risen steadily and appears to show no sign of regressing. I cannot see it dropping much below 14% for 1982," he said. The food CPI was unlikely to drop much below 20%.

Consumers would try to save after the spree of the previous two years and would be helped by "seductive offers from hungry money institutions".

"Interest rates will accordingly rise further in attempts to exceed the inflation rate," he said.

Antagonistic

"With an expected downturn in economic activity (a GDP of 2% to 2.5%) it will be possible, and necessary, for employers to resist demands for greatly increased salaries," he said.

It would be ludicrous to expect an income tax bonanza to relieve the burden on the consumer.

These pressures would force consumers to be more selective and make them antagonistic towards price increases and they would demand more of shops, including extended trading hours.

Mr Klomfass said "Retailing chains with high negotiating power have prevented many suppliers from passing the full extent of (rising) costs on to the consumer."

"This, of course, does not apply to certain notorious suppliers or manufacturers who enjoy monopolies, who operate price fixing cartels or who are legislatively protected from competition."

Mr Klomfass predicted that in 1982

- Retailers would move to Saturday afternoon shopping with later hours on some week evenings.
- Margins would decrease.
- Advertising would increase.
- Customers would have to be treated "as gods", and,
- Salary increments to the lower levels of store workers would be higher than in other business sectors.

Economy

SUM mers e run

DOW
Matthysen

FROM 10 until 11 30 tomorrow morning the Children's Bookshop is celebrating its 30th birthday in Trywhitt Mall, Rosebank. There will be free cool drinks, a Punch and Judy Show, drum majorettes and a bubble-blowing competition. All children are welcome.

□□□

THEN also tomorrow morning there is grand prix racing on a small scale on the go at the Steeldale Hypermarket, on the corners of Outspan and and Kliprivier Roads Southhills.

□□□

AND at noon drag racing starts at the Tarlton Dragstrip off the Pretoria/Krugersdorp Highway.

□□□

ALSO at noon tomorrow there is a championship cat show at the West Ridge High School, Ontdekkers Road, Horizon.

□□□

STAR-GAZERS may be interested to learn that the Planetarium will present "Voyager Encounters Saturn" at 3pm in Yale Road Braamfontein.

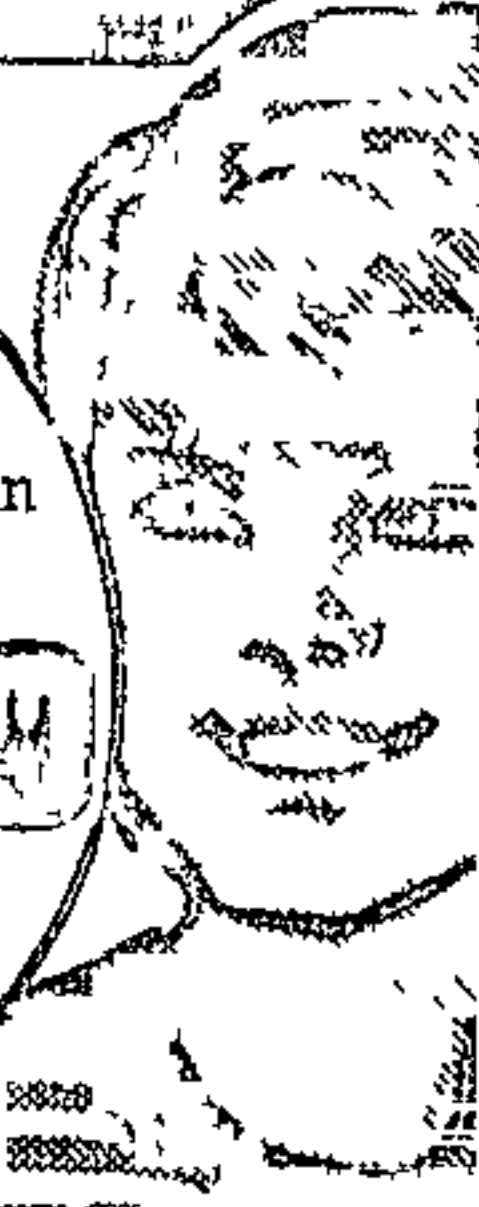
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NOW about some Sunday happenings. At 10am the annual commemorative service of the Battle of Fl Alamein will be held at St Catherine's Church 51 Da-

SAVING
Great Summer's
Strong on looks low

Cotton knit
short sleeve T-shirt with
print in red, yellow, and tan
Sizes 56cm - 81cm

R359



Govt is likely to raise price of milk

Mall Reporter

THE LAST in a long series of Government-administered food price rises this year — another hike in the milk price — is expected to be announced after the first meeting of the Cabinet in November.

Farmers have accused the Minister of Agriculture of deliberately delaying a decision on what they claim is an "open and shut case" for a price rise. The South African Agricultural Union had demanded a 5,3c a litre increase.

Shortage

The Cabinet is likely to approve a 3c to 4c hike, it is learnt.

Fresh milk producers warn that a chronic milk shortage is unavoidable unless farmers are granted regular increases on a scale which would compensate for the big capital investment involved in a seven-day-a-week dairy farm operation.

The SAAU has pointed out that in the past 18 months more than 150 dairy farmers have abandoned dairy farming as unprofitable.

CNA income up by 97,5 percent

MM 29/10/81 244 245

JOHANNESBURG — CNA Investments recorded unaudited pre-tax income of R3 175 000 for the six months to August 31, 1981, a 97,5 percent improvement over the comparable R1 608 000 recorded to end-August last year.

Results at CNA are a pointer to Argus Printing and Publishing which is expected to report tomorrow.

The CNA result was achieved on only a 37,6 percent increase in comparable sales — from R36 276 000 to R49 928 000.

Tax was well up at R1 137 000 from the previous R587 000 and, with an unchanged preference dividend of R25 000, attributable income for ordinary shareholders more than doubled from R996 000 to R2 013 000.

Earnings per ordinary share increased from 29,5 cents to 59,7 cents and the interim dividend has gone up 66,7 percent to 12,5 cents from the last interim of 7,5 cents.

The directors say growth through the CNA retail

stores was particularly strong in the first half of the financial year. CNA sales increased R12 million, or 38,7 percent, to which 10 new store openings (1980 — 5) contributed R1 million. This achievement exceeded our budget forecast, with consumer spending holding up at levels higher than anticipated.

They add that although they expect a deceleration in the sales rate increase through to the February year-end, their seasonal merchandising programme and expanding store network 'looks to winning increased market share and proportionately higher earnings for the full year'.

As the group has switched to the Fifo method of accounting, the board considers it in the company's best interests to widen dividend cover in these times of higher inflation, and replenishment cost — (Sapa)

Minister may settle crayfish price dispute

~~3 fishing~~ Shipping Reporter

ARGUS 29 10 81

244

WITH only two days to go to the opening of the crayfish season, Safroc — the controlling body of South Africa's R30-million-a-year crayfish industry — and private boat-owners are still at loggerheads over the catch price to be paid to fishermen.

However, the Minister of Agriculture and Fisheries is expected to end the dispute by setting a price which will have to be accepted by both sides.

Private boat owners, who are responsible for about 25 percent of the country's annual catch, have written to the Minister, Mr Pietie du Plessis, and say they are prepared to abide by any ruling from him.

CHAIRMAN

The chairman of the West Coast Boat Owners' Association, Mr P J Steyl, said 'Our drawn-out squabble with Safroc has come to a dead end and the ball is now in the Minister's court.'

Mr Steyl said he could not speak for all private boat owners — about 45 percent of South Africa's fleet of 370 licensed catchers and backbone of the industry — but indicated that there could be a mass 'no sail' movement if the issue was not resolved by Sunday.

Boat owners in Cape Town said 'The Minister realises that we have to arrange fuel, crew and supplies before the weekend otherwise it's a case of no go when the season opens on Sunday.'

One major owner said 'We feel that because of these reasons the Minister will probably issue a statement later today.'

Representatives of the boat owners and Safroc have already met the Minister and held talks with members of the Agricultural and Fisheries Marketing Board.

According to a spokesman for the Minister's office, members of the board reported to him and he is fully in the picture.

DOMESTIC

'I can assure you, however, that the Minister has not yet made any decision,' said the official.

The Minister was reluctant to get involved because he felt it was a domestic matter.

'But both sides have indicated that they are prepared to accept any ruling by him and it seems as though he will be forced to resolve things.'

Poor buy less bread since the price rises

RD 11 29 10 21

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THE big bread price hikes imposed in July have caused a sustained fall-off in the consumption of bread among the poorer section of the population

Economists said yesterday the sensitivity of the demand for basic food products among blacks indicated a very large percentage of the black population was living below the breadline

The trend among black families in the past few years has been to consume greater quantities of bread, as opposed to mealie meal, as their incomes increased

There has now been a reversal of this trend

According to the Wheat Board, taking into account the normal annual increase in bread consumption, bread purchases have

By GERALD REILLY

dropped by 11,7% since the price of white bread was raised to 42 cents a loaf, and brown to 30 cents a loaf in July

An official of the board said the expected increase in consumption from August 1980 until the price was raised in July had been about 10%

He said during this period consumption actually fell by 1,7%

In August the amount of bread sold in kilograms throughout the country was 111 756 953 compared with 114 249 546 in August, 1980

Expensive

The general secretary of the National Union of Clothing Workers, Mrs Lucy Mvubela, said even mealie meal was still too expensive for many thousands of the country's poor families

The result was that they had to buy less than was needed to adequately feed their families

"It is true there has been a switch from white bread to mealie meal, but to put an end to a situation where people are not getting enough to eat, the Government should subsidise both basic foods more heavily"

Hunger, she said, was a fact of life in the townships

BER predicts GST will go up

CT 20/10/81
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~~153~~

By GORDON KLING

SOUTH AFRICANS face a lean 1982 with a near-recession economy requiring a one percent increase in general sales tax, re-introduction of personal and company income tax surcharges and continued high inflation.

Almost in sympathy with this gloomy prognosis by the University of Stellenbosch Bureau for Economic Research the gold price softened further bringing down share prices as the value of the rand already down 22 percent on the dollar this year, continued to decline.

Acceleration of the inevitable downturn in the business cycle from the great boom of the past three years will be particularly hard on the man in the street already beginning to feel the pinch from high interest rates on everything from housing loans to overdrafts and 15 percent plus inflation.

The BER in its report on prospects for the coming year released yesterday believes average standards of living will probably decline from present levels.

It predicts a one percent increase in GST to five percent in the March national budget, the re-introduction of a 10 percent loan levy on individuals and companies and a sharply-reduced rate

of increase in subsidies. No change in direct tax rates is expected and since no concession would be made for the effects of inflation on personal tax rates either revenue from this would be up about 23 percent.

Growth of the real value of goods and services produced in the economy the Gross Domestic Product is expected to plummet from last year's spectacular 8,1 percent to 4,1 percent this year and 2,2 next. Anticipated consumer spending will grow by only 2,3 percent next year after this year's 4,1 percent rise, while job and production capacity boosting fixed investment is expected to show an actual decline of 0,4 percent in 1982 after a 11,1 percent rise this year.

Inflation in 1982 is put at 14,3 percent after a rise in the consumer price index for 1981 of 15 percent.

The bureau's deputy director, Mr Attie de Vries, agreed in an interview yesterday that semantics would probably allow the economy to be described as entering a recession, but he preferred to label it a downturn.

'As we see it at the moment, it will not be as serious or as long a downturn as that which occurred from the end of 1974 to 1977.

The overseas recession was not as serious as at that time the country was better protected by the gold price which although no longer rising was still at relatively higher levels than several years ago and the government's finances were in much better shape than was the case at the start of the previous downturn.

The trade-off facing government was to increase taxes or make more use of bank credit and since the latter was more inflationary it would be better to increase taxes.

Disposable income towards the end of next year would rise at a rate lower than the population increase implying a lowering in the real per capita standards of living the report said.

Turning to inflation, the bureau found the outlook, at best, was for a slight moderation in the average rate of increase.

Increased competition stemming from weaker domestic demand conditions would be an alleviating factor but those with an aggravating influence included the anticipated general increase in GST further weakening of the external value of the rand, the widespread abolition or reduction of subsidies.

Higher sales tax forecast, and re-imposition of the loan levy

WV 28/10/81 (244)

Financial Editor
ECONOMISTS at Stellenbosch are forecasting a Budget deficit next year which will have to be met by a 20 percent increase in General Sales Tax and a re-imposition of the 10 percent loan levy.

These are two of the elements of the latest report *Prospects for 1982* by the Bureau for Economic Research at the University of Stellenbosch.

They consider that the outlook for inflation remains pessimistic with an average inflation rate (consumer price index) of 15

percent expected for 1981. Referring to fiscal policy, the report found that the Budget deficit before borrowing and debt redemption is bound to rise sharply during 1982 to about 6 percent of the gross domestic product (GDP), compared with the estimated 4 percent of GDP for 1981 and 0.5 percent for 1980.

In order to reduce such a deficit, we are assuming that the March 1982 Budget will among other things contain

- An increase of 1 percent point in general sales tax to 5 percent,
- The re-introduction of a loan levy on companies

and individuals of 10 percent; and
 • A sharply reduced rate of increase in subsidies but no change in direct tax rates

Payments

The 1982 current account of the balance of payments is expected to be in deficit to the tune of R2 600 million after this year's estimated R4 000 million deficit.

But while the deficit will be recorded throughout 1982 the amount will decline throughout the year. The gold price swing pushed the current account into deficit after the R2 800 million surplus in 1980.

The bureau considers that only half of the deficit will be covered by capital inflows in 1981 and 70 percent during 1982.

The inflation forecast may at first glance seem optimistic, but it must be remembered that the CPI and in particular the food component, increased very sharply in the last quarter of 1980, the report said.

In that period, the CPI recorded an increase of 15 percent over the same period in 1979, while the food component increased by 27,5 percent. The CPI of the last quarter of 1981 will consequently be measured against a sharply increased base, and although a continued growth in the monthly indices is expected, it seems logical to foresee an increase on an annual basis of only some 13,5 percent for the last quarter of 1981

supply, must be regarded as the main forces that could assist towards a deceleration in the rate of inflation. There are also factors at work that will exert an aggravating influence on inflation.

The lagged effect of the depreciation and expected further weakening in the external value of the rand will have a detrimental effect on costs and prices.

The anticipated increase in General Sales Tax (by 1 percent to 5 percent) should similarly affect final prices.

Slower productivity growth, and

The widespread abolition or reduction of subsidies

Substantial cost-push pressures are still being experienced and a moderation is only expected towards the end of 1982.

For these reasons the outlook for inflation remains pessimistic. The expected average increase in the CPI during 1982 is in excess of 14 percent, while a gross domestic expenditure deflator of nearly 15 percent is foreseen.

Policy

Monetary policy is expected to remain fairly restrictive during 1982.

With monetary expansion still high, most South African interest rates were not yet positive in real terms and only of late more in harmony with overseas interest rates.

FORECAST IN A NUTSHELL

KEY ITEMS	1981 %	1982 %	Change %
GROWTH			
Real GDP	4,1	2,2	
• Primary sector	2,9	- 3,2	
• Secondary sector	4,8	3,7	
• Tertiary sector	3,8	2,9	
REAL CONSUMER SPENDING			
Total	4,1	2,3	
• Durables	0,2	- 8,3	
• Semi-durables	3,5	2,9	
• Non-durables	4,3	3,9	
• Services	6,2	4,2	
REAL INVESTMENT			
Total fixed	11,1	- 0,4	
• Public authorities	4,0	4,5	
• Public corporations	6,0	5,5	
• Private sector	16,8	- 5,0	
Change in inventories	R1 425m	R556m	
CURRENT ACCOUNT			
Exports	- 4,4	18,0	
Imports	31,6	3,2	
Deficit on current account	- R4 042m	- R2 645m	
INFLATION			
Average CPI	15,0	14,3	

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30/10/84

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Competition

'The outlook for 1982 is at best a slight moderation in the average rate of increase. Increased competition following weaker domestic conditions, coupled with better control over the increase in the money

and the growth of the monetary demand is expected to subside markedly during the second half of 1982, some 'softer' monetary policy approach can be expected towards the end of that year.

'However, no relaxation of reserve requirements nor a lowering of the bank rate is assumed for the forecast period.'

WATER BILLS ⁽²⁴⁴⁾ ARGUS 30.10.81 TO GO UP 8 pc

Municipal Reporter

ALL water consumers in Cape Town will pay an average of eight percent more from next month.

An increase in the water tariff, which has gone up 26,1 percent in the past four years was accepted by the City Council at its monthly meeting yesterday.

The increase has been worked out so that the city's water account will still be able to pay more than R1,8-million into the rates account next year. This helps to balance the council's budget and lessens the impact of rate increases.

SALARIES

The council, listing its increased expenses for next year, states that interest and redemption charges will rise by R1,2-million, payments to the Government for water by R1-million and salaries and wages by R500 000.

The city's income from water for next year — with the latest price increase — will rise to R37,7-million. Expenditure is expected to rise to R35,18-million.

The new tariff for domestic consumers will be 22,5 cents for the first 30 kilolitres; 31,5 cents for the next 100 and 38,9 cents for that in excess of 130 kilolitres.

The old tariff was 20,2, 29,2 and 35,9.

Cost of Living index suspect, experts say

ARL 31.10 21

By DEREK TOMMEY, Financial Editor

THE cost of living index — designed with the innocent intention of helping the consumer know how much prices have risen — is being increasingly attacked as one of the main causes of the world's current high rate of inflation.

The index, as being accused of giving a false and magnified idea of the extent to which living costs have risen

This, it is claimed, is leading to the dangerous situation of both producers and consumers demanding — and in many instances getting — excessive compensation for cost increases. As a result, the rate of inflation is getting worse and not better.

That it was not right to base wage awards on a cost of living index which included such items, especially as many people were non-drinkers or non-smokers. However, these proposals ran into serious opposition and were allowed to die.

Now the Reagan Administration in the United States has also announced plans to make changes in that country's cost of living index. The changes involve replacing the present measure of house prices and recently volatile mort-

gage interest rates with an estimated 'cost of shelter'. This would be gauged as if a homeowner were paying rent. The suggestion has come under attack and the Administration has been accused of changing the yardstick to suit itself.

Increases in the cost of imported goods should also be eliminated from the index. South African employers could not be expected to compensate a worker because an Arab oil sheikh decided he wanted more money for his oil.

In fact, any increase in production costs would be more likely to lead to the producer attempting to improve his efficiency, which would be far better for everyone than just increasing prices as he does today.

In fact, any increase in their prices and continue to sell their products. Producers to increase be far more difficult for prices rose and it would wage increases when not automatically get. Then workers would get together, one suggested abolish the index altogether. It would be far better to use labour strongly opposed by organised labour.

But economists point out that any changes in the constitution of the index would probably be to a reduction in the of living index if this led to a reduction in the inflation rate.

COL index
From 31/10/89
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153
(From Page 1)

QUICKLY ERODED

Many people who have seen their annual wage increases quickly eroded by further rises in prices would probably be willing to see changes in the cost

(Continued on Page 5)

Prices of milk, ^{FDA} _{31/10/81} cheese, butter ₂₄₄ may rise

By GERALD REILLY

CONSUMERS will be paying at least another 3c a litre for their milk from the end of next week, according to Pretoria sources

And it's not only milk — the prices of butter and cheese are also certain to be adjusted in relation to the milk price hike

The Dairy Board's recommendation to the Marketing Council included a hike in milk, and cheese price rises, it was learnt yesterday

Milk was raised by 6c a litre in June. At the same time butter was increased from R2,58 to R2,88/kg — a rise of 11,6%

Cheddar

Cheddar was increased from R2,86/kg to R3,48 — a rise of 21,7% — and gouda cheese rose from R2,91/kg to R3,53 — a hike of 21,3%

The expected increases will complete a "full house" of Government-administered food prices this year

Industrial milk prices will also rise next week and this is expected to mean an adjustment of condensed milk and powdered milk prices

And according to agricultural authorities in Pretoria the food price merry-go-round will continue next year

Demands

Early in the new year, the commodity committees of the South African Agricultural Union meet to assess production cost rises for the past 12 months, and to formulate demands for compensation

This has happened with regularity over the past 25 years, and agricultural authorities say they cannot remember when last a year passed without basic food prices being increased

The Economic Research Bureau at the University of Stellenbosch this week warned of falling standards of living next year across a broad front

This supports the view of economists that wage and salary increases will fall back from the peaks they reached in 1979 and 1980, and will fail to compensate for the rise in the consumer price index

Inflation

And again rising food prices will be a major inflationary influence

So the result will be higher prices with wage adjustments generally substantially less than the inflation level

● Another petrol price rise early next year is feared by the motor industry unless the rand makes a dramatic recovery against the dollar

Sources in the motor industry believe the Government is already looking closely at the rising costs of crude oil imports, because of the persistent sag in the value of the rand

South Africa pays for its crude imports in dollars

However, the sources said, it was unlikely that the hike in Saudi Arabian oil by R2 a barrel would be a factor in reassessing the local fuel price

Earlier this week the 13 Opec oil ministers decided that most other 12 members would trim their prices by between R1 and R3 a barrel

Because Saudi Arabia produces half the total output, those countries that buy at the new Opec base price may have to adjust their fuel prices

However, according to Standard Bank's chief economist, Mr Andre Hamersma, the rand should strengthen against the dollar next year

APPLES in Europe are the better price fixing are the better causes of much of the economy the high rate of food inflation in South Africa according to Mr Raymond Ackerman chairman of Poff & Paff. I am sick and tired of different suppliers raising prices on the same day and then pretending they are not working together he said in an interview.

The biggest danger to South Africa is the SWA. I am sick and tired of different suppliers raising prices on the same day and then pretending they are not working together he said in an interview.

Supermarket bosses say price-fixing are behind rise in COIL

For investigation into the poultry industry, has revealed two major areas of concern to the consumer.

Firstly, the establishment of a poultry association and the second, the formation of a major area of concern to the consumer.

Secondly, producers fearful of retailers or wholesalers imposing cheap chickens and keeping local prices down over Christmas have dropped prices and for the first time in months provided adequate consumer supplies.

But sources within the industry believe that by the middle of November — the year's

peak selling period for poultry, and a time when it will be too late to place orders for imports for Christmas supplies — the price will rocket and there will again be a shortage.

In a very effective web of moves and counter-moves, chicken producers have ensured they will be able to feather their nests this Christmas and prevent retailers dictating to them as they did last year when Checkers imported American chickens which sold at R129/kg and forced local chicken producers to drop their prices by almost R1/kg.

Since then first chicken and now all poultry has been removed from its former import permit category, of food items to a category of their own.

Checkers have been blocked from importing poultry again this year by both the Government and local industry.

Last year, the Government refused to allow them to sign a year-long contract with their limited States suppliers for five

BY CHARLES BELTRAM

Mr De Linn, managing director of Col + Fair Foods in Cape Town, a subsidiary of T. Ger-Oats, and one of the big three poultry producers denied the major producers limited exports to control the local price.

He said there was more surplus removed since the Broiler Export Association's export agreement was signed.

The first's surplus of the year are not as bloated as last year, and had more there is a slump in sales. The surplus is that exported.

Mr Laurie confirmed that one of the big three are stage was exporting 200 tons a week.

But total exports per annum are less than 20 000 tons. In excess of 90% of all poultry produced is sold in South Africa.

However, Mr Ackerman said last year export quotas were

Mr Stan Methven, head of the Rainbow Organisation, is currently the only producer

who is exporting substantial amounts of poultry.

Rainbow, the largest chicken producers in the country with an estimated pre-tax profit of R30 million, recently dropped prices by 10c a kilogram, a month after putting them up to a wholesale price of R2 04 a kilogram.

Their price drop brought them closer into line with their competitors, average wholesale price of R1 24 a kilogram.

Mr Clive de Wit, national distributor manager for Rainbow, said they had cut back on exports. "Because we heard some retailers were having problems getting supplies, we are ensuring there will be adequate supplies now over Christmas and at any time thereafter."

Mr Peter Wrighton, managing director of the Premier Group, denied there was any pooling agreement. He said the recent Competition Board investigation into the poultry industry had cleared them of such dealings and that the situation had not changed.

Mr Wrighton said the wide price differences of as much as 20c to 30c/kg between producers showed there was no price control agreement.

SM 7/20/78

Putco ^{Hubs} proposes fare hike

Relative Numbers (0)
Absolute Numbers 28

PUTCO, the country's largest private bus company, which moves 300 000 black commuters in Durban each working day, has applied to the National Road Transportation Board for a massive 35 percent hike in fares.

(-5) 23
(-4) 24

EXAMPLE:

If an existing F-CYCLE file are increased by or

relative F-CYCLES of the

The increase only covers hikes in operating costs like wages, fuel and spares since their last application in 1979 when fuel prices rocketed, and which was only granted last month. It does not include a shock R250 a year road tax hike per bus proposed in the Natal Provincial Administration draft ordinance.

The company's top Natal executive, Mr Colin Bailey, said this hike would increase road tax to R730 and cost Putco R160 000 extra in Natal each year.

When updating is called output file must be (+1) FN(+1), F2. The (+1) as the Processor.

If the increase is granted fares for Durban's 1 500-odd private buses can all be expected to rise.

Mr Bailey said the company had meanwhile embarked on an expansion scheme to increase the Natal Putco fleet of 642 by 20 a month to 800 by June next year and R200-m has been budgeted for the next five years.

A plus sign is illegal. When updating is called output file must be (+1) FN(+1), F2. The (+1) as the Processor.

The Absolute F-CYCLE number is always an unsigned integer within the range of 1 to 999. This number is an integral part of the external file name and will remain a part of that name until the file is decatalogued.

The last reference is, by the file 1 be referer

- (1) The last reference is, by the file 1 be referer
- (2) The file 1 be referer
- (3) The back-(-3), etc.

b. RELATIVE F-CYCLE NUMBER

a. ABSOLUTE F-CYCLE NUMBER

A file with a particular F-CYCLE number can be referenced in one of two ways:

file (same QUALIFIER and FILENAME). Omission of the F-CYCLE implies that the most recently constructed file is intended.

New vow to battle bus fare increases

LOCAL community organisations have vowed to fight vigorously the proposed busfare increases for Mitchells Plain and Atlantis which come about two months after similar increases were refused due to 'community pressure'.

The Cape Areas Housing Action Committee (CAHAC) and Mitchells Plain's Electricity Petition Committee (EPC) both said last week they would again contest the applications.

The increases asked for by City Tramways and the bus companies in Mitchells Plain and Atlantis were refused after a three-day hearing at which more than 30 organisations — with petitions signed by about 25 000 people — opposed the applications.

OPPOSED

A spokesman for the EPC said the latest applications would definitely be opposed.

'People will be spurred on by our recent victory and will fight more vigorously this time. Also the situation has worsened with rents going up,' he said.

Mitchells Plain and Atlantis have asked for increases of up to 30c a route.

A senior spokesman for City Tramways said the company did not intend applying.

Mr Trevor Bruce, a director of Associated Bus Holdings, the mother company of Atlantis and Mitchells Plain, said the main reason for their application was to offset higher labour costs from January 1.

He said the company ran at a loss of R75 377 last year.

'We will not be able to continue this way,' he said.

EXTENT

He said he would not be surprised if people again objected to the increases, but he did not know what the extent of the objections would be.

Under the proposed fare structure the costs of internal journeys in Mitchells Plain would rise from 15 to 20c. From Mitchells Plain to Hanover Park they would rise from 35c to 40c.

A journey from Atlantis to Killarney would rise from 40c to R1 20 while the fare from Atlantis to the Koebig power station would rise from 70c to 90c.

A trip from Hanover Park to Atlantis will cost R1 75. The present price is R1 50.

Cape Herald *239* *244* *244*

for full list see sig 7978

No R 2843

31 Desember 1981

PRYSBEHEER

MAKSIMUM PRYSE VAN KUNSMIS

EK, Elias George de Beer, Prys-kontroleur, bepaal hierby, ingevolge artikel 4 van die Wet op Prysbeheer 1964 (Wet 25 van 1964), met ingang van 1 Januarie 1982 soos volg

1 Ten opsigte van kunsmis en kunsmismengsels -

(1) waar die totale hoeveelheid wat verkoop word, 500 kg of meer is, is die maksimum pryse die pryse per 1 000 kg wat in die Bylaes hiervan aangegee word

(2) waar die hoeveelheid wat verkoop word, minder as 500 kg maar nie minder as 50 kg is nie, staan die maksimum pryse in verhouding tot die pryse per 1 000 kg wat in die Bylaes hiervan aangegee word, plus 'n bedrag bereken teen 'n tarief van hoogstens R1,10 per 1 000 kg.

(3) (a) waar aankope op kontantvoorwaardes regstreeks van kunsmisvervaardigers gemaak word vir versending vanuit die kunsmisfabrieke gedurende die ondergenoemde maande, is die maksimum pryse dié in subregulasie (1) of subregulasie (2) (nl die wat van toepassing is) min die volgende korting, mits bestellings vir sodanige afleweringe nie later nie as die eerste dag van die betrokke maande geplaas en deur die kunsmisvervaardigers vir versending voor die einde van daardie maand aanvaar is

Maand waarn versend	Korting op maksimum pryse		
	Sentrale gebied	Suidelike gebied	Oostelike gebied
Januarie	6%	6,00	—
Februarie	5,50	—	—
Maart	8,50	—	7,50
April	7,50	—	6,50
Mei	6,50	—	4,50
Juni	4,50	—	3,00
Juli	3,00	—	—

(b) waar aankope op kredietvoorwaardes deur koöperatiewe verenigings gemaak word vir versending na die Sentrale Gebied vanuit die Kunsmisfabrieke gedurende die ondergenoemde maande, is die maksimum pryse dié in subregulasie (1) of subregulasie (2) (nl die wat van toepassing is) min die volgende korting, mits betaling vir sodanige aankope nie later as 25 Julie 1982 geskied nie

Maand waarn versend	Korting op maksimum pryse
Januarie	3,50
Februarie	3,00
Maart	2,50
April	2,00

Sentrale Gebied is die hele Republiek uitgesonderd die Suidelike en Oostelike Gebiede.

Suidelike Gebied is die gebied suid van en insluitend die Magisterial Districts van Namaqualand (Springbok), Calvinia, Williston, Carnarvon, Victoria-Wes, Richmond, De Aar, Philipstown, Hanover, Noupoort, Middelburg, Maraisburg (Hofmeyr), Cradock, Bedford, Adelaide, Fort Beaufort, Stockenstroom (Seymour), Albany en Bathurst.

Oostelike Gebied is die provinsie Natal asook daardie gedeelte van die Magisterial District Piet Retief wat as die Pongola Irrigasiestelsel bekend staan maar uitgesonderd die Magisterial Districte Paulpietersburg, Vryheid, New Castle, Dinshausen, Glencoe, Dundee, Kliprivier, Estcourt, Weenen, Umvoti en Kaniyob.

No R 2843

31 Desember 1981

PRICE CONTROL

MAXIMUM PRICES OF FERTILIZER

2174

I, Elias George de Beer, Price Controller do hereby prescribe in terms of section 4 of the Price Control Act 1964 (Act 25 of 1964) with effect from 1 January 1982 as follows

1 In respect of fertilizers and fertilizer mixtures -

(1) where the total quantity sold is 500 kg or more the maximum prices are the prices per 1 000 kg specified in the Schedules hereto,

(2) where the quantity sold is less than 500 kg but not less than 50 kg the maximum prices are proportionate to the prices per 1 000 kg specified in the Schedules hereto plus an amount calculated at a rate not exceeding R1,10 per 1 000 kg.

(3) (a) where purchases on cash terms are made direct from fertilizer manufacturers for dispatch ex factory during the undermentioned months the maximum prices are those specified in subregulation (1) or subregulation (2) (whichever may be applicable) less the following rebates, provided that orders for such deliveries are placed not later than the first day of the month concerned and are accepted by the fertilizer manufacturers for dispatch before the end of that month

Month in which dispatched	Rebate of maximum prices		
	Central Area	Southern Area	Eastern Area
January	6%	6,00	—
February	5,50	4,50	—
March	8,50	—	7,50
April	7,50	—	6,50
May	6,50	—	4,50
June	4,50	—	3,00
July	3,00	—	—

(b) where purchases on credit terms are made by co-operative societies for dispatch to the Central Area from fertilizer factories during the undermentioned months, the maximum prices are those specified in subregulation (1) or subregulation (2) (whichever may be applicable) less the following rebate, provided that payments for such sales are made not later than 25 July 1982

Month in which dispatched	Rebate on maximum prices
January	3,50
February	3,00
March	2,50
April	2,00

(c) **Central Area** is the whole of the Republic excluding the Southern and Eastern Areas.

Southern Area is the area south of and including the Magisterial Districts of Namaqualand (Springbok), Calvinia, Williston, Carnarvon, Victoria West, Richmond, De Aar, Philipstown, Hanover, Noupoort, Middelburg, Maraisburg (Hofmeyr), Cradock, Bedford, Adelaide, Fort Beaufort, Stockenstroom (Seymour), Albany and Bathurst.

Eastern Area is the Province of Natal as well as that portion of the Piet Retief Magisterial District known as the Pongola Irrigation scheme but excluding the Magisterial Districts of Paulpietersburg, Vryheid, New Castle, Dinshausen, Glencoe, Dundee, Kliprivier, Estcourt, Weenen, Umvoti and Kaniyob.



STAATSKOERANT
 VAN DIE REPUBLIEK VAN SUID-AFRIKA
 REPUBLIC OF SOUTH AFRICA
 GOVERNMENT GAZETTE

REGULASIEKOFRANT No 3359

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GOVERNMENT NOTICES

DEPARTEMENT VAN NYWERHEIDS-
 WESE, HANDEL EN TOERISME

DEPARTMENT OF INDUSTRIES,
 COMMERCE AND TOURISM

No R 2842

31 Desember 1981

No R 2842

31 December 1981

PRYSBEHEER

PRICE CONTROL

MAKSIMUM PRYS VAN SIERFER
 STAALPRODUKTE

MAXIMUM PRICES OF CERTAIN
 STEEL PRODUCTS

Ek, Elias George de Beer, Prysbeheer handelende kragtens die bevoegdheid my verleen by artitel 4 van die Wet op Prysbeheer 1964 (Wet 25 van 1964) bepaal hierby, met ingang 1 Januarie 1982, soos volg:

I, Elias George de Beer, Price Controller, acting under the powers vested in me by section 4 of the Price Control Act 1964 (Act 25 of 1964), do hereby prescribe, with effect from 1 January 1982 as follows:

1 Die maksimum pryse waarteen gewalste staalprodukte wat in die Republiek vervaardig en in kolom 1 van die Bylae hiervan aangegee word deur of namens die fabrikant daarvan aan enige persoon verkoop mag word is die pryse wat in kolom 2 van genoemde Bylae aangegee word plus—

1 The maximum prices at which rolled steel products manufactured in the Republic and specified in column 1 of the Schedule hereto may be sold to any person by or on behalf of the manufacturer thereof are the prices specified in column 2 of the said Schedule, plus—

(a) sodanige ekstras as wat die fabrikant of sy agent met die goedkeuring van die Prysbeheer daartoe mag voeg en

(a) such extras as may be added by the manufacturer or his agent with the approval of the Price Controller, and

(b) indien die produkte aan die koper afgelewer word, die koste ten opsigte van vervoer

(b) if the products are delivered to a purchaser the costs in respect of transport

2 Die maksimum pryse waarteen die produkte bedoel in paragraaf 1 deur 'n oorspronklike koper daarvan verkoop mag word, is die fabrikant se faktuurprys (insluitende vervoerkoste) plus 11 persent en sodanige pryse is die maksimum pryse vry op spoor oorspronklike koper se stasie of sylyn

2 The maximum prices at which the products referred to in paragraph 1, may be sold by an original purchaser thereof are the manufacturer's invoice-price (including transport costs), plus 11 per cent and such prices are the maximum prices free on rail original purchaser's station or siding

3 Die maksimum pryse waarteen die produkte bedoel in paragraaf 1 in die Kleinhandel verkoop mag word, is die maksimum pryse soos in paragraaf 2 bepaal, plus 7,5 persent en sodanige pryse is die maksimum pryse vry op spoor herverkoper se stasie of sylyn

3 The maximum prices at which the products referred to in paragraph 1 may be sold in the retail trade, are the maximum prices as determined in paragraph 2, plus 7,5 per cent and such prices are the maximum prices free on rail the reseller's station or siding

4 Die maksimum pryse waarteen enige persoon die produkte bedoel in paragraaf 1 aan 'n ander persoon as 'n herverkoper of 'n verwerker van sodanige produkte mag verkoop is die fabrikant se faktuurprys (insluitende vervoerkoste) plus 19 persent met dien verstande dat in die geval van 'n verkoop aan 'n herverkoper of 'n verwerker van sodanige produkte, daardie maksimum prys met 'n korting van minstens 7 persent verminder moet word

4 The maximum prices at which any person may sell the products referred to in paragraph 1 to any person other than a reseller or fabricator of such products, are the manufacturer's invoice-price (including transport costs), plus 19 per cent, provided that in the case of a sale to a reseller or fabricator of such products, those maximum prices shall be reduced by a discount of not less than 7 per cent