

PRICES — GENERAL

1984

JANUARY — DEC.

Electricity cost rose by 28% ^{E. Post} in 18 months ^{4/1/84}

Post Reporter

The cost of electricity to Port Elizabeth consumers increased by 28,18% between January, 1982, and June, 1983, according to the City Electrical Engineer's annual report.

The increase was a result of an overall increase of 39,9% in Escom tariffs and price increases of 20,5% for coal and 40,5% for railage rates

The total revenue from sales of electricity was R125 541 561. But after making a contribution of R11 684 000 to the rate and general service account and R1 689 000 to the electricity service capital fund, the electricity service account showed an operating deficit of R2 529 147.

The operating results showed a distribution loss of 4,68% on electricity sent out.

The gas service account showed a deficit of R2 110 764, with an operating result showing a loss of 11% on gas sent out.

The gas loss, which is higher than the previous period, can be attributed to an increase in gas pressures at the outlet of the boosters. The increase in pressure is the outcome of steps to resolve the low pressure complaints from consumers particularly in the Paterson Road area.

According to the report, there were five Escom supply failures between January, 1982, and June, 1983.

Underground electricity mains have been completed to Booysen Park and Bethelsdorp 21. And two major substations were completed at Greenacres and Tembani.

As a result of increasing fuel costs, oil and the cost of maintaining alternative supplies of power, the number of rural consumers supplied with electricity increased, with 103 new consumers being connected.

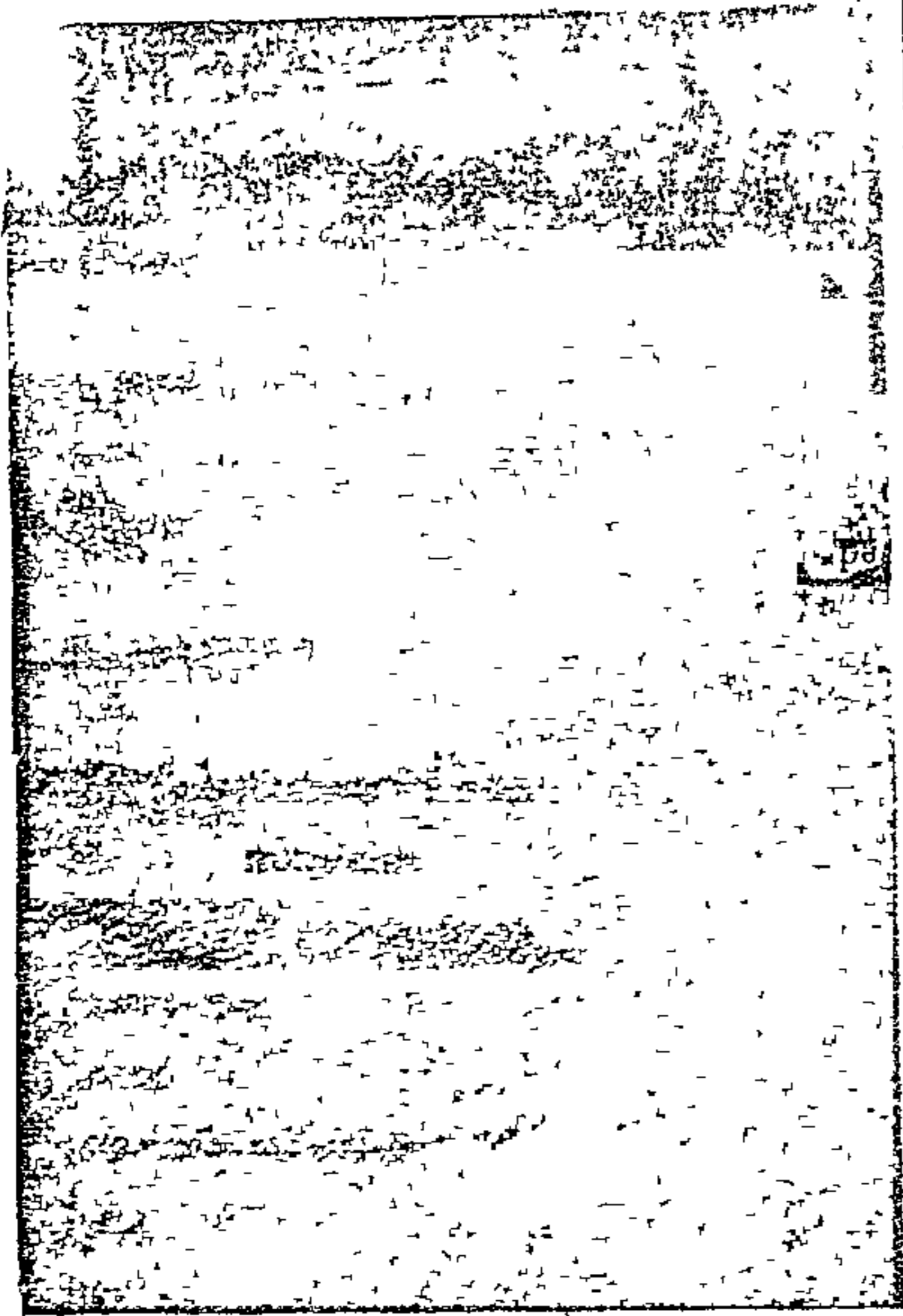
A total of 1 148 new street lights were erected and 11 street lighting poles and 58 traffic bollards had to be replaced due to damage by motor vehicles.

Sportsfield lights were installed at the Malabar, Moor-Dyke and Marock Road sports fields and lighting was installed at the Joorst Park Caravan Park.

A total of 8,054 kilometres of underground street lighting cable was installed.

At the Swartkops power station the overall staff turnover was reduced to 45,6% compared with 81% in 1981.

Security measures at all installations had been increased and a trained security force had been created.



Boks triumph and go one-up in Test series

CAPE TOWN—Peter Kirsten's Springboks wiped out memories of the moral defeat they suffered in Durban over Christmas when they swept to a 1-0 lead over the West Indians in the four day cricket series at Newlands here yesterday.

The Boks cruised home by 10 wickets after winking out six West Indian batsmen before tea.

After wrapping up the West Indian second innings for 268 the Boks were left to score 117 to win and they did it at a gallop with 13 overs and four balls left to spare.

Both Jimmy Cook and Henry Fotheringham bat-

ted 83 minutes

It was Fotheringham who assumed the senior role, punishing 71 off everything the West Indians had to offer as he erased the first batter he suffered in Durban from the selectors' minds as well as his own. Cook scored 40.

The collapse they suffered on Monday virtually sealed the Windies fate but their innings yesterday was a solid effort — a valiant swish of the tail that must have had Kirsten worried that he would pay the full price for the slow Bok batting.

They came in at a parlous 89 for four, hoping for some pyrotechnics

the domestic servant Mrs not been solved

Maize prices hit farmers

Mercury Reporter FARMERS have been hit by two major price increases — in fertiliser and maize products, which are used for animal feed.

A spokesman for Triomf, one of the country's major fertiliser producers, yesterday announced a 4 percent increase in the prices of fertilisers containing nitrogen, phosphate and potassium mixtures, a Sapa report said.

The spokesman said the increase had been unavoidable because of a hike in the prices of imported chemicals used to manufacture fertiliser.

Other producers are also expected to raise their prices.

Mr Donald Sinclair, chairman of the Natal Ag-

ricultural Union, said last night 'It's just an added blow to the farming community already suffering from rising production costs'.

'Farmers have not yet recovered from the lack of crops and income because of last year's crippling drought'.

'Four percent is not an insignificant increase. It represents R4 000 more on a fertiliser bill of R100 000'.

'We can only hope that farmers might benefit from the removal of import control and a certain amount of competition in the fertiliser industry'.

The Maize Millers Association has also increased prices of all maize products by between 6 and 7 percent with immediate effect.

boat

The fishermen found a huge shoal of pilchard concentrated on the surface and surrounded by sharks.

'Suddenly we felt a bang under the boat and we were lifted about a metre out of the water and then dropped straight back' Mr Gever said.

The whale came up again a few metres away alongside the boat and then disappeared.

Mr Rob White of the East London aquarium said it was unusual behaviour for a whale but that it was probably related to the unseasonal concentration of pilchards in the area.

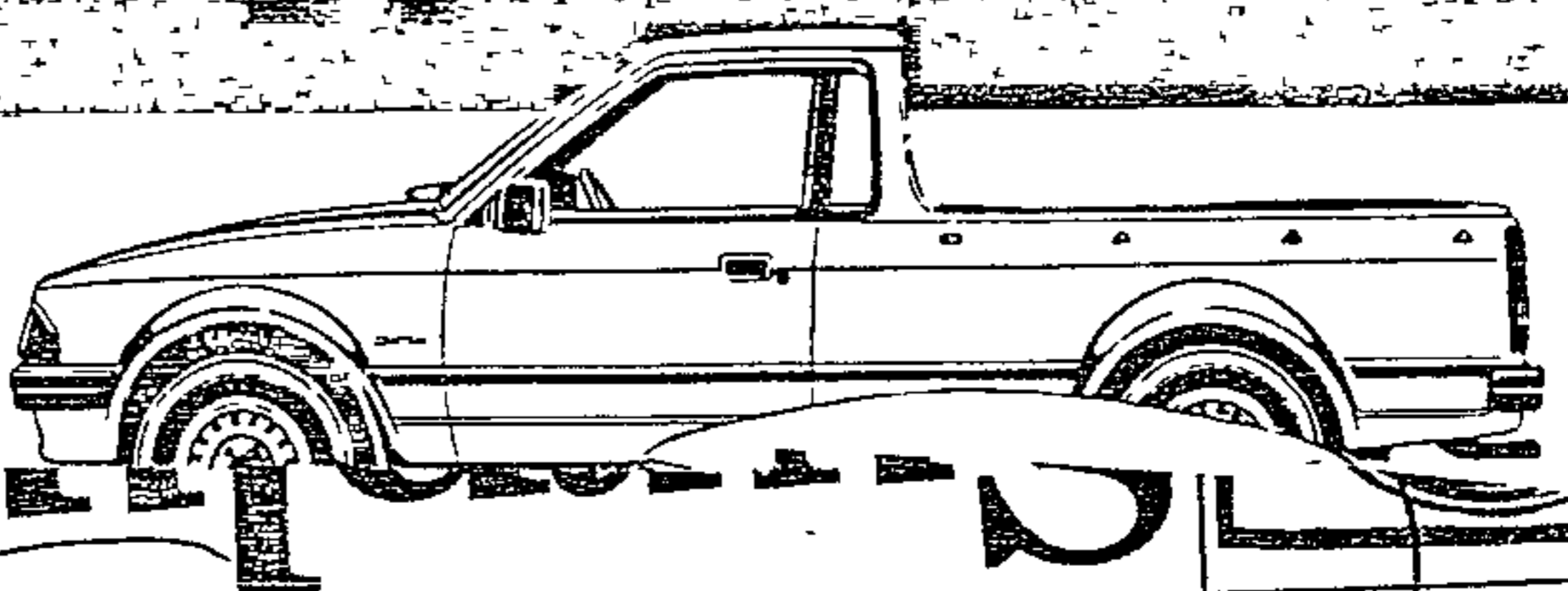
It was not possible to identify the species because of the brief look the fishermen had of the whale.

Quiet weekend

BLOEMFONTEIN—The city experienced one of its quietest New Year weekends ever with only one murder, one assault and one road accident being reported — (Sapa)

DRAGON

FOR AN ESCORT, 3L OR PICK-UP, IT'S UNBELIEVABLE



The Natal Mercury, Wednesday, January 4, 1984

~~2/1/84~~ 244

Cabinet expected to tackle bread price

By GERALD REILLY
Pretoria Bureau

THE Cabinet is expected to decide on two vital issues at its meeting in Cape Town on January 24 whether to raise the bread price, and whether to introduce legislation to tighten the tax screws on fringe benefits

Pretoria sources say the bread price should have been adjusted from the start of the new season last October. But for a number of reasons — mainly the effect of a bread price rise on the National Party's support in the referendum — it was delayed.

However the sources claim

the Government, with a R4 000-million budget deficit looming, is in no position to raise the current R240-million a year subsidy to the extent needed to avert a bread price increase.

Reliable estimates are that in the unlikely event of the Cabinet deciding to increase the subsidy, it would have to add at least another R40-million to the existing subsidy.

It was pointed out that the bread price in South West Africa had just been raised — brown bread by about 20 cents a loaf and white bread by four cents.

Although these prices are determined independently of

South African prices, the increases are an indication of the increasing pressure for a local price adjustment.

On the introduction of legislation aimed at a tighter control over fringe benefits, the Minister of Finance, Mr Owen Horwood, has repeatedly refused in the past three months to state whether the Cabinet has accepted the recommendations of the Committee of 12 MPs.

The Committee drew up a Draft Bill setting out in detail the evaluation of perks, such as company cars, subsidised house and other loans, and entertainment allowances.

The committee's report and the proposed Draft Bill

were submitted to the Minister months ago. And yesterday a member of the committee, Mr Harry Schwarz, appealed to the Cabinet to make an urgent statement on whether the tax is to be introduced at the start of the 1984/85 financial year.

"If the implementation is to be postponed again, and no legislation comes before Parliament this coming session, the Commissioner of Inland Revenue is likely to stringently enforce existing fringe benefit provisions."

Mr Schwarz said confusion and uncertainty would result countrywide if there was no central direction from the Commissioner's office.

51194 2004 (244)

Pretorians escape Escom thunderbolt

WHILE Verwoerdburg residents have to foot the bill, Pretoria householders will probably escape one of the steepest electricity price increases yet imposed by Escom

The 6% tariff increase, effective from January 1, will not be absorbed by the Verwoerdburg Town Council, which has decided to pass it on to the residents

Verwoerdburg householders will pay more than 6%, as the Town Council is expecting a higher Escom account due

to Escom's increased "coal costs"

Electro-technical town engineer, Mr Dolf Krige, said this increase would also be passed on to consumers. He expected the increase would not exceed 1%

Mr Krige said the higher tariff would be reflected in residents' February accounts, payable in March

A spokesman for Pretoria City Council, Mr Jan Bezuidenhout, said the city's electricity rates "were not expected to be increased now"

It was the City Council's policy not to adjust rates between budgets, he said. Escom's new rates would be taken into account in June

Rates would not be increased before October 1984

Johannesburg City Council will have to pay more than the 6% increase because of the higher coal costs

Half of the effective 8% increase will be passed on to consumers — Sapa.

Sarie recalls cheaper times

Post Reporter

PROBABLY one of the best-known shop assistants in Port Elizabeth is Mrs Sarie le Roux, who has been fitting out children with school uniforms for more than 35 years and has worked for only two employers, one for 25 years, the other for 10.

"It was so different 25 years ago," said Mrs Le Roux.

"It was possible to fit a child going into

Sub A with everything he would possibly need for R30. These days, it would easily cost R150.

"A child going into high school would have been fitted out for R50, but now the prices are astronomical, costing parents anything from R200 to R300 per child," she said.

"People who came to me to be fitted as children are now bringing their own children to me to be fitted," said Mrs Le Roux.



Boys will be boys ... peak and all! DEAN DICKINSON, 13, is fitted out in preparation for his first year at Woodridge College by Mrs SARIE LE ROUX, who has been fitting out children for their schooldays for 35 years.

Uniforms cost up to 18% more this year

244

S. Post 11/1/84

Post Reporter
SCHOOLS re-open this month and mothers who have left it late before fitting their children in full uniforms may find they have to pay up to 18% more than in 1983

At Alexander Road High School (co-educational), it will cost parents a minimum of R242,05 to fully equip a son enrolled for the first time — only 4,5% more than last year

But this will be for one uniform only

This would comprise a blazer, trousers, shirt, tie, socks, shoes, pullover, raincoat, suitcase, track-suit, sports shoes, swimming costume, athletics shorts, vest and tog bag

The major difference for girls is that they would require a skirt

Most children will need more than one of each item

To outfit a daughter starting at Alex and on the same single-article basis, will cost R188,85 — fractionally more than the R188,20 of last year

At Herbert Hurd Primary School a full school outfit for a boy will cost R165,15 — up 11% on 1983

For a girl starting there the cost will be R119,55 compared with R104,65 last year — a rise of 13%

At Collegiate High School for Girls a uniform will cost R245,05 compared to R202,94 — a rise of 18% — while a primary school pupil can be togged out for R215,35, up R29,36 on 1983

Prices differ slightly from shop to shop and where certain items of clothing are made with

better material or include braiding on blazers
The following breakdown has last year's price in brackets followed by the new

ALEXANDER ROAD HIGH SCHOOL

BOYS

Blazer — R53,20 (R53,20)
Trousers — R24,95 (R25,95)
Shirt — R9,80 (R10,90)
Tie — R3,55 (R4,35)
Socks — R2,05 (R2,60)
Shoes — R25,95 (R25,95)
Raincoat — R10,60 (R11,95)
Pullover — R11,55 (R11,95)
Suitcase — R13,55 (R14,80)
Athletics vest — R5,30 (R5,70)
Athletics shorts — R4,70 (R5,25)
Tracksuit — R39,95 (R38,95)
Sports shoes — R7,25 (R7,25)
Costume — R7,45 (R9)
Hold-all — R12,60 (R14,25)

GIRLS

Blazer — R52,20 (R45,80)
Skirt — R14,95 (R19,50)
Shirt — R7,30 (R6,65)
Tie — R3,35 (R4,35)
Socks — R2,30 (R2,25)
Panties — R1,80 (R2,10)
Shoes — R19,50 (R20,50)
Pullover — R11,55 (R11,95)
Athletics top — R6,05 (new price not available)
Athletics shorts — R5,15, (R6,35)
Costume — R11,50 (R13,60)
Tracksuit — R39,95 (R35,50)
Hold-all — R12,60 (R14,25)

HERBERT HURD PRIMARY

BOYS

Blazer — R34,40 (R41,90)
Trousers — R16,99 (new price not available)
Shirt and badge — R10,25 (R10,70)
Socks — R2,10 (R2,65)
Pullover — R10,40 (R10,55)
Tie — R5,45 (R6,50)
Cap — R4,75 (R5,15)
Shoes — R15,95 (R15,95)
Plain grey belt — R1,50

(R2,65)

Suitcase — R11,50 (R13)
Athletics shorts — R4,70 (R5,25)
Sports shoes — R7,25 (R7,25)
Swimming costume — R6,25 (R7,75)
Track-suit — R30,95 (R33,35)
GIRLS
Blazer — R34,40 (R41,90)
Gym — R16,55 (R20,50)
Shirt — R5,60 (R5,65)
Hat and badge — R9,50 (R11,25)
Shoes — R16,50 (R14,95)
Panties — R1,80 (R1,80)
Socks — R1,95 (R2,10)
Raincoat — R9,40 (R11,15)
Costume — R8,95 (R10,25)

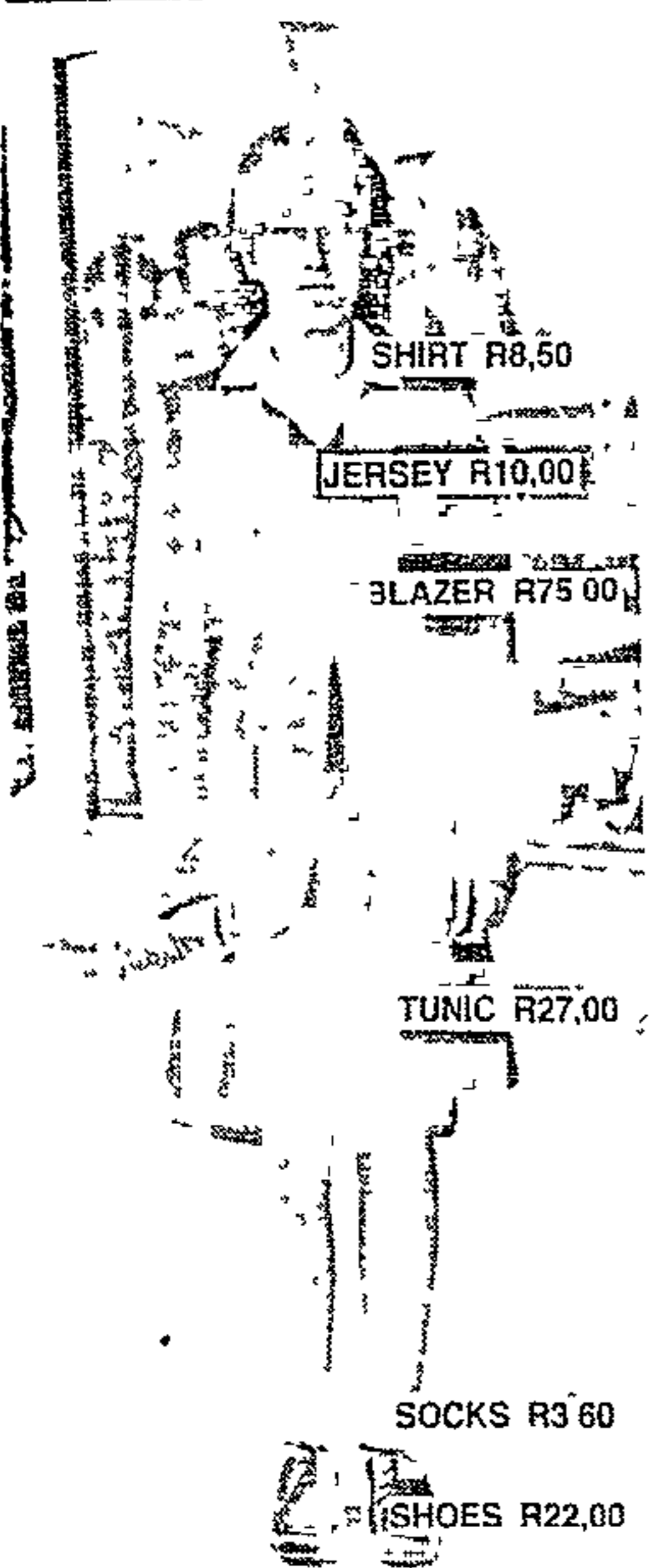
COLLEGIATE HIGH SCHOOL FOR GIRLS

Blazer — R50,10 (R75,90)
Summer gym — R23,00 (R25,70)
Panties — R1,60 (R1,95)
Socks — R2,30 (R2,45)
PT romper — R6,35 (new price not available)
Shoes — R22,95 (R26,95)
Hat and badge — R9,99 (R11,55)
Cardigan — R12 (R11,55)
PT skirt — R5,70 (new price not available)
Black swimming costume — R12,50 (R15,50)
Tog-bag — R8,25 (R12,25)
Tracksuit — R37,95 (new price not available)
Raincoat (navy) — R10,25 (R11,45)

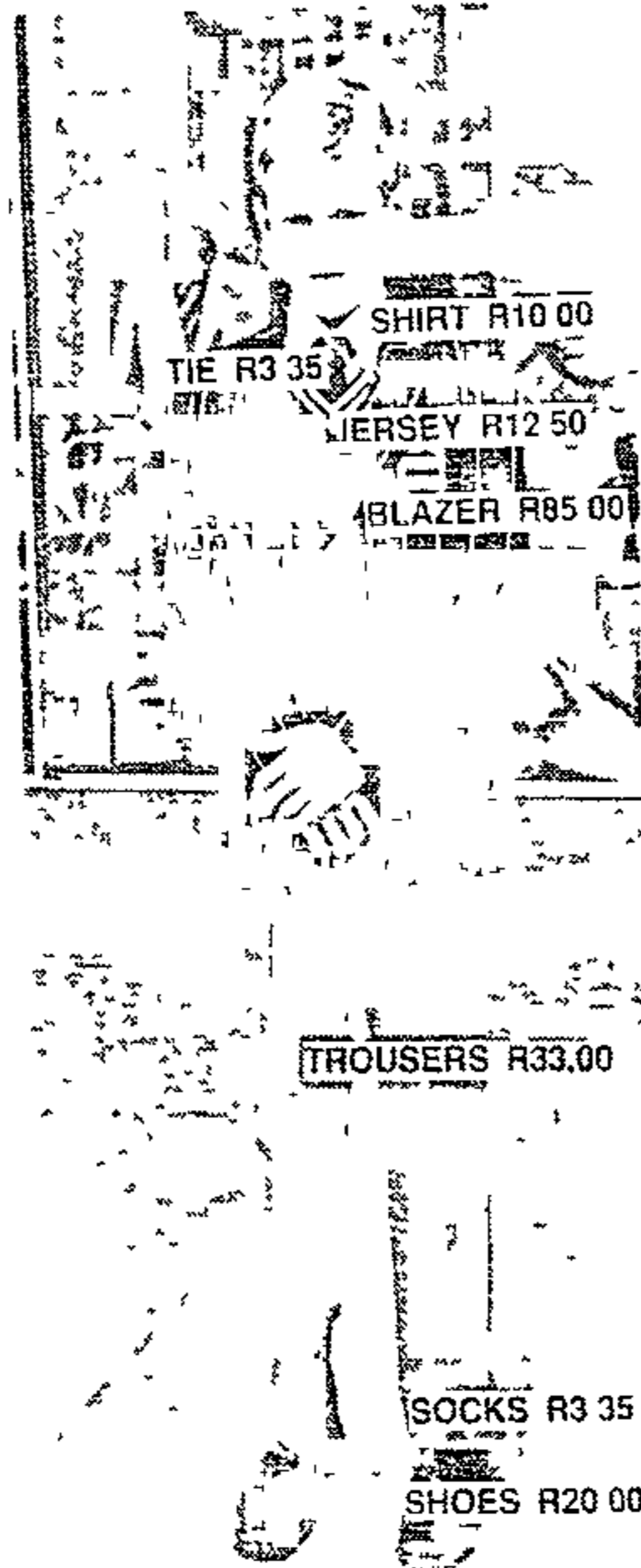
COLLEGIATE JUNIOR SCHOOL FOR GIRLS

Blazer — R46,80 (R49,50)
Summer gym — R21,00 (R23,65)
Panties — R1,60 (R1,95)
Socks — R1,75, R1,90
PT tunic — R11,50 (R18,50)
Shoes — R19,50 (R24,95)
Hat and badge — R9,99 (R11,35)
Cardigan — R10,95 (R10,95)
Costume — R12,75 (R16,50)
Tog-bag — R8,25 (R12,25)
Raincoat (navy) — R9,60 (R10,80)

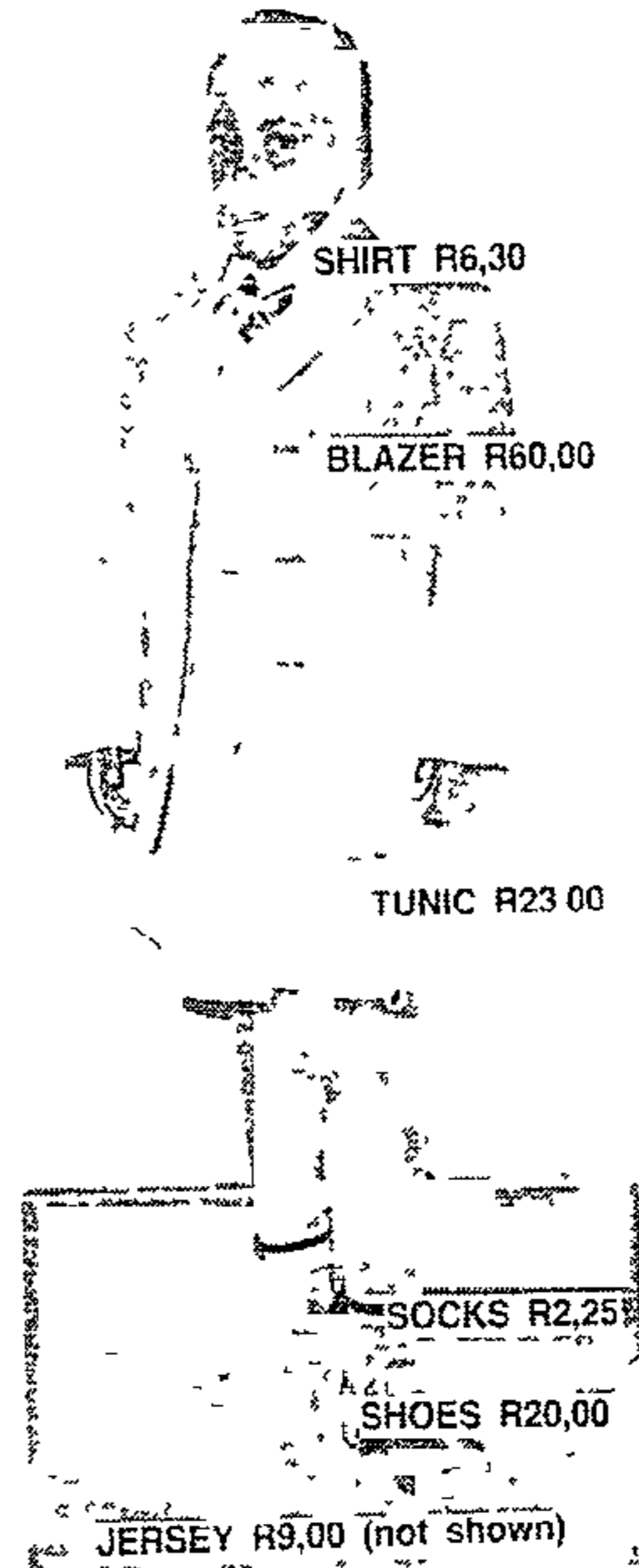
What it costs to send them to school



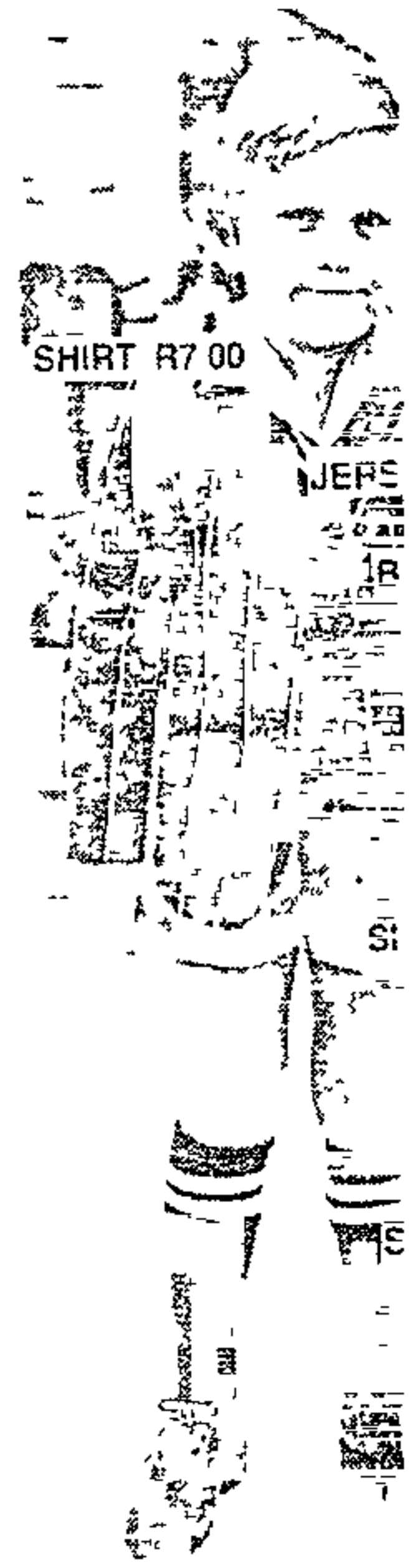
A nice new uniform with which to start the year — but the cost is high. Parents of a Standard Six girl can expect to pay R146,10 to fit her out.



Many parents prefer to pay extra for a new uniform, rather than buy second-hand clothes. It would cost R167,20 to fit out this Standard Six boy.



A standard uniform for all schools could help bring the cost down. At the moment, it would cost R120,55 to buy a new uniform for this six-year-old girl.



This six-year-old happy to be going the cost of his R120,50 — is more his parents.

Some want standard uniforms

EAST LONDON — Schools in the Cape open again next week and parents are once again fitting out their children with new uniforms.

For most families this means a large dent in the month's budget.

Equipping a six year old schoolboy with one pair of shorts, shirt, blazer jersey, satchel, shoes and socks costs about R120.

A six year old girl's uniform with tunic, shirt, jersey, blazer, shoes and socks costs about R120.

The cost of equipping a standard six child is about R150.

Most parents were

concerned with the quality of the clothing they bought because it must endure hard wearing and washing.

The South African Bureau of Standards (SABS) has compiled a code for the standardisation of uniforms.

Suggestions for manufacturers, retailers and school authorities have been drawn up by the SABS but it remains up to the parents and teachers of each school to implement any form of standardisation.

The SABS suggests that standardisation of uniforms could reduce the costs involved in manufacturing and retailing uniforms and the reduced prices could

then be passed on to the consumer.

The Daily Dispatch spoke to some parents in East London who were shopping for their children's uniforms to find out how they felt about the standardisation proposals.

Mrs D Morsink, of Gonubie, said she would definitely support a standard uniform. She said a badge could be used to distinguish one school from another. Parents would then not have to buy a completely new uniform when a child moved from primary to high school.

Mrs Y Gordon of Stirling said although a standard uniform would help with costs, the indi-

vidual uniform helped to build school spirit and pride.

Mrs N Mboni of East London said a distinctive uniform for each school helped to build pride in the school.

Mrs M Cox of Southernwood supported the idea of a standard uniform because it would reduce costs if a family was transferred to another city and did not need to buy new uniforms.

Mr W Trollip of Beacon Bay said it would be confusing if schools could not be identified by their uniforms but agreed that a standard uniform would probably be cheaper.

An alternative to ex-

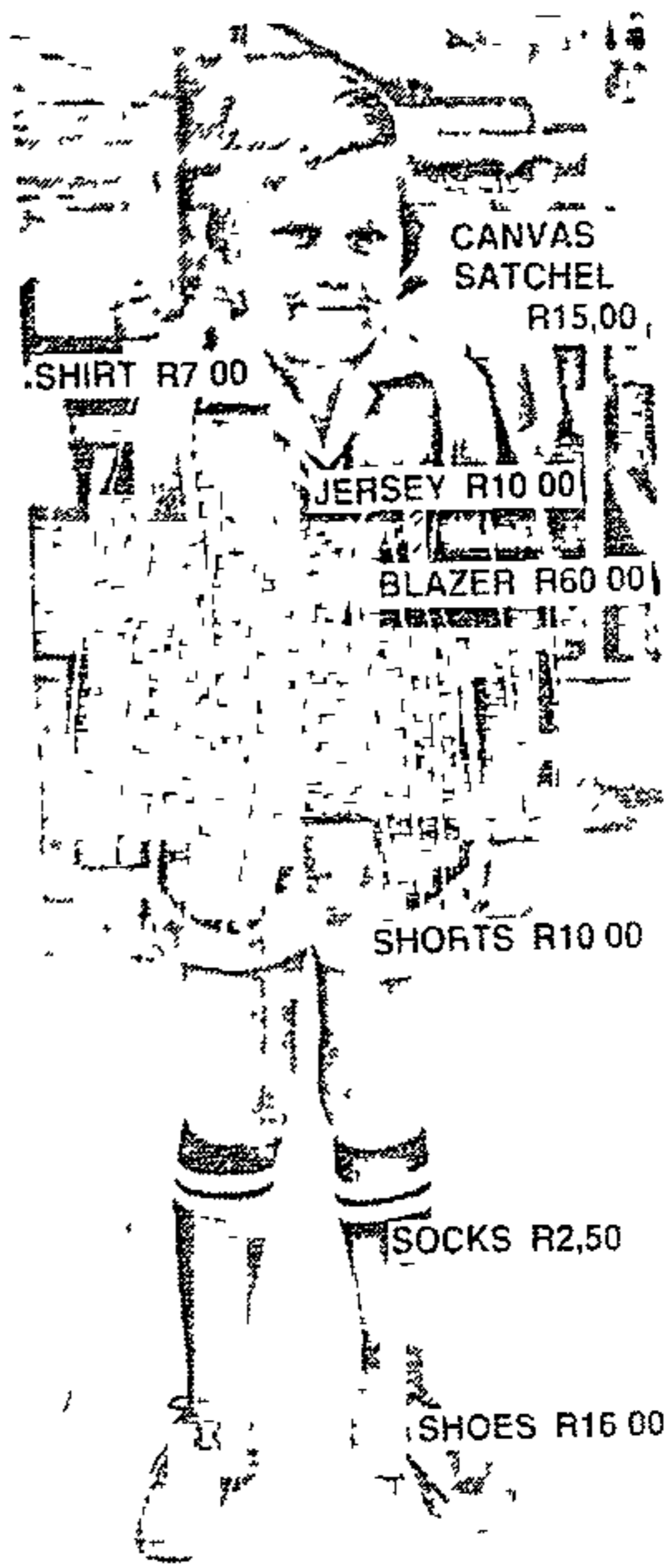
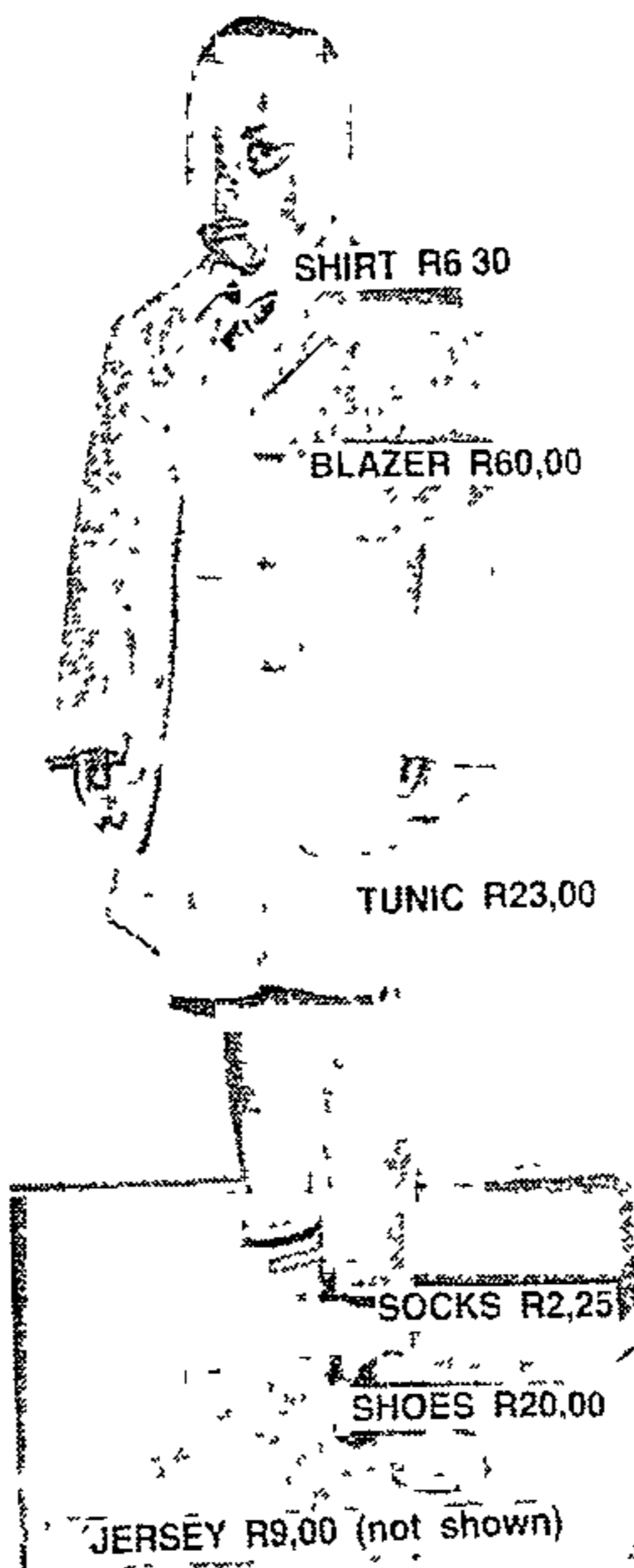
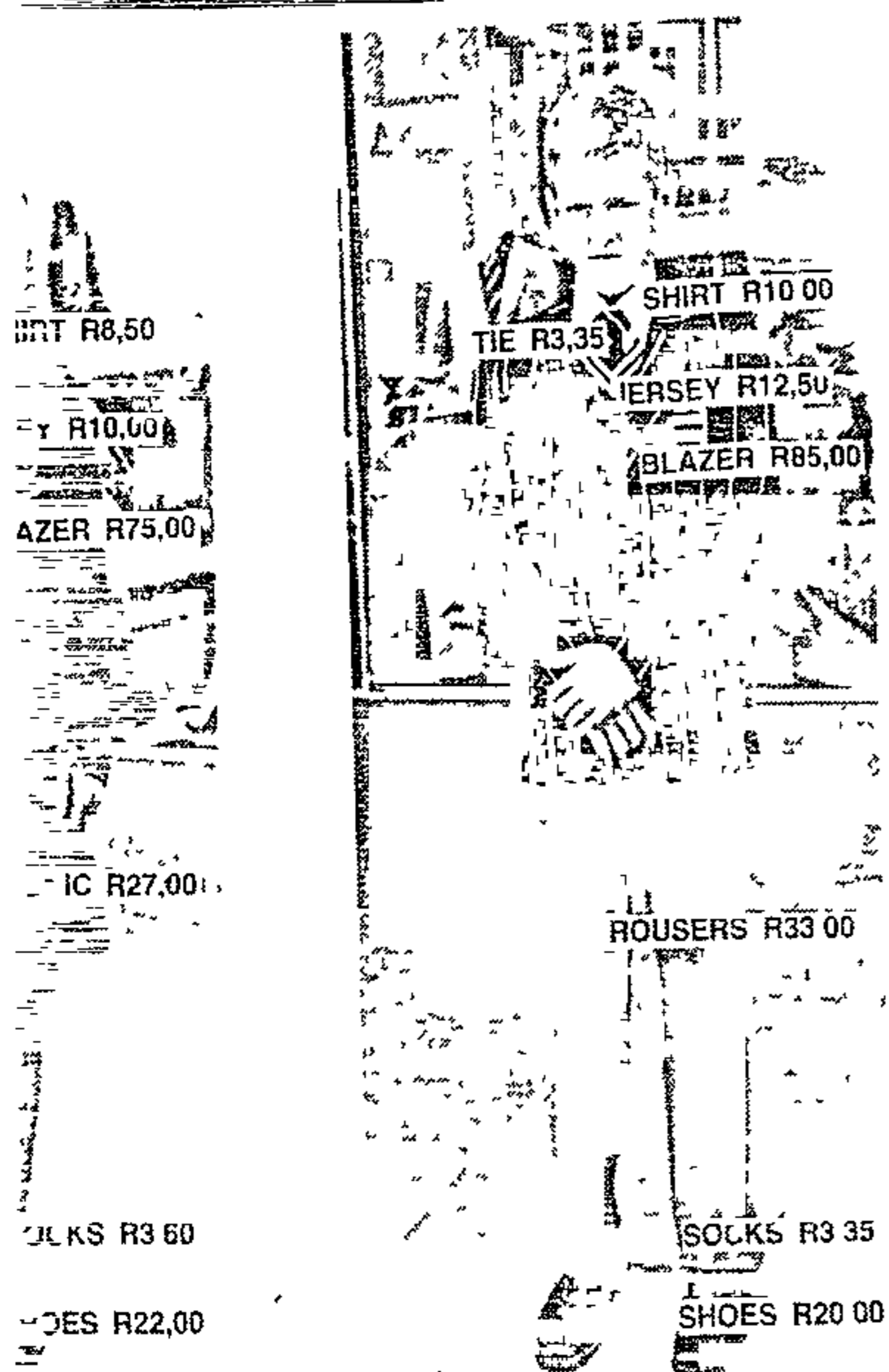
pensive new uniforms is the clothing exchanges run by most schools for the benefit of children at those schools.

The Daily Dispatch found that second hand clothing was 65 to 85 per cent cheaper at these exchanges than new clothing.

A second hand outfit for a boy in standard six would cost between R20 and R50, while the same garments bought new would cost R145.

However some parents said their children would be disgraced by secondhand clothing and new clothing was well worth the extra expense — DDR.

What it costs to send them to school



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This six-year-old chap seems happy to be going to school, but the cost of his new uniform — R120.50 — is more likely to make his parents grimace

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An alternative to ex-

What if the price of gold plummeted by 100 dollars?

Gold sales account for more than 60 percent of South African mineral exports and no less than about 40 percent of the national income from exports as a whole. Overall, the direct and indirect contribution of the gold mining industry equals 25 percent of the entire economy.

Gold influences economic activity via many complicated and interrelated channels and an econometric model has been constructed to analyse the impact of movements of the gold price in a scientific manner.

The model was used here to examine the repercussions of a theoretical fall in the gold price on world markets by 100 dollars an ounce from an average 425 dollars last year to an average 325 dollars in 1984.

It will be seen that such a decrease, if it occurred, would have a chain reaction on economic factors as varied as the balance of payments to interest rates and wage levels.

Monetary and financial variables tend to respond quickly to changes in the gold price. Even a momentary change is immediately incorporated into business decisions.

According to the econometric model, a decrease of 100 dollars an ounce in the annual average gold price would reduce South Africa's export revenues by 2,3 billion dollars.

This would have a direct effect on the current account and be reflected by a decrease in the value of foreign exchange reserves.

The process would reduce liquidity in the economy and the shortage would push short-term interest rates higher. On an annual basis, a 100-dollar drop in the gold price would increase the annual rate on three-month bank acceptances by 1,51 percent.

Such a depreciation in the gold price would not change the prime overdraft rate immediately, but the rate would rise about three months later by one percent and six months later by two percent. On an annual basis, the rate would be increased by 1,75 percent.

It has been found that long-term interest rates in the capital market are much less sensitive to fluctuations in the gold price. This can most likely be explained by long-term inflationary expectations as an important determinant of capital market rates.

One long-term effect of the gold price on the economy is reflected in its relation to the money supply.

A fall of 100 dollars by gold would reduce the narrowly defined money supply by R45,3 million in

A falling gold price puts some surprising pressures on South Africa. It is not necessarily anti-inflationary — even though the immediate effect of a 100-dollar drop in the price reduces export income by nearly R30 000 million a year. The rumbles continue for at least three years and shake everything from wages and interest rates to consumer spending and house building.

Dr Gad Ariovich, Senior Economist of the Chamber of Mines, explains.

Sprawling across the Far West Rand mine belt, Western Deep Levels alone has yielded almost one million kilograms of gold since production began in 1962 and its earnings to date approach a phenomenal R4 000 million.



the first year, R564,6 million in the second and R1 347,3 million in the third.

Thus these empirical findings suggest that the main effect of a lower gold price on the money supply might take as long as three years.

Changes in the value of reserves also influence the exchange rate of the rand. For instance, according to the model, if the gold price decreased by 100 dollars the rand would depreciate against the US dollar by six cents in the first year, four cents in the second and three cents in the third.

The influence of the gold price on inflation, as revealed by the model, is an interesting one. It appears that a decrease by gold does not necessarily create anti-inflationary pressures.

On the one hand, a depressed economy and higher short-term interest rates put downward pressures on inflation, but on the other hand a depreciation of the rand which results in higher prices for imported goods — plus the long time lag in which money supply influences inflation — probably offset formal factors to a large extent.

The final outcome of all forces is a very minor downward pressure on inflation.

In our experiment, the gold price was reduced from 425 dollars, the average for 1983, to 325 dollars an ounce for 1984. The model shows that the South African Government would lose receipts of R560 million in the first year and about R67 million in the second year.

The loss in revenue would mean — other things being equal — that the government deficit before borrowing would increase from R2 396 million to R2 966 million. The larger deficit could increase inflationary pressures and tend to raise capital market rates.

As the gold industry accounts for a significant proportion of the country's gross domestic product it could therefore be expected that a lower gold price would depress ac-

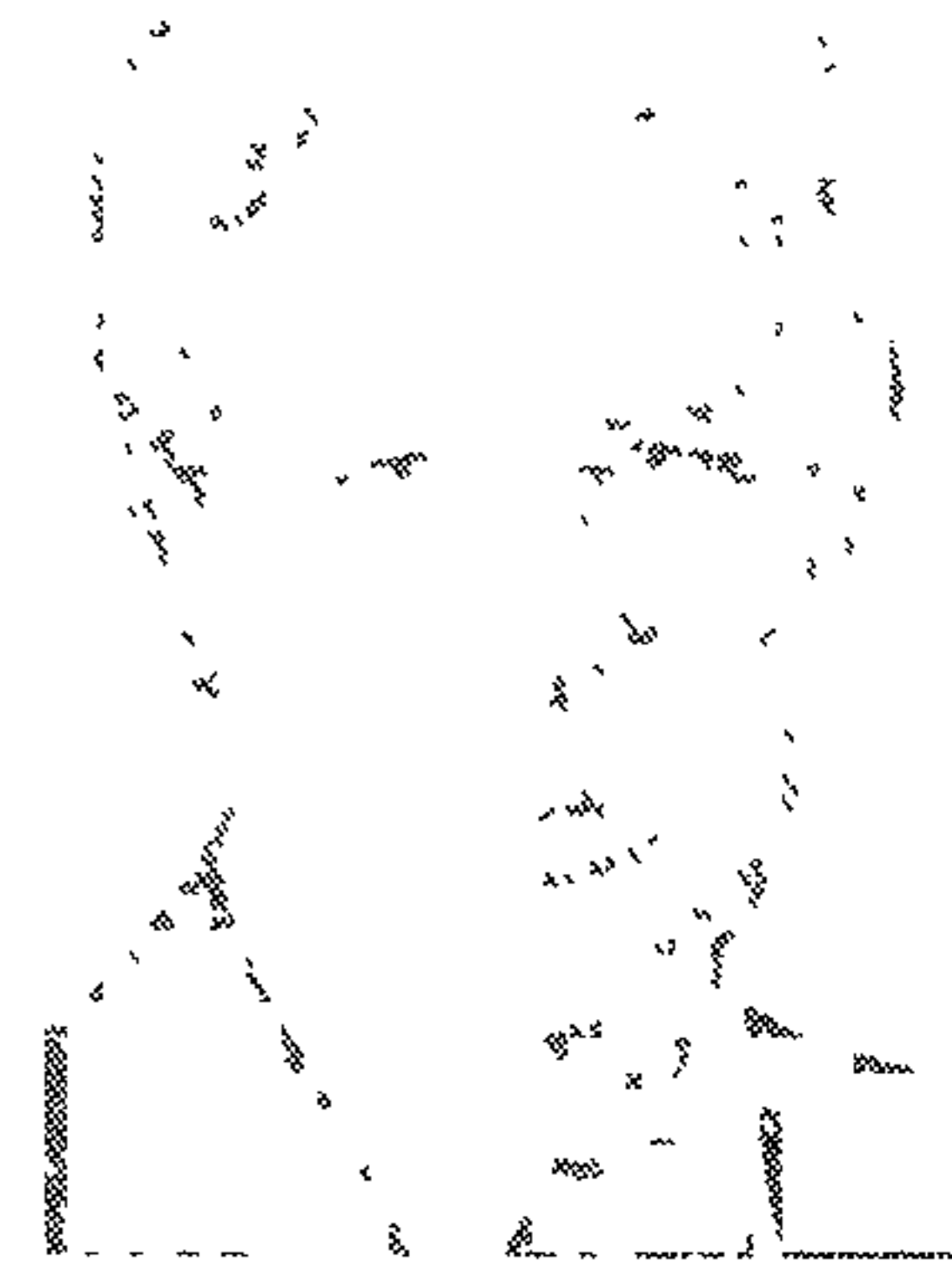
tivity in the real economy.

A 100 dollar fall would slow down the growth rates of GDP as follows: 0,12 percent in the first quarter, 0,42 percent in the second, 0,85 percent in the third and 1,29 percent in the fourth. The next year the rate would contract by 1,45 percent. In subsequent years the impact would diminish substantially.

Private consumption also reacts strongly to changes in the gold price. It would contract, with a 100 dollar fall in gold, by 0,75 percent in the first year and a further 1,4 percent during the next year.

The main impact would have a time lag of about a year.

According to the model, one of the strongest real economic effects of a fall in the gold price would be on investment. A decline of 100 dollars would decrease gross fixed investment, on an annual basis, by 0,9



Dr Ariovich scientific analysis

percent in the first year and the impact would be even stronger in the second year, causing a contraction of 2,5 percent.

Wage and salary increases are also influenced by the gold price, but not in the short run. A time lag of as long as 30 months can occur before wage trends respond.

In the first year, a 100 dollar drop in gold would dampen wage increases only slightly. For example, wages would increase by 9,7 percent in 1984 instead of 10 percent. Next year, anticipated increases would be 17,4 percent rather than 18,4 percent and 1986 increases would be 16 percent instead of 18 percent.

Sector analysis reveals that the level of activity in house building would be decreased by 0,73 percent in the first year, 1,66 percent in the second and two percent in the third.

Other industries, such as heavy engineering, furniture, printing and publishing, industrial chemicals, motor components and pottery are also particularly sensitive to changes in the gold price.

However, the study suggests that a lower gold price would not cancel or even dampen local business cycles. A fall in the gold price would have to be consistent over a long period in order to decelerate economic growth.

As a decline — or increase — in gold price levels cannot be expected to last for ever, economic activity in South Africa will probably continue to be strongly cyclical in nature irrespective of movements by gold.

By GERALD REILLY
Pretoria Bureau

CONSUMERS can brace themselves for a series of food price shocks in the first half of the year

These include likely increases in the prices of dairy products, bread, sugar and maize

This week the dairy committee of the Transvaal Agricultural Union met and, it is understood, will recommend to the National Dairy Committee of the SA Agricultural Union that an early meeting be arranged with the Minister of Agriculture, to demand a rise in the producer price of milk

The national committee recommended a price rise last November, but this was rejected by the Dairy Board on the ground that there was a milk surplus and the time was not right for a price adjustment

However the Minister gave the industry an assurance last year that from now on the milk price would be ad-

14/11/84

RAND DAILY MAIL, Sat

Big food price shocks on the way for SA

244

justed early in January

The TAU's milk committee is expected to be strongly supported by the other provincial milk committees in its demand for an immediate price rise

The consumer price of milk was increased last year by 7,5c/l In July producers were granted a 3c/l increase and distributors 2,5c/l

Then in November, distributors increased their margins by another 2c/l

The bread price will also almost certainly be raised

long before the middle of the year

Justification for a price increase is "overwhelming", according to Pretoria sources

The issue is now with the Cabinet It will either sanction an increase in the bread subsidy — which is considered highly unlikely — or a price rise

An increase in the producer price of sugar is expected during the first quarter of the year The general manager of the SA Sugar Association,

Mr Peter Sale, said application for an increase was submitted last year

The last increase was granted a year ago Since then, Mr Sale said, there had been big rises in costs in the industry

A maize price rise is also certain in May Producers were dissatisfied with last year's 9% increase

And if maize rises, price increases for a whole series of foods will follow — meat, poultry, eggs and pork among them

You're going to cost me, baby

AS mums and dads totted up the bills for new school uniforms this week did they stop to think just how much they'll have to pay out over the years for the privilege of being a parent? GWEN GILL did and here is the result.

YOU love your children — but have you counted the cost of bringing them up?

It is a staggering R80 000 per (white) child from conception to graduation, a Sunday Times survey conducted this week shows.

The exact total of R81 038, an increase of more than R30 000 over a similar Sunday Times survey in May 1981, covers a "no frills" lifestyle — birth in a government hospital, state schools, savings not steak for supper and clothes from budget stores, not boutiques.

It doesn't take future inflation into account, nor the salary a wife might have earned (say R43 200 at R7 200 a year for six years) if she hadn't become a mother and stayed home to bring up small children.

Luckily Baby comes into the world comparatively cheaply.

Conception's free, and pregnancy, confinement and setting up the nursery will add up to R1 015.

This includes some furniture which could, with the occasional coat of paint, last until Junior leaves home.

Even the toddler years won't necessarily break the bank at a total of R3 590 up to the third birthday.

There'll be a cot and eventually a real bed to buy at R200 and R170 respectively, but the chief costs are food at R20 increasing to R50 a month, clothes and the educational toys that the sensible parent knows are essential for a youngster's development.

Come nursery school time, and costs start hitting hard at R3 268 per child per year. Our survey includes average

HOW IT ADDS UP

Birth	R 1 015
Pre-school years	3 590
Nursery school years	9 804
Primary school years	24 122
High school years	22 575
University	19 988
TOTAL	R1 038

BIRTH

Pregnancy and Confinement	R 160
(R800,80% paid by Medical Aid)	
Layette	250
Pram — 3 in 1	170
Bath and Stand	35
Chest of Drawers	100
High Chair	70
Car Seat	50
Baby Bouncer	25
Buggy	45
Playpen	60
Extras (Bottle warmer, etc)	50
TOTAL	1 015



Adam Friedlander, 9, of Montrose Primary School, with a selection of the many items you'll have to buy for Junior as the years go by

Picture: JUHAN KUUS

15 Jan 1984

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PRE-SCHOOL

	1st yr	2nd yr	3rd yr
	R	R	R
Food	240	480	600
Clothes	100	180	240
Shoes	—	60	60
Cot, Bed	200	170	—
Birthday party	40	40	40
Presents given	12	24	24
Toys, books, presents	220	220	220
Haircuts	—	30	30
Medical Aid	120	120	120
TOTAL	932	1 324	1 334

FACT: If a child eats just four Bar Ones a week from nursery school to high school, it'll cost you just under R1 000 over the years

nursery school charges of R80 a month for a half-day.

But if a mother opts to go back to work she'll be lucky to find a creche for under R120 a month

Their share of the family food bill is now R60 a month and clothes and holiday costs have gone up to R240 and R250 a year respectively

Primary school days don't come much more expensive at R3 446 a year

Gone are those expensive nursery school accounts, to be replaced by bills for school uniforms (conservatively estimated at R100 a year), the levies that most government schools charge, educational trips, a desk for R140 and sports gear.

Our survey shows that at this stage in a youngster's life he's probably notching up R20 a month in pocket money and entertainment

Parents shouldn't grumble too much that kids these days consider a BMX at R200 a right and not a privilege

That bike could save a lot

FACT: Given normal appetites, the youngsters in your family will each consume R16 640-worth of food from birth to the end of university

of chauffeuring time and petrol as the years go by.

And so to high school and the realisation that so far you've only been a learner at the children's money game

For the next five years you have to budget R4 515 a year to keep a teenager.

They, especially boys, eat more than father. They, especially girls, cost almost as much as ma to clothe.

In addition:

● School levies shoot up (some schools in Johannesburg are now requesting an optional levy of up to R150 a term, though this survey found R50 to be the average)

● Kids probably aren't even keeping up with the Joneses' boys with our estimated R50

a month for pocket money and entertainment

● Teenagers are now considered adult at holiday hotels and on public transport

● If they play sport, their equipment will cost a bomb (try buying a decent cricket bat under R100).

And so, the sum total up to matric is a massive R61 106 and for some parents that's the point at which they can relax financially, always supposing there aren't younger

FACT: Budget R6 700 for clothes for your offspring — probably more for girls

children to provide for.

But for many there are at least another three-years of expense to go, three years during which they will have to tighten belts even further

For the cost of even one of the less expensive university degrees, a BA, assuming a student doesn't live at home, is only 12 c off R20 000.

Varsity and residence fees make up the bulk of this — a total of R10 798 over the three-year period.

But an allowance of R100 a month (to cover everything from entertainment to perhaps a toothpaste) will add up to R3 600 in that time

Clothes and sports kit (R45 a month), books, depending on the degree taken, about R550 for the course and food, when at home, (R100 a month) are also expensive items.

Twenty-one years and R80 000 later, there is at last another breadwinner in the family.

You love them, but can you afford them?

● The Sunday Times thanks Dions, Mother's World, Wits University, and all the mothers, teachers and students of all ages who helped with this survey

FACT: It's worth finding a good shoe-mender in your neighbourhood because over the years your child's new shoes will set you back R1 060

SCHOOL

	NURSERY SCHOOL 3 YRS COST PER YEAR	PRIMARY SCHOOL 7 YRS COST PER YEAR	HIGH SCHOOL 5 YRS COST PER YEAR
	R	R	R
School fees and levies	960	100	150
Transport to school and activities	200	120	120
Food	720	960	1 200
Uniforms	—	100	150
Other clothes	240	300	420
Shoes	40	60	80
Sweets and junk food	52	104	104
Sports clothes and equipment	—	60	120
School trips, sports trips, tuck	—	120	120
Birthday party	60	60	40
Books, presents, toys	220	200	200
Presents given	48	72	60
Haircuts	60	60	95
Trikes, bikes	13	30	40
Pocket money and entertainment	100	260	600
Afternoon activities	160	300	300
Furnishing bedrooms	—	20	60
School stationery	5	30	96
Holidays	250	350	420
Medical aid	120	120	120
Extra medical costs	20	20	20
	3 268	3 446	4 515
	X3	X7	X5
TOTAL	9 804	24 122	22 575

UNIVERSITY (3 YR, BA DEGREE)

Fees	4 048	Allowance	3 600
Res fees	6 750	Medical Aid	360
Books	550	Food in vac	1 200
Holidays	750	Presents	150
Clothing and Sports	—	Transport	1 140
Equipment	1 440	TOTAL	19 988

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Putco fares

cost 10c
16/1/84
more today

Mail Reporter

THE 12,5% Putco fare increases announced last year will come into effect today

The increases mean commuters will pay 10c more for casual fares and 10c extra a day on weekly tickets

Handbills setting out the new tariffs and a sample of the adjustments were issued to passengers last week

Putco's application for the increases was submitted in March last year, heard by the National Transport Commission in June and approved in August

The increases were planned for September last year but were postponed when the Government announced a cut in the price of fuel

When the announcement was made in December, black leaders voiced disquiet. They urged Putco to seek a State subsidy and said 1983 had been a year of hardship

● Putco raised its fares in the Pretoria area by 12,5% at the end of August

Big milk tea price increases looming

CAPG Times 19/1/84

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18/1/84

Staff Reporter

DAIRY producers will confront the Dairy Board next month with a demand for a large increase in the price of milk — and there are further blows in store for consumers.

Leading supermarkets are stockpiling supplies of tea and coffee in anticipation of major increases in the price of tea and moderate increases in the price of coffee

Our Johannesburg correspondent reports that details of the dairy producers' demand are to be discussed at a meeting of the South African Agricultural Union's (SAAU) dairy committee in February

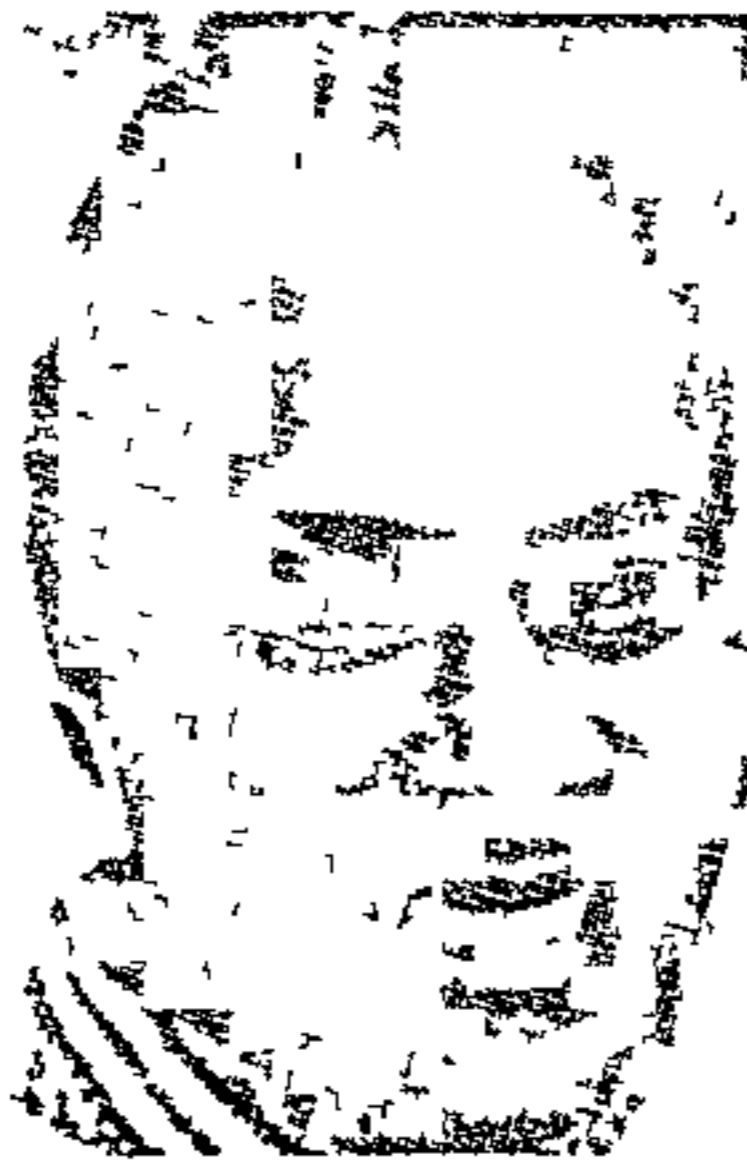
Milk surplus

The demand is set against a background of a milk and dairy product surplus in most of the country, two retail price increases last year, the recent dumping of 180 000 litres of skimmed milk at Maritzburg and a crippling drought in which children are dying of starvation.

Last year, the Dairy Board rejected a further demand for a price adjustment because of the surplus of dairy products

In Pretoria this week, the chairman of the SAAU's milk committee, Dr Louis Theron, said there was strong justification for a price rise of about 15 percent as milk producers were awarded only a two or three percent price increase last year.

But dairy farmers spoken to said a price



Mrs Sally Motlana
... "angered and annoyed"

rise well in excess of 15 percent would be acceptable

Mr N Basson, chairman of the Western Province Milk Producers' Union, said he would be representing this region at the meeting of the SAAU in February

Asked if he would be requesting a local price increase at the meeting, Mr Basson said he would have to "review the milk situation at the time of the meeting before making a decision"

However, he also said that when Cape schools reopened there would be an increase in the demand for milk while supplies remained constant.

"This could result in a milk shortage which would force the industry to resort to ways of en-

couraging more milk," he said

In November, the Dairy Board had not contemplated asking for a national price rise but had decided to review certain areas, he said

Dr L Tibbitt, Divisional Council Medical Officer of Health, said an increased milk price could "only aggravate the upsurge of tuberculosis"

Milk was an important part of a child's diet because of its protein content and it was essential for the correct functioning of their resistance and immune systems, he said.

'Angered'

The president of the Black Housewives' League in Johannesburg, Mrs Sally Motlana, who runs self-help projects among poverty-stricken communities, said she was "angered and annoyed"

"Farmers have asked for extra levies on meat and now they want more for milk. It's particularly bad in this time of high inflation

"We (black people) can't afford to buy meat so we have been feeding our families on milk because it used to be reasonably priced. So an increase would affect the whole family — particularly children"

Mrs Motlana said the drought made matters worse

Mrs Ina Perlman, the manager of Operation Hunger in Johannesburg, which is currently feeding more than 600 000 malnourished children, said milk, at its present high price, was already a luxury for many

For working urban mothers who could not get much maternity leave and could no longer breastfeed, the consequences of another rise in the milk price would be tragic

Operation Hunger was not buying much milk to send to hard-hit areas as the price was already too high. Mrs Perlman said the increase could filter through to clinics

Tea shortage

Meanwhile, a spokesman for a leading supermarket chain in Cape Town said consumers who were at present paying R1.75 for 100 high-quality teabags could expect to pay more than R2 for the same product in July or August

He said there were serious shortages of tea locally because of crop failures in Sri Lanka and increased consumption of tea in India

In addition to these impending increases, a recent 10 percent increase in the millers' price of maize has followed "mismanagement" which added R40-million to the price of imported maize

The Housewives League of South Africa has demanded that this increase should be only a temporary measure



This basket of groceries from an East London supermarket cost R15,64 yesterday. According to a study released by the Department of Statistics in Pretoria, the same purchases would have cost an average of 9c more in November.

244 D. Dispatch January 1984
Study shows EL food prices good

EAST LONDON — Food prices here compare well with other centres according to a statistical study released by the department of Statistics in Pretoria.

The survey shows that fresh fruit and vegetables, meat and dairy products sold in East London for less than the national average in November last year.

Other items were more expensive in East London than elsewhere.

An aspect not considered by the study is the difference in average salaries earned by people in different areas.

Fresh fruit, vegetables and dairy products sold for 20 per cent less in East London and meat for five per cent less than the national average.

A kilogram of chicken in East London cost R2,41, in Port Elizabeth R2,56 and on the Witwatersrand R2,72, according to the November averages.

A kilogram of apples cost R1,09 in East London, R1,10 in Port Elizabeth and R1,26 on the Witwatersrand.

Canned foods and cereals and dry goods like tea, coffee and salt cost more in East London than the national average.

A can of peaches cost R1,23 in East London, 97c in Port Elizabeth and R1,06 on the Witwatersrand.

A test at a local supermarket yesterday shows that the average November prices probably still hold good in East London.

A shopping basket containing apples, canned peaches, tea, coffee, potatoes, tomatoes, onions, fish, margarine, frozen peas, a chicken and mealie meal cost R15,64 yesterday.

According to the study the same basket cost R15,73 in November, showing a 9c decrease.

The same basket would have cost R14,99 in Port Elizabeth, and R15,86 on the Witwatersrand —
DDR

'Slower food price rises'

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ROOM

31/1/84

By GERALD REILLY,
Pretoria Bureau Chief

SOUTH AFRICA'S restrictive monetary and fiscal policy would have to be continued, as the economy was not yet ready for an upswing, the Deputy Governor of the SA Reserve Bank, Dr A S Jacobs, said in Pretoria this week.

Addressing the Agricultural Outlook (Agricon) conference, he forecast a likely slower food price rise rate this year.

Favourable climatic conditions meant the farming industry would again make a positive contribution to the economy. Farmers' debt burden would be eased.

The instability of gold, and the lower price trend, made it clear the consolidation phase in the economy, was not complete.

The monetary authorities had allowed interest rates to continue their upward move on a basis of market forces.

Dr Jacobs said the larger agricultural production envisaged for the season would make a moderate contribution later in the year to stimulate the economy.

The gold price would play a key role in the country's short-term economic outlook.

"However, at this stage, it would be risky to bargain on a substantially higher average dollar price for gold in 1984 than in 1983.

"The dollar price of gold had nevertheless remained relatively stable," he said.

Unless it declined substantially further, circumstances could become more favourable in the second half of the year for a gradual upswing.

Dr Jacobs said it was impossible at this stage for the authorities to consider stimulating the economy.

There was progress in establishing a free market system in South Africa within certain limits.

The pattern and volume of production would increasingly be determined by market forces and the effects of subsidies.

AKG: 24/1/84 (24/1/84)

Call to exempt bread, maize, milk and flour

Staff Reporter

WIDESPREAD calls for basic foods to be exempted from general sales tax have been made following today's announcement that GST will rise to seven percent on February 1

Mr Raymond Ackerman, chairman of Pick'n Pay, said he would ask the Government to exempt five basic foods bread, milk, maize meal, flour and sugar

Mr Ackerman said he would also lead a campaign for a tax surcharge on company profits to replace the loss in tax revenue caused by exempting basic food from GST

REQUESTS TURNED DOWN

Mrs Lyn Morris, senior vice-president of the Housewives' League, said if a country such as Zimbabwe could exempt basic food from GST, so could South Africa

She said previous requests by the league to the Government for basic food to be exempt from GST, had been turned down on the grounds that this would be technically difficult

Mrs Morris said that in Zimbabwe other commodities were subject to 18 and 23 percent GST but basic agricultural products, including items such as raw meat, were exempt

"Inevitably the poor will suffer most from this increase as they spend a high proportion of their income on food and essentials," she said

The league also supports exemption on other essentials used mainly by blacks, including household paraffin, candles and matches

(Turn to Page 3, col 1)

Call to exempt basic foodstuffs

(Contd from Page 1)

The GST increase would inevitably lead to higher wage increases which would in turn be followed by a price spiral, she added

Professor Z S A Gurzynski, former head of the University of Cape Town School of Economics, said basic foodstuffs as well as items such as children's clothing below a certain price, should either be exempt from GST or subject to a lower tax

However, he said GST should not be computed as part of the cost-of-living index just as income tax was not included in the index

ABOVE INFLATION

Mr Bernard Hellberg, assistant director of the Consumer Council, said the 1c increase in GST from 6c in the rand to 7c was in effect a 16,6 percent increase in GST

This was well above the current inflation rate of less than 12 percent he said. If an increase was necessary, the Government should have put it up to 6,5c in the rand. Although there were no more half cents, it would be relatively simple to work out tax percentages, he added

"The Government will find it difficult to ask the private sector to keep price increases to below the inflation rate if its own increases are higher," he said

Professor Brian Kantor, head of the School of Economics at the University of Cape Town, said he was not happy with the increase

The latest Government figures showed that revenue and expenditure were much in line up to December, he said

It was not obvious that the tax had to be increased — unless it presaged a substantial increase in Government spending in the next fiscal year

Mr Brian MacLeod, director of the Cape Town Chamber of Commerce, said that while the increase had to be regretted, it had been forced on the Government because of over-spending in both the public and private sectors

HIT THE POOR

"While the increase in GST will hit the poor, on balance it is to be preferred to raising direct taxation, since its overall effect will be to dampen demand and help to contain inflation, which influences economic growth negatively"

FARE UP WITHOUT WARNING

Sowetan

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25/1/84

COMMUTERS in Lebowa were caught by surprise when Lebowa Transport announced a bus fare increase to be introduced on Sunday next week. The increase was announced without warning.

Mr W T Wingate, development manager of Lebowa Transport, a subsidiary of the Co-operation for Economic Development (CED) said yesterday the company had authority from

By KHANGELA
MAKHADO

the Lebowa Transportation Board and that they were going ahead with the introduction of the fares

Mr Wingate said that the fares, to be effective from Sunday, January 29, would be increased by about 14 percent

"This would mean that the fares for daily commuters would go up by between 30 cents and R1 a week depending on the distance.

Meanwhile, the fare increase has been condemned by commuters who said that despite the short notice given to them, there was also no cause for the fare increases

However, Mr Wingate also said that it was now almost 18 months since the last increase in 1982 and that the price of tyres, increased staff salaries, increased rates, spares and the price that they have to pay for the buses caused the fare hikes

Areas that will be affected are Seshego, Mahwereleng, Leeufontein, Motetema, Lenyenye, Lamakgale, and Sekhukhum. Meanwhile Azapo, through its Northern Transvaal region, has attacked the actions by "capitalist Lebowa Transport" and all that it stood for

Take GST off basics, says

Ackerman

Staff Reporter

THE chairman of Pick 'n Pay, Mr Raymond Ackerman, said yesterday that he would ask the government to exempt five basic foods — bread, milk, mealie meal, flour and sugar — from General Sales Tax

Mr Ackerman was reacting to the announcement by the Minister of Finance, Mr Owen Horwood, that GST would be increased by one percent to seven percent from February 1

Mr Ackerman said he would also lead a campaign for a tax surcharge on company profits to replace the loss in tax revenue caused by exempting basic food from GST

He would also ask the government to reduce GST when the economy recovered

The director of the Consumer Council, Mr Jan Cronje, said the increase was "a cause for disquiet" because it exceeded the current rate of inflation of almost 11 percent.

"An increase in the tax on luxury goods such as liquor and cigarettes would have been

better," he said

Mr Cronje said he hoped that if the GST increase helped to prevent the current income tax structure from being altered, the increase would eventually serve a good purpose

"But it is a foregone conclusion that the GST increase will have a marked inflationary influence and will cancel the recent salary adjustments," he said

He said consumers had contacted the council to say that had the current GST of six percent been collected effectively, the increase would not have been needed

Mr W S Yeowart, president of the Association of Commerce (Assocom), said the increase was an "unpleasant reality", but regretted the decision had been taken in isolation

The private sector had not been able to form a definite view of whether the decision was justified or not, he said

He also said the high levels of State spending this year required immediate financing, and GST was the obvious widely-based source

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C. T. 25/1/84

Bus fare hike 'unfair and badly timed'

By Mojalefa Moseki

Commuters in Alexandra township who are boycotting Putco buses because of an increase in fares say the increases were "unfair and badly timed"

The boycott started last Monday when the 12,5 percent increase came into effect on the Reef

An Alexandra resident, the Rev Hope McPherson (28), of the Rhema Church, said the increases showed Putco did not care about the welfare of Alexandra people, most of whom earned low wages

A pensioner who did not want to be named said Putco had no reason to increase its fares. Another resident, Mrs Elizabeth Makoro (43), a domestic worker living at the Alexandra women's hostel, said the bus company could have delayed the increases until after June when people would have more money

Miss Rebecca Sedumedi (33) said she was experiencing difficulties because she did not expect a salary increase before the end of August

Mr Freddie Komape (36), who works at the Edenvale Hospital, said he had to walk 5 km to and from work daily because of the increased fares

He believed the boycott was ineffective because some people were still using the buses despite the increased fares. He said it would be preferable for the Commuters' Committee to talk to Putco about the increase

A factory clerk, Mrs Ester Malatsi (27), considers the bus company's action unfair as it 'has neglected public facilities in the township

"Putco's buses are always dirty, especially during the weekends. People drink beer and smoke in the buses without any restriction. There are no toilets at Pan Afrika terminus in Wynberg and those at 15th Avenue terminus are dirty and filled with sand and dust, making it impossible for anyone to use them," she said

GOVERNMENT SQUEEZE TIGHTENED

By Portia Maurice and Peter Delin

C. Hen
1/11/92
26/11/92

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"MY mummy says she is sick and tired of all these increases. The people who put the prices up don't know what it is like to struggle from day to day to keep your family alive."

So said six-year-old Jane Cupido, translating into words the sign language of her death-mute mother

Grassy Park housewife Carol Cupido had read about the increase in General Sales Tax early on Tuesday morning and she was angry

Minister of Finance Owen Horwood's justification for the increase — the recession, the falling gold price, the drought which has swept through large parts of South Africa — did not impress her.

POORER

All she knew was that it would make her family poorer. And they were already struggling to make ends meet, she said.

Mrs Cupido cannot go out to work — she suffers from epilepsy. Her husband Edwin's employment opportunities are limited. He was once a victim of polio and he still walks with difficulty.

Both of them receive grants from the Department of Internal Affairs. She gets R139 and her husband R95 a month.

FOOD

"We barely survive," she says. In fact, she adds, if she were not able to buy groceries "on the book" at a nearby shop, her family of four would



● MRS Carol Cupido communicates in sign language with her "voice", six-year-old Jane. Making eyes at the camera is Elizabeth, 2.

go without food some days

"How much do you spend on food? We asked her. "And what do you buy?"

Ten minutes later she had produced her weekly shopping list. It consisted of the most basic food-stuffs only. For instance she spent only R2 a week on meat. Total cost came to R18. Sales tax would add another R1,08 to her bill.

On February 1 her contribution to the Government will increase to R1,26

Clothes for her family — which she doesn't buy very often — will push up this amount even further

Poor bear brunt

HARDEST hit by the increase in GST will be the lower-income groups, who spend proportionately more on basic food-stuffs than do the better off.

The Minister of Finance has described the increase as unavoidable.

His reasons include the loss of revenue due to the present economic recession, the low gold price, and the devastating drought. The latest tax increase, which takes effect from February 1, is expected to earn the Government an extra R600-million annually.

The man in the street at present supplies half of the Government's revenue, making South Africans among the most heavily taxed people in the world.

Many critics of the latest tax increase believe that GST is an extremely unfair system of taxation because it does not tax according to one's means.

Mrs Cupido's weekly shopping list

1 tin peas	42c
1 tin green beans	46c
2 tins mixed vegetables	98c
1 tin brand fish	84c
1 tin yellow fish	62c
1 tin tomato paste	44c
1 tin ideal milk	82c
1 tin corned beef	99c
1 tin meatballs	85c
1 tin frikaddels and spaghetti	59c
1 kilogram rice	87c
2½ dozen eggs	R2 65
500g margarine	R1 09
6 loaves brown bread	R1 86
1 kilogram sugar	R1 09
1 tin coffee	R1 43
meat	R2 00
TOTAL	R18 00

As can be seen, only the most essential foodstuffs have been included

CAPL Times 26/1/84

Essentials

Anti-GST call grows

Own Correspondent
PRETORIA — Pressure on the government to remove GST from basic foods and other necessities is increasing

The urgent need for scrapping the seven percent tax on basics like bread and milk has been stressed to the government repeatedly by the Housewives League, the Trade Union Council of South Africa and the Progressive Federal Party

'Difficulties'

So far the Minister of Finance, Mr Owen Horwood, has rejected the pleas on the grounds of "administrative difficulties".

The issue has become even more urgent since Tuesday's announcement that GST is to be raised to seven percent from February 1.

Economists pointed out yesterday that seven percent extra on basic foods was a heavy burden for lower-income groups

Poverty and hunger in South Africa had spread since the start of the recession nearly two years ago. Scrapping the seven percent tax would bring real relief to thousands of black families and pensioners of all races, it was stated

Now the Association of Chambers of Commerce (Assocom), which until now has supported the broadly-based tax

and opposed exemptions, is to investigate the merits and demerits of introducing exemptions on basic necessities

Assocom has also claimed that at low rates of tax the administrative cost of exemptions would outweigh the benefits

The investigation is to be made by Assocom's tax committee, with the possible assistance of university personnel. Chambers of commerce throughout the country would be consulted, the executive director of Assocom, Mr Raymond Parsons, said

● Tax-man to step up hunt for evaders, page 19

Cape Times 26/1/84

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Higher bar prices: Hoteliers don't fear drop in drinking

Staff Reporter

LOCAL hoteliers do not expect the higher bar prices of brandy and whisky, announced this week, to affect sales of these drinks

The bar price of brandy is expected to increase by 4c a tot and whisky by 2c a tot when the increases come into effect on Monday. This does not include the extra 1c in the rand GST which takes effect on

Wednesday. The new prices coincide with increased off-sales prices.

The managing director of a central hotel said the increase was not substantial enough to have any lasting effect on sales.

"South Africans are used to having to pay a little bit more every time they shop for goods in a supermarket so this shouldn't affect them all that much," he said.

"It may encourage them to take advantage of specials on other drinks in the bar, but I don't think it will affect their drinking habits in the long term."

The increases follow last week's announcement of increased wholesale prices to retailers.

According to the Cape Hotel, Bottle Store and Restaurant Association, whisky will be hardest hit because the increase coincides with the lifting of Christmas discounts to retailers.

Wholesalers sell imported whisky to retailers at discount prices from October to December and these increases are passed on to the consumer.

Wine will increase by about three percent a five-litre box at off-sales outlets, fortified wines by 6,6 percent and sparkling wines by eight percent.

The price of whisky is expected to increase again in May.

School levies in Natal rise by up to 100%

DURBAN — Some school levies at Natal provincial schools have increased by as much as 100%, it was learnt yesterday

This follows a policy adopted by the Department of Education two years ago in which it was decided that a percentage of maintenance costs would be charged to school accounts

The principal of Westville Boys' High School, Mr Roy Couzens, said yesterday the levy at the school, for which payment was not compulsory, had been raised from R60 to R120 a year

"Pupils are getting a lot for that money, including things such as transport to sports meetings and 10 computers in the school," he said

Westville Girls' High School, Durban Girls' High School and Durban High School have all increased the levy to R120

The principal of Durban High School, Mr Ken Tomlinson, said the step had been taken to counter the effects of inflation. The school's levy was R80 last year

Levies at provincial high schools in and around Maritzburg jumped by between 30% and 60% over the past year so that the cost of sending a child to high school has risen by a greater percentage at Government schools than at exclusive State-aided schools, although the overall cost at these institutions remains much higher

Maritzburg College increased its levy by 60 per cent from R100 to R160, while Alexandra Boys' High was not far behind at 50%, going up to R120

Boarding establishment fees at both schools, which are laid down by the province, remained unchanged at R180 a term

Principals said school fund

contributions at all provincial schools were left to advisory boards to determine, and money collected was used to provide educational and sporting facilities, equipment, and pay for school outings

Schools increasingly were expected to bear the cost of providing and maintaining their own amenities

Among state-aided institutions, widely known as private schools, fees generally include board and tuition

A spokesman for Girls' Collegiate said their maximum rate for a senior pupil was R1 035 a quarter, which, she said, was an increase of between 12% and 15%

At Epworth, senior boarders pay an all-inclusive fee of R955 a quarter

Hilton and Michaelhouse charge R6 600 and R6 700 a year respectively, each up by R1 000 — Sapa

ARGUS
27/1/84

Farmers plough crops in — prices rocket

Staff Reporters

WESTERN CAPE farmers are ploughing food crops into the ground, creating a shortage which has sent salad-vegetable prices rocketing in Cape Town

Mr Emsie Carstens, manager of an agency at Epping Market, said low prices fetched on markets in recent weeks had not made harvesting worthwhile and had forced some farmers to plough crops into the ground

In other cases, irrigation had been turned off and crops left to dry up in the fields

The resulting shortage was forcing prices up again, he said

A spokesman for the Department of Agriculture said this situation occurred often in the Peninsula, particularly among Philippi vegetable farmers

UPSWING

"During the Christmas period there is an upswing in the demand for vegetables. All the farmers — each producing on his own scale — push through their produce at good prices

"Vegetable produce is then in excess of the demand and the prices they can expect on the market do not allow them to make a profit

"In these circumstances it is not worth their while to harvest. They might hold back supplies to create an artificial shortage and, when they are assured of better prices, they return to the market"

The spokesman said that because vegetables were a short-cycle product, fluctuations in supply and price did not have a lasting effect

FLUCTUATIONS

He said he believed that many of the fluctuations which now occurred were a result of a lack of co-ordination of farmers' marketing policies

An investigation into the prices of salad vegetables this week confirmed that lettuces in particular were in short supply and selling for R40 a case

In supermarkets, small heads are selling for up to 79c each. Radishes are also scarce, if available at all, and are selling for 40c a bunch at the Epping market

Fresh-produce buyers at supermarkets have denied that farmers from whom they buy were ploughing produce back into the ground

244 HOW PE FOOD PRICES COMPARE * 28/1/84
 E. Post

	PE	low	avg	high	% diff
					PE- avg
Flour	1,86	1,72 (EL)	1,87	2,10 ⁺ (Vaal)	-0,5
B'fast oats	1,15	1,07 (Dbn)	1,20	1,40 (OFS)	- 4,2
Mealie Meal (2,5kg)	1,03	1,01 (Dbn)	1,08	1,13 (Vaal)	-4,6
Rice (500kg)	0,67	0,67 (PE)	0,72	0,79 (Bloem)	-6,9
Rump steak	6,91	5,70 (Klerk)	6,78	7,46 (Dbn)	+1,9
Sirloin	6,28	5,01 (Klerk)	5,58	6,28 (PE)	+12,5
Boneless chuck	3,71	3,30 (Kimb)	3,70	3,94 (CT)	(same)
Hind quarter	3,62	3,23 (Vaal)	3,40	3,71 (CT)	+6,5
Lamb leg	5,85	4,46 (Kimb)	5,24	5,85 (PE)	+11,6
Boerwors	3,36	2,05 (Vaal)	3,60	4,04 (Pmb)	-6,7
Frozen hake (400g)	1,44	1,13 (Kimb)	1,31	1,44 (PE)	+9,9
Cheese	4,36	4,00 (Pmb)	4,64	4,77 (Wits)	-6,0
Condensed milk (397g)	0,73	0,73 (PE)	0,84	0,94 (CT)	-13,1
Butter (500g)	1,88	1,62 (Klerk)	2,03	2,18 (Wits)	-7,3
Grd 1 eggs (1 doz)	0,55	0,54 (Pmb)	0,58	0,69 (Kimb)	-5,2
Potatoes	0,68	0,52 (Pmb)	0,67	0,77 (EL)	+1,5
Tomatoes	1,33	0,82 (Pmb)	1,30	1,52 (Wits)	+2,3
Green beans	0,98	0,84 (Pmb)	1,40	1,82 (Wits)	-30,0
Lettuce	0,60	0,51 (EL)	0,77	0,95 (Dbn)	-22,0
Carrots	0,47	0,47 (PE)	0,68	0,90 (Dbn)	-30,9
Squash	0,65	0,65 (PE)	0,81	0,87 (Bloem)	19,8
Apples	1,10	1,09 (EL)	1,25	1,42 (Klerk)	-12,0
Oranges	0,66	0,61 (Vaal)	0,72	0,89 (OFS)	-8,3
Tea	1,52	1,35 (Kimb)	1,69	1,84 (Wits)	-10,1
Grd 1 apricot jam	0,98	0,93 (Bloem)	1,10	1,44 (Vaal)	-10,9

* Unless otherwise specified the quantity of each item is one kilogram

Eggs go
up 13c on
Monday

Consumer Mail

THE price of eggs in the Transvaal and Free State increases by 13c a dozen from Monday

The price dropped about 10c during the second half of last year when there was an egg surplus, but the surplus situation has now ended

The price increase in feed has forced producers to add on the amount they reduced last year

Eggs in supermarkets currently cost about 98c a dozen for large and R1,10 a dozen for extra large

When the egg price was reduced last year consumption did not go up, Mr Sach Coetzee, of the SA Poultry Association, told Consumer Mail

The price was reduced by 6c a dozen in August and by another 4c in October.

How PE's prices, wages shape up

LIVING costs appear to differ little from one major centre to the next in South Africa — though at the other end of the spectrum incomes can and do show major differences

This emerges clearly from the table (left), compiled by BUSINESS POST from statistics supplied by the Central Statistical Office in Pretoria

Good news for East London householders is that the price of a random basket of goods bought there is lowest of all in comparison with the price-setter, Johannesburg

The hypothetical basket of goods (see footnote), would have cost a Reef householder the most (R47,64), while for the same selection an East London

shopper would have paid least — R44,26 (or 7% less than her Reef counterpart)

For the same basket of goods householders in Port Elizabeth and Durban would have paid R46,57 (2,2% below the Johannesburg price), in Pretoria R46,53 (-2,3%), in Maritzburg R46,05 (-3,3%), and in Cape Town R45,52 (-4,4%)

Naturally such a comparison should be conducted over a longer term (the prices were canvassed in November last year), in order to establish a trend, and the income earned by shoppers in the different areas needs to be calculated in order to draw a fair comparison

A major personnel consulting group released selected details of a recently-completed regional salary survey to BUSINESS POST, which goes some way towards a fairer comparison

According to these figures (surveyed among white workers), it appears that at the lower end of the

salary spectrum Eastern Province salaries for junior office staff, for instance, is up to 24% below that paid in Johannesburg

Thus basic gross median monthly incomes for "A3" income earners in Johannesburg were around R700, while in the Eastern Province this dropped to R542 a month and in the Western Province to R532 (In Pretoria the comparable figure was R619 and in Natal R620)

The gap was not as great at the upper ("D-upper") end of the scale, where professional and skilled salaried workers earned around R2 500 a month in Johannesburg, R2 300 in Pretoria and Natal (-9%), slightly less in the Western Province (R2 280), and some R2 200 in the Eastern Province (-14%)

The hypothetical basket of groceries is made up of 1kg flour 1kg breakfast oats 2 litres milk (delivered price) one loaf white bread and one loaf brown bread 1kg rump steak 2kg boneless chuck 2kg uors a 2kg leg of lamb 4kg potatoes 1kg tomatoes 1kg green beans 1kg squash 500g butter and one dozen eggs

INSIDE

- Wool report
- General Motors achieves record sales

Price war between big stores benefits buyers

By ALEC HOGG

RETAIL giants Pick 'n Pay and OK Bazaars are at each other's throats again, and the consumer is scoring

Pick 'n Pay chief executive Raymond Ackerman told the Sunday Times this week that, as a symbolic gesture in his attempt to persuade the Government to exclude basic foods from general sales tax, he will drop the price of bread throughout his stores to seven percent below cost for the whole month of February

This means that consumers will pay 45c for a white loaf against the cost price of 48c, and 29c for brown against cost of 31c

It compares with prices of 50c and 33c exclusive of GST for white and brown bread respectively through small outlets like cafeterias

Mr Ackerman disclosed that he had sent a telegram to the Minister of Finance, Mr Owen Horwood, this week suggesting that GST be abolished on five basic foods: milk, bread, flour, maize and sugar

Counter

He argued that the Government could go a long way to recovering this lost revenue through collecting the lost tax from the large retail chains

"Although I realise that this will hurt our profits, I am happy that we and other companies take this load off consumers. After all, we can afford it better than most of our customers can"

OK, meanwhile, is countering the Pick 'n Pay attack by cutting the price of both bread and milk to below cost

According to food-division head Ralph Horwitz, OK will drop the price of milk to 62c in Johannesburg, Pretoria, Durban and Maritzburg, which is 0,5c below cost

In what he describes as the "more competitive" areas of Cape Town and Port Elizabeth, the price will be 2c below cost.

OK is lowering the cost of white bread to 47c and brown to 30c — both 1c below cost

Spiralling prices a grim warning for consumers

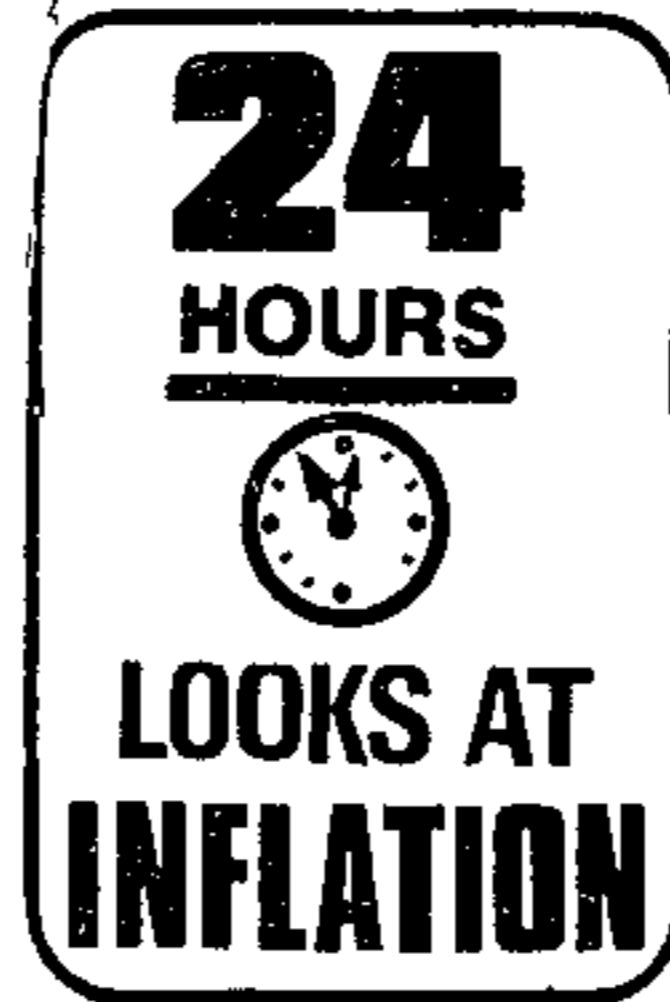
By Russell Gault

Prices have started spiralling again, and one of South Africa's foremost business academics warns of grave times ahead

The sales director of a major supermarket chain, Mr Richard Cohen, told 24 Hours that a rash of price increases had been notified by wholesalers in the last few days

He said maize had gone up 8,9 percent, canned goods 9 percent, most toiletries 10 percent, kitchen wrapping goods 10 percent, stationery 20 percent, bacon, sausages and polony 15 percent and frozen vegetables seven percent. Cooking oil went up 60 percent last year and appeared set to increase again soon

Mr Cohen said a sinister aspect of the increases was that



they had come so early in the year

He believed certain manufacturers would push up prices again before the end of the year; in many cases that could mean increases of up to 20 percent in the 12 months from last month to December

In the liquor field, some hotels had increased the price of

beer by 5c a bottle — even though the breweries had not announced an increase

All wines and spirits have gone up by 6 percent, according to the chairman of the liquor affairs committee of the Federated Hotels Association of South Africa, Mr A Murray.

Sales of South African spirits are running at 93 percent of sales 12 months ago with fortified wines nearly 10 percent down at 91 percent. In slight contrast, beer is up five percent.

Prices for goods such as refrigerators, freezers and washing machines have also increased — for the second time since June last year.

The head of the bureau of financial analysis at the University of South Africa, Professor A Zabenberger, said the downturn in the economy was having a serious effect on the hotel industry and grave times seemed to be ahead for the whole economy.

Room occupancy rate to November 1983 was down 9,5 percent over the previous 12-month period. It now stood at a dangerously low 60 percent.

"There is a lot of pressure on the industry, particularly in the rural areas."

Mr Murray said the recession meant that commercial travellers were making their calls by telephone and rural hotels were suffering badly. Occupancy and bar sales were well down.

"I think we will see a lot of hotels failing in the coming months," he added.

One of Johannesburg's major appliance retailers told 24 Hours that confidential information compiled by the industry indicated sales had dropped country-wide by 20 percent last year.

But he said that in spite of the fall sales of videos, hi-fi equipment and television sets had held up.



Angry chicken farmer Mr Tony Ward with his chicks.

They're trying to wipe us out, says small chicken producer

Weekend Argus
Bureau

PORT ELIZABETH — Big Business is waging a chicken price war in the Eastern Cape with the aim of wiping out the small independent producer as a prelude to taking over the whole market and then raising prices through the roof

This is the view of one of the largest of the independent producers, Mr Tony Ward, who has recently resigned as chairman of the Eastern Cape Poultry Producers Association in protest against the Big Brother takeover

"I have seen them do the same thing to the egg industry and now they are moving in on the chicken industry," says the disgruntled farmer "These big companies are allied to the big feed producers, have no place in agriculture"

Down to eight

"If they succeed in their long term aims of controlling the chicken industry then they will eventually destroy the small farmer who is the backbone of the agricultural sector in South Africa"

Mr Ward said that he had seen the number of

independent poultry producers in the East Cape drop from 47 a decade ago to a mere eight this year

"I was no longer prepared to sit around a table with a group of men with whom I have no common interests — now both the chairman and the vice chairman of the

association work for big companies

He said the method the big companies used to get rid of the small operators was to start a price war which they knew the smaller producers could not survive

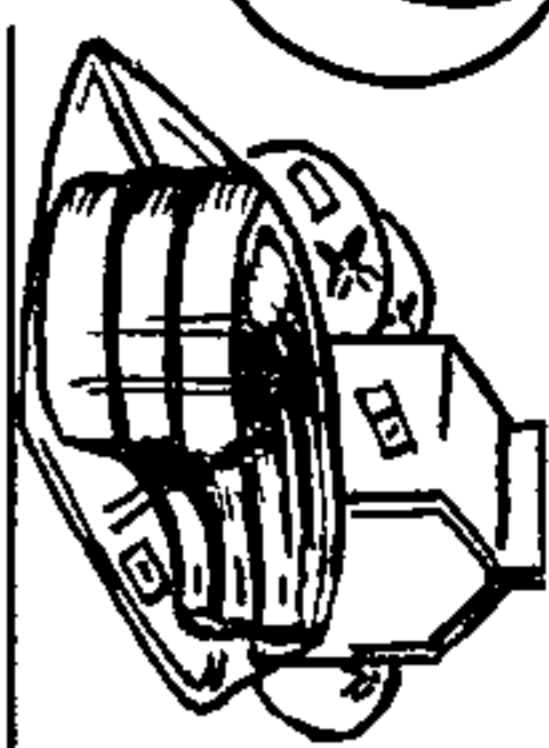
"That is not capitalism at work, it is monopoly capitalism and the only loser is the consumer"

W/C M.L.W. 4/2/84
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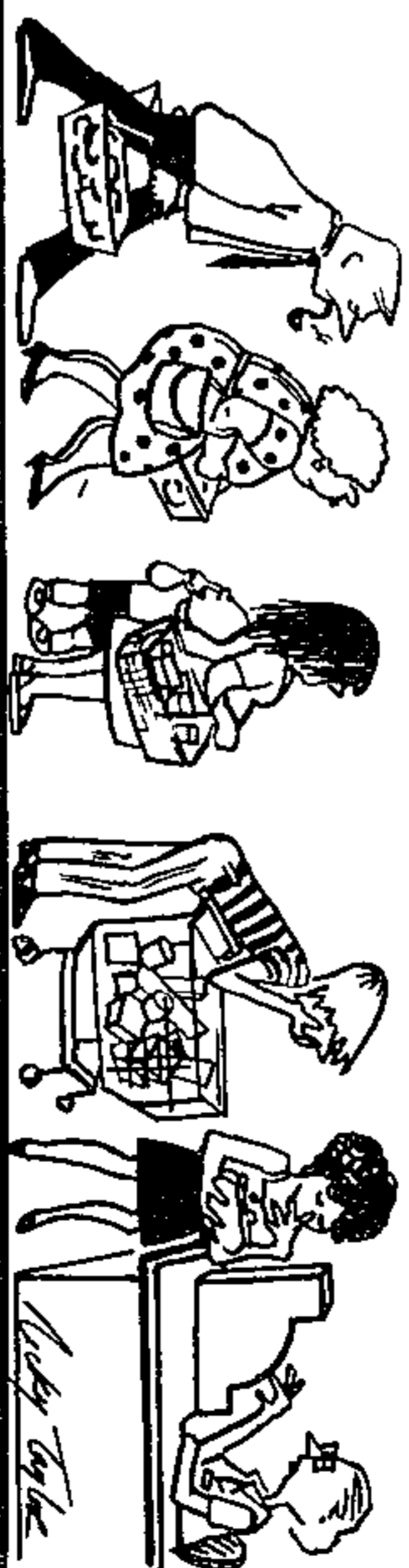
SEE HOW THEY CHANGE



	Chekers Sandton City	OK Hyperama Sandton City	Hypermarket Norwod	Pick 'n Pay	Pick 'n Pay Benmore	Average price	Average on 13/5/83	Percentage increase or decrease
I & J Hake Fillets 1 kg	2,82	2,79	2,49	2,69	2,70	2,27	2,27	+19%
Eskort middle bacon 250 g	—	1,72	1,49	1,66	1,62	1,49	1,49	+8,72%
Super Lamb chops 1 kg	7,18	7,06	6,98	6,98	7,05	6,78	6,78	+3,98%
Tastic Rice 1 kg	1,09	1,09	1,09	1,12	1,10	1,20	1,20	-8,3%
Choice butter 500 g	2,09	2,05	1,84	1,92	1,97	1,78	1,78	+10,6%
Milk 1 litre	62c	61c	61c	61c	61c	55c	55c	+10,9%
Kellogg's Cornflakes 500 g	1,12	99c	1,09	84c	1,01	89c	89c	+13,48%
Nescafé - 250 g classic coffee	3,99	4,29	4,15	3,99	4,10	3,91	3,91	+4,85%



	Chekers Sandton City	OK Hyperama Sandton City	Hypermarket Norwod	Pick 'n Pay	Pick 'n Pay Benmore	Average price	Average on 13/5/83	Percentage increase or decrease
Five Roses 250 g tagless teabags	1,95	—	—	1,79	1,87	1,65	1,65	+13,3%
Porterhouse steak 1 kg	8,26	7,88	6,49	7,89	7,63	7,40	7,40	+3,11%
Grade A frozen chicken 1 kg	2,19	1,88	2,89	2,38	2,33	1,80	1,80	+29%
Medium Potatoes 2 kg	85c	92c	63c	72c	78c	2,41	2,41	-68%
Large eggs 1 dozen	1,12	94c	86c	96c	97c	1,04	1,04	-6,7%



Survey reveals slowdown in food price increases

By Stuart Flitton
The Star's regular shopping survey shows food price increases have slowed considerably in the past nine months.

Prices increased by only 2,7 percent since the last survey in May 1983 compared with a 10,3 percent increase between August 1982 and May last year.

The cost of this month's grocery basket of 13 basic foods, at four selected Johannesburg northern suburbs and including the new 7 percent GST charge, was

R36,10 compared with R35,16 in May 1983. Between August 1982 and May 1983 The Star's sample grocery bill rose from R31,88 to R35,16.

The greatest increases in the latest survey were in dairy products

A kilogram of butter was up 10,6 percent from R1,78 to R1,97 and a litre of milk rose 10,9 percent from 55c to 61c.

Potato prices have returned to more realistic levels after a huge increase during last year's winter drought.

A dozen eggs cost about 78c compared with R2,41 last year.

A 2 kg bag of potatoes dropped from R1,04 in May 1983 to 97c, while a 1 kg bag of rice went down from R1,20 to R1,10.

1395

1399

1402

1405

Maize Crisis

Costly for all

By MARC DOBSON

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S. Post

12/84

HOUSEWIVES were warned this week that the disastrous maize crop failure in the wake of the drought in the "mealie belt" would mean price rises in a wide range of commodities.

Spokesmen for leading chain stores said consumers could be in for a shock when the effects of the maize crisis filtered down to the counters.

This year's drastically diminished maize crop means maize will have to be imported for the second year in succession.

Spokesmen for three large retail outlets told Weekend Post all-round increases in the prices of maize products within the next three months were "inevitable".

These increases would affect many commodities such as cereals, custard powder, sweetcorn, canned meat and dairy and poultry products.

At an emergency meeting in Bothaville yesterday, officials of the National Maize Producers Organisation (Nampo), the Maize Board and the Transvaal Agricultural Union announced this year's expected crop was less than four million tons.

The country's minimum requirement is 6,5 million tons.

A spokesman for the Maize Board in Pretoria told Weekend Post the Maize Board and the Maize Producers Association would be petitioning the Minister of Agriculture, Mr Greyling Wentzel, for the Cabinet to sanction a further increase in the price of maize.

The basic selling price of maize was increased by 10% by the Minister of Agriculture in December and took effect from January 1.

The spokesman said the production costs of maize producers had escalated dramatically and crops could no longer be produced at current costs.

Mr Peter Dove, general manager of foods at Pick 'n Pay, said the shortage of maize would definitely lead to price increases in maize-based foodstuffs.

Describing the implications for the consumer as serious, he said announcements of price increases would probably be made within the next few weeks.

"Maize is a basic commodity, so a wide range of products will be affected. However, we will try to delay passing on these increases to the consumer for as long as possible."

Mr Ralph Horwitz, head of OK's food division, said any product with a maize base would suffer a hike in price if the price of maize was increased.

"I can't say at this stage how much the increases will be. But the maize crisis has already resulted in the increase in the price of eggs," he said.

"We have absorbed a large amount of this increase and are selling eggs below cost at the moment."

The issue of price increases of maize-based products depended on whether the imported maize would be subsidised, said Mr Brian Sacks, merchandising manager of groceries at Checkers.

However, he was inclined to believe the shortage of maize would inevitably result in increased prices.

"In the short term the store will try to absorb the increased prices, but in the end the consumer will have to pay more," he said.

"Our store is still maintaining its promise to the consumer to cut the price of one basic foodstuff below cost each week. We are also still lobbying for GST to be excluded from basic foodstuffs."

Mrs Jackie Smith, chairman of the Housewives League in Port Elizabeth, today backed the stores in calling for the Government to exempt maize-based products from GST.

She said the increases in the prices of maize-based products would be a tremendous blow to pensioners and people in the lower income-groups. This could be alleviated if GST was excluded from the products.

Mrs Thelma Basford, chairman of the Consumers Association in Port Elizabeth, agreed that this measure would greatly assist consumers.

This year unavoidable

Brown jumps by 16 pc, white by 11 pc — and further increase

Bread prices shock

News 16/2/84

2/11

By TOS WENTZEL, Political Correspondent

THE price of bread will go up by 6c a loaf from Monday, the Minister of Finance, Mr Owen Horwood, announced in Parliament this afternoon.

He also warned that a further increase in bread prices later this year was "absolutely unavoidable".

Introducing the second reading debate on the Part Appropriation Bill, Mr Horwood said the extent of such a further increase would depend on the volume of consumption and the adjustment of the wheat price in comparison to the subsidy the Treasury could afford

From Monday, the retail price of white bread will rise from 54c to 60c a loaf, including GST

Brown bread will go up to 42c a loaf, including GST

Mr Horwood said huge subsidies were paid on basic foodstuffs, such as bread and mealies

Exempting them from GST would create serious administrative problems and lead to increased taxation of other items

Subsidy figures

In the current financial year the bread subsidy would amount to nearly R275-million and the mealie subsidy to R140-million

In the case of brown bread — which made up more than three-quarters of bread consumption — the current subsidy amounted to nearly half the retail price, including GST

As a result, the price of brown bread was so unrealistically low that it was probably being misused in some cases — for example, as animal fodder

This could not be tolerated, and the Cabinet was giving urgent attention to the matter

No reason

For white bread the subsidy was far lower, but there was no good reason why it should be subsidised at all

To eliminate the subsidy, the price would be increased by 6c

Since brown bread was a basic foodstuff, it was necessary that an important element of the subsidy be retained

Even the new price increase would still leave an extraordinarily big subsidy on brown bread in the next financial year

The Government had therefore ordered an in-depth inquiry into a "justified price policy" to ensure that any adjustments in future could take place more regularly and in smaller jumps

Yesterday in Parliament

Cabinet attending to brown bread malpractices

Mercury 17/2/84 244

CAPE TOWN—The price of bread, both white and brown, is to be increased by 6 c a loaf from Monday

This was announced by Finance Minister Owen Horwood yesterday

Introducing the Part Appropriation Bill, Mr Horwood said further increases in the bread price this year appeared to be inevitable

Next week's increase would still leave an extraordinarily large subsidy on bread.

He said there was a view that basic foodstuffs should be exempt from GST, but 'as I have indicated repeatedly, such a move would create serious administrative problems and result in a considerable increase in the GST on other goods'

The Government spent considerable amounts subsidising bread and maize. In the current financial year, the bread subsidy totalled R275 million and the maize sub-

sidy R140 million

In the case of brown bread, which accounted for more than 75 percent of bread consumption, the subsidy was nearly 50 percent of the retail price (GST included)

The price of brown bread was so unrealistically low that malpractices apparently had occurred, such as use of bread as animal feed

'Such a state of affairs cannot be tolerated and the Cabinet is presently

giving the matter serious attention,' he said

The white-bread subsidy was much lower. No good reason existed for the price to be subsidised and so, to eliminate the subsidy, the price would be increased by 6 c — bringing the cost to 60 c a loaf (GST included)

In the case of brown bread the problem was more complex. If the subsidy was too great, malpractices occurred. On the other hand, brown

bread was a basic foodstuff and it was therefore necessary to retain an important subsidy. As a temporary measure it had been decided to increase the price by 6 c a loaf

The adjustments would nevertheless leave an extraordinarily large subsidy on brown bread in the coming year which would be difficult to finance, and the price would inevitably have to be re-adjusted, Mr Horwood said — (Sapa)

By PAT SIDLEY
Consumer Mail

THE 16,6% increase in the price of brown bread — well ahead of the inflation rate and hot on the heels of the GST increase — has angered and “appalled” trade unionists, supermarkets and consumer spokesman

Mr Raymond Ackerman, one of the supermarket chains chief executives, has renewed his call for increased tax to be placed on companies so that the poor can be relieved of these burdens

And a bread price war is likely to break out among the three heavily competitive supermarket chains

About 3 000 000 children under 15 in South Africa are already malnourished, according to the Stellenbosch University Bureau for Economic Research, and the poorer black population rely on brown bread as a source of nourishment

The price of bread is to rise by 6c on Monday — which represents a rise of 16,6% on brown

Outcry as price of bread rises by 6c

RSM 17/2/84 244
bread and 11% on white

The subsidy on brown bread has been reduced while that on white bread has been wiped out

These reductions would amount to a “saving” of R90-million to the country, a spokesman for the Wheat Board said yesterday

He said each loaf of brown bread was subsidised by about 17c of the price. The subsidy on each loaf of brown would now be about 11c — a drop of a third

The bread subsidy meant a net income transfer from the higher income groups to lower income

groups. The reduction in the subsidy will slow this tendency

The 100 000-member Council of Unions of SA (Cusa) has slammed the price rise, saying “the most deprived in the community” were being expected by the Government to “contribute the greatest amount to maintain the oppression of apartheid”

In a statement by its general secretary, Mr Phiroshaw Camay, Cusa noted that the 6c rise in the bread price had come in the wake of the recent 1% rise in GST

“It is not acceptable that in the

wake of the GST increase, the price of bread is now increased as well”

Spokesmen for the three major supermarket chains — Checkers, the OK Bazaars and Pick 'n Pay — all expressed outrage at the increase

Pick 'n Pay is to retain its prices at the “special offer” level to which it reduced them recently. A loaf of white bread will cost 48c and loaf of brown 31c including the 7% GST

The OK and Checkers will announce their competitive moves soon

— 5 —

Outcry follows ~~the 6c bread~~ price increase

By Zenaide Vendeiro

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Star
17/2/84

Consumer organisations reacted with "shock" to the 6c increase in the price of white and brown bread announced in Parliament on Wednesday

Mrs Sally Motlana, president of the Black Housewives' League, said black consumers would be particularly hard hit by the price rise as they were the lowest-paid population group in South Africa

Mrs Motlana warned that consumers could expect increases in other foodstuffs "Once one commodity goes up in price, you can be sure the increase will spread to all related foodstuffs"

Mr Bernard Hellberg, assistant director of the South African National Co-ordinating Consumer Council, said it was "a disappointing development"

SPECULATION

There had been speculation of a price increase because of the state of the wheat industry and because the Government felt it could not raise the subsidy on bread

"This is a bitter blow," said Mrs Joy Hurwitz, national president of the Housewives' League of South Africa "Increases of this size, coming so soon after the increase in GST, will hit those consumers who can least afford it in this time of recession

"I'm especially distressed that the price of brown bread has been increased as consumers have been encouraged to purchase it because of its better nutritional value"

Mrs Hurwitz said that a price rise had been expected and "the League asks again for the exemption of basic foods from GST"

Cape Times 17/2/84
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Shock, anger at increase in price of bread

Staff Reporters

TRADE unionists, supermarket chiefs and consumer spokesmen yesterday expressed shock and dismay at the bread price increases announced in Parliament

The Minister of Finance, Mr Owen Horwood, announced that the price of bread, both white and brown, was to be increased by six cents a loaf from Monday, February 20

Introducing the Part Appropriation Bill, Mr Horwood said further increases in the bread price during the year appeared to be inevitable

Next week's increase would still leave a large subsidy on bread. In the current financial year the subsidy on bread was R275-million, and on maize R140-million

In the case of brown bread, which accounted for more than 75 percent of bread consumption, the subsidy was nearly 50 percent of the retail price (GST included). The subsidy on white bread was much lower. No good reason existed for the price to be subsidized, he said

Mr Piroshaw Camay, general secretary of the Council of Unions of South Africa, which represents 11 black unions, said the increase was a "very harsh move" which would hit workers hard

Mr Joe Foster, general secretary of the Federation of South African Trade Unions, representing more than 100 000 workers, labelled the increase as "shocking". Bread was a staple food

Supermarket chiefs also lashed out at the government over the increase

Pick 'n Pay chief executive Mr Raymond Ackerman said it was "foolhardy to raise the price of bread with so much unemployment in the country"

Checkers' managing director, Mr Gordon Utian, said "I am horrified by this irresponsible action. Throughout this country people are starving. First GST is increased, including the basics, now this"

Grand Bazaars managing director Mr Jackie Schar reacted with disbelief to the rise. "You and I have a salary to live on. But when government overspend they just ask for more. Tax the luxuries rather than the basics. Bread is a necessity"

More food price rises on the way

ARGUS 17/2/84

244

By TOS WENTZEL, Political Correspondent

THE MINISTER of Agriculture, Mr J G Wentzel, has warned that the days of cheap food are over — more price increases are on the way

Mr Wentzel confirmed that the bread price would again be increased in October when a new wheat price for farmers and the price margins of millers and bakers were considered

He emphasised that the wheat price had remained at R275 a ton for two years and that the increase in the bread price, which comes into effect on Monday, had nothing to do with prices paid to farmers. It was the result of the bread subsidy being lowered

Would pull through

In an interview he reviewed the country's serious drought conditions, but said that with a sound import programme of products such as mealies, grain and oil seed, South Africa would pull through

The present shortage in certain areas were expected to continue for about three months

One of the reasons why South Africa would eventually have to pay more for imported food was that, when the recession in the Western world was over, food programmes would be launched for other drought-stricken countries in Southern Africa

He had no doubt that, in Africa, food would become the basis on which bargaining for better relations would take place

Animal fodder

Mr Wentzel said South Africa would this year have to import three million tons of mealies and 250 000 tons of oil seed cake. Several millions of tons of other grains may have to be imported as animal fodder

Drought conditions led to the anomalous situation where meat surpluses arose because livestock was marketed before conditions deteriorated

The Meat Board's coolrooms were reasonably full at present and cheaper meat may again be made available to consumers

For a while there would also be a milk surplus, but after that a shortage was expected

Plea for bread tax on business

By BRIAN STUART,
Weekend Argus
Reporter,
and TOS WENTZEL,
Political Correspondent

A PLEA to the Minister of Finance, Mr Owen Horwood, to "hit larger companies" who supply bread to the public rather than the poor and unemployed has been made by Mr Raymond Ackerman, chairman of Pick 'n Pay

Mr Ackerman, who is due to meet Mr Horwood next week, said today "In a country where there is poverty and unemployment, you cannot ignore these factors because of some great economic theories. You cannot just cut subsidies for bread at this time

"I have a number of proposals to make to the Minister. I'm asking for a bread tax on business, on high-income-earning people, and not the poor and unemployed who must pay this increased price. This is absolutely critical."

Mr Ackerman said Pick 'n Pay would subsidise bread prices by R500 000 this year to sell bread at below cost until Easter

Shoprite, Grand Bazaars, OK Bazaars, Checkers and Bloch will also be keeping down prices "as long as possible" "Until it hurts", said OK Bazaars

Meanwhile, consumers can brace themselves for further price-increase shocks, with expected announcements of higher transport fares and tariffs later this month

The increases are likely to be between seven and 10 percent

According to sources in the transport services, an effort will be made to keep the increases to less than the present inflation rate, which is said to be in the region of 11 percent

The public has recently been hard hit by

- The higher GST rate of seven percent

- Higher mortgage bond repayments

- Increased beer and liquor prices

- The announcement of higher bread prices

Now the Minister of Transport, Mr Hendrik Schoeman, is preparing his Transport Services budget and is set to give notice of increased tariffs when he speaks in Parliament on February 29

Fares and tariffs will have to rise because of big losses on passenger services, uneconomic running of trains on minor branch lines, the general fall-off in freight due to economic conditions and the pay rises which railway employees were awarded recently

Some railway branch lines might even be axed completely as the SA Transport Services tries to fight its way out of the red

Although South African Airways is doing better these days than in recent years, domestic air tickets are also expected to cost more soon

Third-party vehicle insurance is set for an increase as well, but probably only by about R2

An announcement on this is expected next week

Some stores keep bread at former prices

2. Post 20/2/84

By STEPHEN ROWLES

THE increase in the price of bread — by 6c a loaf to 60c for white bread and 42c for brown bread — came into effect today at shops and cafes.

Supermarkets are still selling bread below the new price, and two chains have given undertakings to maintain their prices for a time.

The general manager of Pick 'n Pay for the Eastern Cape, Mr Terry Carroll, said the stores would be holding their current bread price until Easter.

White bread costs 45c a loaf while brown bread sells for 29c.

The area manager for Grand Bazaars in the Eastern Cape, Mr Ian Stevens, said the group's stores would be maintaining their prices of 31c a loaf for brown bread and 38c for white bread today.

He was awaiting a directive from his head office on the prices his group would charge in future.

A spokesman for the Grand Bazaars head office in Cape Town said a meeting was being held to decide on a strategy on the bread price.

A spokesman for the Checkers divisional office for the Eastern Cape said their stores would continue their policy of selling bread at cost.

White bread would now be sold at 54c a loaf and brown bread would cost 37c a loaf.

The spokesman said Checkers had a policy of having weekly "specials" on staple foods, and bread would also be included in this at some stage.

The district manager of OK Bazaars for the Eastern Cape, Mr Maurice Hardwich, said his stores would be maintaining their prices of 47c for a loaf of white bread and 30c for a loaf of brown bread until the end of the month.

The position would then be re-assessed by the group's head office, he said.

Retailers want to meet Govt

Outcry over bread price rise escalates

RDM 20/2/84 244

Mall Reporters

MAJOR food retailers are to seek a meeting with the Government to ask that the increase in the price of bread be rescinded and the general sales tax on staple foods lowered.

The chairman of Pick 'n Pay, Mr Raymond Ackerman, said the recent increase in the price of bread was an "untimely and inflationary decision" in the light of the recent GST increase.

"We are fully aware of the enormous pressures on the farmers as a result of the drought.

"But it is absolutely crucial that an emergency meeting be held between Government and major food retailers and manufacturers to reach an urgent solution to prevent the man in the street from bearing the cost of this huge increase on an item which is a basic food for millions of people," he said.

He also suggested that legal loopholes for companies to avoid tax should be closed and that specific tax for individual purposes be introduced so that if there was a food crisis, companies could be made to pay a "food tax", the revenue from which would be used to relieve the crisis.

Also adding his voice to the growing outcry was the managing director of the Cape chain-store group Shoprite, Mr Wellwood Basson. Mr Basson criticised the bread price increases and called for an immediate inquiry into the entire costing structure of all factors affecting bread.

Mr Tony Bloom, chief executive of Premier Milling, which mills flour and bakes bread, said subsidies had kept down the price of bread.

He said he believed in the theories of the free market, but in practice in South Africa in 1984 one had to have subsidies to help those at the bottom end of the wage scale. He was in favour of subsidies on both bread and maize.

Mr Bloom said it was probably correct to keep the subsidy limited to brown bread, but regretted that this too had been cut.

And economists predicted that the escalation of food and other prices combined with the recent increase in GST would keep the inflation rate in double figures.

Barclays Bank's chief economist Dr Johan Cloete predicted that the year ahead would be tough for consumers.

"Any hopes that the inflation rate could be pressed down into single figures seems to have disappeared with the GST increase and the expected increases in administered prices," he said.

Dr Cloete said 25% of the calculation of the Consumer Price Index was based on food prices.

There had been hopes, too, that the continuing recession would have forced the cutting back of food prices.

Aggravating the plight of the consumer were:

- Expected limited salary and wage rises during the year
- Increased taxation, with the possibility of a new saving levy
- Heavy personal debt resulting from excessive credit buying at high interest rates

"It all adds up to smaller disposable incomes and even greater austerity for consumers. We are all going to be poorer," Dr Cloete said.

Fast food outlets ²⁴⁴ say price rise in line with hike ^{21/2/87} in costs

By INES TAYLOR
EAST LONDON —
Take-away food outlets have defended the price of their products saying they were not out of step with costs.

We undertook a survey when a colleague complained that the price of a toasted sandwich went up ten cents from 70 cents to 80 when sales tax went up from six to seven per cent

This 10-cent rise is a percentage increase of 14 per cent

But the outlets said it was not merely sales tax. Everything was going up, they said

Outlets said they were experiencing price rises in cheese, bread and oil particularly and this, in addition to the recent rise in GST resulted in increased prices for the consumer

But spokesmen to various outlets said they had no immediate plans to raise prices due to the bread price rise

As far as the ingredients of a typical cheese salad roll goes,

though, it would cost just as much to make one at home as to buy one from most take-aways

A loaf at 54 cents, tomatoes (79 cents a kilo), a lettuce at 75 cents, cheddar cheese R4.70 a kg, cucumber at 69 cents comes to 78 cents for the takeaway article when the proportions of the above are calculated and GST is added on

A toasted cheese sandwich using white bread and not including the cost of the electricity comes to 66 cents, including GST

Obviously, many outlets make up their products more cheaply by buying in bulk from wholesalers

One cafe is selling both toasted cheese sandwiches and cheese salad rolls for 60 cents

"We have no intention of raising our prices even though GST and the bread price have just gone up," a spokesman for the cafe said

"On average we

raise our prices twice a year but we don't put them up automatically as soon as cheese, for instance, goes up," she said

Another concern said they had had to put up their prices due to the GST hike

"We are selling a cheese salad roll for 60 cents and a toasted cheese sandwich at 80 cents," a spokesman said

"When I took over this business six years ago, we had one price rise a year, then two a year, then three and now we don't even bother printing a menu because the prices go up so often.

"Almost every week something goes up but our last price adjustment was five months ago. We try to absorb as much as possible before passing it on to the consumer"

Another take-away manager said their prices had gone up the day before the GST increase

"We have had no price increase for the one and a half years before that though. If the price of my ingredients rises then that is my problem and not my customers, and I try to protect them as much as I can," she said

An outlet in Beacon Bay said they had not put their prices up since November. They sell a toasted cheese sandwich for 75 cents and a big cheese roll for 60 cents

"We have to buy the giant rolls from the supplier at 25 cents each and by the time we have filled them, there is not really that big a mark-up," a spokesman said

"We don't want to put our prices up as the customer already has to pay more with the increased GST, so we will hold off as long as possible"

A concern in Oxford Street is selling toasted cheese sandwiches and cheese salad rolls at 80 cents each inclusive of GST

"We have put a few of our prices up because of the increase in GST," the owner said

"This is only the second time in two years we have put our prices up — and not all our prices have gone up," she said —
DDR

New bus fare

Mercury 25/2/84

structure to

be introduced

Municipal Reporter

DURBAN'S two major bus operators would introduce a new fare structure on April 1, it was announced yesterday

The Durban Transport Management Board and Putco have rationalised their fares so black commuters travelling similar distances on any route will be charged the same fare

Commuters using the two services are currently charged different fares depending on the route followed Putco will now change over to the stage system which has been used for many years by the DTMB

'This is a major breakthrough Most fares will decrease, some will increase and some will remain constant,' said Mr Marshall Cuthbert, general manager of the DTMB

On a recommendation of the National Transport Commission the Department of Transport spent a year working out a system rationalising all fares charged by the two companies in the Durban area

Mr Pat Rogers, public relations executive for Putco, said a 12,5 percent increase already approved by the Department of Transport for Putco passengers had been absorbed in the new

fares

But increases in fares would be less than they would have been had rationalisation not been introduced, he said

Earlier this week the move was explained to community leaders who seemed satisfied it was in the best interests of commuters, Mr Cuthbert said

'While any change is usually suspect, we are hoping commuters will not resist the implementation of the new structures,' Mr Rogers said

Mr Vic Coetzee financial executive of Putco, said the majority of commuters in Durban paid cash for single journeys Most of these fares would be decreased, he said

Attorney-General	(1) Cases referred	(2)(a)(i) Persons prosecuted	(2)(a)(ii) Persons convicted	(2)(b) Persons still awaiting trial
Pretoria	63	109	86	12
Johannesburg (established on 1/11/1983)	2	4	0	4
Bloemfontein	14	17	13	4
Kimberley	8	6	3	2
Cape Town	22	3	0	0
Grahamstown	18	21	19	2
Pietermaritzburg	19	9	5	3

Howard Q. 61 - 363
 Reference books/influx control 27/2/84
 232 Mrs H SUZMAN asked the Minister of Co-operation and Development

How many Black persons were convicted of offences relating to reference books and influx control in each of the main urban centres of the Republic in 1983?

THE MINISTER OF CO-OPERATION AND DEVELOPMENT

Urban Centre	Convictions
Pretoria	13 976
Johannesburg	37 562
Durban	2 523
East London	1 645
Port Elizabeth	867
Cape Peninsula	3 209
Bloemfontein	3 651
West Rand (Excluding Johannesburg)	23 180
East Rand	55 454

Howard Q. 61 363
 Cape Peninsula: housing 27/2/84
 241 Mr C W EGLIN asked the Minister of Co-operation and Development.

(1) (a) How many housing units for Black occupation were built in the Cape Peninsula in 1983 and (b) what is the number to be built in this area in 1984,

(2) (a) what was the estimated shortage of housing for Black families in the Cape Peninsula at the end of 1983 and (b) when is it expected that the

shortage of housing for Blacks in this area will be eliminated?

THE MINISTER OF CO-OPERATION AND DEVELOPMENT

- (1) (a) Nil
- (b) 5 000 core houses at Khayelitsha
- (2) (a) 8 897
- (b) This will depend on the availability of funds

Howard Q. 61. 364
 266 Dr M S BARNARD asked the Minister of Health and Welfare

(1) Whether the State (a) took any preventive measures to combat the spread of cholera and (b) undertook a campaign to educate the rural population in respect of cholera in 1983, if not, why not, if so,

(2) whether details of these activities are kept, if not, why not, if so, (a) where and (b) what was the cost to the State in 1983 of (i) these preventive measures and (ii) the said campaign?

THE MINISTER OF HEALTH AND WELFARE

- (1) (a) Yes.
- (b) Yes.
- (2) (a) and (b) (i) and (ii) Various Government Departments

are involved as well as the relative Provincial Administrations and Local Authorities. The information is therefore not readily available and it will unfortunately not be possible to provide it

Howard Q. 61. 365
 Death sentences 27/2/84
 273 Mrs H SUZMAN asked the Minister of Justice

How many death sentences in each race group were commuted in 1983?

THE MINISTER OF JUSTICE

Race group	Number of death sentences commuted
Black males	32
Coloured males	6
Asiatic males	2

Prisoners: deaths

274 Mrs H SUZMAN asked the Minister of Justice

(1) How many sentenced prisoners died of natural causes during the period 1 July to 30 June 1983,

(2) how many of these deaths were due to pneumonia?

THE MINISTER OF JUSTICE

- (1) 167
- (2) 14

(a) (i)

Area	Price per litre
Bloemfontein area	35,85
Cape Peninsula area	36,35
Natal and Northern Natal areas	36,35
Transvaal area	36,85
Western Transvaal area	36,35

(ii) 2 293c/100 kg for industrial milk with a butterfat content of 3,5% plus an interval adjustment in the basic price of 34c/100 kg plus

Revenue of Republic

275 Mr W L VAN DER MERWE asked the Minister of Finance +

(a) What was the total revenue of the Republic in the latest specified period of 12 months for which figures are available and (b) what amount was contributed to this revenue by each province?

THE MINISTER OF FINANCE

(a) The total revenue of the Republic as defined in section 1 of the Exchequer and Audit Act, 1975 amounts to R22 080 386 084 for 1982-83 being the latest specified period of 12 months for which figures are available

(b) Unfortunately a division per province is not available

Howard Q. 61. 366
 355 Mr P A MYBURGH asked the Minister of Agriculture

(a) What was the producer's price of (i) fresh milk and (ii) industrial milk as at 1 June 1983 and (b) what price increases have come into effect in respect of each category since that date?

THE MINISTER OF AGRICULTURE

Category	Price per litre
(i) Fresh milk	35,85
(ii) Industrial milk	36,35
(i) Fresh milk	36,35
(ii) Industrial milk	36,85
(i) Fresh milk	36,35

or minus for each 0,1% variation in butterfat test above or below 3,5%

(b) *Fresh milk*

Bloemfontein area	Cents per litre from 1 July 1983
Cape Peninsula area	3,0
Natal and Northern Natal areas	4,0
Transvaal area	3,0
Western Transvaal area	3,0

Industrial milk:

Since 1 July 1983 compensation is based on the quality components of industrial milk at 373 cents per kilogram fat and 373 cents per kilogram protein. The previous basis was amount to 341 cents per kilogram fat and 341 cents per kilogram protein.

3 Howard Land and Agricultural Bank 28/2/84
 369. Mr P A MYBURGH asked the Minister of Finance:

- (a) What was the total amount of loans granted to farmers by the Land and Agricultural Bank as at 31 December 1983 and
- (b) to how many farmers had these loans been granted?

The MINISTER OF FINANCE:

- (a) R1 302 929 506.
- (b) 25 694.

TUESDAY, 28 FEBRUARY 1984

†Indicates translated version

For written reply.

Official visits

143. Dr F A H VAN STADEN asked the Minister of Community Development:†

Whether he paid any official visits abroad in 1983, if so, what (a) were the dates and was the (b) duration, (c) cost and (d) purpose of each visit?

Cents per litre from 1 July 1983

The MINISTER OF COMMUNITY DEVELOPMENT.

Yes.

- (a) and (b) 4 September 1983 to 15 September 1983.
- (c) R4 433.
- (d) Study of housing matters as well as aspects regarding accommodation of foreign missions

Travel documents

214 Prof N J J OLIVIER asked the Minister of Internal Affairs:

How many citizens of (a) Ciskei, (b) Transkei, (c) Bophuthatswana and (d) Venda (i) had applied for and (ii) had been granted South African travel documents since the independence of each of these countries up to the latest specified date for which figures are available?

The MINISTER OF INTERNAL AFFAIRS:

(a), (b), (c) and (d) Statistics in respect of these countries are not kept separately since the independence of these countries until 31 December 1983 6 306 applications were received of which 6 222 were approved.

89 Howard Q. 601. 368 Typhoid 28/2/84
 268 Dr M S BARNARD asked the Minister of Health and Welfare.

- (1) How many (a) cases of and (b) deaths from typhoid had been reported

ed in respect of each race group in each province for each month in (i) 1983 and (ii) 1984 as at the latest specified date for which figures are available;

- (2) what steps are being taken to combat the spread of this disease?

The MINISTER OF HEALTH AND WELFARE

- (1) (a) WHITES—40

Cape 8	1
January 1983	1
February 1983	2
March 1983	1
April 1983	3
May 1983	1
June 1983	3
July 1983	1
August 1983	1
September 1983	1
October 1983	1
November 1983	1

Natal 9	1
January 1983	1
February 1983	1
March 1983	2
April 1983	2
May 1983	2
June 1983	1
July 1983	1
August 1983	1
September 1983	1
October 1983	2
November 1983	1

Transvaal 23	1
January 1983	1
February 1983	3
March 1983	2
April 1983	2
May 1983	1
June 1983	3
July 1983	4
August 1983	2
September 1983	2
October 1983	1
November 1983	4

COLOURED—65

Cape 47	6
January 1983	8
February 1983	4
March 1983	4
April 1983	2
May 1983	3
June 1983	1
July 1983	2
August 1983	4
September 1983	4
October 1983	6
November 1983	7
December 1983	4

Natal 5	1
January 1983	1
February 1983	1
March 1983	1
April 1983	1
May 1983	1
June 1983	1
July 1983	1
August 1983	1
September 1983	1
October 1983	1
November 1983	1

Transvaal 13	2
January 1983	2
February 1983	1
March 1983	1
April 1983	1
May 1983	1
June 1983	1
July 1983	2
August 1983	2
September 1983	4
October 1983	2
November 1983	2

ASIANS—21

Cape 1	1
January 1983	1
February 1983	1
March 1983	1
April 1983	1
May 1983	1
June 1983	1
July 1983	1
August 1983	1
September 1983	1
October 1983	8
November 1983	1

Natal 16	2
January 1983	2
February 1983	1
March 1983	1
April 1983	1
May 1983	1
June 1983	1
July 1983	1
August 1983	1
September 1983	1
October 1983	1
November 1983	1

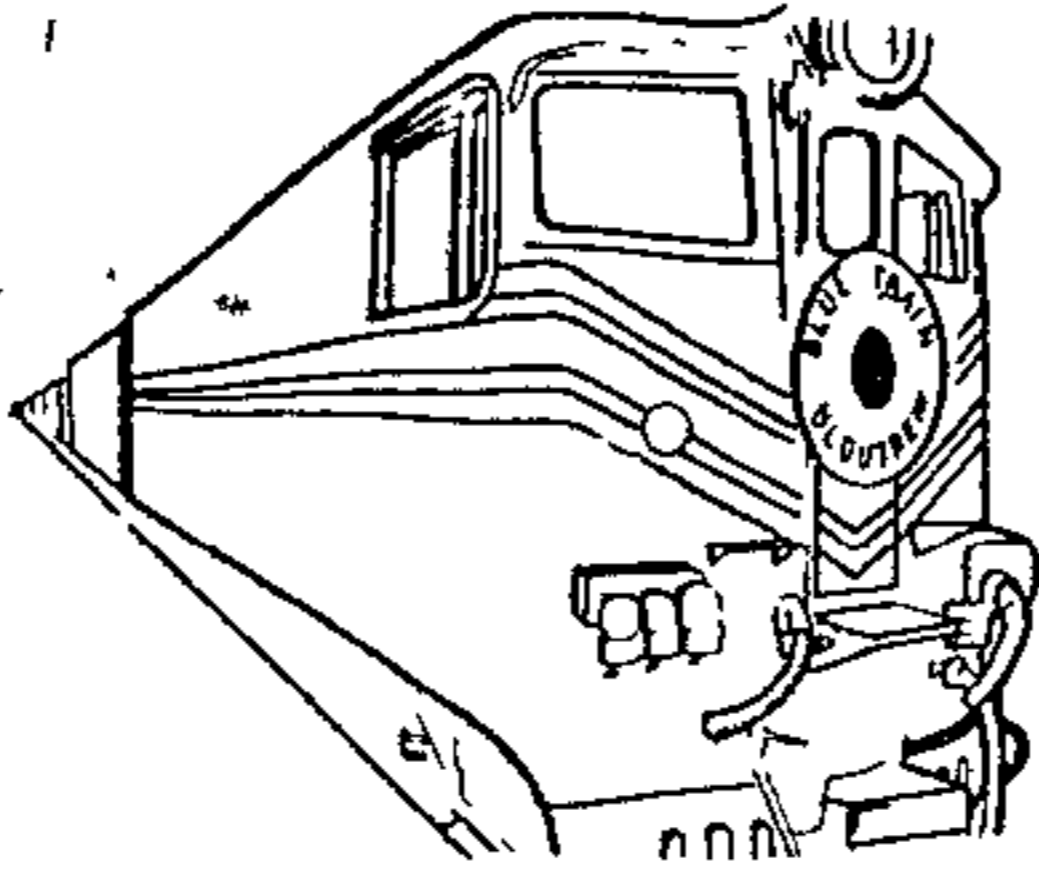
Transvaal 4	2
January 1983	2
February 1983	1
March 1983	1
April 1983	1
May 1983	1
June 1983	1
July 1983	1
August 1983	1
September 1983	1
October 1983	1
November 1983	1

BLACKS—4 539

Cape 78	7
January 1983	9
February 1983	11
March 1983	11
April 1983	5
May 1983	12
June 1983	8
July 1983	6
August 1983	1
September 1983	5
October 1983	6
November 1983	7
December 1983	1
Natal 1 187	107
January 1983	107
February 1983	102

RAIL AND AIR FARES: THE BAD

COMMUTER FARES:
3RD CLASS 12,8% UP
2ND CLASS 9,1% UP



MAINLINE FARES:
3RD CLASS 17,5% UP
2ND CLASS 12,5% UP
1ST CLASS 7,5% UP



DOMESTIC AIR
GOODS TAX
LIVESTOCK

Schoeman thanks SATS staff

THE ASSEMBLY — Sacrifices made by South African Transport Services (SATS) personnel deserved the highest praise and appreciation, the Minister of Transport Affairs, Mr Hendrik Schoeman, said today.

Introducing his budget, Mr Schoeman said the economy measures introduced because of the unfavourable financial position of SATS, combined with the decline in the

purchasing power of the rand, had caused much hardship and many employees found it extremely difficult to make ends meet.

"Nevertheless, the staff associations displayed exceptional understanding in negotiations for possible financial relief and exercised remarkable self-control in their claims for salary adjustments.

"The attitude of the staff associations and the sacrifices made by the personnel de-

serve the highest praise and appreciation. Mutual trust and frank communication have always been the basis of successful deliberation between SATS Services and its staff associations."

The Minister said that an organisation was only as good as its staff.

"Without them our expensive infrastructure would have been of little value." — Sapa

37 000 fewer people employed

THE ASSEMBLY — The SA Transport Services already had 37 000 fewer employees than in June 1982 as a result of the continued staff rationalisation, the Minister of Transport, Mr Hendrik Schoeman, said today.

Transport Services would continue to give "serious attention" to rationalisation of its personnel complement in the coming financial year, he added in his introduction to the 1984/85 Transport budget.

Mr Schoeman said "With this strategy, we are concentrating on increased productivity of our labour force."

He emphasised that the services of no permanently employed staff had been, or would be, terminated in the process.

"But it must be borne in mind that there is a relation between the reduction in personnel and the decline in transport activities" — Sapa



Mr Hendrik Schoeman

You'll have to pay more for that trip to the coast

Political Correspondent

THE ASSEMBLY — The first class single rail fare from Johannesburg to Durban by train will go up from R57 to R61, which is a percentage increase of 7,5 percent.

Second class rises from R40,50 to R45,50, a 12,5 percent increase, while third class goes up from R20,50 to R24,00, a 17,5 percent increase.

In the special "Lala" class, which jumps 17,5 percent, the price of a single fare goes from R25 to R29 and, on the special Transit coaches, the fare rises from R27 to R33, which is a 21 percent increase.

These increases were announced in the Railways Budget presented today by the Minister of Transport.

Jump in cost of commuting

Political Correspondent

THE ASSEMBLY — Examples of commuter fare increases, coming into effect on April 1, have been given in the Transport Budget.

A first-class single train fare from Johannesburg to Pretoria jumps from R2,50 to R2,70. The third-class single fare from Johannesburg to Dube goes up from 35c to 40c.

A first-class weekly from Johannesburg to Pretoria goes up from R15 to R16,50. The third class weekly from Johannesburg to Dube increases from R2 to R2,30.

A first-class monthly ticket from Johannesburg to Pretoria will rise by 10 percent, from R55 to R61.

Third-class monthly tickets will cost 12 percent more.

Discount train-travel pass for tourists to be introduced

Political Correspondent

THE ASSEMBLY — A new train pass for tourists, the popular Eurail pass used overseas, is to be introduced in Africa.

Foreigners will have to produce their passports when at local and foreign travel bureaux for the passes, which will be valid for up to three months.

The pass is intended to give owners 40 percent and 50 percent discounts on tickets.

The pass will be valid for all first and second class trains but not on luxury trains.

Namibian transport losses high

THE ASSEMBLY — Air transport losses in Namibia increased to R90 million — it was not possible for Transport Services to operate there, Mr Hendrik Schoeman said today.

He said, in his opening speech on the Transport Budget for 1984/85, the time has come for Namibia to accept financial and operating responsibility for transport services in the territory.

"I have asked SATS to conduct an investigation into our losses in the area."

"The time has come for Namibia to accept financial and operating responsibility for transport services in the territory," Mr Schoeman said. — Sapa

Fares up, but coffee is free

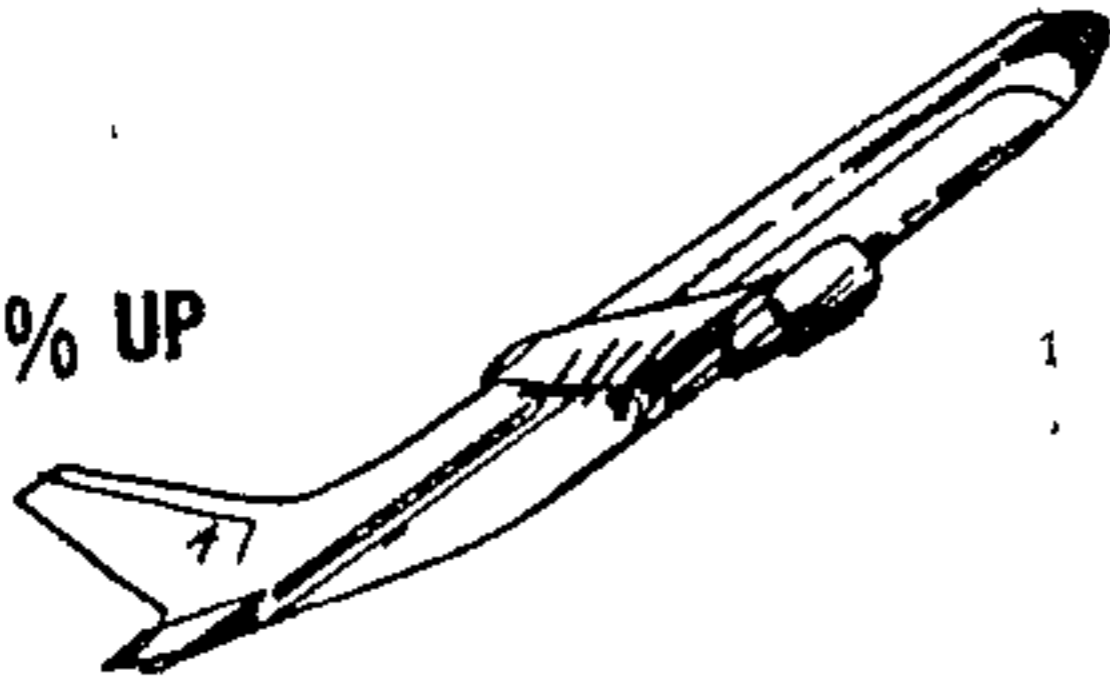
THE ASSEMBLY — Train passengers will get their early morning coffee free from April.

The Minister of Transport Services, Mr Hendrik Schoeman, said free coffee would be served to all first and second-class passengers — but only on trains equipped for the service. — Political Correspondent.

NEWS...AND THE GOOD

AIR FARES: 6% UP

PIFFS 10,9% to 15,2% UP
9,8% UP



CONCESSIONS: NATIONAL SERVICEMEN AIR CONCESSIONS
UP FROM 30% TO 40%

SENIOR CITIZENS: 40% DISCOUNT OFF-PEAK

AIR FARES: 50% DISCOUNT ON SPECIAL LATE NIGHT
FLIGHTS; 25% DISCOUNT ON WEEKEND EXCURSIONS

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R6.80(5.50) R10.00(9.50)
 R2.30(2.00) R2.90(2.60)
 R25.00(22.00) R38.00(35.00)
 R9.30(8.00) R10.50(11.50)

were already in arrears on their home repayments and rentals
 "If people can already hardly pay the rent, how can they possibly afford these increases in train fares?"

Mr Piroshaw Camay, secretary of the Council of Unions of South Africa (Cusa), said the only solution to the high cost of public transport was to get rid of racial barriers

"As long an apartheid service exists, we will have to pay for it

"Now all we can do is to wait for the Minister of Finance to increase taxes — then workers will be paying for apartheid in all its forms"

'Soaked'

Mr Arthur Grobelaar, general secretary of the Trade Union Council of South Africa (Tucsa), said it was to be "deeply regretted" that the Minister of Transport Affairs was loading the less affluent sections of the population with relatively higher increases

"This action will give credence to the contention that the poor are being soaked," he said. The increases could only lead to "justifiable demands for increased wages and salaries"

The increase in transport fares would have a regrettable impact on the economy, the director of the Cape Chamber of Commerce, Mr Brian MacLeod, said

The Consumer Council has called on business to absorb the increases as far as possible. Mr Jan Cronje, director of the council, said consumers should realize that the drought, floods and recession

◆◆◆◆
 To page 2



Cape Times 1/3/84
Petrol price up 24¢ inland, not on coast

Political Staff

CAPE TOWN and other coastal areas have escaped a surprise petrol price increase which will go up progressively by a maximum of 1.5c a litre the further one travels inland

The increase comes on top of the sweeping rail, road and air tariff increases announced yesterday by the Minister of Transport, Mr Hendrik Schoeman

There was no direct reference in Mr Schoeman's budget speech to a petrol increase and

the possibility of it went unnoticed when he referred to rising fuel transport costs

Then the Minister of Mineral and Energy Affairs, Mr Danie Steyn issued a statement that "apart from the announced increase in transport costs, no further increase in the prices of petrol, diesel jet fuel illuminating paraffin and power kerosene are foreseen during 1984"

Inquiries revealed the shock petrol increases which inland motorists will have pay

Gun-shop man shot in calf

Staff Reporter

THE manager of a Somerset West gun shop accidentally shot his business partner in the leg while he was showing a prospective client how to use a safety catch on a 9mm pistol on Tuesday afternoon, police said yesterday

Mr Anthony Fowler-Brown had been admitted to the Hottentots-Holland Hospital in Somerset West with a bullet wound in the right calf, said Major George Kershoff, a police liaison officer for the Boland

His condition is "not serious"

Jackson wi

LOS ANGELES — Superstar Michael Jackson won an unprecedented eight Grammys, including album and record of the year, but was beaten twice by the Police ballad "Every Breath You Take," the year's top new song

Jackson's hit album "Thriller", which spawned seven top-10 singles that dominated the airwaves throughout 1983 and has sold nearly 30 million copies worldwide, was named the year's top LP on Tuesday night over rivals including

"Synchronicity" "Flashdance" sound

Jackson's "Beat named record of the his "Billie Jean" w best as rhythm and b

Jackson won three vocalist awards, with for rock, "Billie J R & B and "Thriller

He was also named of the year along w Jones and won for dren's recording fo musical narration o 'Extra-Terrestrial'

BYE SAVE!

deposit excl. and monthly payments

Oras little

deposit excl. GST
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INSIDE	TV	2	Racing	6	Aircr
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					Ciner

Petrol up

Hidden
shock in
transport
budget

RAM
1/3/84

244

by 1 1/2 c

By CHRIS FREIMOND
Political Correspondent

CAPE TOWN.

THE inland price of petrol and other fuels is to be increased by up to 1,5c a litre from April 1.

This was the hidden shock — apart from wide-ranging tariff increases — which emerged yesterday from the South African Transport Services budget presented in Parliament by the Minister of Transport Affairs, Mr Hendrik Schoeman.

Although Mr Schoeman did not mention fuel price rises in his budget speech, he announced an average increase of 10,3% in the tariff for the conveyance of fuel in the SATS pipeline from the coast.

In a statement later, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said a "substantial" increase in the fuel price had become necessary because of an unfavourable rand-dollar exchange rate.

But the Government was aware of the detrimental effect such an increase would have on the economy and consequently "serious attention was given to methods to minimise or to avoid such a price increase", he said.

There was presently a relatively favourable buyer's market for crude oil and in the light of this the Government had thoroughly investigated the country's crude oil stocks.

As a result of the investigation it had decided that a "very minor portion" of the stocks could be made available for refining without in any way "affecting the preparedness of the country".

"It thus affords me great pleasure to announce that apart from the announced increase in transport costs, no further increases in the prices of petrol, diesel, jet fuel, illuminating paraffin and power kerosine are foreseen during 1984," Mr Steyn said.

He mentioned no figure for a price increase to cover the "increase in transport costs" (the pipeline tariff) announced by Mr Schoeman.

But when questioned by the Rand Daily Mail, an official in Mr Steyn's department confirmed that the price would be increased "by a maximum of 1,5c a litre" from April 1.

The increase would also cater for an 18,6% increase in the pipeline tariff announced in last year's SATS budget, but not compensated for by a price increase at the time. Last year's increase was absorbed by the Equalisation Fund.

The Opposition spokesman for mineral and energy affairs, Mr Brian Goodall, last night said the increase was "deplorable".

"It is unfair that inland motorists have to subsidise other unprofitable and uneconomic transport services.

Pipeline tariffs had been increased by 18,6% in January last year and now another increase had been announced.

"Yet the pipeline operations showed a profit of R145 500 000 last year," Mr Goodall said.

The fuel price increase was inflationary and the Government had to realise it could not ask the private sector to show restraint to combat inflation when the Government itself did not use surpluses to absorb increased costs, he said.

Economists said yesterday the increased railway and air tariffs and oil pipeline costs would send an "inflation shiver" through the economy, according to GERALD REILLY.

They stressed the average 9,4% tariff rises, when they worked their way through commerce and industry, would be substantially greater when they reached the consumer.

This means consumers, who so far this year have been hit with a 6% increase in electricity tariffs, a 6c a loaf bread price rise, and a 16% rise in GST, will face a whole series of price rises over the next few months generated by the higher tariffs.

Also expected within the next two months are increases in milk and maize prices.

All these factors, economists said, would make the Government's aim of getting inflation down into single figures virtually impossible this year.

The 12,8% increase in third class suburban commuter fares will be a particularly heavy burden on urban blacks, it was pointed out.

The chief economist at the economic research bureau of the University of Stellenbosch, Dr O J D Stuart, said the entire economy would be affected. Costs in commerce and industry would rise, and this would be passed on to consumers.

Volkskas chief economist, Mr A T Engelbrecht, said although the average increase had been kept below the current inflation rate the higher tariffs would be inflationary.

And the chairman of the Transport Consultative Committee, Mr D Masson, said the increase in tariffs on profitable services for cross subsidisation was in fact a tax on commerce and industry.

STUDENTS FARES

UP 30%

Switzer
11/3/84
244



MAYOR MASHAO. Immediate inquiry to fare increase.

PUTCO has increased bus fares for scholars in the Pretoria areas by more than 30 per cent.

In a notice attached to yesterday's minutes of the Atteridgeville/Saulsville Town Council monthly meeting, the

By ALINAH DUBE

company pointed out that it was forced to limit the extent of its subsidy towards students fares due to the economic downturn, a sharp drop in passengers

and inflation

The notice states that Putco did not implement increases on scholars fares during August last year because there was hope that either the company could continue subsidising these fares as in the past or authorities could possibly be persuaded to hold them at the present low level

The increases on the cash fares and weekly tickets were implemented on Monday this week. The monthly tickets will only apply from today

The chairman of the council, Mr Z Z Mashao, told the meeting a committee responsible for such matters would attend to the matter immediately to see what steps can be taken

The increases mean that

Between Eersterus and Gezina there has been an increase from 20 cents to 30 cents daily and from R2 to R2,50 on weekly tickets

Between Atteridgeville and Saulsville students will pay a cash fare of 20 cents instead of the previous 15 cents and another 30 cents on the R1 weekly tickets

Shock at rail tariff increase

CAPL TIKS
1/3/84
244

Staff Reporter

TRADE unionists and community leaders yesterday reacted with shock and anger to the train-fare increases announced in the Transport Services budget.

They were particularly angered by the fact that second- and third-class fares, which affect most workers, would go up more than first-class fares.

Mr Jan Theron, general secretary of the Food and Canning Workers' Union, said it was "shocking" that

working people would be hardest hit.

Pointing to the recent increases in GST and the bread price, he said the fare rises were part of a pattern in which higher costs were "increasingly being shoved on to people who can least afford them"

In a statement, the

11 000-strong Cape Town Municipal Workers' Association expressed its "disgust and dismay" at the increases

Workers were forced to use public transport to earn wages which had already been eroded by the recent increases in GST and bread and dairy-products prices. Wages would now be eroded further.

The fare increases would also hit workers' children, many of whom were often forced to travel to school by train

Mr Wilfred Rhodes, chairman of the Cape Areas Housing Action Committee (Cahac), "totally rejected" the increases

"Once again people who are the worst-off will have to pay the most."

Arrears

He said most people in Mitchells Plain and other townships were forced to travel to work by train. Many of them were already in arrears on their home repayments and rentals

"If people can already hardly pay the rent, how can they possibly afford these increases in train

Mr Piroshaw Camay, secretary of the Council of Unions of South Africa (Cusa), said the only solution to the high cost of public transport was to get rid of racial barriers

"As long an apartheid service exists, we will have to pay for it.

"Now all we can do is to wait for the Minister of Finance to increase taxes — then workers will be paying for apartheid in all its forms"

'Soaked'

Mr Arthur Grobelaar, general secretary of the Trade Union Council of South Africa (Tuca), said it was to be "deeply regretted" that the Minister of Transport Affairs was loading the less affluent sections of the population with relatively higher increases

"This action will give credence to the contention that the poor are being soaked," he said

The increases could only lead to "justifiable demands for increased wages and salaries"

The increase in transport fares would have a regrettable impact on the economy, the director of the Cape Chamber of Commerce, Mr Brian MacLeod, said

The Consumer Council has called on business to absorb the increases as far as possible. Mr Jan Cronje, director of the council, said consumers should realize that the drought, floods and recession

◆◆◆◆
To page 2



THE following rail tariffs are an indication of the increased fares to become effective on April 1. The old price is in brackets.

	Cape Town	Mowbray	Rondabosch	Retreat	Fish Hoek
Single					
First Class	50c(40c)		50c(50)	90c(80)	R1,30(1,10)
Third Class	25c(25c)		25c(25)	40c(35)	60c(50)
Weekly					
First Class	R3,50(3,40)		R3,90(3,50)	R6,80(5,50)	R9,70(8,00)
Third Class	R1,20(1,20)		R1,40(1,00)	R2,30(2,00)	R2,90(2,40)
Monthly					
First Class	R13,00(12,50)		R14,50(13,00)	R25,00(22,00)	R36,00(31,00)
Third Class	R5,10(4,90)		R5,70(5,10)	R9,30(8,00)	R11,50(9,50)
Continued					
	Cape Town	Pinelands	Bellville	Mitchells Plain	
Single					
First Class		50(50)	90(80)	R1,30(1,30)	
Third Class		25(25)	40c(35)	60c(60)	
Weekly					
First Class		R4,20(3,80)	R6,80(5,50)	R10,00(9,50)	
Third Class		R1,50(1,20)	R2,30(2,00)	R2,90(2,60)	
Monthly					
First Class		R15,50(13,00)	R25,00(22,00)	R38,00(35,00)	
Third Class		R6,00(5,10)	R9,30(8,00)	R10,50(11,50)	

C. T
1/3/84



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From page 1

would adversely effect them

The increases would have a ripple effect on general price increases

'Deplorable'

The increases in rail and air tariffs announced yesterday by the Minister of Transport Affairs, Mr Hendrik Schoeman, were "deplorable", the Opposition spokesman on Transport, Mr John Malcomess, said last night

In a statement in Cape Town, Mr Malcomess said the tariff rises were

part of an overdose of increases in recent weeks which were potentially explosive

The increases were the fourth the government had imposed on the South African public in the past six weeks. They followed increases in GST the bread price and Third Party payments already announced. At a time of desperate unemployment, this was deplorable

◆ Details of increases, page 4

By Zenaide Vendeiro
and Colleen Ryan

Motor industry leaders and consumer organisations have slammed the inland fuel price increase of 1,5c a litre.

Mr Denzyl Vermooten, economic affairs executive of the Automobile Association, said the Government was "unfair" in expecting inland road-users to subsidise certain uneconomic railway services.

"The profit of the fuel pipeline from the coast to inland areas is in excess

Consumers slam ^{1/3/84} fuel price increase

of operation costs. Its high rate of traffic subsidises the low rate of traffic on other services," he said

When asked why the increase in the cost of transporting fuel from the coast was necessary if a substantial amount of fuel was refined inland, Mr Vermooten said se-

crecy surrounding petroleum products prevented him from responding.

"But in view of the existence of the Sasol plants, this matter needs to be investigated."

Mr Vermooten said he was mystified by a statement by the Minister of Mineral and Energy Affairs, Mr Danie Steyn,

that a fuel increase had become necessary.

"I can't understand why an increase in the petrol price is warranted after it was reduced before the referendum."

He welcomed the Minister's announcement that the basic cost of fuels would be maintained at their present levels.

Mr Bernard Hellberg, assistant director of the Consumer Council, condemned the increase.

"This increase is unjustified. The pipeline is running at sheer profit"

Transport costs push inland petrol price up

Political Staff

CAPE TOWN — It will cost more to fill your car's petrol tank after April 1 — even though the basic price of petrol is not going up

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, said no fuel price increases are foreseen for the rest of the year.

The snag is that higher transport costs announced yesterday by the Minister of Transport, Mr Hendrik Schoeman, will put about 1,5c on every litre of fuel which has to be taken from the coast to inland areas.

For the average motorist pulling up at the petrol pumps to get 30 or 40 litres, the increase will be about 50c.

Mr Steyn said yesterday that a substantial fuel price increase had in fact become necessary because of the unfavourable rand-dollar exchange rate.

However, the Government was well aware that such an increase would have detrimental effects and it had therefore decided to release a small portion of South Africa's crude oil stocks for refining.

That would not in any way affect the country's preparedness and would keep the cost of fuels at their present levels.

In the present relatively favourable buyer's market for crude oil, existing stocks could be replaced by better quality products and more knowledge could be gained about stockpiling.

Mr Steyn said "Apart from the announced increase in transport costs, no more increases in the price of petrol, diesel, jet fuel, illuminating paraffin and power kerosene are foreseen during 1984."

SLAMMED

The Progressive Federal Party has slammed the inland fuel price increase as inflationary.

PFP mineral and energy affairs spokesman Mr Brian Goodall said it was unfair that inland motorists had to subsidise unprofitable transport services.

Pipeline surpluses should have been used to absorb the extra cost of transporting petrol, he said

The Automobile Association and motor industry leaders have also criticised the inland fuel price rise.

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CLOSED SAT

2/3/84
A

Product Association yesterday which pointed out that the present increase would go into the pockets of the producers alone — and that for the moment factories would absorb the inflation on their costs

The chairman of the Dairy Board Mr Jan van Vuuren said in a statement that the increase approved by the Minister of Agriculture was "essential to keep fresh milk producers in the industry in the Peninsula area"

The latest estimate had shown that there would be a surplus of only 135 percent in the area in 1984/85, while at least 10 percent was needed to ensure that producers could meet the daily need for fresh milk in the area

Drought

Producers argue that because of daily fluctuations in fresh milk demand, a surplus has to be held to cover the demand on busy days

The 10 percent sugar increase was attributed by the chairman of the South African Sugar Association, Mr Ian Smeaton to the drought which affected sugar production last year

The drought had reduced sugar production by about 800 000 tons, he said This had had a severe effect on the financial position of the industry, which would have to borrow a further R135 million to cover the expected costs of production in 1983/84

Milk, sugar prices to rise

By MARTINE BARKER
CONSUMERS were struck a double blow yesterday with the announcements that the price of milk in the Peninsula will increase by 4 cents a litre next week and that from today sugar throughout the country is going up 6 cents a kilogram

Both increases will be carried fully by the consumer

The proposed increases, which follow the announcement earlier this week that train fares are to rise by between 75 percent and 17,5 percent, and the recent bread price increase of 6c a loaf, will hit the poor hardest

Third-class commuter

train fares will increase by 12,8 percent, while first-class fares will go up by 9,1 percent

Milk sugar and bread are basic foods and the sugar price increase is expected to affect some canned foods such as jams

Milk which presently costs 66c a litre if delivered at home, was last increased by 2c in December The dairies' recommended price to retailers is 69c without GST

A further increase in the price of milk seems likely in the near future in view of the statement from the Cape Dairy

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To page 2

bs on spies

At the outset, the five trainees lost the two "agents" and the "defector" while following them in Melbourne and had to ask the secret service base where they had gone

They were told the targets were hiding in Room 004 of Melbourne's Sheraton Hotel Its management had not been warned of the exercise

The trainees booked into the hotel, spending three days in a room adjoining the agents before being told to move in for the rescue

The trainees, already with party masks to their identities, ask base for equipment including handcuffs, three pistols two sub-machineguns were also told to buy a hammer

The rescuers then dressed as waiters (one dressed as a waiter without party mask) and persuaded the agents to open the door to Room 004

The group then smashed down the door with the hammer, to the consternation of the agents

INSIDE

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Milk: Cost of dairy products to rise, too

ARGUS 2/3/84

Staff Reporter

CHEESE and other dairy products will cost more as a result of the increase granted to farmers of 4c a litre for fresh milk

Prices of cottage cheese and yoghurt will probably be put up next Wednesday to coincide with the new milk prices. According to spokesmen for supermarkets, the prices of other types of cheese as well as skim-milk powder should remain as they are until stocks are replaced.

Neither retailers nor dairymen could provide new prices for milk products today. A spokesman for the dairies said they were still working out how the increased price of fresh milk would affect processing costs. Retailers had to wait for new wholesale prices before they could decide on their selling prices.

When the price increase comes into effect next Wednesday, the price for a litre of fresh full-cream milk will be 65c, plus 4c tax, making a total of 69c if coupons are bought from dairy agents, but it will cost an extra cent if bought directly from milk-delivery men.

Fresh skim-milk is cheaper than full-cream milk

Increase defended

Meanwhile, spokesmen for the Housewives' League and the Cape Dairy Products Association defended the milk price increase, saying that if farmers had not been given the increase, local milk production would not have been able to keep up with demand.

Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives' League, said the increase was justified, and consumers had to realise that the cost of producing milk here was much higher than elsewhere in South Africa, mainly because feed had to be transported over long distances.

She said "Of course the extra 4c is going to be hard on the consumer. We deplore any increases, because we know that many parents are not giving their children enough milk. But we must support any move which will ensure that enough milk is produced to meet local needs."

Mr Martin Henning, chairman of the Cape Dairy Products Association, said "The price increase is actually to the advantage of the consumer. There have been definite signs that we could be running short of milk if any more farmers give up milk production or cut back."

● Sugar prices in Cape Town shops should remain at present levels for several weeks in spite of the price increase of 6c a kg.

The 10 percent price increase was necessary because last year's drought had resulted in decreased production, the chairman of the South African Sugar Association, Mr Ian Smeaton said.

Editor questioned on source of 'leak'

Argus Bureau
PORT ELIZABETH - Police have taken a statement from the editor of the Eastern Province Herald, Mr J C Viviers, on the leaking of a Port Elizabeth City Council confidential planning re-

break a firm undertaking not to reveal the identity of the person who leaked the report.

He said he was then told he could be subpoenaed for examination before a magistrate.



South African born Carl Fortuin reunited with his parents after his release from an Angolan jail this week.

No regrets after eight-year ordeal — Carl Fortuin

Argus Foreign Service

KETTERING (Northamptonshire) — South African born former mercenary Carl Fortuin, 39, freed from an Angolan jail only days ago, says he would do it all again.

Speaking from his home yesterday he said he had no regrets about his eight-year ordeal other than the distress he had caused his parents.

He said he went to Angola for several reasons, including the money. There were also political reasons.

"The Russians have been trying to get a foothold in Africa for a hell of a long time. I would go and fight against them again."

The bearded Fortuin faced newsmen after selling his story to the mass circulation Sun newspaper, which arranged the reunion with his parents, John and Doris, at a secret rendezvous after his arrival at Gatwick airport.

WELL-TREATED

During his time in jail, he had a minor heart attack, but said he was treated well by the Angolans and had no complaints.

"But at times I was very, very low. I wrote to my parents that I wished I was dead because I felt it would be better for them that way. I am glad their worry and suffering is over."

"The man had guts. He had no sense of fear. He would do anything, but I didn't agree with his actions."

He said he did not know any of the men Callan was said to have shot or ordered to be killed.

His mother, Doris, 75, who is half blind, said she still found it hard to believe he was home at last. "I was sitting waiting for him to come back. I was full of emotion, and then suddenly he was in my arms. I just thank God he has been returned safely to us."

Carl, an ex-paratrooper, was lured to Angola in 1976 by promises of R260-a-week wages. But he was captured after being left in a forest suffering from malaria and a badly sprained ankle.

"EXECUTED"

He and nine others were tried and three, including Colonel Callan, were executed by firing squad.

The rest received prison sentences ranging from 16 to 30 years. Carl got 24 years.

The worst moment was in May 1977 after a rebellion in Angola, when the mercenaries were dragged from their cells and lined up against a wall.

"I really did think I was going to be blown away," said Carl. But they were saved by an officer who explained that the rebellion had noth-

Sugar ^{Mercury} price ^{2/3/84} shoots ²⁴⁴ up today

Financial Editor

THE price of sugar rises by 10 percent today and consumers can expect to pay about 6 c more a kilogram

Sugar will cost R48 a ton more for white and R43 a ton more for brown.

The retail price of sugar is no longer controlled by the Government and shopkeepers are free to charge what they wish.

Mr Ian Smeaton, chairman of the South African Sugar Association, announced last night that Dr Dawie de Villiers, Minister of Industries and Commerce, had authorised the increase

Loans

Pointing out that the new sugar price was less than the full cost of production, Mr Smeaton said the severe drought had cut production by 800 000 tons, or about 40 percent of the usual crop.

The effects of the drought and recent losses suffered when farms were flooded at Pongola and Umfolosi, taken with the poor price for exports, meant that the industry had had to push up its loans to R323 million.

Millers and growers are to absorb R107 million and earn no return on capital during the current season. Last season only half the legally permitted return was paid.

The sugar price was increased a year ago

244 ~~2/2/84~~ Star 3/3/84

Dearer sugar will hit cold drinks, sweets, canned fruits

Pretoria Correspondent

The 10 percent rise in the price of sugar is only one of a series of price increases consumers can expect, says the Consumer Council.

In a statement in Pretoria, the council's director, Mr Jan Cronje, said that the higher sugar price would inevitably cause many other products to go up in price.

But, for the moment, the three biggest supermarket chains — Chequers, OK Bazaars and Pick 'n Pay — will stick to the present price of sugar.

Prices of cool drinks, sweets, chocolates and canned foods will be pushed up as a result of the increase.

Spokesmen for leading manufacturers and retailers said the increase was likely to heighten a swing from the use of sugar to alternative sweeteners and from canned foods to fresh produce.

But the biggest impact probably would be on canned fruits, already suffering from consumer resistance, they said.

Spokesmen for the cool drink and sweet industries said their prices would be affected but they could not yet say by how much.

Higher sugar prices are reported to have decided the Coca

Sour news for sweet teeth

Cola group to increase its usage of high fructose corn syrup from 50 to 75 percent of its sweetener content.

Mr A N Zulman, managing director of Beacon Sweets, said that, for the sweet industry, there was no suitable alternative to sugar and he expected that sweet prices would go up.

But the increase in the sugar price — by R48 a ton for white and R43 a ton for brown — will not substantially ease pressure on the sugar industry.

Even after this increase the industry will still be producing sugar at below the cost of production.

It sells about half its annual

production on the home market and has an obligation to satisfy its local customers first. The balance is exported.

But there is a world surplus of sugar and, due to the switch to artificial sweeteners and the activities of the anti-sugar lobby, there are no immediate prospects of supply and demand coming into balance.

Nor is there any chance of this position being offset at home as the price is controlled.

The result is that the industry was R188 million in the red after the 1982/83 season and its total debt this season, which ends this month, will be R323 million.

Price
of milk
up by
3c in
April

244

E. Post

3/3/84

Post Reporter

ANOTHER price hike will hit Eastern Cape consumers on April 1, when milk will go up by 3c a litre

The price would rise from 65c a litre to 68c a litre — an increase of 4,76% — Mr Fred Botha, general manager of the United Dairies, said today

Mr J K Scheepers, chairman of United Dairies and the Port Elizabeth Milk Producers Union, said the increase had come in view of the rise of input costs to the farmer and especially because of the 10% increase in the cost of mealies in November, 1983. Mealies made up 60% of food concentrates fed to animals

He said milk producers had absorbed that increase until now, but could not do so indefinitely.

The dairy industry was anticipating another price rise again this year as farmers were expecting another 10% to 15% increase in the mealie price to be announced later this year, said Mr Scheepers.

The 3c per litre increase would affect only the Eastern Cape

Western Cape consumers could expect an increase of 4c, and Johannesburg consumers an even higher increase

The price of a stick of 20 coupons would be established by United Dairies next week, said Mr Botha

Cigarettes, beer, steel ... you name them

More prices shocks

ahead

244

1/3/84 S. Funder

By Alec Hogg

DRINKERS and smokers who pay the Government more than R800-million a year for their pleasure will be forced to fork out at least another R200-million in tax this year.

The Minister of Finance, Mr Horwood, is set to raise excise duty on beer and cigarettes in his Budget this month.

These increases will put further pressure on the consumer-price index, which is expected to jump after coming down steadily for months. The CPI was boosted by the GST increase as well as higher bread, maize and milk prices

The petrol price goes up 1,5c a litre inland on April 1 and sugar has risen 10% — 6c a kilogram

Steel-price increases are likely to nudge the index higher.

The price of a packet of 20 cigarettes could be increased by 6c, and a can of beer is likely to rise by at least 3c

12c a can

The Government raises R420-million a year from beer — equivalent to 12c a can including GST, its cut is 15c a can, or about a third of the cost to the consumer.

The State takes 23,5c on a packet of cigarettes, making R380-million a year including GST, its slice rises to 28,5c, or nearly 40% of the retail price

Old Mutual's chief economist Rob Lee says the chance of an increase in excise duty on beer and cigarettes is "very strong"

He told Business Times. "Given the projected Budget deficit, Mr Horwood will

have to look for additional tax revenue of at least R1 000-million

"Another increase in GST would be embarrassing, and with blacks introduced to the common tax system, a rise in personal tax would be risky

"It looks 99% certain that company taxes will be raised, but will raise only about R300-million

Painless

"Beer and cigarettes are the kind of things which are politically the easiest avenues for raising revenue Mr Horwood could be looking for an additional R200-million to R300-million from this source this year.

"In the UK Budget, for example, the duty on these two goods is automatically raised every year by at least the growth in overall consumer prices"

JCI's economics head Ronnie Bethlehem agrees "The probability is high It's a relatively painless exercise from a political and general revenue point of view."

Smokers will take a knock A study by the SA Women's Foundation claims SA cigarettes are among the cheapest in the world.

A survey last November showed that a pack of 20 Benson & Hedges cigarettes cost R2,03 in Stockholm, R1,87 in London, R1,49 in Tokyo and R1,49 in Sydney. The price in

□ To Page 3

Price 3 Sugar
shocks 1/3/84
From Page 1

Johannesburg, was 72c
The managing director of Ulico Holdings, Bruce Edmunds, says that last year cigarettes suffered with the economy, sales falling for the first time since 1976

He believes that any increase in the excise duty will be counter-productive "If you look at what the Exchequer would lose because of the price sensitivity of the commodity, plus the reduced earnings from the 65 000 people employed in the industry, it may end up getting less than it does now"

Another argument used by Mr Edmunds is that 2 500 farmers rely on tobacco, and more than half of them are in the drought-ravaged Western Transvaal

Zero growth

SA Breweries executive director Peter Lloyd insists that beer should not suffer, saying "Growth in volume is zero, and a duty increase will hurt not only ourselves but the 57 000 farmers indirectly involved, as well as the 40 000 to 50 000 people employed by retailers"

Mr Lloyd, who is responsible for SAB's beer division, believes the multiplier effect of an excise duty rise, working through to packagers and retailers, would lead to an overall drop in the Government's revenue

Senbank chief economist Louis Geldenhuys, however, says that one of Mr Horwood's aims is to reduce the Government's dependence on direct — Paye and company tax

"Over the past year, the proportion of indirect tax relative to total taxes actually fell Although GST has more than kept up with the rise in total taxes, other indirect sources of revenue, like excise duty, have lagged

"To get excise duty back to the average inflation rate of the past few years will mean a large rise," says Mr Geldenhuys

Petrol . . .

now the

big sting!

S. Tribune
4/3/84
244

Loaded pipeline charges squeeze inland motorists

By Kevin Davie

UP-COUNTRY motorists are being loaded with fuel pipeline charges — now 6,5 c a litre on the Rand — but almost no petrol is being pumped from the coast to the Reef.

Sasol meets virtually all the country's inland petrol requirements but the levy was raised, in Johannesburg from 5 c to 6,5 c by the Minister of Transport, Hendrik Schoeman.

The pipeline levy currently nets the transport budget R200 million a year.

The move has outraged motoring and opposition leaders.

John Malcomess, Opposition spokesman on transport, said he believed if a proper investigation were done into the charges, the end result would be that the public would get cheaper petrol.

"It's quite obvious that the inland petrol user is being hit to an unnecessarily large extent," he said.

"And," said Denzil Vermooten, economic spokesman for the Automobile Association, "the profit of the fuel pipeline from the coast to inland areas is way in excess of operation costs"

The pipeline last year produced a huge profit of R149 million, helping the Minister of Transport to show a minor overall deficit of only R11 million.

A senior source at the pipeline office in Durban confirmed that, because Sasol was now the main inland supplier, very little fuel was being pumped from Durban to the Reef.

However, the quantity pumped from Sasol was similar to the quantity that was pumped from Durban in the past.

The source confirmed that the pipeline was used also to pump commodities other than fuel but declined to identify these for strategic reasons.

"Very probably the amount of oil is being transported a considerably shorter distance," said Mr Malcomess, criticising the fact that over the past two years pipeline charges had increased above the level of inflation.

He said he understood that the pipeline charges were based on what it would cost to rail the petrol and he believed, because most of South Africa's petrol was being produced where it was consumed — in the Transvaal — this meant that the "public should get their petrol cheaper"

"This appears to be a cross-subsidisation exercise. The Johannesburg motorist has to pay for uneconomic rail passenger services," he said.

The AA has been campaigning for some years to remove cross-subsidisation.

According to Mr Vermooten, at present South African Transport Services gets 5 c a litre for petrol sold inland to cover transport costs. This nets a profit of about R160 million a year, whereas the National Road Fund receives 4 c a litre, bringing it R150 million

"If the National Road Fund got a bigger share it would avoid the need of having to get its money through the toll system which is a very expensive method.

"More than 40 percent of money collected on the toll system goes to administrative expenses while the administrative expenses involved with the petrol levy is negligible," he said.

Argus 5/3/84

~~SPK~~

244

Consumers urged to use skimmed milk powder — 'cheaper and good'

Consumer Reporter
CONSUMERS have been urged to buy more skimmed milk powder to cope with the increase in fresh milk prices

Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives League, said "Even when the price of skimmed milk is increased, skimmed milk powder will still work out a lot cheaper than fresh milk, yet it contains all the nutrients of fresh milk except the fat

"Parents should not cut down on milk for their children. They should buy less fresh milk and use more skimmed milk powder"

A spokesman for the dietetics department of the Red Cross Children's Hospital confirmed that skimmed milk powder could be given to children

CALORIES

But babies not yet taking solid food should still be breast-fed or given diluted fresh full-cream milk, full-cream milk powder or skimmed milk powder sweetened with sugar to add the necessary calories

She said "Skimmed milk, either fresh or dehydrated, contains all the ingredients of fresh full-cream milk, except for the fat in the cream, which is removed.

"Babies need that fat or a high-calorie substi-

tute — if given only skimmed milk they will not gain weight satisfactorily

"Sugar can be added to a skimmed milk mixture"

40 CENTS

A kilogram of skimmed milk powder, which makes 10 litres of milk when mixed with water, costs about R4, depending on where it is bought — about 40c a litre

Prices also vary from brand to brand and economies can be made if a 5kg pack is bought. One supermarket sells 5kg for R18,14 including tax, which works out (when mixed) to about 36 cents a litre

Milk powder blends are cheaper — about R3 a kilogram even when bought in comparatively small quantities

Though suitable for many purposes and a useful supplement, these blends should not be regarded as substitutes for milk

A spokesman for a major supermarket said that in addition to milk powder, the blended powders contained other ingredients which did not have the same nutritional value as milk and that he therefore would not recommend that they be used for children and especially not for babies

New th in sear

Two hide after v erupts at weekend

Argus Correspondent

MARITZBURG — An injured Harris Smith SPCA official, Mr Louis Lausberg, and his wife have gone into hiding and a member of the society, Mrs Riza van Schie, 25, has severe internal bruising after ugly scenes at a weekend rodeo in the town.

A videotape shot by Mr Lausberg records Mrs van Schie being butted and trampled by a bull while blood-thirsty "cowboys" shouted "Slaan hulle dood en sleep hulle uit" (Hit them to death and drag them out)

A copy of the tape is in the possession of

the police at Harris Smith and today Mrs van Schie, who is from Johannesburg, will attend an identification parade in the town

BRUISING

Speaking from Johannesburg, Mrs van Schie said that she had severe internal bruising

Mrs van Schie and Mr Lausberg were to monitor the rodeo which featured six "cowboys" from Kroonstad

She said she was speaking to the convenor, Mr Gary Spilsbury, when she heard a spectator shout that



Father Stanley Gray

Rector of St District Six,

Staff Reporter

FATHER Stanley Gray, rector of the "klipkerkie" — St Mark's Anglican Church in District Six — has died after a long illness. He was 60.

Father Gray, who was unmarried, had been rec-

Advertisement for a product, featuring a large grid pattern and the text "R 0%".

Vertical text on the right margin: t, C, 1, b, P, K, 1, 5, 1, 1, 1, M, a, C, e.

PFRP: Rail increases ^{Care tried to} could have been halved

HOUSE OF ASSEMBLY

The rail-tariff increases could have been halved through more accurate budgeting, Mr John Malcomess (PFRP Port Elizabeth Central) said yesterday.

He criticized the government for over-optimistic budgeting when the second reading debate on the SA Transport Services (Sats) budget resumed.

Railways, which was responsible for the major part of Sats revenue, should be budgeting for a R100-million surplus instead of the more than R100-million deficit in 1984/85.

The increases would undoubtedly add to inflation and the cost to the poor on top of increased GST, bread and sugar prices, could result in great hardship.

"I still find it hard to believe that third-class main-line fares will go up 17,5 percent after an increase of 10 percent only last August." First-class fares, on the other hand, were to rise only 7,5 percent, while they had not increased last August at all.

Railway revenue could be expected to rise by the expected two percent real growth rate of the economy and the announced 9,5 percent tariff increase, and should therefore rise from R4,528-million to R5,057-million.

"Yet the budget is for only R4,921-million and should show R136-million additional revenue for Railways."

Similarly staff salaries had been increased by 12 percent while inflation was well below that figure.

"Yet Railway expenditure is budgeted to increase by 12,35 percent and 11,88 percent overall for the Sats."

If the general manager continued to rationalize employment numbers and cut uneconomic services, this figure also should be too high.

He moved an amendment that the House decline the second reading of the Sats Appropriation Bill because it increased tariffs, particularly for third class, because Sats had failed to achieve a long term arrangement to finance uneconomic social services and because of the protection Sats was given by the government, resulting in unfair competition.

Mr Malcomess also called for a committee to investigate the possible divorcing of SA Airways from Sats.

The committee should consider privatization, which seemed to be working well in the United Kingdom where British Air was a candi-

There were vast differences in the needs of SAA and Railways, "yet we persist with a system that was perhaps logical fifty years ago, but is no longer."

"We have to ask whether SAA is not being run with a Railways mentality?"

"Surely it is possible, even likely, that SAA could improve financially as an organization on its own."

speech by Mr Malcomess, he said it would be "utterly foolish" to embark on a capital expansion programme at a time when recessionary clouds were looming over the economy.

Sats, particularly SAA, had made a "valuable contribution" towards maintaining relations with the Republic's neighbouring states during the difficult times in recent years, said Mr G C Du Plessis.



ment that a committee be appointed with representatives from the public and private sectors as well as SAA staff associations, such as the Pilots' Association."

The Official Opposition owed it to the public to state how salary and wage increases could have been made to Sats staff without an increase in tariffs, Mr Myburgh Streicher (NIP De Kuiten) said during the debate.

(NP Kempton Park) SAA had kept the roads to the hearts of these countries open.

Sats had a long way to go in streamlining its work force to the point where it could compete with free enterprise, said Mr George Bartlett (NRP Amanzimtoti).

Any steps taken to streamline Sats would have the full support of the NRP.

He proposed an amendment calling on the House to refuse to pass the bill until the government.

Eliminated cross-subsidization of Sats' economical services by those that earned greater revenue.

Clearly identified those eligible for free passes and concessions.

Delayed amendments to the Road Transportation Act that would be discriminatory to private road hauliers, until the release of the findings of a commission of inquiry into the Act.

Re-examined the profitability of all Sats assets.

Train commuters should in future accept yearly tariff increases as a matter of course, said Mr Keppies Niemann (NP Kimberley South).

Sats, besides notching up a good business record in the past, had always served as a welfare organization. It had contributed to extending the country's middle class.

However, the loss incurred by commuter traffic had to be "recovered somewhere."

Mr Graham McIntosh (PFRP Pietermaritzburg North) said the PFRP would not support the government in getting black third class passengers used to annual tariff hikes.

The government had forced black people to live far from the cities.

Instead of having the choice of travelling long distances every day, the blacks had it "forced down their throats."

Mr McIntosh referred to Mr Schoeman as the "biggest stumbling block to the introduction of fringe benefit taxation."

Sats had some of the best-paid employees in the country. Their salaries had more than kept pace with inflation and they had considerable fringe benefits, especially in housing.

However, while the organization's white workers' associations were doing a good job for their members, they had gained "substantial political leverage" and already their rumblings were causing Mr Schoeman to turn grey.

"He will resist this taxation over his dead body," Mr McIntosh said.

The CP demanded an assurance from the government that it would endeavour to ensure the protection of white Sats workers and that no coloured or Indian would be appointed as Minister.

These were some of the assurances Mr Schoeman would have to give the House before the CP supported the second reading of the Transport Budget, said Mr J H Visagie (CP Nigel) — Sapa

Fares increase too high Malcomess

AK645 6/3/84
~~244~~ 244

Parliamentary Staff

THE INCREASE in rail fares was far too high and perhaps even unnecessary, the Progressive Federal Party spokesman on transport, Mr John Malcomess (PFP Port Elizabeth Central) told the Assembly.

He said it would add to inflation, and the cost to the poor on top of increased general sales tax, bread prices and sugar prices could result in great hardship.

This was one of the main issues raised during the resumed debate on the SA Transport Services budget.

Government speakers defended the budget, saying tariff increases were necessary under present economic conditions. They suggested rail tariffs might have to be increased still more in future.

"Hard to believe"

Mr Malcomess said he found it hard to believe that third-class rail fares would go up 17,5 percent after an increase of 10 percent only last August.

Yet first-class fares were going up only 7,5 percent and were not increased last August.

The biggest reason for the railway losses was its passenger services. Here, the Government's own actions had created a "desperate need".

Mr Malcomess said that in Western Europe, labourers lived close to their workplace, but in South Africa, by law, the opposite prevailed.

Here, the poorest labour section of the community was moved a considerable distance from places of employment and thus had to be transported at a "less than economic fare".

Examples were Cape Town's Mit-

chell's Plain and Mdantsane, 20 km from East London.

A further example of Government policy was the announced intention to move the black inhabitants of Guguletu and Langa to Khayalitsha.

Mr Graham McIntosh (PFP Maritzburg North) said the Government had moved black people out of South Africa's cities for ideological reasons.

It was true that there were also whites living far from their places of work, but they did so voluntarily and did not have it "rammed down their throats".

Defending the tariff increases, Mr J J Niemann (NP Kimberley South) said that sooner or later those people using the "socio-economic services" of the railways would have to realise that they could not expect others to pay their tariffs.

An opposition member interjected that a 31 percent increase in rail tariffs in one year was "excessive".

"Streamline services"

Mr Niemann said it should be accepted that tariffs for low-fare passengers should be increased annually.

Mr George Bartlett (NRP Amanzimtoti) said any steps taken to streamline the SA Transport Services would have the full support of the NRP, even if those steps meant closing down uneconomic services.

Mr K D Swanepoel (NP Gezina) said the State could not indefinitely be held responsible to provide low fares for commuters, because the taxpayer ultimately had to foot the bill.

Employers would have to accept responsibility for paying employees' fares, he said.



Mr John Malcomess



Mr Ken Andrew

Many food prices set to rocket

244
Stew
7/3/84

By Bill Levitt and Hannes Ferguson

The price of maize is set to rise by at least 25 percent and this is expected to rebound on the prices of a wide range of foodstuffs.

Supermarket executives say suppliers have already notified them of the increases — which have come about as a result of the rise in the maize price — but it remains unclear when they will take effect.

Commodities expected to be affected — and their anticipated percentage price increases — include

- Poultry, by 10 to 15 percent
- Snacks such as crisps, by about 10 percent
- Corn flake breakfast cereals, by 10 percent
- Eggs, by another five percent.
- Rice, which is mostly imported, by about 16 percent
- Detergents, about five percent and toiletries, about 10 percent.
- Biscuits, by nine percent.
- Insecticides, by 12 to 16 percent.
- Coffee, by 7,5 percent.
- Sugar, by another three percent when rail adjustments are made
- Chocolates will rise by an undetermined percentage due to rising sugar costs

● Tea, by as much as 25 percent.

● Meat and dairy prices could be affected although industry officials said it was still too early to tell.

The increase in the price of maize is expected to be announced by the Minister of Agriculture, Mr Croyling Wentzel, at the maize farmers' congress in Potchefstroom next week.

The present controlled price of maize is about R171 a ton. Imported maize, delivered in Johannesburg, costs the State about R230 a ton. As the millers have been supplied at the South African price, the subsidy has amounted to almost R60 a ton.

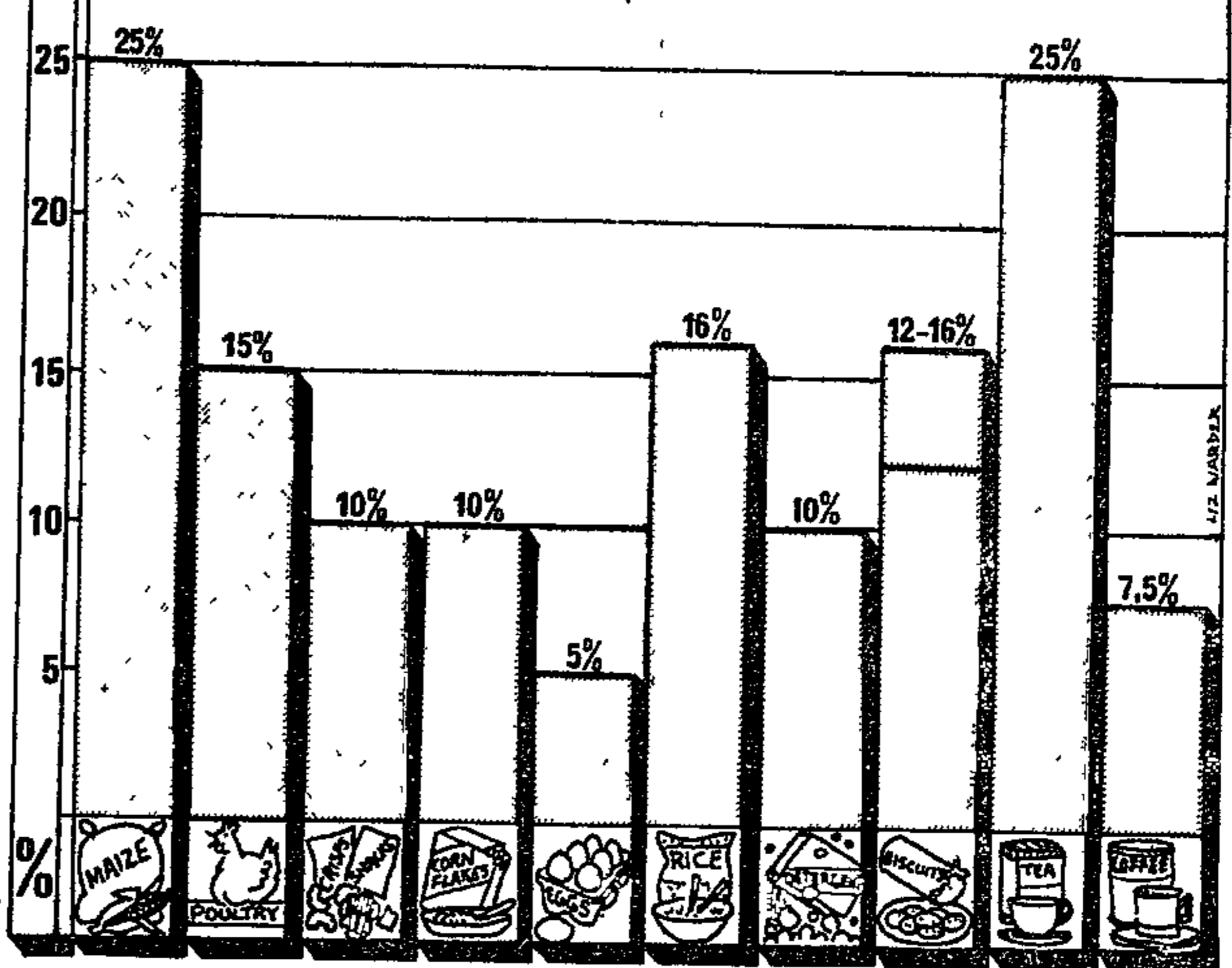
Maize imports are estimated to reach 4,3 million tons this season, involving a State subsidy of R254 million. As this will throw the budget of the Department of Agriculture out of gear, the Minister is believed to have no other option but to adjust the domestic maize price to the price of imported maize.

The General Manager of the National Maize Producers Organisation, Dr Pieter Gouws, said that for five years now, the domestic maize price had been fixed way below production costs.

"The Government attempted to combat inflation by treating the maize price as an administrative price like the price of electric power. Now the policy has backfired," he said.

● See Page 11, World section.

THE PRICE RISES ON THE WAY



SA economy is threatened

By Bill Levitt

The Government's failure to curb inflation as promised last year will place an extraordinary strain on exports, the billion-rand backbone of the South African economy.

Senior economists said today that double-digit inflation made South African products more expensive and thus it was difficult for exporters to compete on the world market.

That, in turn, could force local plants to shut down, putting thousands of people out of work, they said.

Late last year, prices appeared to be stabilising. However, increases since January have been numerous and are bound to fuel inflation.

● The price of brown bread has risen 16,6 percent and the price of a white loaf has increased 11 percent.

● General sales tax has been raised to seven percent, pushing up the price of milk and other basic foodstuffs.

● The price of beer recently went up by between 5,3 and 9,2 percent and the price of spirits and wine was raised by about 10 percent.

● Canned goods cost an average of nine percent more and eggs have risen close to 13 percent to bring prices back to their June 1983 levels. Maize products went up seven percent.

● Rail, air travel and freight

rates will rise by 9,4 percent on April 1.

These increases were bound to trigger calls for higher wages and benefits — pressure that would make it exceedingly difficult to battle inflation, the economists said.

One alternative might be to allow the rand to fall further against the US dollar and other currencies, Mr Dave de Koch of the Standard Bank suggested. However, he cautioned that it was not likely to happen for some time.

High-priced exports also hurt at a time when South Africa's

major trading partners — the US, Japan, Britain and West Germany — had beaten back inflation to below 7 percent.

These economies appeared to be recovering, meaning that demand for South African products could rise.

The latest inflation figure 10,3 percent for the 12 months at the end of January, was the lowest in more than five years. Last year's figure was 11 percent.

South African exports are expected to reach close to R12 billion, up eight percent from 1983.

Cape Times 8/3/86 (200) 200

Schoeman defends fare increases

HOUSE OF ASSEMBLY — The Official Opposition protested at the greater increase in third-class rail fares than in first-class, but ignored the fact that the wage gap between whites and non-whites was being narrowed, the Minister of Transport, Mr Hendrik Schoeman, said yesterday.

"We cannot afford to continue transporting these people, whose incomes have increased, at such uneconomic rates," he said in his reply to second reading debate on the SA Transport Services (Sats) Appropriation Bill.

The Progressive Federal Party was pushing the government to narrow the wage gap between whites and non-whites, but would not accept the realities this involved as the process was implemented.

Referring to the 17.5 percent third-class fare increase, as compared to the 7.5 percent first-class increase, Mr Schoeman pointed out that people of "other colours" than white

could also travel first class if they wished.

Turning to a Conservative Party demand during the debate that he undertake to protect white workers in Sats, Mr Schoeman said he stood for the protection of all Sats workers, regardless of race.

party wants me to"

The bill was read a second time after the House divided with all three opposition parties voting against the National Party.

● Mr Schoeman had earned the title "Marie Antoinette of the House of Assembly" by his re-

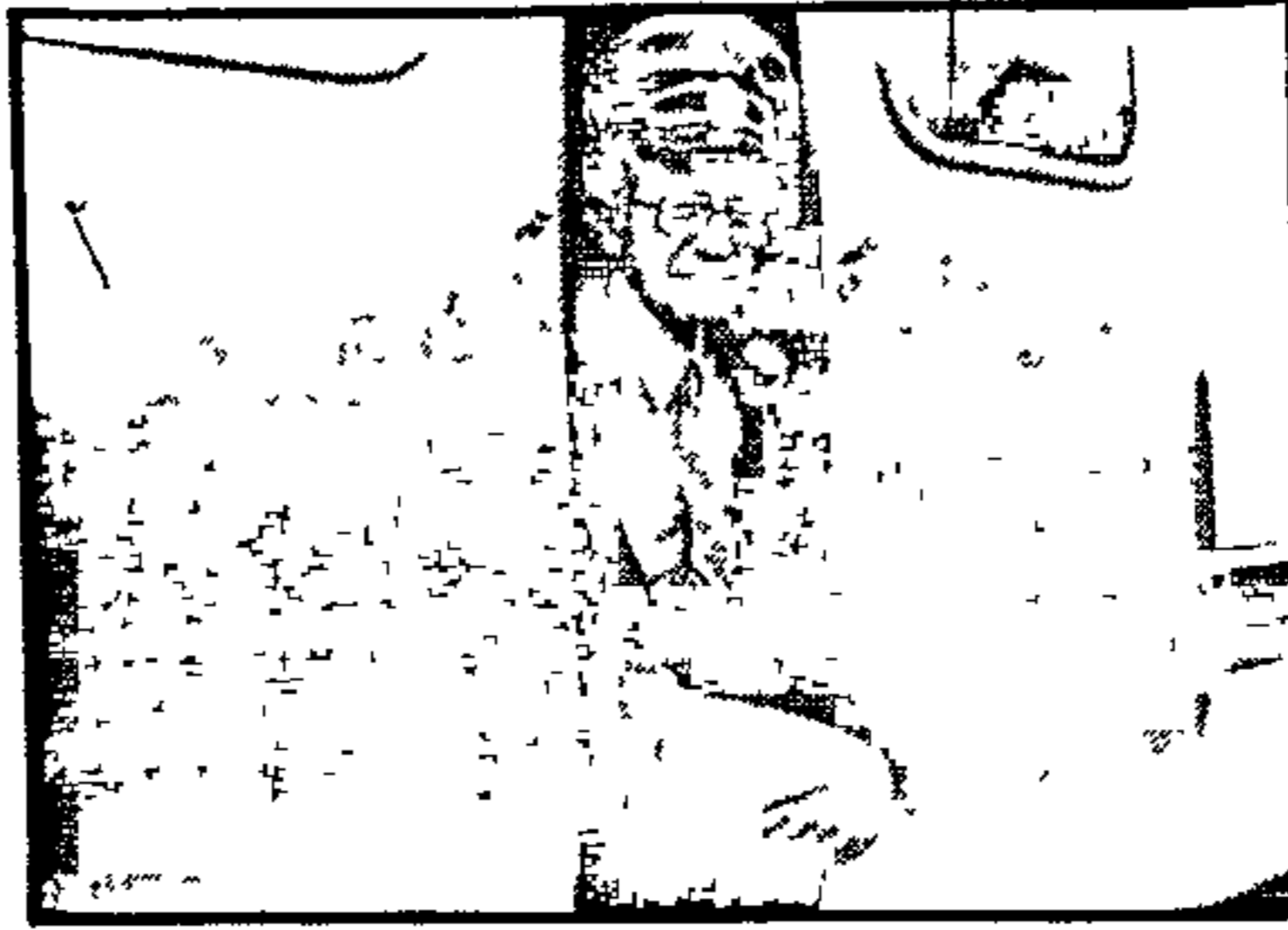
during the French Revolution by Queen Marie Antoinette that peasants could "eat cake" if they did not have bread.

● Alarm systems or telephones on trains could help curb railways crime, said Dr Alex Boraine (PFP Pinelands).

During a recent visit to Germany he had been able to telephone his family in Cape Town while travelling on a high-speed train.

Back in South Africa and returning home by train he had noticed a sign giving a telephone number at which assistance could be sought in cases of trouble.

"It occurred to me that while it is handy to be able to write down the number as you're being beaten over the head — in order to be able to phone the police when you manage to get off the train at the next stop — it would be far more effective if there was some sort of alarm or communication system to alert the police or somebody who is able to take action" — Sapa



Mr Hendrik Schoeman

The CP, he said, was trying to drive a wedge between the different racial groups employed by Sats, and "I am not prepared to tell black staff members — some with as much as 40 years service — that I will trample them as that

mark on third-class rail passengers, Mr John Malcomess (PFP Port Elizabeth Central) said in committee on the bill.

Mr Schoeman's statement that third-class rail passengers could travel first class was similar to that made

AM 12/3/84
Rightist
vandals
in more
attacks

Mall Reporter 244

VANDALS attacked the property of a Leftwing personality again last weekend, this time throwing paint remover over two cars standing in the driveway of a house in Berea, Johannesburg

The incident, which occurred in the early hours of Saturday morning, is the first such incident for more than two weeks

It has rekindled fears that the spate of vandalism against liberal and Leftwing personalities has not ended, despite a police investigation.

There have been about 36 incidents, involving about 25 households over the past few months, but only one incident has occurred since the wave of vandalism was reported in the Press over two weeks ago

A spokesman for the police directorate of public relations said yesterday that the investigation of the spate of incidents was still under way

The people whose cars were damaged on Friday night asked not to be named for fear of provoking further vandalism

The two cars were parked in a driveway about 1am on Saturday. They were found next morning with paint remover smeared over them

Paint remover was also used in one of the earlier attacks

Other attacks have taken the form of stones being thrown or catapulted through house or car windows, dead cats left on doorsteps and car tyres slashed

There have also been at least two death threats from a group calling itself "Omega"

The victims believe that there is an organised "dirty tricks" squad which is attempting to run a systematic campaign of intimidation

Cost of water, mail, phones goes up

Shock spate of tariff increases

RDM 14/3/84 2044
By DAVID CAPEL in Johannesburg,
CHRIS FREIMOND in Cape Town,
and GERALD REILLY in Pretoria

YESTERDAY was Black Tuesday for South African consumers, with the announcement of hard-hitting increases in postal rates and telephone and water tariffs.

And hospital fees are due to go up on April 1, the Transvaal Provincial Administration announced yesterday, though by how much is not yet known

On top of this, coal and steel prices will be increased soon, according to reliable sources in Pretoria

In a series of shock announcements yesterday, the consumer was told

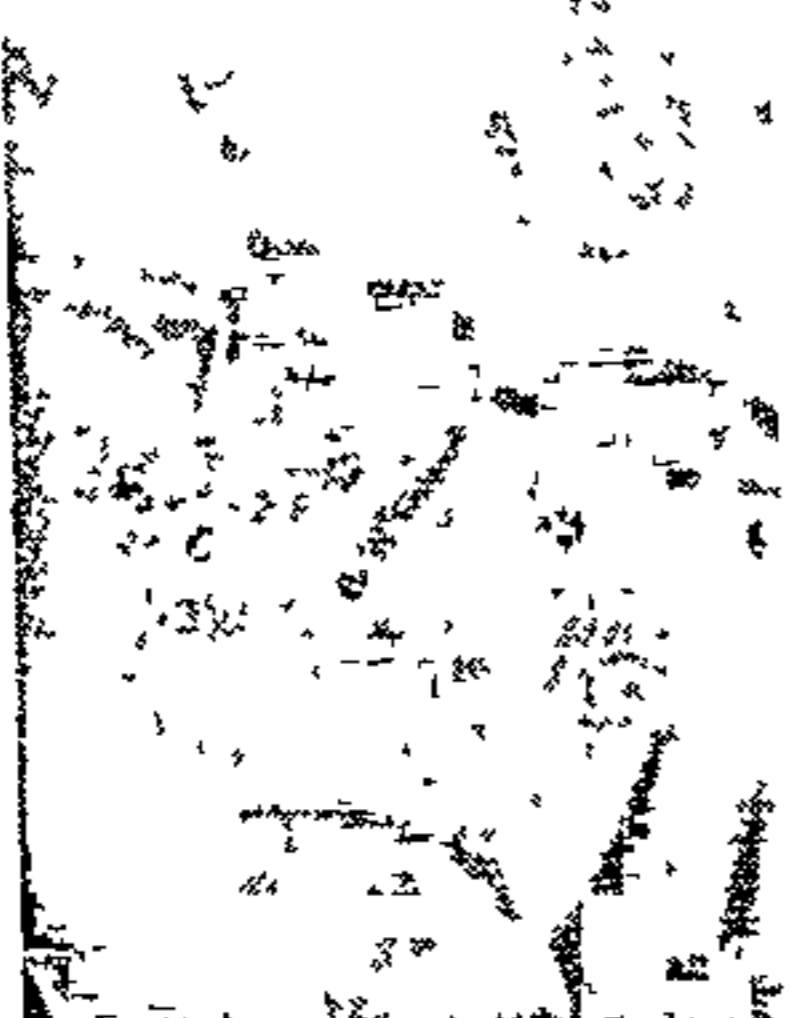
- The drought had forced the Rand Water Board to increase the price of water by 23,5% in all areas controlled by the board from April 1
- Postal and telephone tariffs would go up by an overall average of 9% although some increases were well above that, rising as high as 25%
- An 8% hike in the price of steel and coal is imminent
- Hospital fees are also likely to go up, but it is not known by how much

The water price increase means that, assuming the average household uses 40Kl a month at the present 40c/Kl, and the entire 23% is passed on to the consumer — which is highly unlikely — the consumer will then pay an extra R3 for the same amount of water

The Rand Daily Mail established that the rise should not exceed about 10%

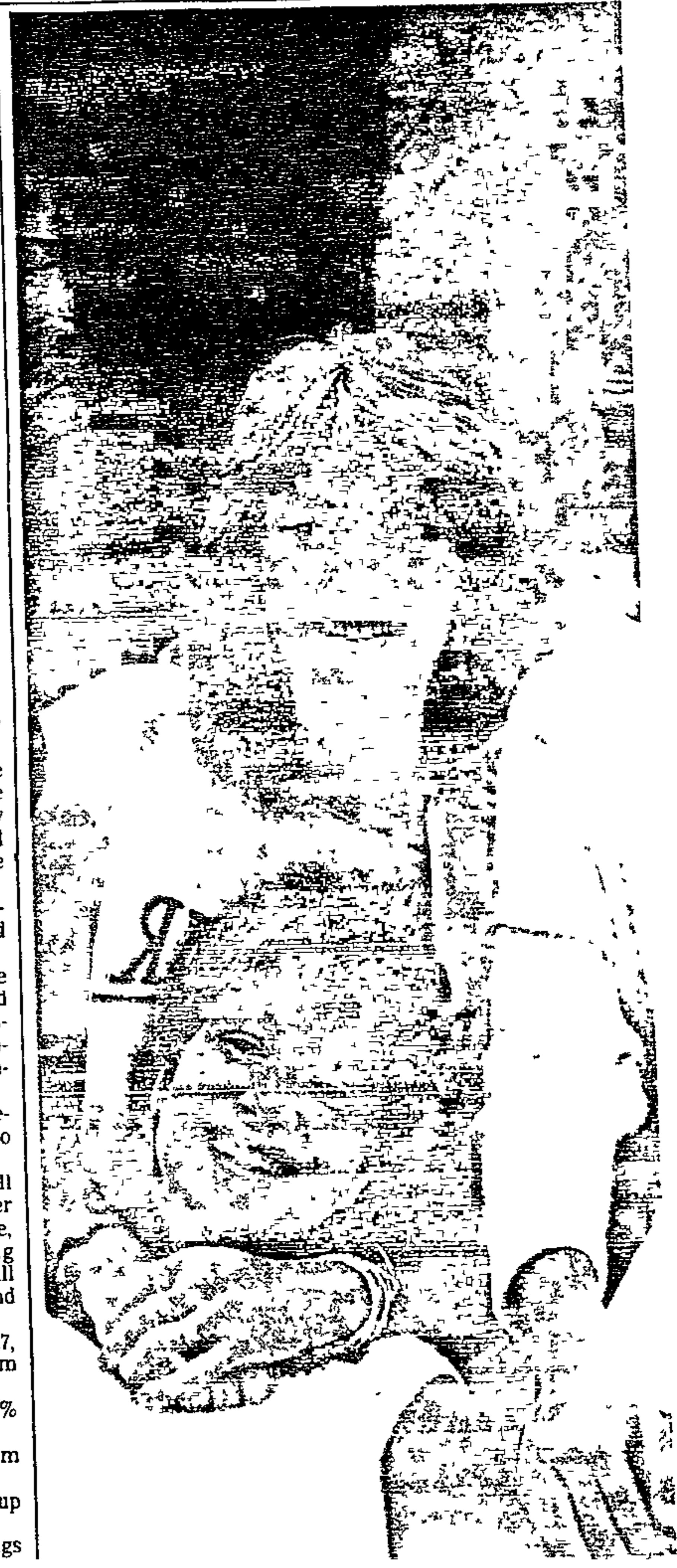
The postal and telephone tariff increases, announced in Parliament by the Minister of Posts and Telecommunications, Dr Lapa Munnik, mean

- The unit charge for telephone and telex calls will go up 14% from 7c to 8c.
- Overseas call charges will go up 4,7% from R3 36 per minute to R3 52 per minute.
- Calls to neighbouring states including Malawi will go up between 3,8% and



DR LAPA MUNNIK postal price rises

- 14,2%,
- Monthly telephone rentals will rise by 16 6% from R6 to R7,
- Shared services telephone rentals will go up 22% from R4,50 to R5,50;
- Night and weekend telephone service rentals will go up 25% from R4 to R5,
- Postal tariffs for standardised letters will go up 10% from 10c to 11c,
- Tariffs for non-standardised letters and parcels will go up an average of around 10%
- The annual charges for post office boxes and private bags



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Business Day

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1% to 84,3c for the year to
from 56,3c in 1982

aul needed
of blacks will have to be
the benefits of a more
-based economy are to
says the chairman of the
Trade and Industries

confirms
confirmed that agree-
been reached for the sup-
rogen to Triomf Fertilizer

ales buoyant
rose 2,9% last month,
to those of January

trio's problem
South African draft dodg-
they can't send a video of
controversial "Rockin' the
to their parents

amel eyes Natal
king Beau Brummel has
eyes firmly set on a nudist
further than one hour's
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attractive to a certain
scientist, who earlier this



DR LAPA MUNNIK
postal price rises

- 14,2%,
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- Postal tariffs for standardised letters will go up 10% from 10c to 11c;
- Tariffs for non-standardised letters and parcels will go up an average of around 10%;
- The annual charges for post office boxes and private bags will rise an average of 11%, and commission charged on postal orders will go up an average of 23%

The Rand Water Board said in a statement it had considered its estimates of revenue and expenditure for the new financial year and, in view of the considerable reduction in water sales as a result of the water restrictions and increases in input costs over which the board had no control, it was resolved that the charges for water supplied to the various classes of consumer be raised

The board also announced a quota system for consumers on the basis of a saving of 30% on the domestic portion and 15% on the industrial portion of the consumption for the 1982/83 financial year

In respect of each 1% that the quota is exceeded by any consumer, the charges for water will, with effect from April 1, be increased by 1% for the full quantity of water supplied to that consumer

The increase means that foundation consumers, which include most public bodies which came into existence before the board's establishment in 1903 — such as the Johannesburg Council — will now pay 21,56c/Kl instead of 17,46c/Kl

"Preferent consumers", which include most public bodies which came into existence after 1903, like the Sandton Council, will pay 23,64c/Kl instead of 19,14c/Kl

"Other" consumers — those, such as factories, which do not fall under a designated municipal area — will pay 23,66c/Kl instead of 23,21c/Kl

On top of this, an Iscor proposal for a steel price increase is now with the Government and according to Pretoria sources, a price rise of about 8% is expected

An increase in the coal price is expected from April. A Transvaal Coal Owners Association source said yesterday for the past 10 years the price had been raised in April, and there was no reason to believe the same procedure would not be followed this year

The official Opposition spokesman on postal matters, Mr Alf Widman, slammed the increases in postal and telephone tariffs and accused Dr Munnik and fellow Cabinet Ministers responsible for price increases of seriously threatening South Africa's prosperity.

Mr Widman said the Prime Minister's concern at the rate of inflation was so great that he called a special conference of businessmen in November last year and warned that "cancerous inflation" was "eating away at South Africa's prosperity"

In the light of recent increases, the Prime Minister's warning sounded "hollow", Mr Widman said

The New Republic Party's spokesman on Posts and Telecommunications, Mr Brian Page, said the increases would contribute to inflation

The postal and telephone tariff increases, announced in Parliament by the Minister of Posts and Telecommunications, Dr Lapa Munnik, mean

- The unit charge for telephone and telex calls will go up 14% from 7c to 8c,
- Overseas call charges will go up 4,7% from R3,36 per minute to R3,52 per minute,
- Calls to neighbouring states including Malawi will go up between 3,8% and



Mandy Palmer, back left, Sandie McPherson, Bronwen Ewans, front left, and Cheryl Chitz are four of the Johannesburg College of Education's seven Rag Queens who will be competing for the JCE crown at a Johannesburg hotel tomorrow

It's neck and neck in US

WASHINGTON — After frenetic campaigning before the "super Tuesday" Democratic primary elections in nine states, Mr Walter Mondale and Senator Gary Hart appeared to be on an even footing yesterday

Of the four major states, opinion polls have placed Mr Mondale ahead in Alabama and Georgia and Senator Hart ahead in Florida and Massachusetts. Never before has the South of the United States played such a key role in selecting the Democratic presidential nominee — UPI

● See Page 7

Pilot ejects from Mirage

By NORMAN PATTERTON

A South African Air Force Mirage F1 fighter pilot ejected to safety yesterday, moments before his plane crashed into a meale field near Lydenburg in the Eastern Transvaal

Captain D Holdsworth, 23, of No 1 Squadron at Hoedspruit, was shot to safety in his ejector seat at 12 30pm as the fighter emerged from a "very low" cloud about 8km west of Lydenburg

Capt Holdsworth parachuted onto Mr Japie Boshoff's meale farm, Frisgewaagd, as the plane crashed into a wet meale field about 4km away with a deafening bang

Mr Boshoff's neighbour, Mr Gideon Botha, witnessed the crash from his home less than 1km away

"My family and I rushed across in our car and found that the nose of the plane had remained stuck in the ground. The rest of it had broken into two and had ploughed through the field for more than 200m," he said

Meanwhile, Mr Boshoff's son, Mr Hansie Boshoff, and Mr Francois Potgieter went looking for Capt Holdsworth in a bakkie after a domestic worker on the farm had seen him eject

Capt Holdsworth suffered slight back injuries and was wandering in a daze through the field when he was picked up

"He was shocked and didn't seem to know where he was," Mr Hansie Boshoff said

The SAAF is investigating the cause of the crash

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Koeberg Nuclear Power Station goes critical today

Mail Correspondent

CAPE TOWN — Koeberg Nuclear Power Station has been given the go ahead for the big switch on by the Atomic Energy Corporation (AEC) and the first reactor is expected to be started up today

But officialdom has closed ranks behind a veil of secrecy and refused to confirm or deny details about the highly controversial giant nuclear reactor on Cape Town's doorstep

The licensing for the first reactor "to go critical" was

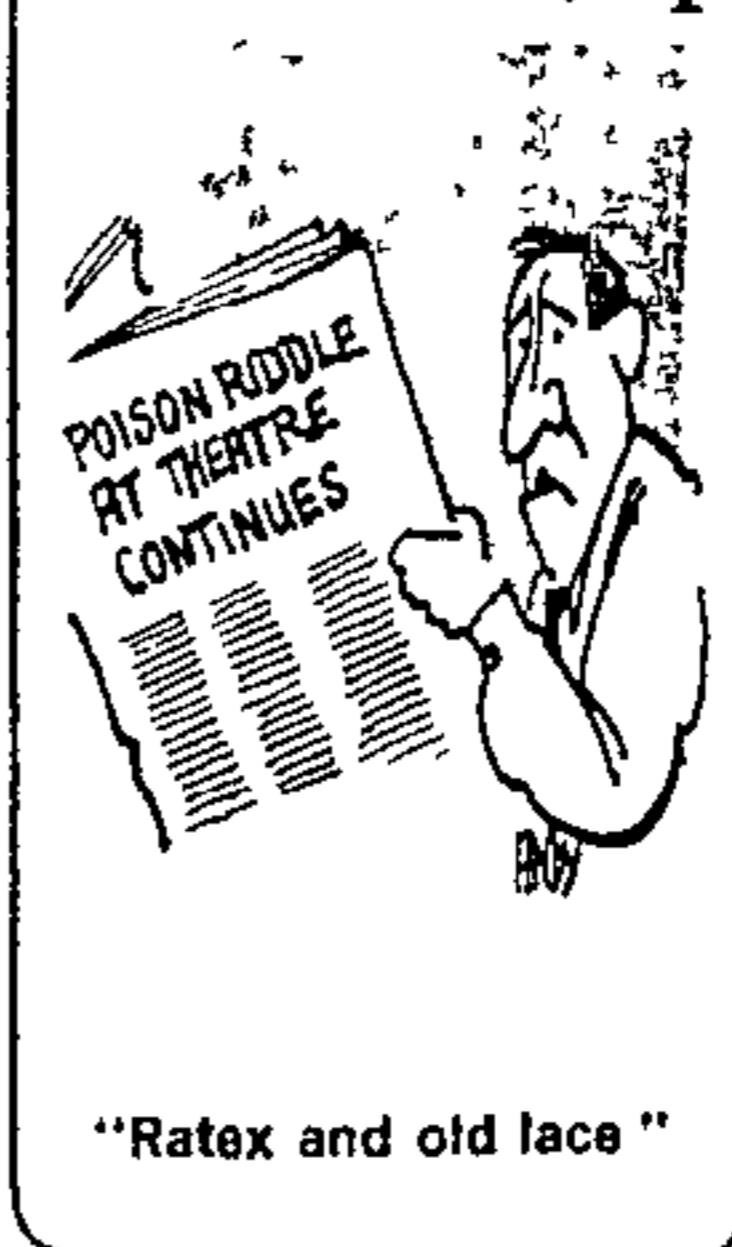
issued by the AEC according to schedule on Monday this week

It had already been approved by the independent Council on Nuclear Safety

This means that the nuclear reaction with the reactor may now be started and maintained at a constant level to produce nuclear power

Synchronisation with the Eskom power grid can be expected by mid-April and full-power generation by mid-July

Breakfast Quip



Club's royal

London Bur-

LONDON — Prince Philip, the New York-based Explorer, he is "appalled" that honey and lion meat were served at a dinner last year, Buckingham Palace said

Prince Philip, a member of the Prince's Trust for the Life Fund, did not attend. But he wrote to the Queen, "appalled by the exhibition"

WHAT do teenagers think most about parents? Read about their attitudes and aspirations in EVE tomorrow

Also in this issue a supplement on kitchens and Shirley Bassey feels about and a megastar; how to get fresh, a new campaign to missive and delicious meals

294 Star 14/3/87

Consumers brace up for more shocks

By David Braun and Bill Levitt

Consumers, hit by the telephone and postage price increases announced yesterday, must brace themselves for more shocks in the main Budget in two weeks.

Cigarettes, alcohol, income and company taxes — and possibly fringe benefits like housing subsidies and company cars — may be hit.



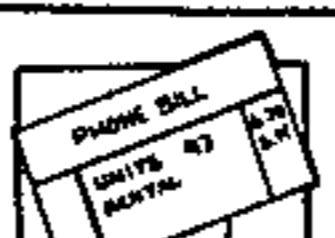


The average nine percent rise in communications costs is the latest in a long list of increases since January, including those for water and hospital fees. (See Page 1, Metro section).

Many of the increases, especially those affecting essential foods, have been well above the 10,3 percent inflation rate for the year to January 31.

The Minister of Posts and Telecommunications, Dr Lapa Munnik, yesterday warned of more increases for stamps and letters later this year if the economy does not improve.

That might be no idle threat, because most economists are forecasting continued depressed conditions for the rest of 1984.

Tight-fisted monetary policy, high interest rates and higher mortgage payments will combine with wage increases and a

THE CHANGING POST TARIFFS			
	1982	1983	1984
 Standard mail	8c	10c	11c
 Telephone units	6c	7c	8c
 Monthly phone rental	R4	R6	R7
 Phone installations	R50	R75	R75
 Telex units	6c	7c	8c

slump in disposable income to stifle the economy

These events have triggered warnings from critics that the Government's failure to combat inflation makes South Africa's exports less competitive — a situation that could lead to closures of factories and widespread unemployment.

The latest price shocks come at a time when South African

productivity figures — the individual worker's contribution to the country's gross national product — are declining rapidly.

The Department of Manpower's deputy director-general, Dr C F Scheepers, warned managers last week that declining productivity and average wage increases of 12 to 16 percent could fuel inflation.

● See Page 4, World section.

By David Braun and Bill Levitt

Reaction to the average nine percent rise in communications costs ranged from "depressing" and "horrific" to "inflationary" and "necessary"

But most agreed that the increases — up to 69 percent — were signs that the Government intended to ram through a host of tax increases when its Budget was tabled in two weeks' time

Professor Leon Weyers, a member of the President's Council, predicted that these increases would trigger another round of price increases

Describing the latest announcement as "highly inflationary", Professor Weyers said he was worried that inflation "will shoot up higher than last year probably to 15 percent"

Professor Weyers, dean of the University of South Africa's economic and management sciences department, also criticised the Post Office for raising prices without apparently demanding similar increases in productivity to offset the costs

Mrs Betty Hirzel, president of South Africa's National Consumer Union, called the Government's latest move "depressing and horrific"

"Tax the rich to feed the poor," she said "We have said

PO's 9 pc 'is sign that stiff Budget looms'

244

Staw

14/3/84

all along that the Budget should be tough but money must not be raised by taxing those who cannot afford it"

Mr J H Visagie, the Conservative Party spokesman on posts and telecommunications, said he was worried that the Government had lost control over inflation

"The Government must be careful that it does not make the cost of these services so high that the public uses them less and Post Office income falls as a result," he warned

Mr Louis Geldenhuys, senior economist at Senbank, agreed with the Government that the increases would have little impact on inflation. It was clear that the authorities were trying

to contain price increases as far as possible, he said

A major private sector group said it viewed with disquiet the Minister's statement that tariff increases might not be limited to the nine percent increase budgeted and that there might be a further increase during the year

"This is particularly worrying as certain tariffs have been increased by up to 69 percent and any increase will have an inflationary impact," it said

The group, the National Consultative Committee on Post Office Affairs, represents the Afrikaanse Handelsinstituut, Asso-com, the Federated Chamber of Industries, Seifsa and other private sector bodies.

In view of its effect on tariffs the Post Office's capital budget required careful scrutiny, the group added, because expenditures had risen by 50 percent a year over the last two years

Professor A I van der Westhuizen, of the Rand Afrikaans University's department of economics, called the increases "realistic" at a time when the Government had to glean increased revenue wherever it could

He said the increases were not extraordinary "and I believe we can cope"

Professor van der Westhuizen said he felt the average household — who spent only a small percentage of his budget on post and telephones — would not be much worse off than before

However, he expressed concern about businessmen, saying the increases could hit their pockets fairly hard

In Parliament opposition parties have slammed the increases in postal tariffs which they said, would add to inflation

New price increases bound to fuel inflation

By David Braun and Bill Levitt
Increases since January have been numerous and are bound to fuel inflation

The latest inflation figure, 10,3 percent for the 12 months to the end of January, was the lowest in more than five years

Increases include

- Brown bread up by 16,6 percent, white loaves by 11 percent
- General Sales Tax raised to seven percent, pushing up the price of milk and other basic foodstuffs
- Beer up by between 5,3 percent and 9,2 percent and spirits and wine by about 10 percent
- Canned goods up by an average of nine percent
- Rail air travel and freight rates will rise by 9,4 percent on April 1

Maize is heading for an increase of at least 25 percent,

which will affect a large number of other commodities. They include

- Poultry prices could rise by 10 to 15 percent
- Snacks, such as crisps, could cost about 10 percent more
- Corn flakes breakfast cereals could rise by 10 percent
- Eggs are likely to rise another five percent
- Meat and dairy prices could be affected although industry officials said it was still too early to tell
- Other commodities to be hit by increases include
- Detergents by about five percent and toiletries by about 10 percent
- Sugar another three percent
- Tea shortages will force up the price by as much as 25 percent
- Coffee will rise 7,5 percent

Postal costs could go up again later this year

By Peter Sullivan, revenue

amendment political parties would Electoral Act of 1979, but a tie between parties founded before the Bill. The former would, at a founding certificate, while a certificate signed by 50 voters that the facility of postal votes in the elections. A postal system of manpower and most of the probably take part in the elections by facilities if voters only be allowed to use

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Mr A F Fouche

amendment declining to pass and calling for a commission of coloureds and Indians to in-

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he was still time for such a work

we accused the Government of aious time when extensive ne-ve taken place with members of Indian communities about the

been left to "gather dust" until ved when the legislation was ow urgent

Mr van der Merwe's proposal drew immediate accusations from the Government side that he PFP was using "boycott tactics" and was trying to prevent the coloureds and Indians from taking part in the new dispensa-

Mr A F Fouche (NP, Witbank) said the PFP had fought the ow constitution "tooth and nail" and now it wanted to de-ive the coloureds and Indians rom participating in the plan

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Postal costs could go up again later this year

By Peter Sullivan,
Political Correspondent

THE ASSEMBLY — From April 1 postage on let-
ters will go up by one cent — from 10c to 11c.
Telephone calls will also increase, by one cent a
unit — 8c instead of 7c for a basic unit

This was the main burden of an overall nine
percent tariff increase introduced in the Post Of-
fice budget yesterday

Financial experts from the Department of
Posts and Telecommunications said the tariff in-
creases would raise the inflation rate by only
0,09 percent and added that talks with organised
commerce had shown that businessmen were
willing to accept the new rates

The increases will provide the Post Office with
additional revenue of R203,7 million. But despite
this the Post Office has budgeted for a deficit for
the first time since 1968 and estimates an operat-
ing loss of R131,3 million

Dr Lapa Munnik Minister of Posts and Tele-
communications, told Parliament that a much
higher increase than the proposed nine percent
was justified, but the Post Office was relying on
an expected upswing in the economy to improve

revenue.

"If this does not have the desired effect, I will
have no alternative but to increase tariffs again
later this year," Dr Munnik said.

The increases — which follow an increase of
nearly 10 percent in the Transport budget — are

- Standard letters up from 10 c to 11 c.
- Local calls up from 7 c to 8 c a unit.
- Telephone rentals up from R6 to R7 a month
- Motor telephone services up from R75 to R100
a month
- Telex calls up from 7 c to 8 c a unit.
- Airmail parcels up from 65 c to 70 c for 100 g
- Express delivery up from R1 to R1,10.
- Priority mail up from 80 c to 90 c
- Private post box rental up from R7,50 to R8 a
month.
- Postal order commission up from 16 c to 20 c
on R10

Installation of new telephone services remains
unchanged at R75

The Minister said the financial year had been
characterised by the sustained expansion of tele-
communication infrastructure, by commissioning
six new electronic telephone exchanges and by a
growth rate of 32 percent in data communi-

A major private sector group
said it viewed with disquiet the
Minister's statement that tariff
increases might not be limited
to the nine percent increase
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would add to inflation

PO price increases criticized

CARE TRIP 14/3/84
244

Political Staff yesterday

SOUTH African consumers, already reeling from a series of government-initiated price increases, were dealt another blow yesterday when the Minister of Posts and Telecommunications, Dr Lapa Munnik, announced wide-ranging postal and telephone tariff increases.

The Official Opposition spokesman on postal matters, Mr Alf Widman, attacked the increases and accused Dr Munnik and fellow cabinet ministers responsible for price increases of seriously threatening South Africa's prosperity.

'Cancerous'

Mr Widman said the Prime Minister's concern at the rate of inflation was so great that he called a special conference of businessmen in November last year and warned that "cancerous inflation" was "eating away at South Africa's prosperity".

The New Republic Party's spokesman on Posts and Telecommunications, Mr Brian Page, said the increases would contribute to inflation and when coupled to other recently-announced increases left little hope that the projected decrease in the inflation rate would be achieved.

Dr Munnik announced the increases during the Post Office budget presented in Parliament

Although the overall average tariff increases were 9 percent, some increases were well above that, rising as high as 25 percent.

The increases which will affect the man in the street and commerce and industry most included

- The unit charge for telephone and telex calls up 14 percent from 7c to 8c

- Overseas call charges up 4,7 percent from R3,36 a minute to R3,52 a minute

- Calls to neighbouring States, including Malawi, up between 3,8 percent and 14,2 percent.

- Monthly telephone rentals up 16,6 percent from R6 to R7

- Shared services telephone rentals up 22 percent from R4,50 to R5,50

- Night and weekend telephone service rental up 25 percent from R4 to R5

- Postal tariff for standardized letters up 10 percent from 10c to 11c

- Increases in tariffs for non-standardized letters and parcels averaging around 10 percent.

- Increases in the annual charges for post office boxes and private bags averaging 11 percent.

- Increases in commission charged on postal orders averaging 23 percent.

- More details, page 4

Postal tariffs up 9 percent on April 1

HOUSE OF ASSEMBLY
— An increase of nine percent in all Post Office tariffs on April 1, a possible further increase later in the year and subsequent "more regular" increases, was the message of the Minister of Posts and Telecommunications, Dr Lapa Munnik, when he introduced his Post Office budget yesterday.

Further increases this year would be inevitable if there were no improvement in the PO's revenue and no upswing in the economy, he said.

Dr Munnik said a much higher increase could be justified, but he had kept it low because he expected a rise in earnings from increased telephone connections and a general upswing in the economy.

"However, if this does not have the desired effect, I shall have no alternative but to increase tariffs again later this year."

He added that future increases could also be affected by the loan position of the Post Office. It was the first time since 1968 that the Post Office was budgeting for an operating loss.

Dr Munnik announced the increases in his record R3,8-billion budget for 1984-85.

He said he expected an operating loss of R335-million for the coming year but a tariff adjustment to eliminate this loss entirely was regarded as too drastic.

The increase would realize an estimated R203,7-million.

"The total expected operating expenditure of R2 384,4-million is R473,5-million or 24,8 percent higher than 1983/84," he said.

The increase provided mainly for normal growth in activities, the effect on a full financial year of the 12 percent salary adjustment for civil servants in January, the further implementation of occupational differentiation, cost escalation and higher interest payments on anticipated increased loan requirements.

"In addition, an appropriation is required for loan redemption, staff housing and the increase in Standard Stock capital that will total R218-million," the minister said.

Total expenditure was therefore estimated at approximately R3 879-million, R745-million or 23,8 percent up on 1983/84.

The operating loss of R335-million meant there would not be a contribution from the oper-

ating surplus towards capital expenditure and loans would have to be concluded for capital expenditure and to defray the high operating costs.

The large operating loss compelled him, as foreseen last year, to increase tariffs.

The most important adjustments included.



Dr Lapa Munnik

- Automatically switched local and trunk call units from seven to eight cents.

- Automatically switched overseas calls from R3,36 to R3,52 per minute

- Inland postage on standardized mail from 10c to 11c

- Parcel post from 65c to 71c for the first mass

step and from R3,55 to R3,85 for the highest mass step

The increased tariffs would still compare favourably with tariffs abroad, Dr Munnik said.

Quoting examples, he said a telephone call over 100km in South Africa would cost 48 cents after the increase while it would cost 94 cents in West Germany, 134 cents in France, 137 cents in the United Kingdom and 56 cents in Switzerland.

Likewise the 11 cents for a 50g letter compared well with the countries mentioned, which ranged from 20 cents in France to 35 cents in Germany.

"Even after the adjustment in tariffs, the Postal Service will still operate at an estimated loss of R102-million."

It was accepted that in the national interest, this service would still have to be subsidized to some extent for a considerable time.

The public telegraph service was also being operated at a considerable loss, estimated at some R23,6-million for the coming book year.

"No business can afford to absorb losses of this magnitude indefinitely and I am of the

opinion that we shall gradually have to make the necessary adjustments to bring them within reasonable limits."

The additional revenue from the increased tariffs would bring the estimated total revenue to R2 471-million, reducing the estimated operating loss to R131,3-million, with external loan requirements estimated at R805-million.

- An investigation into more competitive salaries for Post Office workers would be completed soon and employees would benefit from two new housing schemes this year, Dr Munnik announced in his budget speech.

Dr Munnik said R30-million had been provided for housing loans in addition to the department's housing subsidy scheme and the 100 percent housing loans obtainable from building societies and other institutions.

He announced that staff who could not secure 100 percent loans would be granted loans by the department for deposits on houses, while it had been decided to allow senior staff to buy official houses of the department — Sapa

244) Peter Shaw 19/3/84

Home prices will soar again in 1985

Home building prices will soar by at least 28 per cent during 1985 and 1986

Economists with the Building Industries Federation of South Africa (Bifsa) forecast a "sharp boom" in house construction from early next year.

Bifsa executive director Mr Lou Davis said the availability of finance would improve, interest rates would fall, and immigration was expected to increase.

"If people want a new home, this is the year for it," said Mr Davis. "From next year I can see costs going through the roof."


A major problem of the building industry was getting skilled labour, he said.

"We could train many more people, but we cannot get them. As a result, the available labour is expensive. If there was continuity of work, instead of the stop-start syndrome which sees the industry going through peaks and troughs, costs would be far more stable."

Mr Davis said the Government's annual building allocation programme was too short. It needed to be based on a three-year cycle so builders could plan ahead.

"The industry has to gear up for a boom period and wind down at other times. This means buying and selling equity."

24 HOURS



RUSSELL GAULT

struction programmes will be committed over a three-year period.

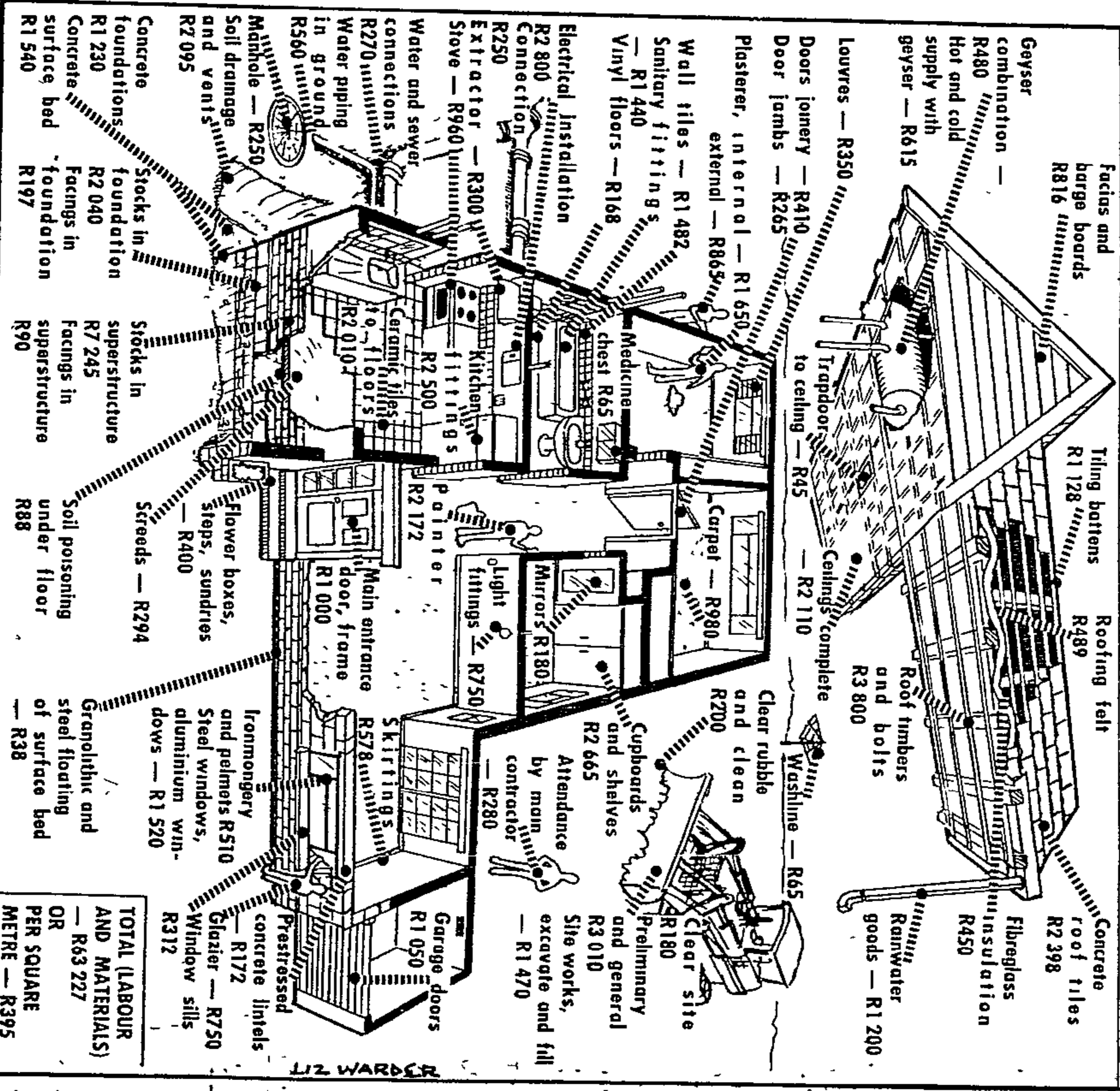
"It takes three years to train a skilled building industry worker, and over the next few years we are hoping to train 200 000. But if the stability of the industry fails to improve, we may lose many of them as soon as they have qualified."

In a special economic report on the state of the industry, Bifsa reports that building costs, as measured by an analysis of accepted tender prices, showed a falling trend in 1983, and increased by only 4 per cent compared with preceding years.

At the same time, builders were faced with the cost of labour and materials increasing at a rate far above the inflation rate.

The report says that most builders absorbed some cost increases in 1983. In 1984 cost in-

WHAT IT COSTS TO BUILD A HOUSE



TOTAL (LABOUR AND MATERIALS)
— R63 227
OR PER SQUARE METRE — R395

This increasingly typical South African one-garage facts building costs at the end of 1983. To date home is built with...

LIZ WARDER

This increasingly typical South African one-garage home is between 130 sq m and 140 sq m and re-

flects building costs at the end of 1983. To date there has been a little increase in these costs.

Consumer Council launches 'know your rights' campaign

By Russell Gault

Know your rights. That will be part of the theme of the Consumer Council's property campaign this year. Council legal adviser Mr W W Morris names points every tenant should know:

- Make a detailed list of every stain, crack and scratch when renting a flat.
- Make two copies, have the agent sign both and keep a copy yourself.
- Request, in writing, payment of interest on deposit and hand the request to the agent when you have taken possession of the flat.

- If you feel you are being wronged obtain a complaint form from the Consumer Council, PO Box 3800, Pretoria 0001 — don't telephone.
- Do not allow a landlord to show prospective new tenants around your flat unless you are at home or have agreed to it.
- Home buyers are given the following advice:
 - Before paying a deposit to an agent or seller, demand, in writing, payment of interest on that deposit until transfer is completed.
 - It may be preferable to leave the deposit money with a bank at a high interest rate and get a bank letter of guarantee for the seller.

'VOETSTOETS'

- When signing a contract containing the term "voetstoets", ensure you have a list of conditions attached or try to have the word struck out.
- Tell your house or pool builder or any other contractor you want a retention clause inserted which allows you to keep 15 percent of the cost until you are satisfied the job has been done properly.

Mr Morris said the property lobby was one of the strongest in South Africa and tenants, home and flat buyers had to be strong to fight it.

"The Consumer Council will give the public as much help as possible — so long as they are in the right — and if necessary we will pursue matters doggedly."

He said the council was particularly concerned about the Voetstoets clause in contracts because it was immoral and should no longer be used in business.

"Contractors use it to try to excuse themselves from being held responsible for their work. It is an appalling attitude. In these times, when builders are crying out for house construction work, the public should demand that "voetstoets" be dropped from a contract or consult another builder.

"This is the year to demand your rights."

Mr Morris said that as part of Year of Property the council was inviting written complaints from the public to be completed on the official complaint form.

"Our aim is to see an upheaval in the industry and a return to old-fashioned justice."

some cost increases in 1983. In 1984 cost increases will also be at a slower rate because of pressure brought to bear by Bifsa on the suppliers of primary building materials.

But from next year builders will be looking for higher profits to make up for two lean years, and the report, addressing Bifsa members, says "you are on the verge of a vigorous boom in the building industry. I would like to use the biblical expression and urge you to see that your farms are filled with oil and that you are ready when the bridegroom comes."

In the trough period people lost their jobs, and studies showed that those with skills seldom returned to the industry. This meant more had to be trained.

"The Government is aware of the cyclical nature of the industry, but the trouble is that a fundamental change of thinking is required by the Treasury before State money for con-

times. This means buying and selling equipment, tools, vehicles. It all takes time.

"That's why it is either feast or famine. You can either get a house built immediately or it can take a year."

By Russell Gault

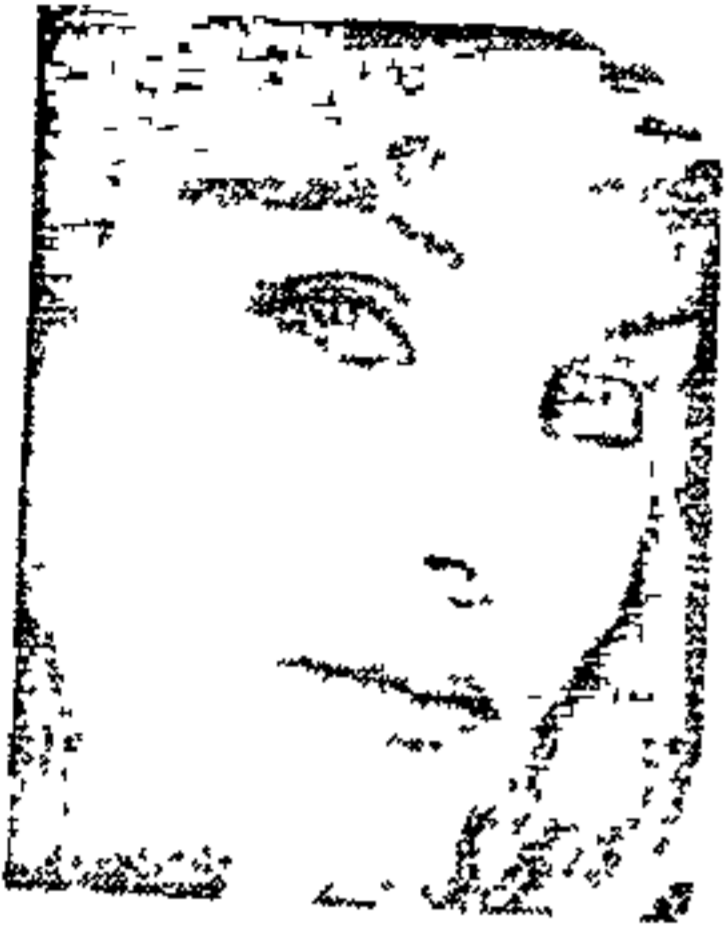
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The retiring managing director of Allied, Mr Jim Dodds, foresees building societies becoming more company-oriented

Such a development, he says, must eventually lead to advantages to the man in the street when borrowing because it will help to cushion the effect of having to adjust interest rates

● See Page 15



Priscilla Presley

Priscilla and Elvis

FOR years Priscilla Presley has refused to talk about her strange years as Elvis's wife

But because people won't stop asking her about them, this latest "Dallas" star — who will soon crop up as Bobby Ewing's love interest — is to write a book lifting the lid off her six-year marriage

● Page 4, Tonight!

Selectors take note

YOUNG Sonja van Wyk, overlooked for the Springbok women's golf team, showed the selectors what she thought of them yesterday when she cruised to an easy 4-stroke win in the Transvaal women's strokeplay championship at Randpark

Her two-round total of 140 was eight under. Her closest rival, Ross Simmer, finished

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See Back Page

Tvl hospital fees more than double for some patients

Pretoria Correspondent
Transvaal provincial hospital fees have more than doubled for some categories of patients

Part-paying hospital patients who used to pay R10 a day will now pay R20 a day

The increase will come into effect on April 1

Private full-paying patients belonging to medical schemes will now pay R50 a day instead of R35. This represents a tariff of R35 plus a levy in respect of services of R15

Out-patients and emergency cases, who are

part-paying patients, will pay between R5 and R7 per attendance compared with R2 previously

Welfare cases and pensioners will still be treated free of charge

Another change to the tariff scales has been the condensing of patient categories

Discrimination against patients with medical aid schemes, which has been a great source of dissatisfaction in the past, has been eradicated in the new tariffs

Full-paying non-medical aid patients will also

pay the same daily fees as those on medical aid

The Administrator of the Transvaal, Mr Willem Cruywagen, who announced the higher tariff structure last week, said "drastic" increases in the price of medicines, equipment, foodstuffs and services had necessitated the increases

Transvaal Hospital Services had spent R443,755 million in 1981/82, R538,16 million in 1982/83, and for 1983/84 the services' estimated expenditure was R705,86 million, he said

Kitten thrown from car is rescued by radio personality

By Olga Horowitz

There is, it is said, more than one way to kill a cat

Mrs Vivienne Tohill and her cousin, Mr Gary Tarr, witnessed one way when driving along Oxford Road on Monday evening

It was peak hour when a black kitten was hurled out of the window of a car ahead of them

Mr Tarr stopped the vehicle and Mrs Tohill picked up the "bundle of shivering fur"

Mrs Vivienne Tohill, whose concern for animals is known nationwide through her Sunday midday Springbok Radio programme "Animal Carnival", thought there would be other kittens from the litter who had suffered the same fate

In the middle of Jan Smuts Avenue

she found a second cat, squashed and dead

Mrs Tohill has 16 rescued cats in her Parkwood home and the kitten has now become an honoured member of that family

But it is in a highly nervous state, and has to be kept warm and fed with a syringe

"The ideal thing would be to find a female cat to suckle the kitten," she said

"Not only is it frightened but it does not know how to drink from a syringe or a bottle. But we believe it can be nursed back to health"

She appealed to people to telephone the SPCA or the newspapers when they needed help in caring for an unwanted animal litter

"Because the kitten is black, and was saved, we have decided to name it 'Lucky'"

Magid gets the CBDA hopping

By James Clarke

Johannesburg's new mayor, Mr Eddy Magid, left a meeting of city centre businessmen last night with a flea in his ear

The mayor, in his address to the annual general meeting of the Central Business District Association broke the tradition of trading platitudes and told the six-year-old association he was "disappointed in its achievements"

Moments later the CBDA's chairman, Mr Nigel Mandy, retorted that the private sector "has difficulty attracting the attention of the city council" and charged that the council political and managerial problems were a threat to the future of the city

Mr Magid, a long-standing member of the city's management committee, said he was deliberately being provocative in the hope of getting action

For much of the time he was smiling — but his smile disappeared during the chairman's address

Mr Nigel Mandy, elected chairman last night for the sixth successive times the city's businessmen had get reaction from the city council

He said the council had sat off from 1975 until 1981, when it issued an issue was urgent and gave the problem a month to study it and comment on

As regards the Colosseum the mayor's budget campaigning to save for it and on calling in professional

The mayor's smile faded as council's lack of response over problem at Mall, over the CBD retailers' office security force "we were left

the council was distracted by other

When the meeting ended Mandy said "I intended to provoke. If it will impetus then I am proud to be able to need to work together. There is a

Black bus fares set for three stage rise

Political Reporter
ILANGA Transport bus fares for single trips in the Inanda/Ndwedwe area will rise by an average of 20 percent on April 1 and commuters can expect another two increases in the next 18 months

This will bring fares into line with Putco tickets in that area

Mr E Marshall, managing director, said about 350 000 people would be affected by the increase which was to comply with a directive from the Department of Transport

that all operators in the Inanda area must charge the same fares

Commuters using trip tickets, now valid for 14 days instead of five days, faced minimal increases

It was too early to say what the next two increases would be

The bus company had met representatives of all the chiefs in the area to explain the situation

While they had obviously not welcomed the increases they appeared to have understood the need to raise fares

The last increase had been in August 1982 and operating costs had increased considerably since then. Fares on most other bus services had been raised at least once since 1982

The board of Kwazulu Transport, which controls Ilanga Transport, issued a statement yesterday that it accepted that parity in fares was in the long-term interest of passengers

But it would be unreasonable to implement parity at once

Blacks ready to use their collective buying power

BLACK consumers — generally regarded as the most uninformed, unorganised and exploited section of the South African community — were now ready to use their collective economic power to bargain for a fair deal in the market place.

This became clear at the high-powered consumer conference held in Johannesburg last weekend, where representatives of over 20 organisations came together to form the first black national consumer body

Formed after consultations between black



Mrs ELLEN KHUZWAYO: President of new body.

organisations and a committee assigned to study the feasibility of such a body, the newly formed Black Consumer Union (BCU) aims to:

- Represent and further the interests of black consumers,
- Represent these interests to all organisations in the country where it will benefit black consumers;
- Educate black consumers on their rights as consumers and on the commodities they consume

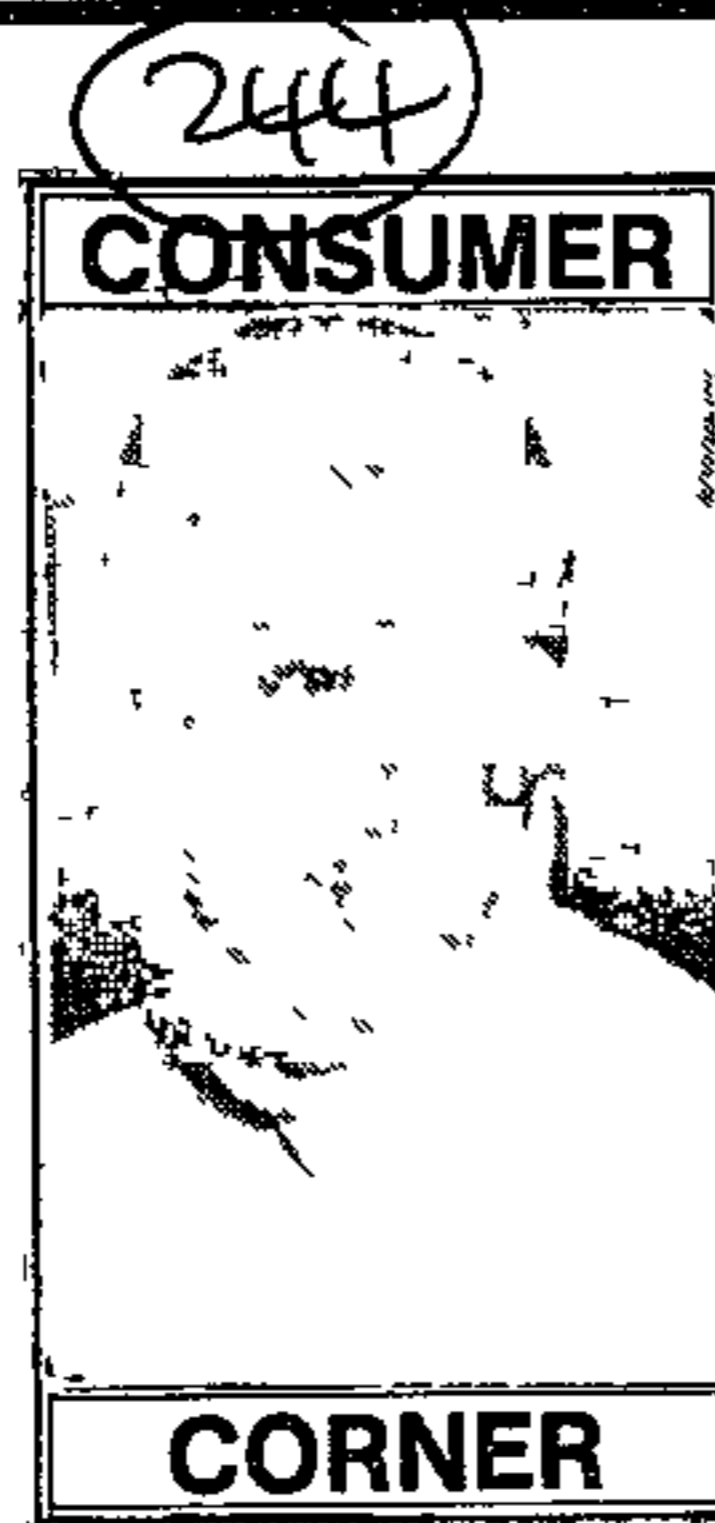
How strong the consumer body is going to be, will depend on its membership, said Professor Henri Joannis, a consumer specialist who came all the way from France to attend last Saturday's conference

"If the new baby is to grow teeth, the first tooth should be membership. The membership it commands will determine its strength," Prof Joannis said.

An invitation to the Commercial Catering and Allied Workers' Union of South Africa gives an indication that the BCU will also rely on the support of unions.

Whether the BCU will extend membership or forge links with political organisations remains a big question. Political bodies were conspicuous by their absence at the meeting

The formation of the



BCU falls in line with the prediction by Cape Town University political scientist Prof James Leatt, who told a consumer conference last year that blacks in this country will use their collective economic power to fight for their

rights in the coming years

Prof Leatt said "Since blacks in South Africa are politically disenfranchised they have little choice but to use their collective economic power in the market place to express

their political aspirations

"And, if the past history of black politics is anything to go by, I believe civil and human rights issues are going to be in the spotlight in industrial relations and in the market place in the

future, and with greater sophistication and organisational support," the political scientist predicted

Meanwhile the newly formed consumer body has stated that it will not be affiliating to the white South African Consumer Union and the Government-created South African Coordinating Consumer Council — meaning that its membership will be exclusively black

- BCU's executive committee members are Mrs Ellen Khuzwayo (president), Mrs J Seroke (vice-president), Mr Elridge Mathebula (vice-president), Mrs Dorothy Maubane (secretary), Mrs Alice Nkhi (treasurer) and additional members Mrs Anastasia Thula, Mrs Ellen Lam-

bart and Mr Abram Mmutle

Seminar at YWCA

THE Attorneys' Association, a group of lawyers, will hold a seminar at the Dube YWCA this week on the rights of consumers and the laws protecting them.

The seminar will be on March 29 and starts at 7pm. The public is invited.

The Soweto Electricity Information Committee is holding a meeting at Dube Memorial Chapel on Saturday.

Former Johannesburg city councillor Dr Selma Browde will address the meeting on electricity matters. The meeting starts at 2pm.

ALTHOUGH schools have closed for 10 days' quarterly holidays, it was business as usual for these pupils who attended a career guidance workshop at the Career Centre in Diepkloof on Monday. The workshop ends tomorrow

SOUR MILK PRICE DROP

THE Dairy Board has announced that it will subsidise the price of "maas" and cultured buttermilk

The subsidy will lower the price of these products by 10 cents a litre and five cents a half-litre (500 ml). Indications are that the board will sustain the subsidy until May this year

The board's general manager, Mr Edu Roux, said "The subsidy is being introduced in the light of the general surplus situation still existing in the dairy industry. A further aim is to bring products which are consumed traditionally by blacks to the notice of those consumers who do

not as yet make full use of such wholesome products, like maas and cultured buttermilk"

Mr Roux said it was the board's policy to make surpluses available to the local consumer before exporting them

"The over-production of milk during the past months by farmers to ensure a cash flow in place of the crops they lost to drought seems set to continue and it is important that all marketing segments should benefit from the increased population of milk and dairy products," the general manager said

Hospital tariff increases criticised

Pretoria Correspondent

It was a "sad day" for the Transvaal when the Province had to balance its books by taxing the sick and the poor, the leader of the opposition in the Provincial Council, Mr Douglas Gibson, has said in reaction to the latest hospital tariff increases

"The short session of the council which took place last month was kept in the dark about the hospital tariff increases and we were not, therefore, able to debate the necessity or the extent of the increases," Mr Gibson said today

"I am terribly concerned about the fact that it has become fashionable for the Government and the Province to announce drastic tariff increases at a time when either Parliament or the council is not sitting"

Mr Gibson said the ordinary man was reeling under the impact of continual cost increases in virtually every sphere of life and the announcement on provincial hospital tariff hikes yesterday "could be the straw that breaks the camel's back"

Inflation could reach 14 percent by the end of the year after price increases announced by the Government and the council would have to share a large portion of the blame, Mr Gibson said

Mr Willem Cruywagen, the Administrator of the Transvaal, in announcing the new tariff structures last week, said rises in the prices of medicines, equipment, foodstuffs and services had necessitated the increases

The Transvaal Hospital Services estimated expenditure for 1983/84 was R705,86 million, he said

244 Hammond (245)
Household gas
Q. Col. 728 23/3/84

*5 Mr P C CRONJE asked the Minister of Mineral and Energy Affairs †

- (1) Whether household gas is subject to price control, if so,
- (2) whether the price thereof was increased recently, if so, (a) by what percentage and (b) when?

†The DEPUTY MINISTER OF INTERNATIONAL AFFAIRS (for the Minister of Mineral and Energy Affairs)

- (1) No.
- (2). (a) and (b) Although the price of household gas is not subject to control, the Department of Mineral and Energy Affairs has been advised by the oil industry that the price increased by 5,0 c/l or by 9,8 per cent in Johannesburg on 12 March 1984

Price rises yet to be felt

Official 10 pc inflation could be misleading

Star 23/3/84

By Bill Levitt

Don't be lulled by Government statistics showing that inflation in the year ended in February dropped to 10 percent despite the recent rise in GST — the actual figure is probably higher

The 10 percent figure does not take into account a number of price increases since January, nor the proposed price rises for such things as maize, sugar, coffee and canned goods set to hit the consumer shortly.

A spokesman for the Government's Central Statistical Office said today it normally takes one to three months before price increases on non-Government controlled items had an impact on the inflation rate

The reason is that retailers can hold back price increases as long as lower-priced stocks last. Although canned goods prices may have risen nine percent in January, for instance, consumers may only start paying higher prices this month

At least one major supermarket chain said recently it had stockpiled R30 million worth of commodities in warehouses across the country in an attempt to cushion consumers against rising prices

Using its huge buying power, the 78-store chain filled warehouses across the country with such commodities as sugar, canned goods and toiletries — all bought at cheaper prices

Another major chain has purchased an undisclosed amount for storage in its supermarkets — having rejected warehousing because of the added transpor-

tation costs and the high cost of borrowing money

Spokesmen for the food stores warned that once stocks are depleted, customers will face the full brunt of price increases that, in some cases, will exceed the current 10 percent inflation rate

Since January, several announcements have been made

- The brown bread price has risen by 6 percent and the price of a white loaf has increased 11 percent

- Canned goods have been hiked by an average of nine percent

- Rail, air travel and freight rates will rise by 9.4 percent from April 1

- Maize is heading for an increase of at least 25 percent and this will affect a large number of other commodities

Other commodities to be hit by increases include

- Rice, which is mostly imported, is expected to rise about 16 percent. There has been no increase for 18 months

- Detergents are set to rise by about five percent and toiletries should rise by about 10 percent

- Biscuits will rise nine percent and insecticides will jump from 12 to 16 percent

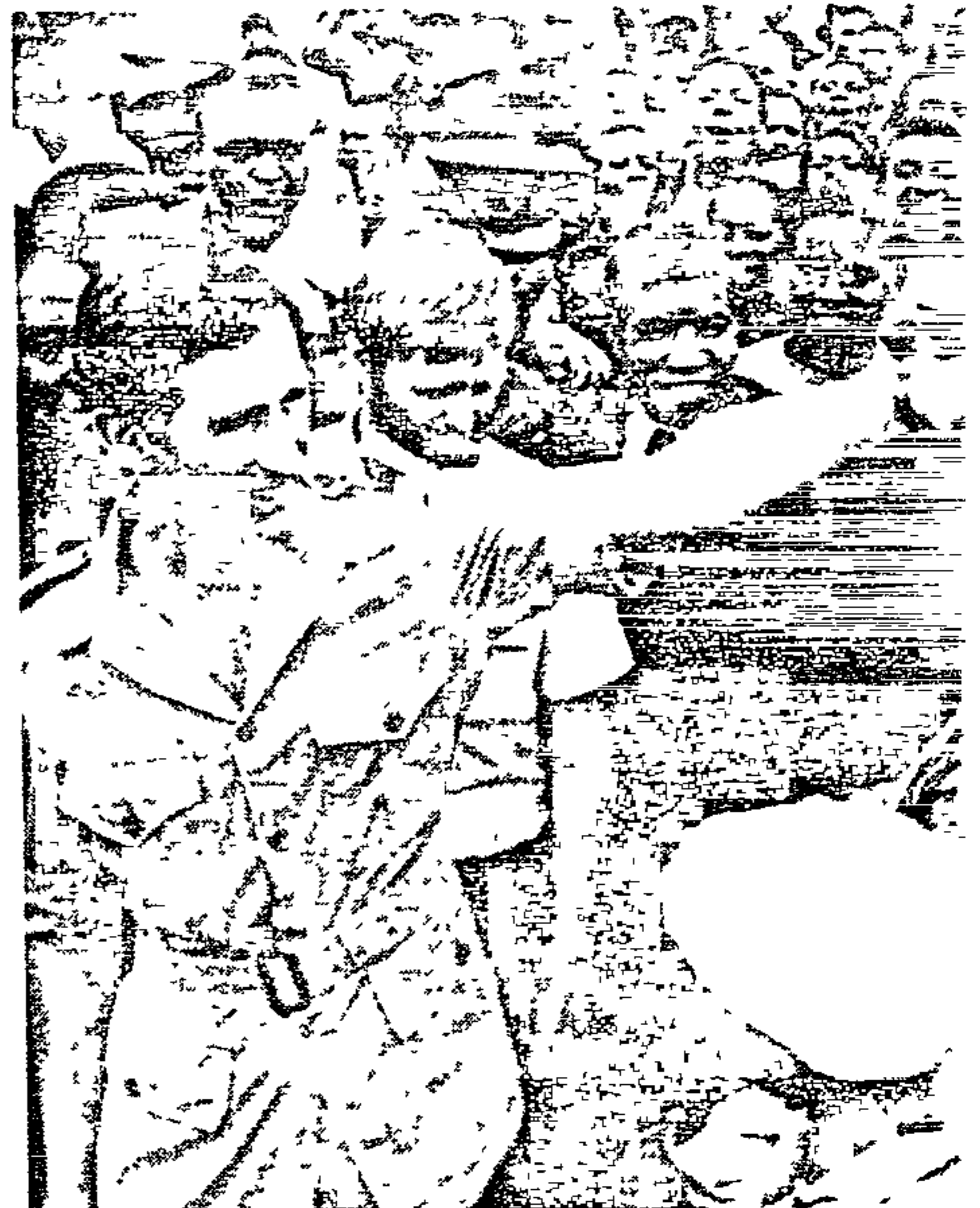
- Sugar prices will rise another three percent when rail adjustments are made

- Chocolates will rise by an undetermined percentage because of rising sugar costs

- Tea shortages will force up the price by as much as 25 percent.

- Coffee will rise 7.5 percent.

- See Page 7, World section and Page 10, Metro section.



Prince Charles clasps hands with a throng of...

Charles's tour off to a sweet start

The Star's Foreign News Service

LUSAKA — A South African-built Land-Rover carried Prince Charles past hundreds of branch-waving school children and through thousands of hectares of sugar cane as he embarked on his first tour of Zambia yesterday

The Prince was inspecting the Kaleya Holdings sugar scheme, in which the Commonwealth Development Corporation has invested R6 250 000

Clad in a khaki bush jacket and velskoen, the Prince, who is a director of the corporation, valiantly tried to siphon water from an irrigation channel into a furrow

But he was unable to obtain a sustained flow

"At least I got a little bit of water," he said, throwing down the siphon

A labourer took up the siphon and to loud applause quickly achieved what had eluded the Prince of Wales

A little later, the Prince — with noticeable hesitation — took his first bite of raw sugar cane. His hosts had warned him no dentist was available.

After some thoughtful munching, the Prince pronounced it "very nice", adding "But I see what you mean about the dentist"

Prince Charles is expected to go to Victoria Falls this afternoon

● See Page 8, World section.

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Design to force people to homelands?

Life in the townships

becoming dearer

STAR March 1984

The Black Sash is a good source of information on the implementation of laws and policies that touch the lives of black South Africans. This week The Star features highlights from the 40 papers presented at the Sash national conference held in Johannesburg at the weekend. JO-ANNE COLLINGE reports

Is the sharply rising cost of township life — most notably increasing rents and expensive renewal schemes — in effect a way of reducing the size of the urban population and forcing people into the homelands?

The question was posed at the recent Black Sash national conference in Johannesburg as study groups presented papers on Alexandra, Lamontville and Grasmere.

In response to the Alexandra study, a delegate remarked that it seemed the township was being redeveloped not for its present population, but for some other — far wealthier — group.

In her research, Sash housing committee member Glender Glover noted the priority being given to middle-class housing in the renewal of Alexandra.

"Looking after those who can take care of themselves seems a strange starting point."

The paper highlighted the following features of urban renewal in Alexandra — the northern Johannesburg township of 80 000 people that was to have been razed to make way for a cluster of hostels, but reprieved in 1979.

- Redevelopment of the area has been "at snail's pace" in contrast with the speed at which 'to hell and gone' townships like Khayelitsha and Motherwell are developed.

- Housing provided since 1979 comprises 79 "matchbox" houses built by the West Rand Administration Board and 56 privately-built homes in the R36 000 to R42 000 range.

- An official income survey in 1981 showed that only 0,6 percent of households had a monthly income of more than R1 000. Anyone wanting to buy one of the privately-developed homes would need to earn at least R1 680 a month to repay a loan at 15,25 percent interest — thus the first phase of renewal had offered relief to a mere fraction of residents.

It was claimed by communi-

ty groups that most privately-developed homes had gone to outsiders. It also showed that 76 percent of Alexandra households earned between R100 and R400 a month.

- The overall redevelopment plan "appears to be a very expensive option. One hears talk of a 'garden city' — a plan no doubt palatable to surrounding whites, but completely out of reach of the average Alexandrian." The scheme involved rerouting roads, and the demolition of a large portion of the 3 976 existing houses.

- The path of several residents has been from homeowners to tenants in the expropriated homes they once owned, to occupants of temporary shelter provided as their old homes were bulldozed.

ZINC HUTS

In some cases the economic implications of this change in status were that rent-free houses were "exchanged" for a few rented rooms, and those in turn for more expensive rented shelter of a prefabricated kind.

Among the worst temporary accommodation were the zinc huts in 3rd Avenue, where two families shared a single-room shack, and where rental was to be R20 a month for half a hut.

- These newly-created "temporary" residents had been promised first option on new housing. But the Town Clerk, Mr Arthur Magerman, was quoted as saying that rentals in the new schemes would be at least R125.

Discussing the implications of creating a temporarily housed community in the course of renewal, the author writes "We wonder what will happen to those in temporary housing if the new Koornhof Bill — linking housing or approved accommodation with permanent urban residence — becomes law. Is it possible that the poor and unemployed will be sent away?"

The same question was posed in relation to the Grasmere

squatters, many of whom presently qualify to be in the Johannesburg or Vaal urban areas, but who cannot get, or cannot afford, housing in those townships.

The authors also highlighted the position of pensioners. "It is unrealistic to expect that even if these people are housed in core housing at rentals adjusted to their means, they will come out financially in the urban township structure. Such people require socially assisted housing."

A case study of the strifetorn Natal township of Lamontville put a similar view, quoting Mr Mike Mabaso, a member of the Joint Rent Action Committee.

"The rent increases (of 90 percent in Lamontville, and ranging from 25 to 85 percent in other Durban townships) are a strategy to put into effect the provisions of the Orderly Movement and Resettlement of Black Persons Bill before it has even gone through Parliament."

The views expressed at the conference have been put directly to Minister of Co-operation and Development, Dr Piet Koornhof, by residents of Huhudi township near Vryburg.

The freeze on private improvements in the old township, and high rentals to be charged for administration board homes, were designed to cause residents a "forced landing in the homelands", the Huhudi Civic Association wrote to the Minister.

Leaders of the Eastern Transvaal township of Leandra have predicted that removals from their settlement of 11 400 will not stop at the 56 families presently regarded as disqualified from urban residence. The rents in the redeveloped housing area would soon force the poorest out, the Leandra Action Committee argued, pointing out that the region's wages were low.

PE hospital fees: still lower at Provincial

Post Reporter

ALTHOUGH hospital fees will rise by 50% from Sunday in the Cape Province, the tariffs at the Port Elizabeth Provincial Hospital, which is a non-teaching hospital, remain much below those of the private St Joseph's Hospital

Patients at the Provincial have to pay a primary fee of between R23 and R38, depending on income, whereas St Joseph's has no primary fee

A bed in a general ward at the Provincial has now gone up from R18 to R27 a day

This, however, includes theatre fees and medicines for those who are not members of a medical aid scheme and who can't afford to pay for them. Medicine is also free to patients who have exhausted their medical aid

St Joseph's general ward costs are R56 a day but this does not include theatre fees and medicine — 15 minutes in theatre costs R79 and the fee goes up by R13 for every 15 minutes after that.

In semi-private wards at the Provincial, daily tariffs have gone up from R21 to R32. At St Joseph's a private room with a shared bathroom costs R63 a day

A private ward at the Provincial has risen from R24 to R36 whereas a private room at St Joseph's, with private bathroom, costs R70

The increase in the Provincial Hospital fees will not necessarily push up medical aid subscriptions

The general manager of the Midland Medical Plan in Port Elizabeth, Mr Michael Cross, said only 10% of medical aid fees went towards paying hospital fees

He said "Last year we foresaw provincial hospital tariff increases and took these into consideration in our year-end review. Because we put up our fees then, there is no need to do so now

"Unfortunately, we cannot always anticipate what will hit us"

Cape hospital fees up 50 pc

D. W. ...
29/3/84

CAPE TOWN — Provincial hospital fees are to rise by 50 per cent from April 1

The MEC in charge of hospital services in the Cape, Mr P J Loubser, released this information yesterday.

From next month, the primary fee in a teaching hospital will be R38, the daily fee for a general ward will be R45 and for a private ward the daily fee will be R60

The primary fee in a non-teaching hospital will be R23, the daily fee for a general ward will be R27, and the fee for a private ward will be R36

Out-patients will pay R23 per visit to a teaching hospital and R18 per visit at a non-teaching hospital

Mr Loubser said the increase "still compares favourably" with the tariffs in private hospitals and those being raised in other provinces.

He said the tariff at teaching hospitals was all-inclusive. At non-teaching hospitals the fee covered everything except medical services.

The average daily cost in all provincial hospitals had increased from R45,77 per day for an in-patient in 1981 to more than R65 in 1983.

Hospital fees during the 1982/83 year brought the province only 5,6 per cent of what it spent on hospital services. The preliminary estimate for 1983/84 was that this would drop to 5,1 per cent — DDC

MAIZE

Prices set to soar

Maize
244

There appears to be no way that Minister of Agriculture Greyling Wentzel can avoid announcing a stiff maize price increase next month

The farmers' representative body, Nampo, called for a 25% hike at its Potchefstroom congress earlier this month. It says this year alone farmers lost R1 billion on planting and cultivating maize which was devastated by the drought.

Government also wants an increase because it has to pay the difference between the current price of R187/t and the cost of imported maize. So far the premium on imports is about R35/t above the official price. With about 4 Mt to be imported this year government will have to find R140m.

The Maize Board (MB) too is likely to push for an increase. It met this week to prepare its recommendation.

The drought has underlined the importance of correct assessments of the maize crop, as mistakes can affect pricing decisions and negotiations on purchases (or sales) on world markets.

MB GM Hennie Nel admits that "mistakes are made" in assessing maize crops, but are to be expected, given SA's varied and irregular climatic patterns. Furthermore estimates by government and the board do not always agree.

The Department of Agriculture's (DA) official assessment of the maize crop in March was about 4,1 Mt, but the board's previous preliminary assessment was only 3,5 Mt (FM March 16).

A DA spokesman says his department's system of assessing crops is "reasonably good," and has usually been within 5% and 6% of actual figures.

He says the department investigated the use of US Department of Agriculture's Landsat satellite pictures to refine crop estimates in 1978, but found this too costly and complicated (a special computer is required). In addition Landsat pictures have to be confirmed and tested "on the ground," which demands additional technical staff.

The board wants to refine its assessment method in the coming year, starting preliminary assessments as early as December. Using agricultural co-ops, its agents in production areas and its more than 300 receiving points, it would use this system and a mass of continuous information to form assessments of maize and other crops. This would be done with, and not in opposition to, the DA's official assessments.

Nampo economist Kit le Clus says he doubts the wisdom of publicly announcing crop assessments, as this could influence prices on world markets, depending on SA's

import or export requirements.

According to him, government should determine an import budget, as soon as final crop assessments are received, which should then be handled on a day-to-day basis by the MB, as the administrative importing arm of the industry and of government.

"The present system, with imports managed by the board and government's special Import Advice Committee, is far too cumbersome," he says. "Meetings have to be called and resolutions passed asking government's authority to import. The process can take weeks and has caused the country to lose some good deals in the past."

"Where there is a set offer, a decision should be reached immediately on its acceptance as international markets are subject to daily and even hourly changes and price movements."



Maize consumers ... in for a shock?

Mdantsane train fares up

EAST LONDON — South African Transport Services have announced a fare increase on the service between Mdantsane and East London which will come into operation tomorrow

Fares are to go up by a few cents, for example, a third class ticket from Mdantsane to East London has been increased from 35c to 45c. A weekly ticket between the two centres will now cost R2,40 instead of R2.

SATS also announced a number of special trains which will run during the forthcoming Easter holiday period. They are:

March 29, East London to Johannesburg departing at 11 15 am and East London to Port Elizabeth departing at 12 noon.

April 19, East London to Queenstown departing at 9 pm (for black passengers only) and East London to Cookhouse at 9 40 pm.

April 23, East London to Port Elizabeth departing at 1 50 pm.

April 24, Queenstown to East London arriving at East London at 4 43 am (for black passengers only).

THOUSANDS of commuters were shocked and angry today to find the cost of their weekly and monthly train tickets had increased in some cases by more than 20 percent

Many telephoned The Argus to complain. They said they had expected an increase of about nine percent in terms of information given by the Minister of Transport, Mr Hendrik Schoeman, when he presented the South African Transport Services budget to Parliament this year.

Thousands bought monthly tickets today at the start of the new month.

Mr Leon Els, liaison officer of the Department of Transport Services, confirmed the increases, but said they averaged 9,5 percent because some fares had remained the same and some had, in fact, been reduced.

He disagreed with complaints by commuters that they had been misled.

Monthly increases of which people complained, with actual percentage increase in brackets: Claremont to Cape Town: Up from R13,50 to R16,50 (22 percent); Plumstead to Cape Town: Up from R17,50 to R21 (20 percent); Observatory to Cape Town: Up from R8,70 to R11,50 (32 percent).

Mr Els said that in certain cases the high increases were due to changes in the system of determining fares.

Previously fares were determined on a five-kilometre zone system (where all fares in a zone were the same). Now, due to the pending introduction of automatic ticket machines, fares were calculated on actual distance.

"Sneaked in"

Mrs Di Watson, a city building society employee, whose monthly Plumstead to Cape Town rail ticket today cost her R21, a jump of R3,50 from the old R17,50 fare, said she was annoyed that the railways had "sneaked in" a 20 percent, rather than the promised 9,5 percent fare increase.

"It is the principle that matters. They said they would increase the fares by 9,5 percent — which some people consider high enough anyway — and now they push it up at the last minute. The rising cost of living is bad enough. Now we have to cope with this as well."

Miss Pat Schwartz, one of Mrs Watson's colleagues, claimed that she had to pay much more for her monthly ticket.

"I am very annoyed. They said the increase would be 9,5 percent. The railways should have stuck to that."

Mr B MacLeod, director of the Cape Town Chamber of Commerce, today accused the railways of misleading the public and "hiding behind averages."

Goods tariffs

He said that not only passenger fares, but also goods tariffs were much higher than the average expected. Some goods tariffs were more than double the expected 9,4 percent.

"The railways are running at an enormous loss and we understand they are trying to reduce these losses, but they should not set unrealistically high tariffs and mislead the public."

Mr MacLeod said the minister "should be taken to task" for giving a low and misleading average increase and should be asked to explain how many people would pay the reduced fares used to determine the average and how many thousands actually paid considerably more.

The average given by the railways would be "a nonsense figure" if it transpired that most people actually paid more than the average given.

Examples of the new fares

	1st Class Single Ret		Third Class Single Ret		1st Class Wkly Mnthly		Third Class Wkly Mnthly	
CT/Fish Hoek	R1,30	R2,60	60c	R1,20c	R9,70	R36,00	R2,90	R11,50
Old fare	R1,10	R2,20	50c	R1,00	R8,50	R31,00	R2,40	R9,90
CT/Bontehwl	80c	R1,60	35c	70c	R6,00	R22,00	R2,10	R8,40
Old fare	80c	R1,60	35c	70c	R5,90	R22,00	R2,00	R8,00
CT/Bellvl	90c	R1,80	40c	80c	R6,80	R25,00	R2,30	R9,30
Old fare	80c	R1,60	35c	70c	R5,90	R22,00	R2,00	R8,00
CT/Nyanga	R1,00	R2,00	45c	90c	R7,60	R28,00	R2,50	R10,00
Old fare	R1,00	R2,00	40c	80c	R7,10	R26,50	R2,20	R9,10
CT/Mowbray	40c	80c	25c	50c	R3,40	R12,50	R1,20	R4,90
Old fare	50c	R1	25c	50c	R3,50	R13,00	R1,20	R5,20c

Passenger fares
 Commuters shocked by increases of over 20 percent in monthly ticket

ARGUS 2/4/84
 244

Price increases dash hopes of curb on inflation

244 Star
2/4/84

By Bill Levitt

Several price increases took effect yesterday and these will make it virtually impossible for the inflation rate to drop below 10 percent this year, economists say.

Last month, the Government announced that the inflation rate had dropped to 10 percent — the lowest for six years.

But that figure did not take into account a number of price increases since January nor the proposed increases in the prices of several other items.

A spokesman for the Government's Central Statistical Office said today that it normally took between one and three months before price increases on non-Government-controlled items had an impact on the inflation rate.

This was because retailers could hold back price increases as long as lower-priced stocks lasted, he said.

But spokesmen for food stores warned that, once stocks were depleted, customers would face the full brunt of price increases that, in some cases, would exceed the current 10 percent inflation rate.

Effective from yesterday

Increases effective from yesterday were

- Petrol — up 1,5 c a litre in the Transvaal
- Railway, air and harbour tariffs — up an average of 9,4 percent.

- Post Office tariffs — up nine percent.
- Rand Water Board tariffs — up 23,5 percent
- Transvaal Provincial Hospital tariffs — increased by up to 100 percent.

- Maximum penalties for traffic offences — increased to R2 000 for speeding and a maximum R2 000 (up from R800) for drunken driving

Since January.

- Brown bread has risen 16,6 percent and the price of a white loaf has increased 11 percent
- Prices of canned goods have been increased an average of nine percent.

- It has been announced that maize is heading for an increase of at least 25 percent.

Other items for which increases are forecast:

- Rice is expected to rise about 16 percent
- Detergents are set to rise about five percent and toiletries by about 10 percent

- Biscuits will rise nine percent and insecticides from 12 to 16 percent

- Sugar prices will rise another three percent when rail adjustments are made.

- Tea shortages will force up the price by as much as 25 percent

- Coffee will rise 7,5 percent.

KAM 3/11/84

Services, food soar in price (2/4)

Pretoria Bureau

ALTHOUGH the average inflation rate for the past three months is 10,4%, some goods and services rose above the average rate, according to the Consumer Council

Prices of commodities rose by only 8,6% against the increase of 14,4% in services, the council said in a statement.

The main increase in food prices was on fats and oils — 17,7% Fruit went up 18,9% and coffee and tea 13,2% Other foods — like vegetables — showed only a slight increase or otherwise an increase inside the average inflation rate.

Cold drinks showed an extraordinary increase of 19,5% which is much higher than the 6,2% of alcoholic drinks and 9,9% of tobacco and cigarettes

The inflation rate on housing is also abnormally high at 17,9%

The building industry, said the Consumer Council, was known as one of the economic barometers and therefore it was "discomforting" that the increase on housing showed such a sharp upswing

The retail price of motor vehicles increased by 11,8%

Train delays on day of fare increases

Staff Reporter

THOUSANDS of angry train commuters, who had just been hit by a fare increase, were left standing at their stations when 14 trains ran up to 22 minutes late yesterday morning

Commuters were particularly angry at the delays yesterday because it was the first day that new, generally increased fares came into effect

A signal defect at Retreat was the cause of the delay, said Mr Leon Els, public relations officer for the South African Transport Services. He added that the technical problem had been sorted out

The service was back to normal soon after 9am. The Mitchells Plain service had also been disrupted, he said, as the problem had begun on the Simon's Town line at 6 35pm, just after the start of the morning peak time

"Some of the trains had to be turned around before reaching their destinations on the route away from Cape Town," said Mr Els

It was a question of limiting the inconvenience to the smallest possible number of people, said Sats spokesman Mr Ernie du Plessis

"Average increases for third-class tickets were 12,8 percent, and first-class tickets went up by an average 9,1 percent," said Mr Els

However, some of the increases were as high as 28 percent

Mr Els said some fares had decreased by as much as 20 percent, as a new tariff system had been introduced yesterday

"Now we charge for exactly the number of kilometres travelled, whereas the previous system worked on a zone basis. Each zone was 5km in length"

The introduction of the new fare set-up was a step towards the modernization of the ticket-issuing system, he said

"We hope to have automatic ticket machines in operation by the end of the year," he said

A general rail fare increase had been instituted simultaneously with the change-over from the zone-based method to the kilometre-based one, he said

D. Ad Spatch
EAST LONDON — The general manager of South African Breweries for the Eastern Province and Border, Mr M Simms, has appealed to the liquor trade not to increase the price of beer by more than the increase in excise tax that was announced in the Budget last week.

978 294
Brewery: stick to budget increase
3/4/84

He said that this would be in the interests of both consumers and the liquor trade, as the increase would have a depressing effect on the growth of beer sales in the future

With the new prices, lager and pilsener beers will vary in wholesale prices from R8,46 for a case of 12 750 ml bottles to R11,92 for a case of 24 340 ml cans, milk stout from R9,05 for a case of 12 750 ml bottles to R9,83 for a case of 24 375 ml bottles, and draught (road deliveries only) will now cost R51,20 a 50 litre keg

Mr Simms said deposit values will not change
—DDR

1878 244 Star 4/4/84

Goods and services pass inflation rate

Pretoria Correspondent
In the last three months the cost of goods and services has risen above the average inflation rate of 10,4 percent, according to the South African Co-ordinating Consumer Council.
While the cost of commodities rose by 8,6 percent the cost of services increased by 14,4 percent, said the council.
The main increase in

food prices was caused by a 17,7 percent increase on fats and oils, 18,9 percent on fruit, 13,2 percent on tea and coffee and 14,4 percent on other items.
According to the council, coldrinks showed an extraordinary price increase of 19,5 percent which was much higher than the price increases of 6,2 percent for alcohol, and 9,9 percent for tobacco and

cigarettes
The Consumer Council said the building industry was an economic barometer so it was discomfoting that the inflation rate for housing had risen so much.
The council also maintained that a 15,5 percent increase in domestic servants' wages contributed to inflation and that setting minimum wage levels for

them would be inflationary
The retail price of vehicles increased by 11,8 percent in the last three months — excluding the increases on vehicles above and below R15 000 announced in the Budget
The Consumer Council also criticised the increase in communications tariffs, saying it was an unhealthy economic principle to close gaps so suddenly

The council said it could be reasoned that there had been no communications increases between 1975 and 1979, and that communications during this period had slipped behind other services which introduced periodic price rises
But the council said it was a harsh measure to rectify the gap by introducing a 26,4 percent increase in tariffs

Price spiral in E Cape slows

244

E. Post 5/4/84

LATEST calculations of the household subsistence levels (HSL) for black and coloured families in South Africa, show only "moderate" price increases, according to the University of Port Elizabeth's Institute for Planning Research.

According to the UPE figures just released the barest minimum monthly income required by a black Port Elizabeth family of six rose 0,7% to R278,97 in March (compared with September last year)

The HSL (see footnote) calculated for a coloured family of five members in Port Elizabeth rose 4,2% to R293,10c

The report contained comparatively good news for black families in the Eastern Cape, as the increase in the HSL over the past six months was lowest in Uitenhage (0,1%), closely followed by Port Elizabeth (0,7%)

In Peddie the increase was 1,4%



By Louis Beckerling
Business Editor

Under the circumstances Port Elizabeth remains among the cheapest cities for black families, with its minimum monthly bill of R278,97 considerably lower than the most expensive city, Windhoek, where a black family requires a minimum income of R314,63

In East London the HSL for black families rose 4,9% over the past six months to R282, and 5,9% for coloureds, to R280,98

Centres showing the highest increase in the black HSL were Johannesburg, Springs and Germiston (9,4%), Benoni (9,2%), and Boksburg (8,9%)

Contributing to these substantial increases were the costs of water and electricity

In a commentary attached to the figures UPE observes that "it would appear that the effect of the general increases in the prices of certain commodities which were announced recently, such as maize products, bread and cooking oil and sugar, were partly offset by very low increases of other commodities"

For coloured households the pattern "follows that of blacks" While the average increase in the HSL for black households over the past six months was 3,7% (9,2% over a 12-month period), that for coloured families, says UPE, was 5,8% (and 12% for the 12-month period)

Best off were the residents of King William's Town, where the calculated

HSL for March was actually lower than that for September (declining 1,6% from September's R235,36)

"This apparent anomaly," says UPE, "is partly due to a substantial drop in the average electricity and water account"

Other centres which experienced moderate to low increases were Queenstown (3,4%), and Port Elizabeth (4,2%)

In Pretoria a substantial 10,1% increase in March's HSL compared with that for September was recorded

The UPE's Household Subsistence Level (HSL) is updated every six months and was first published in April 1973

It measures, by way of field research, the estimated theoretical income required by an individual household to maintain a defined minimum level of health and decency in the short term Included in the survey is the cost of food, clothing, fuel, washing and cleansing materials, plus the cost of workers' transport

Excluded are medical expenses holidays, hire purchase allowances, reading materials, incidental expenses and general transport Inflation the HSL by some 50% produces the HEL (household effective level), which would include such additional expenses

HOUSEHOLD SUBSISTENCE LEVEL FOR SURVEYED CENTRES

CENTRE	PHSL	Rent	Transport	HSL		% increase since		HSL
				Blk 6 Col 5 members	March 1983 (12 mths)	Sept 1983 (6 mths)	Blacks five* members	
Port Elizabeth								
Blacks	242,23	25,48	11,26	278,97	5,9	0,7	243,60	
Coloureds	242,99	31,92	18,19	293,10	9,0	4,2		
East London								
Blacks	245,88	22,05	14,07	282,00	10,6	4,9	246,04	
Coloureds	243,94	25,14	11,90	280,98	12,6	5,9		
King William's Twn								
Blacks	243,55	15,55	13,00	272,10	9,9	2,4	236,37	
Coloureds	231,28	47,12	8,66	287,06	7,3	-1,8		
Uitenhage								
Blacks	239,99	28,53	8,66	277,18	4,0	0,1	241,81	
Coloureds	235,36	24,43	8,66	268,45	6,8	3,0		
Queenstown								
Blacks	245,70	30,42	14,50	290,62	9,4	3,0	254,63	
Coloureds	244,00	32,95	4,98	281,93	9,1	3,4		
Umtata								
Blacks	249,34	19,34	5,63	274,31	15,9	6,8	237,64	
Peddie								
Blacks	230,71	None	None	230,71	3,9	1,4	195,17	

A CRITIQUE OF THE SWART PLAN

John Knight

The table details HSL statistics for selected Eastern Cape centres, while the graph charts the trend in HSL increases for black households in the country's five major urban centres.

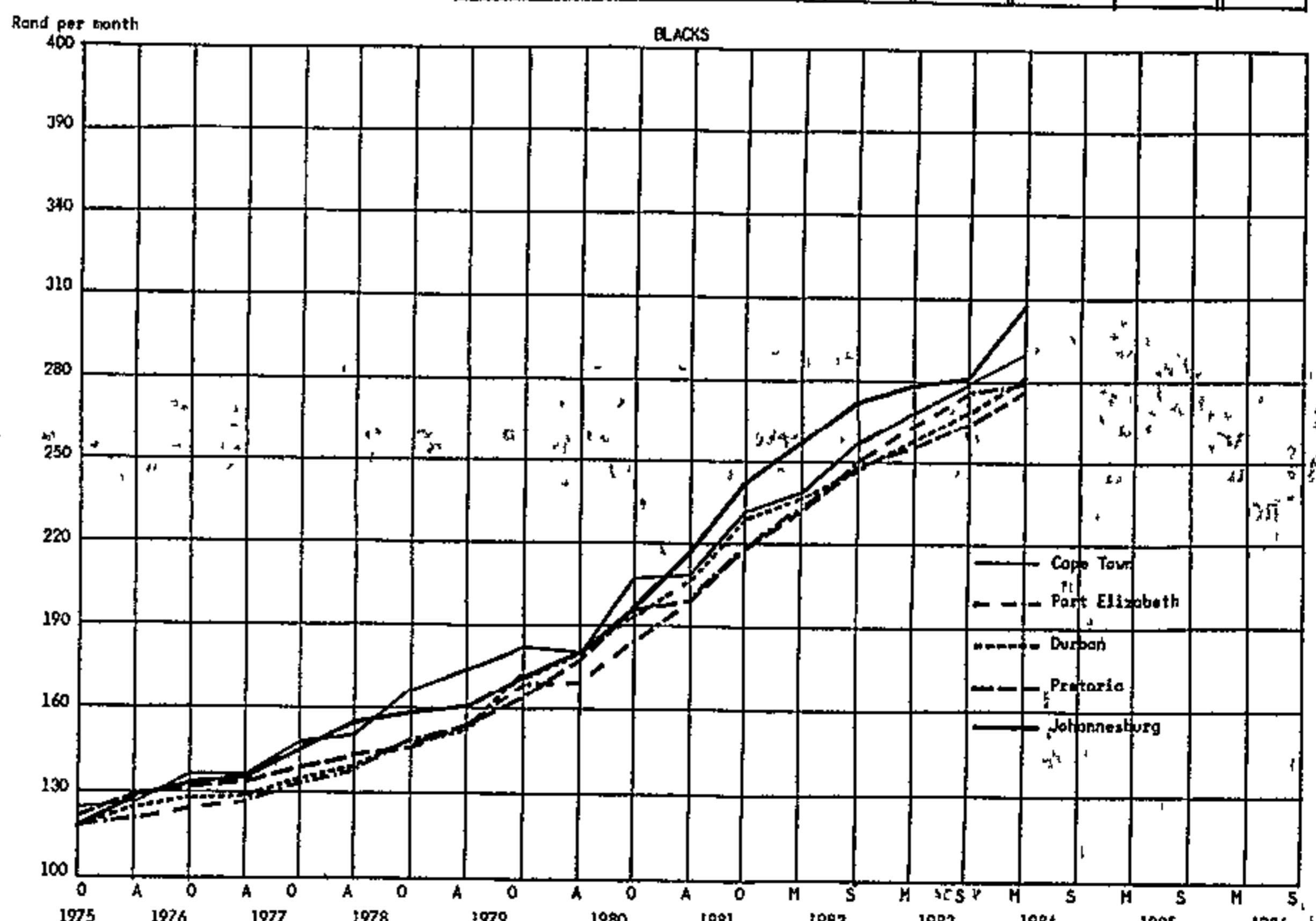


FIGURE 1 THE HOUSEHOLD SUBSISTENCE LEVEL COST FOR FIVE MAJOR URBAN AREAS FROM OCTOBER 1975 TO MARCH 1984

Bus fares climbing — again

330
1244
City Pass
8/4/84

By **DERRICK LUTHAYI**

NEXT Wednesday is a gloomy day for commuters — they will have to dig deeper into their pockets when the giant Greyhound Bus Lines increases its fares on the West Rand.

According to the company's traffic manager S Noble, local community councils and town councils in the West Rand are aware of the 8,3 percent increase, and it has been approved by the Local Road Transportation Board.

Mr Noble said the fares will increase on some routes by five cents, but on others there will be no increase.

Commuters travelling between Mohlakeng and Randfontein, Delmas, Aures, Leratong Hospital, Greenhills, Chamdor factories and Bekkersdal will pay five cents more.

Commuters travelling between Kagiso, Krugersdorp, Sterkfontein, Delperton and Leratong Hospital will also pay five cents more.

He urged commuters to use weekly and monthly tickets, which are cheaper. On some routes, commuters can save up to R1,30 a week.

"We had planned to implement the increase from January this year," said Mr Noble.

"But, during our discussions with local councils, we were asked to postpone the increase for as long as possible.

"We managed to do so because of the reduction in fuel prices."

Another shock for consumers

US maize imports to jolt prices

244 Star
11/4/84

By Bill Levitt

Blacks, pensioners and low-income whites will face more hardship later this year when the high cost of imported maize forces up the price of meat, poultry, eggs and mealie meal.

The Poultry Association says broiler chickens could cost 12c/kg more, and eggs could rise by 9c a dozen.

The Government-controlled floor price for meat at cattle auctions will be reviewed in July, and milk prices — deregulated last year — could also rise.

A spokesman for Premier Milling said there could be a 15 percent increase in mealie meal — from 78c to 90c for a 2,5 kg packet.

South Africa must import 4,4 million tons of maize, and producers say most of the additional cost — between 30 and 35 percent — will be passed on to consumers.

Though maize imports began last year, the Maize Board refuses to say if this year's requirements have been bought, or when they will be shipped.

The National Maize Producers estimate that it will cost R247 to get a ton of maize from the United States to producers in South Africa. Local maize costs about R187.

Producers estimate that the cost of producing chickens will rise R7 million for every R10 a ton imported maize costs more than the local prize. Egg producers will pay about R3 million more.

This latest blow comes at a time when consumers are still reeling from price rises to a number of staples, increased GST, and new taxes on alcohol and cigarettes.

Consumer groups such as the Housewives' League of South Africa have urged the financially-strapped Government to subsidise the maize imports.

The Government is investigating the possibility of such a move, but sources say it is unlikely that any subsidy will cover the total costs.

Use your consumer power, blacks told

BLACKS play a major role in the economy of the country but they don't get a fair deal because of their ignorance of their own consumer power.

This was said by Mrs Ellen Khuzwayo, president of the newly-formed Black Consumer Union, at The SOWETAN Woman's Club in conjunction with Carlton Paper meeting held at the Pace College in Jabulani on Saturday.

Mrs Khuzwayo was speaking on the role played by black consumers in the South African economy and the rights the consumer has. She pointed out that many blacks were igno-

**By RUTH
BHENGU**

rant of their rights as consumers and thus were prey to exploitation by traders.

Mrs Khuzwayo also urged members of the club to use their buying power to their advantage. She said that if the black consumer were aware of the power she has she would be in a better position to bargain.

Power

"Consumer awareness means you don't buy what you don't want. Instead you make the shopkeeper get what you want if he does not exercise their consumer

have it
"Black people should know their value and power to get a fair deal," she said.

Ms Julie Francis, Consumer Affairs Officer at Checkers, said that her company had started a campaign to make shopping more pleasant and to enable the consumer to exercise her right by embarking on training projects for the whole staff and also introducing suggestion cards for the customers to lodge any complaints. She encouraged the members to make use of those channels available to them to ensure they got a fair deal.

Views

Question time was longer than usual because it was apparent that the subject discussed was closest to members' hearts.

There were interesting questions and views exchanged and the members did not only have a stimulating afternoon but also a very informative one.

Mrs Ellen Khuzwayo: President of the newly formed Black Consumer Union who gave a talk on consumerism at the Sowetan Woman's Club on Saturday.



RDM
MAIL, Friday, April 20, 1984

Inflation continues to spiral upwards

By GERALD REILLY

Pretoria Bureau

SOUTH AFRICA'S chronically high inflation rate increased again during March, according to the latest consumer price index (CPI) released in Pretoria yesterday by Central Statistical Services.

In February the rate dropped by 0,3% to a 12-month figure of 10%.

During March however it rose again to 10,2%.

Economists said yesterday the 10% barrier would be hard to break and it was unlikely it would be broken for the rest of the year.

During March the all-item index rose from 278,4 to 281,9 an increase of 1,3% which, on a 12-month basis, is more than 15%.

The food-only index reflected the escalating costs under the impact of last summer's disastrous drought.

The index rose by 2% during March, with a 12-month figure of 9,6%.

A Volkskas economist, Mr Adam Jacobs, said the CPI was likely to continue rising during the months ahead.

Major factors in the level of the country's inflation rate were the weakening of the rand which made imports much more costly, the high growth in the money supply and the high level of Government spending, which had a short term impact.

Other economists pointed out that higher railway and post office tariffs, which came into effect on April 1, still had to make their impact on the index.

Just ahead, too, were price increases in two major foods, maize and milk.

Doubts on costly imported maize

By Barry Sergeant

NEW maize prices for producers and meal-meal prices for consumers will be announced within the next two weeks, say the SA Agricultural Union and the National Maize Producers Organisation (Nampo).

Although the increases are a foregone conclusion, the vital news will be the size of the consumer subsidy

SA producer prices are expected to increase 17,6% a ton to R220, the notional landed cost of imported maize. Exact import prices cannot be disclosed by the Maize Board because of tactical bargaining on world markets where prices are rising

Bread

Mealie meal could rise by up to 35%, according to conclusions reached at a Maize Board meeting where producer, consumer and feed-stock organisations were represented. If the normal subsidy of R136-million is given to meal, prices would rise 25%. But if the subsidy were increased to bread's R275-million they would rise by only 12%.

Pieter Gous, executive director of Nampo, says the producer maize price will have to be R354 a ton to compensate farmers for lost production costs.

The price announcement will be made amid controversy over the quality of imported maize. Argentina has suffered crop losses because of heavy rains and the US because of drought.

Top grade

The quality of US maize has been affected by its payment in kind programme (PIK) which gave farmers maize — stockpiled for the past three years — in return for idling part of their land. The stockpiled mealies have suffered because of lengthy storage.

Hennie Nel, general manager of the Maize Board, insists that only top-grade

maize is being bought

One grain analyst says that because foreign maize is not used for human consumption, it receives less handling and storage care than in SA.

The SA maize crop will be marginally up on 1983's, according to the Department of Agriculture's estimate — 4 117 000 tons for 1984 compared with 1983's 4 075 000.

Shipping

Farmers will keep 800 000 tons of maize for their own use, leaving deliveries of 3 317 000 tons.

Consumption exceeds 7-million tons, and 3,8-million tons of mealies will have to be imported. Dr Gous says imports could be reduced by using 300 000 tons of grain sorghum to feed stock.

Hennie Bezuidenhout, manager of the SAAU's grain commodities committee, says discussions on importing wheat from Brazil and Australia are under way. World wheat prices are lower than for maize.

The maize import programme worries shippers because the authorities insist that ships carry only 25 000-ton cargoes, with a 5% allowance on either side. The Maize Board also insists that the vessels have a maximum draught of 32 feet.

The reason, according to Mr Nel, is to allow flexibility in port destinations. Richards Bay can take ships with a 40-foot draught, but East London and Port Elizabeth, which are handling most of the imports, cannot.



Coal rip off



**Consumer
Corner**
BY LEN
MASEKO

PRETORIA coal dealers, and some of their Soweto counterparts, are charging R4,20 for a 70kg bag of coal — about 10,5 percent more than the recommended price. This emerged during a Consumer check which revealed that the new price of R4,20 — which came into effect on

April 1 as a result of a nine percent hike — was 44 cents more than that recommended by the Department of Mineral and Energy Affairs. The controlled price of a 70kg bag of coal is R3,76, according to Mr J Roets, price-controller of the Mineral and Energy Affairs Department. But Consumer Corner



found that coal merchants in Atteridgeville and its neighbouring townships, and in some parts of Soweto, were charging 44 cents more for a 70kg bag than the recommended price. A survey around Orlando East and Nancefield, Soweto, revealed that all dealers in the

two townships were charging R4,20. One Orlando East dealer, who said he was not aware that he was overcharging, told Consumer Corner that the Orlando East/Nancefield branch of the Soweto Coal Merchants Association (SCMA) had approved the price

at a meeting recently. By charging consumers 44 cents more than the recommended price coal dealers were risking prosecution, Mr C T Cloete, regional inspector of the Department of Commerce and Industries, told Consumer Corner. "They are definitely overcharging by selling the 70kg bag at R4,20. We will start investigations as soon as possible. I will send my men to the townships to investigate this racket," Mr Cloete said.

Our organisation will look into the matter. We will try to find ways of solving the problem, and perhaps call their associations to a meeting. Perhaps this will help us find out why they are overcharging," Mrs Maubane said.

Mrs Dorothy Maubane, secretary of the newly-formed Black Consumer Union, said it was "unfair" of merchants to overcharge on the price of coal, and urged coal dealer associations to investigate the matter.

Residents in Duduza and Vosloorus, the survey revealed, paid R4,30 for the same size of coal. Those in Springs pay 10 cents less for the 90kg. Consumer organisations have reacted with shock and anger at the news that some coal dealers were overcharging.

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Mr Joseph Mamashila, SCMA chairman, said that all dealers in the two townships were charging R4,20. One Orlando East dealer, who said he was not aware that he was overcharging, told Consumer Corner that the Orlando East/Nancefield branch of the Soweto Coal Merchants Association (SCMA) had approved the price

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Price
In terms of the old official price list, the R3,80 these dealers are charging for a 70kg bag of coal is 38 cents more than the old recommended price. The old official price, before the nine percent hike was announced, was R3,42. Still, the R3,80 price Soweto consumers are charged for the 70kg bag is four cents higher than the new official price (R3,76). The SCMA chairman, Mr Joseph Mamashila, could not be reached for comment by the time of going to Press. Meanwhile a survey on the East Rand revealed that coal was cheaper in the area. Local coal merchants charge R4,30 for a 90kg bag of coal — 23 cents less than the official price.

Consumer organisations have reacted with shock and anger at the news that some coal dealers were overcharging. Mrs Dorothy Maubane, secretary of the newly-formed Black Consumer Union, said it was "unfair" of merchants to overcharge on the price of coal, and urged coal dealer associations to investigate the matter. Our organisation will look into the matter. We will try to find ways of solving the problem, and perhaps call their associations to a meeting. Perhaps this will help us find out why they are overcharging," Mrs Maubane said.

Maize price: ~~to~~ end to GST on food urged

The Government has been urged to give immediate relief to the poor and unemployed by withdrawing the general sales tax on essential food items following yesterday's huge rise in the maize price

The calls were made by the chief Opposition spokesman on finance, Mr Harry Schwarz, and the executive chairman of Pick 'n Pay, Mr Raymond Ackerman, after the 26,5 percent increase in the gross producer price of maize announced by the Maize Board yesterday

An increase in the State maize prize subsidy reduces this to what is still a record 18,5 percent rise in the retail price of maize products

This in turn will have a severely inflationary effect on a range of other essential foods such as eggs, meat and milk.

Mr Schwarz said the low-income groups had already seen their disposable incomes shrink as a result of the recession. These people, as well as the many unemployed, would not be able to afford the latest price increases

He called on the Government to immediately increase the subsidies on essential foodstuffs so that the seven percent GST was refunded to consumers.

Mr Ackerman appealed to the Government to make an urgent re-assessment of the GST on basic foods in the light of the increase

HUGE INCREASES

He said the question of subsidies on maize and bread should be investigated because of the huge increases poorer people were facing

The secretary of the Western Cape Agricultural Union, Mr Gert Bosch, said the latest maize price increase would have a particularly adverse effect on intensive stock farming in the Western Cape. He said producers would not be able to absorb the increase.

The chairman of the Western Cape Fresh Milk Producers' Union, Mr Nico Basson, said in view of the increase, he doubted whether it would be possible to avoid increasing the consumer price of milk. A milk price increase had not been planned until the end of the year.

The deputy-chairman of the Boland Poultry Producers' Association, Mr Ferruccio Ferucci, said since 60 percent of the country's maize production was used by poultry farmers, he expected the price of eggs to go up by eight cents a dozen. The price of chickens could rise by 15c a kg

The increase would force pork farmers to give greater attention to alternative sources of protein to replace maize in the rations, said the chairman of the Western Cape Pork Producers' Association, Mr David Gañt.

Prices up in wake of maize

AKGals 27/4/84 35/4/84 29/4

Staff Reporter

RETAIL price rises on maize products could be felt by shoppers within three weeks, following the Maize Board's 18,5 percent maize price increase.

The price rise is likely to be felt more widely as a ripple-effect pushes up prices of foods associated with maize

The chairman of the Maize Board, Mr Crawford von Abo, who announced the price rise, said in Pretoria the prices of maize products would probably increase by about 18,5 percent

As a result of the increase in the cost of animal feeds, the price of such foodstuffs as eggs, broilers, pork, milk and beef were expected to rise also, he said

Some supermarket chains pledged today to keep their prices down for as long as possible

THREE WEEKS

Spar's supermarkets countrywide will keep a lid on prices but expect old stocks to run out within a week, said Mr Sidney Matus, executive director of the group

Mr Raymond Ackerman, managing director of Pick 'n Pay, said. "The price hike will be passed along to the consumer within the next three weeks in our shops, as maize is a perishable item

"However, stores should not raise their maize prices immediately until their old stock has run out — that would be very unfair to the consumer."

Mr Gordon Utian, Checkers' managing director, called on all food manufacturers to help consumers by cushioning price increases that will follow the maize price increase

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Mr Gordon Utian, Checkers' managing director, called on all food manufacturers to help consumers by cushioning price increases that will follow the maize price increase

The South African Coordinating Consumer Council has warned that consumers could turn to other foods such as rice and potatoes if maize prices continued rising

Egg prices could go up by 4c a dozen, broiler prices by 5 c/kg, pork by 7 c/kg, milk by 1,5 c/litre and the price of beef by 20 c/kg

● National president of the Black Housewives' League Mrs Sally Motlana expressed shock at the increase of "the staple food for the lowest and poorest section of the population

"This increase will make the poverty of blacks unbearable and may even cause the peace we are looking for to be very shaky," she said.

Massive

maize

price

increase

CAR TIMES
27/4/84

~~MAIZE~~
244

Own Correspondent

JOHANNESBURG. — Supermarket chains called on the government to introduce urgent action to minimize the crippling effect of a massive maize price increase of 18,5 percent announced in Pretoria yesterday.

And black consumer bodies reacted with shock to the increase, predicting that a price increase in "the most essential foodstuff for people in the lowest income bracket" would make black poverty "unbearable"

The price increase was announced by the chairman of the Maize Board, Mr Crawford van Abo

Speaking at a press conference in Pretoria after a meeting with the Minister of Agriculture, Mr Greyling Wentzel, Mr Van Abo said "This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize"

Ripple effect

The two major reasons for the huge price rise are the devastating drought, which destroyed two-thirds of last summer's crop, and the high price of imported maize

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He also called for a "quick decision" on withdrawing General Sales Tax on all basic foodstuffs, "before this very big increase filters through to the consumer"

Mr Ackerman said Pick 'n Pay would be able to help the consumer absorb the increase because it had bought forward maize

Pick 'n Pay would not raise the maize price till all the forward maize stock had been sold — and its mark-up on the higher price maize

Checkers, called on all food manufacturers to "exercise constraint" and help the consumer by "cushioning" the inevitable price increases that would follow the maize price increase

Mr Utian also made an urgent call to the government to implement a "selective subsidy" to relief organizations so they could continue feeding commitments

"Although the man in the street will be hit hard by the ripple effect of this massive increase, it is a major disaster for the emergency-relief feeding organizations presently keeping hundreds of thousands of drought-stricken people from starvation," he said

The national president of the Black Housewives' League, Mrs Sally Motlana, said she was shocked that the government could increase the price of the staple food of the "lowest and poorest" section of the popu-

Thatch

LONDON — The British Prime Minister, Mrs Margaret Thatcher, yesterday slammed what she called the "utterly appalling" treatment Zola Budd faced at Crystal Palace Stadium last night when sections of the crowd hurled racial insults

As the row over Zola reached the highest levels of British politics, Mrs Thatcher told the House of Commons "I thought the treatment meted out to a 17-year-old girl was utterly appalling and a disgrace to those who meted it out."

Mrs Thatcher also backed criticism of Labour-controlled local authorities which seek to ban Zola

In the House, Tory MP Mr Keith Best declared it

was "petty — picable" for London Council authorities to dress to a female athlete in this country"

He said he was pursuing personal and held ig about, South

Mrs Thatcher wholly agree

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By CHRIS BA.

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Own Correspondent

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Ripple effect

The two major reasons for the huge price rise are the devastating drought, which destroyed two-thirds of last summer's crop, and the high price of imported maize

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The national president of the Black Housewives' League, Mrs Sally Motlana, said she was shocked that the government could increase the price of the staple food of the "lowest and poorest" section of the population

"This increase will make the poverty of the black man unbearable, and may even cause the peace we are looking for to be very shaky

The president of the Black Consumer Union, Mrs Helen Khuzwano, said it was clear that the increase of the "most basic staple food for people in the lowest income bracket" was to "protect" farmers, and not to help the consumer

'Going to die'

"Farmers are the government's dependants. They have got big loans, and they are subsidized in many ways," she said

Mrs Maggie Nkwe, matron of the Orlando Children's Home, said the increase in the price of maize was an indirect way of really destroying the poor

"We are starving already, and increasing the price of our most basic foodstuff means that we are going to die"

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Consumers must pay 18,5% more

Shock rise in price of maize

RDM 27/4/84

244



Consumer
groups
slate
increase

By GERALD REILLY
Pretoria Bureau

THE price of maize is to be increased by a record 18,5%, the chairman of the Maize Board, Mr Crawford van Abo, said in Pretoria yesterday.

Speaking at a Press conference after a meeting with the Minister of Agriculture, Mr Greyling Wentzel, Mr Van Abo said:

"This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize

"We are faced with reality, and we must act accordingly. World supplies are low and we have to purchase whatever is available"

Consumer organisations reacted with shocked surprise at the extent of the price increase, which will affect a whole basket of essential foods, and hit the poor, who rely on mealie meal as a staple diet, hardest

Two main reasons for the huge price rise are the devastating drought, which destroyed two thirds of last summer's crop, and the high price of imported maize

Mr Von Abo said preliminary calculations were that the price of maize products would rise by about 18,5%

He said the prices of animal products would rise because of the inevitable increase in animal feeds

Eggs were likely to rise by 4c/doz, broilers by 5c/kg, pork by 7c/kg, milk by 1,5c/l, and beef by 20c/kg

The Consumer Council said the higher price would have a serious impact on the budgets of low income earners

The effect the new price would have on other foods was disturbing, a spokesman said

The president of the Housewives' League, Mrs Joy Hurwitz, was "shocked"

"This will be a terrible blow to the black consumer, especially in a climate of rising unemployment and a continued recession."

The general secretary of the Garment Workers' Union of South Africa, Mrs Lucy Mvubela, said "I am shocked. How could they do such a thing?"

"Maize is the basic food of my people who are struggling to feed themselves, especially after the recent increases in other basic foods, including bread"

Mrs Mvubela said there was already widespread hunger in the townships and loading the maize price by almost a fifth would mean starvation in some families.

The big price rise, Mr Van Abo said, was the consequence of the unusual drought, especially in the western part of the country

This had resulted in a maize crop of about four million tons of which producers would deliver only 2 700 000 tons to the board

This meant that between four million and 4 500 000 tons of maize would have to be imported

This year for the first time in the country's history, he said, imports would exceed local production

The cost of imported maize would be R245,87 a ton

"And if the Government had not been willing to subsidise the domestic selling price the board's selling price would have been R245,87 a ton"

As a result of a considerably larger Government subsidy, however, the board's selling price would be R220 a ton. This was about 19% higher than the present selling price

The new price applies from today. The net producer price has been fixed at R214 05 a ton for white and yellow mealies

The Minister of Agriculture said the decision to increase the price of maize was unanimous and had his full approval, Sapa reports

In a Press statement, Mr Wentzel said the Maize Board's decision was the result of a countrywide crop failure for the second successive year, which necessitated the highest import programme in history at a time when import processes were particularly high

Because of the difficult economic conditions the Government was limited in the amount of assistance it could give to producers and consumers, which meant a big price rise was unavoidable, he said

By CHRIS STEYN

SUPERMARKET chains last night called on the Government to take urgent action to cushion the impact of the massive 18,5% maize price increase

Consumer organisations also reacted strongly

The national president of the Black Housewives League, Mrs Sally Motlana, said she was shocked that the Government could increase the price of the staple food of the "lowest and poorest" section of the population

The president of the Black Consumer Union, Mr Helen Khuzwanyo, said it was clear that the increase of the "most basic staple food for people in the lowest income bracket" was to "protect" farmers, and not to help the consumer

Pick 'n Pay's chairman, Mr Raymond Ackerman, last night urged the Government to subsidise maize

He said Pick 'n Pay would not raise the maize price until all current maize stocks had been sold — and its mark-up on the higher-price maize would be "absolutely minimal"

Mr Gordon Utian, managing director of Checkers, called on food manufacturers to exercise constraint and help the consumer by cushioning the price increases that will follow the maize price rise

South Africa's largest retailer, OK Bazaars, has reacted to the increase in the price of maize by slashing the price of its Pot o' Gold high protein macaroni and spaghetti

OK's managing director, Mr Gordon Hood, expressed his alarm at the extent of the increase which comes hot on the heels of other food price rises.

Cape Times
28/4/84

Warning ~~on~~ maize price rise

Staff Reporter

WORKER and community organizations in the Western Cape have warned the government that the 18,5 percent maize price increase announced this week would cause widespread anger and resentment which could threaten the country's stability

The publicity secretary for the United Democratic Front in the Western Cape warned that the increase on this staple food was seen by workers as a "clear provocation" from the government.

"Our people's patience is not endless," he said "Workers in South Africa have learnt that the only defence against these attacks on their living standards is united action"

The secretary of the General Workers' Union, Mr Dave Lewis, said the union deplored the increase following as it did increases in the prices of most basic foodstuffs and the increase in GST

"The unions have already taken up the GST increase with the Minister of Finance and this is further proof that the government is not interested in consulting with or considering the plight of the people most sorely affected by the increase

"It will come to learn the consequences of this type of action," said Mr Lewis

If the government reduced expenditure on defence, it could easily subsidize the maize price, he said

A spokesperson for the Food and Canning Workers' Union said the union was "shocked and outraged" by the price increase

The director of the Carnegie Inquiry into Poverty and Development, Professor Francis Wilson, said the poorest members of the community would feel the increase first, and most acutely

"Papers submitted to the Carnegie Inquiry show that the number of people in the homelands with no visible means of support — no land, no cattle, no pensions, no remittances — has increased 5½ times in the past 20 years," he said

"If you are scraping by with no money at all, what do you do when the price of your staple food is increased by almost 20 percent?"

Professor Wilson said the price increase was a political decision and questioned whether increasing the consumer's burden would really solve the "enormous" problems faced by the maize industry

The Minister of Agriculture, Mr Tos Wentzel, has given his full approval to the increase, which he described as "unavoidable".

Countrywide crop failure

In a press statement, Mr Wentzel said the Maize Board's decision was the result of a countrywide crop failure for the second successive year, which necessitated the highest import programme in history at a time when import processes were particularly high

Because white maize is unobtainable on the overseas market, South Africa will import only yellow maize. Maize this year will therefore contain 75 percent yellow and 25 percent white maize

The maize price increase will also have a substantial effect on other animal products, according to figures released yesterday

Eggs are expected to cost 4c more a dozen, broiler chickens to increase by 5c a kilogram, pork by 7c a kilogram, beef by 20c a kilogram and milk by 1½ cents a litre.

244

In the Land of the R1 Calboages

WHAT worries Mrs Mang le Mang most is the price of food. She is not alone. It is a problem she shares with all her neighbours in Gazankulu who spend 40% of their meagre incomes on food.

Mrs Mang le Mang is not an actual person. She is an Everywoman figure representing the poor of Southern Africa on whom the Carnegie Corporation spent R500 000 identifying and analysing their problems, and working out strategies to solve them.

Mr and Mrs Mang le Mang are the composite faces of many academic statistics and case studies presented in the 303 reports made in Cape Town to the Carnegie inquiry into poverty last week.

Their lives differ very little from those of the other two million families in South Africa living below the breadline.

The poor spend a large proportion of their income on food simply because they don't have much money and still have to feed their families — in the Mang le Mang case, five children plus granny.

Rocketed
The three-year drought has aggravated their situa-

The Carnegie Inquiry
FOCUS ON POVERTY



By MARION WHITEHEAD

Mr Mang le Mang earns R15 a month. He sends money to his wife whenever he can but when there is trouble he has nothing to send. Like the time he was jailed for not having the right pass.

His problem was not unique — 529 others were jailed for the same reason in South Africa that day. He lost his job for being absent and there was no money during the months he looked for work.

That's when Mrs Mang le Mang became so desperate she took a job at the sisal plantations. Working from 6.45 am to 5.15 pm five days a

to allocate land, he also has the ear of the homeland's government.

Mrs Mang le Mang has visited the big city, Joni (Johannesburg), just once, when her husband could stand his loneliness no longer. She was shocked at the way he lived in a hostel with 16 men to a room, paying R14 each with too little place for everyone to cook and wash.

Despite the bad conditions, Mrs Mang le Mang squeezed in with some of the other families. But it wasn't long before she and her children were arrested in one of the frequent pass



Pillars of apartheid must go, inquiry is told

THREE pillars of apartheid — influx control, citizenship laws and land ownership — are steadily impoverishing South Africa. This was one of the dominant themes to emerge from papers at the Carnegie Inquiry into Poverty in Southern Africa.

The three will have to go if any long-term strategy to combat poverty is to be effective, the inquiry was told.

"We are playing games if we think we can do anything without these changes," Professor Francis Wilson, director of the inquiry, warned at the close of the conference in Cape Town. All three are vital components of the government's vast experiment in social engineering.

Misery

Urbanisation was a process actively encouraged by the government earlier this century when poor white Afrikaners looked to city jobs to lift them out of their misery. But influx control laws — based on the authorities' control over housing and employment — kept the majority of the black population confined to the 13% of the land allocated to homelands.

Lawyer Mr Arthur Chaskalson and the Black Sash president, Mrs Sheena Duncan, in a paper detailing how widely the influx net falls, said: "The re-

and case reports made in Cape Town to the Carnegie inquiry into poverty last week.

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Rocketed

The three-year drought has aggravated their situation and food prices have rocketed. For a cabbage, R1 is the exorbitant price Mrs Mang le Mang pays.

The women of the drought-stricken village sing a mournful song

This year we shall all perish, we people of Chauke We found everyone with tears, crying for meales

They have lost nearly all their cattle and only 12% of villagers have any beasts left. Mrs Mang le Mang hopes her husband, a migrant worker on the Reef, will send the family some money soon. Between 50% and 75% of the people in her area depend for their survival on money sent by migrant workers.

Mr Mang le Mang earns R15 a month. He sends money to his wife whenever he can but when there is trouble he has nothing to send. Like the time he was jailed for not having the right pass.

His problem was not unique — 529 others were jailed for the same reason in South Africa that day. He lost his job for being absent and there was no money during the months he looked for work.

That's when Mrs Mang le Mang became so desperate she took a job at the sisal plantations. Working from 6.45am to 5pm five days a week earned her R20 a month. She gave it up in disgust as soon as her husband found a job.

Only 2% of the people in her area can make a living from the land. She is not one of them. She lost her piece of ground when she was moved by the government to another area. Now there is not enough land for everyone and so she's taken seasonal work picking avocado pears on a farm near Louis Trichardt.

She earns R1.60 a day and feels exploited. She carries on there's the new tax her chief is demanding. Last year he bought a new car with their taxes.

What can they do? The chief not only has the power

to allocate land, he also has the ear of the homeland's government.

Mrs Mang le Mang has visited the big city, Joni (Johannesburg) just once, when her husband could stand his loneliness no longer.

She was shocked at the way he lived in a hostel with 16 men to a room, paying R14 each with too little place for everyone to cook and wash.

Despite the bad conditions, Mrs Mang le Mang squeezed in with some of the other families. But it wasn't long before she and her children were arrested in raids on the hostel, jailed and endorsed out of the city.

The traumatic experience precipitated a crisis of faith for Mr Mang le Mang. "I was so heart-breaking when I came from work and heard that my wife and children had been arrested just because I am a contract labourer. I was joined to her by the law, a magistrate said. "When the authorities part us, I become distrustful and do not even trust God."

Damaged

Going home for three weeks each year is not enough and his family life has been damaged. "I feel like an intruder when I arrive home," he says.

Disciplining the children is a problem. Relations with the eldest son, Themba, are bad and he beats the teenager frequently.

His family has been resettled twice. The first time was to make way for a group of poor whites who took over their rich farmland. The Mang le Mangs lost all their cattle in the removal and many of their neigh-



● A member of the Mpukunyoni Farmers Union tends her cabbage patch

hours died in the epidemic in the unhygienic conditions prevalent in the new place. Nearly 20 years later his people were moved again. This time, Mr Mang le Mang refused to go.

When he went home he found his wife had been arrested for not moving. "The chiefs had conspired with the authorities even with respect to the scattering of people all over the place (relocation)," he said.

They were forced to move, but the new area was devastated by drought and his herd of cattle were among the 89 000 that had died in Gasaankulu by September last year. He could not plough. He gave up planting, saying "It is futile".

So food production at the new place is lower. Death touched the family

too. Their second child was one of the 50 000 black children who died of nutritional diseases in 1970.

In the Mang le Mang's area the infant mortality rate is now 25%. Mr Mang le Mang was not at home to help his wife when the child fell ill. Mrs Mang le Mang had done her best but the buses were irregular and she could not afford the R25 taxi fare to take the child to the nearest hospital, where she would have had to pay another R2 to see the doctor.

Stunted

The youngest three children were underweight and the two little girls stunted by malnutrition.

Last year one of the children almost died in the cholera epidemic.

Another problem was that the children's school — like 60% of the schools — did not have a toilet.

Mrs Mang le Mang was, however, proud that Themba had reached high school even though he was not one of the between 2% and 4% to reach matric.

The others didn't stay in school for much longer than three years. Mrs Mang le Mang needed their help at home — the eldest daughter spent most of the day queuing for water at the tap.

The burden of school fees, books and uniforms that amounted to R55 each per year was too much for her. And with 59 pupils to one teacher, the children didn't seem to learn much anyway.

Mr Mang le Mang sees his children's poor educational facilities and the inferior health services, and smaller pensions blacks get, as being a result of apartheid and political oppression.

He aspires to the basic human rights so many other South Africans take for granted to have a house of his own in the city where he can live with his family.

century when poor white Afrikaners looked to city jobs to lift them out of their misery. But influx control laws — based on the authorities' control over housing and employment — kept the majority of the black population confined to the 13% of the land allocated to homelands.

Lawyer Mr Arthur Chaskalson and the Black Sash president, Mrs Sheena Duncan, in a paper detailing how widely the influx net falls, said: "The restriction on mobility imposed by the influx control system has limited employment opportunities for blacks in the cities and has been a major cause of both rural and urban poverty."

Ms Christane Elias, a sociologist at the University of Stellenbosch, noted that legislation had had a seriously depressing effect on the supply of urban housing for blacks. Figures showed that from 1973 the pace of houses built in black urban areas decreased while the number of houses built in homelands rose sharply.

Shortage

A researcher of the South African Labour and Development Research Unit (Saldru), Mr Pundy Pillay, put the housing shortage in the Pretoria-Witwatersrand-Vereeniging area alone at 90 000, increasing by a total of 4 000 units each year.

Ms Elias concluded: "It might be as well to take a leaf out of the report on the first Carnegie commission on poverty, which solved the problem of urban housing the poor white by giving them every opportunity of obtaining freehold land and homes in the urban areas.

"We can only hope that government will be pragmatic enough to realise that this is one of the solutions to urban African poverty."

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S. Express 29/4/84 Page 2

Price increase 'will hit feeding schemes'

THE poorest people would feel the maize price rise first and most acutely, the director of the Carnegie Inquiry into Poverty and Development, Professor Francis Wilson, said this week.

His statement comes amid widespread and angry criticism by consumer bodies of this week's massive 19% maize price increase.

"Papers submitted to the Carnegie inquiry show that the number of people in the homelands with no visible means of support — no land, no cattle, no pensions, no remittances — has increased five-and-a-half times in the past 20 years," Prof Wilson told Sapa.

"If you are scraping by with no money at all, what do you do when the price of

Staff Reporter

your staple food is increased by almost 20%?"

Supermarket chains and consumer bodies have called on the government to take urgent action to subsidise drought relief organisations so that they can continue their feeding commitments.

Mr Gordon Utian, managing director of Checkers, said: "It is a major disaster for the emergency relief feeding schemes which keep hundreds of thousands of drought-stricken people from starving."

Other supermarket chains have called for the quick withdrawal of general sales tax on basic foodstuffs.

Black consumer bodies said the increase would make black poverty unbearable.

The Minister of Agriculture, Mr Tos Wentzel, has given his approval to the increase, which he described as "unavoidable".

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Turn to LIVING

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(244) ~~244~~
S. Times 29/4/84

Row flares on size of maize price increase

By Barry Sergeant

A ROW has broken out on by how much the maize price has been increased.

The official increases, according to the Maize Board, are 26,5% for farmers and 18,5% for consumers. The consumer receives a subsidy on mealie meal.

The Housewives League says the increase for farmers is from R170 to R215 a ton. Its statement says "A Maize Board official says R215 is the grade 2 maize price. He says farmers producing grade 1 white maize will get R224,50 a ton." The league says the increase for grade 1 white maize is thus 32%.

Millers

The league also questions the Maize Board's claim that the price millers pay has been raised by 19% to R220. The league says this figure is based on the inclusion of a

10% levy which was added to the producer price last year to cover the cost of 1983 imports.

The Minister of Agriculture, Greyling, Wentzel, assured the league that the 10% would not be used in the latest price increases.

Flexibility

But it appears to have been as the increase without including the levy is 29% from R170 to R220 a ton and not 19% from R187 to R220 a ton as claimed.

The price row extends to imports. A farming spokesman says the public's money is being used to buy imported maize, but the public is not being told what price the Maize Board is paying for it.

The board says secrecy on SA stock levels and contract prices assures it of flexibility in negotiations.

The farmers retorts "This is hardly justifiable because

in spite of record imports, SA is importing only 1% of grain traded on world markets this year. Open price strategies are highly unlikely to influence prices."

The league says the Maize Board's statement quotes R245,87 as the price for imported grade two yellow maize — the best grade available. "But we understand that not all orders have been placed — so how can they give us an exact figure?"

Adding to the furore is a commodities trader who says he offered the Maize Board, without receiving a reply, US No 2 maize for under R200 a ton landed in Durban.

More bread

The size of the mealie meal subsidy has not been disclosed officially, but preliminary estimates put the figure at about R170-million this year.

The bread subsidy is R135-million a year. The Wheat Board expects bread consumption to increase as a result of the increase in mealie-meal prices. After growing steadily by 3,5% a year for 30 years, bread sales fell in 1983 after a reduction in the subsidy.

Randburg, Sandton plan cemetery

Jo'burg burial costs soar for non-residents

2/5/84

By Jackie Unwin and Shirley Woodgate

The cost of burial in Johannesburg cemeteries for non-residents of the city has been increased by 1 200 percent.

Those affected by the increase are mostly from Sandton and Randburg, towns which do not have cemeteries of their own but have to use those in Johannesburg.

Randburg's town clerk, Mr Christo Geyer, said that negotiations to establish a cemetery on land in Maroeladal, to the north of Randburg and Sandton, had been taking place between the two towns and the matter was expected to be finalised at the Randburg budget meeting in May.

Mr Geyer was shocked this morning when told of this week's Johannesburg City Council announcement of enormous increases in the cost of burials and cremations for non-Johannesburg residents at West Park Cemetery.

Burial charges are to be increased from R66 to R800 for non-resident adults, and from R40 to R500 for children.

Cremation charges have been increased from R69 to R150 for non-resident adults.

Urgency

Mr Geyer said Randburg acquired the Maroeladal land some years ago specifically for a cemetery and this was now being treated as a matter of urgency by both councils.

If the cemetery were sanctioned, the necessary infrastructure would have to be provided.

Mr Geyer said records for the past four years showed that an average of nine people a month died in Randburg.

Mr Ricky Valente, chairman of Sandton's management committee, said that, at the moment, residents of Sandton who died were usually buried in Johannesburg's West Park Cemetery.

He thought the joint Sandton/Randburg cemetery would be operational "within a few months".

Mr Pieter de Jager, Sandton town clerk, estimated that burial costs at the Maroeladal Cemetery would "definitely" be far lower than the R800 charge planned by Johannesburg.

Sandton deaths were between 10 and 20 daily in summer, rising to between 27 and 30 in winter, Mr de Jager said.

1079

WEDNESDAY, 2 MAY 1984

1080

tion of the buildings cannot at this stage be furnished, nor the ultimate area to be served by the station

Rent control

*19 Mr G B D McINTOSH asked the Minister of Community Development:

How many dwelling units were subject to rent control in (a) the Republic and (b) the East London region as at the latest specified date for which figures are available?

†The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT:

No statistics are kept on dwellings which are subject to rent control

Soetwater holiday camp: charges

*20 Dr A L BORRAINE asked the Minister of Law and Order.

(1) Whether any charges have been laid with the South African Police concerning an incident at the Soetwater holiday camp near Kommetje on or about 23 April 1984; if so, what are the particulars of these charges,

(2) whether these charges have been investigated, if not, why not, if so,

(3) whether the investigation has been completed; if not, when is it anticipated that it will be completed, if so, what were the findings?

The MINISTER OF LAW AND ORDER:

(1) Yes. Malicious damage to a tent and the use of obscene language in public.

(2) Yes. The complaints are being investigated.

(3) No. It is anticipated that the investigation will be completed within the next few days.

*21. Mr R R HULLEY asked the Minister of Mineral and Energy Affairs

What is the breakdown of the costs and disbursements which comprised the pump price of petrol sold in the Republic during the latest specified period for which figures are available?

†The MINISTER OF MINERAL AND ENERGY AFFAIRS (Reply laid upon the Table with leave of House):

The pump price of petrol is as follows:

Coastal areas 98 Octane—56,2 c/ℓ
93 Octane—54,8 c/ℓ

Pretoria/Reef/ Vereeniging Area 93 Octane—61,8 c/ℓ
87 Octane—61,1 c/ℓ

The composition of the price of 93 Octane petrol is as follows

—Posted price including the wholesale profit margin 31,820 c/ℓ
—Freight 2,214 c/ℓ
—Insurance 0,030 c/ℓ
—Leakage and ocean loss 0,090 c/ℓ

Cost, Insurance and Freight 34,154 c/ℓ
—Landed cost 0,505 c/ℓ

In bond landed cost 34,659 c/ℓ
—Customs and excise duty 10,341 c/ℓ

Total landed cost 45,000 c/ℓ
—Net Equalization Fund Levy 1,300 c/ℓ

Service differential cost from depot to point of resale 1,100 c/ℓ

Wholesale price in coastal areas 47,400 c/ℓ

—Transport cost to the Reef 6,500 c/ℓ

Wholesale price in the interior 53,900 c/ℓ

—Retail profit margin 3,800 c/ℓ
—General sales tax 4,100 c/ℓ

Pump price 61,800 c/ℓ

1081

WEDNESDAY, 2 MAY 1984

1082

—Customs and excise duty of 10,341 c/ℓ exists of

—Customs duty 0,091 c/ℓ
—Excise duty 5,896 c/ℓ
—State Oil Fund 1,725 c/ℓ

—Combating of oil pollution 0,055 c/ℓ

—Financing of facilities for strategic stock-piling 0,220 c/ℓ

—National Road Fund Levy 2,354 c/ℓ

—The gross Equalization Fund levy amounts to 8,8 c/ℓ of which 7,5 c/ℓ is paid to the oil companies as a price subsidy. From the 7,5 c/ℓ the oil companies pay 0,7 c/ℓ to the National Road Fund

Defence Force: temporary rank

*22 Mr P A MYBURGH asked the Minister of Defence

Whether it is practice in the South African Defence Force to confer temporary commissioned rank on its members, if so, (a) how many members had such rank conferred on them during the latest specified period of five years for which figures are available and (b) how many of these members subsequently reverted to the ranks?

The MINISTER OF DEFENCE

Yes, the figures for the period 1979 to 1983 are as follows

(a) 17 614

(b) SA Army—45 (this figure is only applicable for the years 1980 to 1983 as the figure for 1979 is not available)

SA Air Force 11
SA Navy 2
SA Medical Service 7
Total 65

Saudi Arabia: postal service

*23 Mr A B WIDMAN asked the Minister of Posts and Telecommunications

(1) Whether there is a postal service between South Africa and Saudi Arabia at present, if not,

(2) whether there was a postal service of this nature, if so,

(3) whether this service was suspended, if so, (a) when and (b) why,

(4) whether he intends to (a) introduce or (b) re-introduce this service, if not, why not, if so, when?

The MINISTER OF POSTS AND TELECOMMUNICATIONS

(1) No;

(2) yes,

(3) yes,

(a) on 25 November 1983, and

(b) because the Jeddah post office requested the London post office, through which mail matter from South Africa to Saudi Arabia used to circulate, not to forward mail matter of South African origin to Saudi Arabia,

(4) the South African Post Office would like to re-introduce the service, but the Postal Administration of Saudi Arabia does not respond to inquiries from the South African Postal Administration in this connection

Mr A B WIDMAN. Mr Speaker, arising out of the reply of the hon the Minister, has he considered any other way of getting post to Saudi Arabia? [Interjections]

The SPEAKER. Order!

The MINISTER Mr Speaker, as far as we are concerned, we have done our best, and I do not know of any other way, except perhaps sending it to somebody in Great Britain and asking him to post the letter if the hon member is anxious to get a letter through to Saudi Arabia

Consumers cut back on food spending

244
Star
4/5/84
By Eugene Saldanha

South Africans are spending less on food than six months ago under the impact of the recession and drought.

Two major chain stores — OK Bazaars and Checkers — today supported this finding by an independent research company, Research Surveys (RS)

The report on eating and drinking patterns also reveals that there has been a noticeable decline in the consumption of maize products by black urban households.

The company conducts face-to-face interviews with 5 500 white and black urban households every six months to find out what they eat and drink. The latest survey was from November to February.

"These reveal that all South Africans are feeling the pinch and have been reducing expenditure on even staple foodstuffs. But black people are by far being hardest hit by the effect of lower disposable incomes and rising prices for

basic foodstuffs," the report said.

Spokesmen for OK Bazaars and Checkers confirmed that sales for basic foodstuffs had dropped in the past six months

"Our figures show there has been a drop in customer expenditure on basic foodstuffs and clothing. But there is little the stores can do about this because of the general economic climate," said OK Bazaars' company secretary Mr J Parnell.

Maize drop

The report shows that black households have reduced their consumption of yellow maize dramatically, and says a possible reason for this is resistance to the mixing of yellow maize with white

Mr Parnell agreed that there had been a noticeable decline in maize sales

The director of Research Surveys, Mr John Rice, said the food consumption patterns seemed to indicate that for the consumer the recession was not over.

This factor, combined with unemployment, higher taxes, higher food prices and scarcity caused by the drought had produced a "frustration" factor for black consumers

Soup meals

In contrast, consumption of low-convenience packet soups as a summer meal had increased dramatically.

The survey also found that beer consumed at meal times had dropped from 13 to 9 percent for all races. But soft drinks maintained their record of last summer, despite higher prices.

"These trends suggest that the authorities must give serious consideration to the lifting of GST on basic foodstuffs. To some extent, the drop in certain foodstuff consumption can be ascribed to the health 'kick' of sensible eating," Mr Rice added

THE MAIZE PRICE

Lost opportunity

No matter what he did about the maize price this year, Minister of Agriculture Greyling Wentzel was bound to be blamed by somebody for getting it wrong. With imported maize costing R246/t to land and a local crop barely sufficient to match half our domestic requirements, he could have increased the domestic selling price well above the R220 he eventually chose without feeling guilty.

But the consumers and livestock farmers would have screamed blue murder. So he funked it. At the other extreme, he could just as easily have refused to give the growers any more than the 12% to 15% increase they needed to keep pace with input cost inflation. That would have taken the net producer price to perhaps R193/t instead of the R214,05 they are now going to get.

It would not have made much difference to the drought-stricken farmers because they have hardly any maize to sell to the Board anyway. But Nampo (National Maize Producers' Organisation) would then have blown its orchestrated top. So Wentzel funked that too. The compromise he reached will add to everybody's problems while satisfying no one. The 18,5% increase in the Board's selling price will ripple through to eggs, pig-meat and black farm labour costs fairly quickly, and to dairy produce, beef and poultry meat (all of which are currently oversupplied) within the year. Thus the elusive goal of a single digit rate of increase in the consumer price index (CPI) has been nudged still further over the hill.

From that point of view it would have made more sense

244

~~Maize~~

for government to buy off the farmers' ire by dishing out lump-sum subsidies. Direct cash handouts could have been directed with more precision at the target market of struggling family farmers in the worst hit areas. The benefits of the price increase, by contrast, will accrue mainly to the biggest landowners in the least afflicted regions.

A better plan by far, however, would have been to seize the opportunity of a shortage to ditch the annual price fixing altogether. Had the Minister had the guts to declare a free market in maize forthwith the farmers would have got an even bigger rise this year since the domestic price would have aligned itself immediately with the prevailing import cost (the world price plus shipping costs). Although this would have given an even worse jolt to the CPI in the short term, it would have suppressed consumption too, so saving the country a great deal of foreign exchange.

Furthermore, the consumers would have accepted the shock without demur. They know the farmers are having a tough time. And they know that a return to free markets would presage a fair deal in normal years when the price would naturally drop to parallel the fob export price (the world price minus shipping costs). The Minister, the Jacobs Committee, the Maize Board and Nampo have all supposedly been looking for a transitional scheme to ease the changeover to a market related system. Why did they duck this issue when it could in fact have been achieved in one fell swoop?

LIVING COSTS

Modest increases

Black and coloured households in the PWV area have suffered more from price increases over the last six months than those

in other areas, according to the latest household subsistence level (HSL) statistics. Despite price increases for a variety of basic commodities, however, the HSL for blacks and coloureds in most of SA's major centres rose fairly slowly.

The HSL is the theoretical monthly minimum income needed by a black family of six and a coloured family of five to live at a set minimum level. The figures are calculated by the University of Port Elizabeth's Institute for Planning Research. They include provision for the purchase of basic items like food, clothing, fuel, washing and cleansing materials, rent, and transport to and from work for one breadwinner in each family. Factors such as tax and medical payments are excluded.

The average HSL increase countrywide over the past six months was 3,7%. Over the last year, the HSL rose by 9,2% — 0,9% lower than the 10,1% Consumer Price Index increase for the period.

The institute found that the most important factor influencing the HSL increase in Johannesburg — 9,4% up over the last six months against the countrywide average of 3,7% — was a sharp increase in the service charge component of township house rentals.

LIVING COSTS

Household subsistence level March 1984 Survey

Centre		% increase since	
		Sept 1983	Mar 1984
		— R —	
Cape Town.			
Blacks (B)	289,69	3,7	8,1
Coloureds (C)	302,35	7,6	11,8
Port Elizabeth			
B	278,97	0,7	5,9
C	293,10	4,2	9,0
East London			
B	282,00	4,9	10,6
C	280,98	5,9	12,6
Kimberley			
B	282,71	1,0	11,3
C	299,23	6,8	14,2
Durban			
B	283,49	4,8	9,5
C	306,48	5,6	8,5
Indians	331,60	6,9	8,9
Pretoria			
B	278,29	5,0	9,0
C	335,07	10,1	26,1
Johannesburg			
B	308,28	9,4	11,0
C	324,46	8,7	10,8
Bloemfontein			
B	278,94	3,5	7,7
C	302,67	7,3	10,9
King William's Town			
B	272,10	2,4	9,9
C	287,06	-1,8	7,3
Uitenhage			
B	277,18	0,1	4,0
C	268,45	3,0	6,8
Umtata			
B	274,31	6,8	15,9
Benoni			
B	272,73	9,2	13,9
Boksburg			
B	274,63	8,9	14,5
Brakpan			
B	290,87	6,8	10,4
Germiston			
B	278,68	9,4	14,0
Springs			
B	286,60	9,4	14,3
Krugersdorp			
B	293,37	7,6	10,4
Vaal Triangle			
B	306,92	5,4	12,2
Brits			
B	265,61	1,4	6,9
Windhoek			
B	314,63	4,4	7,0
C	379,87	5,3	14,7

UNIONS

Slanging at Saawu

Precisely who controls the SA Allied Workers' Union (Saawu) is now an open question. One faction led by general secretary Sam Kikine was expelled from the union at an "annual conference" held in Soweto. Kikine has now held his own conference, in Durban, which declared the Soweto meeting null and void and rejected the executive installed there at the behest of national president Thozamile Gqweta.

There have also been allegations of violence between the contending factions and Kikine is setting up his own bodyguard composed of union members loyal to him.

None of this would matter much (except to the combatants) were it not for the fact that Saawu has some claim to be a large and significant trade union. As it does, factionalism and violence within its ranks is obviously of concern to businessmen within whose plants the union operates.

The split between the two factions seems

THE increase in GST to 10 percent could start a shopping spree, especially for high-priced goods, as consumers, conscious of savings, rush to beat the July 1 deadline, retailers predicted today.

"Some people are already doing it. It's incredible," said Mr Colin Abel, managing director of a city furniture store.

"There is no doubt about it. People are going to rush to save every cent they can.

"The news spread so fast yesterday that many people, obviously not aware that D-Day was only July 1, rushed in to make small savings."

Decision widely criticised

Yesterday's announcement by the Minister of Finance, Mr Owen Horwood, of the GST increase has been widely criticised as consumers do not regard the exemptions on basic foods as sufficiently far-reaching.

While pre-tax increase "savings" on household commodities would not be significant unless bought in bulk, the greatest rush was expected to be for higher-priced items.

Retailers said that even though savings on certain items would be insignificant, many people thinking of buying goods would now do so before July 1.

GST on an article costing R1 000 will increase by R30 to R100 from July 1.

Retailers expect an "unprecedented rush" now because of the increase and because consumers are more money-conscious.

Mr Faried Hali, regional manager of an electronics store, said "We were very busy at all our branches this morning."

He said a usually quiet Saturday had turned into one of their busiest days, with customers rushing to buy video and television sets.

Mr Stratis Zitianellis, the owner of an Observatory supermarket, saw "big problems."

"We will be forced to re-label items differently. More time will be spent in queues as cashiers will have to sort all goods into different tax groups."

Sluggish economy blamed

The sluggish economy and the inability of tax rates to produce sufficient revenue to cover Government expenditure are blamed for the increase.

Professor John Simpson, head of the Graduate School of Business, said the GST increases marked a realisation by the Government that its expenditure this year would be greater than expected.

However, the economy was unlikely to grow more than one percent and tax revenue from gold was falling.

The new constitution was also likely to require unexpected Government spending.

Professor Simpson said the selectivity of the GST increase reflected a need to woo the coloured and Indian electorates ahead of the elections this year.



Mr Owen Horwood

BY HENRY LUDSKI, Weekend Argus Reporter

Sales tax soars — and the shopping rush is on

W/C ARGUS 11/5/84

14KGUS 11/5/84 (244)

Increase gives city retailer 'cold shivers'

THERE HAS been mixed reaction to the news of the general sales tax increase and exemption from GST of certain basic foods

"It gives me cold shivers," Mr Colin Abel, managing director of Victrix, a leading retailer of domestic appliances said

"I think it will knock the bottom out of an already falling market."

The increase in GST last year from six percent to seven percent did not have much effect on sales. But the new increase is almost 50 percent and this must affect consumer spending

DIFFICULT TO CHECK

Mr Chris Hurst, finance director of Pick'n Pay, welcomed the decision to exempt certain basic foods from the system.

It means cashiers would have to

differentiate between taxable and non-taxable articles

But he thought the Government might have difficulty in policing the new system. The different tax rates would make it difficult to check up on small traders

OVERSEAS PRACTICE

Mr Marius van Blerck, a Cape Town tax consultant, said the Government was merely following the practice overseas. He would not be surprised if GST eventually climbed to 15 percent and luxury goods were subject to a super-sales tax

Dr O D J Stuart, deputy director of the Bureau for Economic Research at the University of Stellenbosch, said the increase to 10 percent was a surprise. An increase had been expected, but only up to eight percent

(Turn to Page 2, col 5)

Mixed reaction to Govt's latest tax changes

(Continued from Page 1)

He said it would lead to an increase in the consumer price index and to further inflationary pressures

The increased tax, at a time when the consumer already had to pay high interest rates, must affect his spending

"This is a shock" was the reaction of Mr Colin Adcock, chairman of the National Association of Automobile Manufacturers (Namsa), when told of the GST increase

"It means the tax content in the price of cars is beginning to rush upwards"

He gave as an example a two-litre automatic four-door sedan selling at a retail price of R14 400

"UNFAIR BLOW"

Under the phase five duty system the tax was R900 Under the "ad valorem" tax of one and a half percent — introduced in the recent Budget on all cars — and now the 10 percent GST, that two litre vehicle would carry taxes of R2 050

"It is a damned unfair blow to the motor industry. It continues to get hit," said Mr Adcock.

"We will make an approach to the Government to try to get the ad valorem duty removed, because it was absorbed by the motor industry

"Normally we would have sought a general price increase on July 1

to counter the effects of inflationary increase, but with this tax increase I don't know how we can

"RUSH OF BUYING"

"The effects of this increase could be severe. At this stage I have no indication how it will affect parts of the industry but there is sure to be a rush of buying up to the end of June"

He added "But it is amazing how the South African public just keeps on buying — even in the face of massive interest rates I think people are price punch-drunk"

The GST increase will trigger off wage demands which will lead to an upward spiral in costs, Mr CE McCarthy, deputy director of the Cape Chamber of Industries, said

If the Government's aim was to curb inflation by bringing down spending, higher interest rates would have been more effective

"A SHOCK"

The director of the Cape Town Chamber of Commerce, Mr Brian MacLeod, said the size of the increase came as a shock.

If the Government was "desperately in need of so much more money very quickly", so soon after the Budget, it seemed the public had been misled in March.

If this were the case, the Government was "taking money from the pockets of the poor old

taxpayer in order to spend it itself"

On the other hand, the reason for the increase might be a wish to take urgent action to curb inflation by cutting spending

"FIRST PRIORITY"

Pointing out that Assocom forecast a rise in the inflation rate to 12 percent this year, from the present 10,5 percent, he said fighting this "should be our first priority"

If the Government was planning to "sterilise" money by taking it from the public in the form of GST, and use it later to aid the recovery when the time was ripe, "we should go along with it"

Mr McCarthy said the rise was "very disagreeable news" Any rise in GST would trigger off wage demands and start a cost spiral which would drive up the rate of inflation

It would also further delay economic recovery

HIT OUT

The Council of Unions of South Africa has hit out at the GST increase

In a statement, CUSA says it is concerned "that instead of increasing company tax, the Minister has now taxed the workers of South Africa"

"It appears however that the Minister has taken cognisance of a joint letter sent to him by the black trade union movement in March this year," Cusa adds

The letter contained an

appeal from union groupings within the emergent trade union movement which represents mostly black workers for a lifting of GST on basic foods

LESS-PRIVILEGED

"The Minister replied that he wished to shield the less-privileged citizens. This he does not appear to have done" added the CUSA statement

"We will be forced to negotiate for higher wages because of the spiralling GST and food prices"

The Federation of South African Trade Unions, one of the union groupings involved in addressing the appeal to the Minister of Finance, said they had not had a chance to look at the GST increases but would issue a comment later

The president of the Associated Chambers of Commerce (Assocom), Mr Bill Yeowart has attacked the financial management of the Government

"DEEPLY REGRETS"

In a statement he said Assocom "deeply regrets that State finances have been permitted to deteriorate to the point such drastic action has become necessary"

"It is clear that not more than six weeks after the main Budget, spending targets in that Budget cannot be met without further increases in taxation.

"Yet it appears to As-

socom that the economic factors operating in the economy have not changed from what they were prior to the Budget

"Assocom notes that basic food items are to be exempted and that the add-on system will become compulsory but also regrets that these decisions have been taken without adequate prior consultation with the private sector

RESEARCH

"The authorities were aware that Assocom was engaged in extensive research to formulate recommendations to the standing Advisory Council on taxation to whom these matters had been referred in the main Budget on March 28

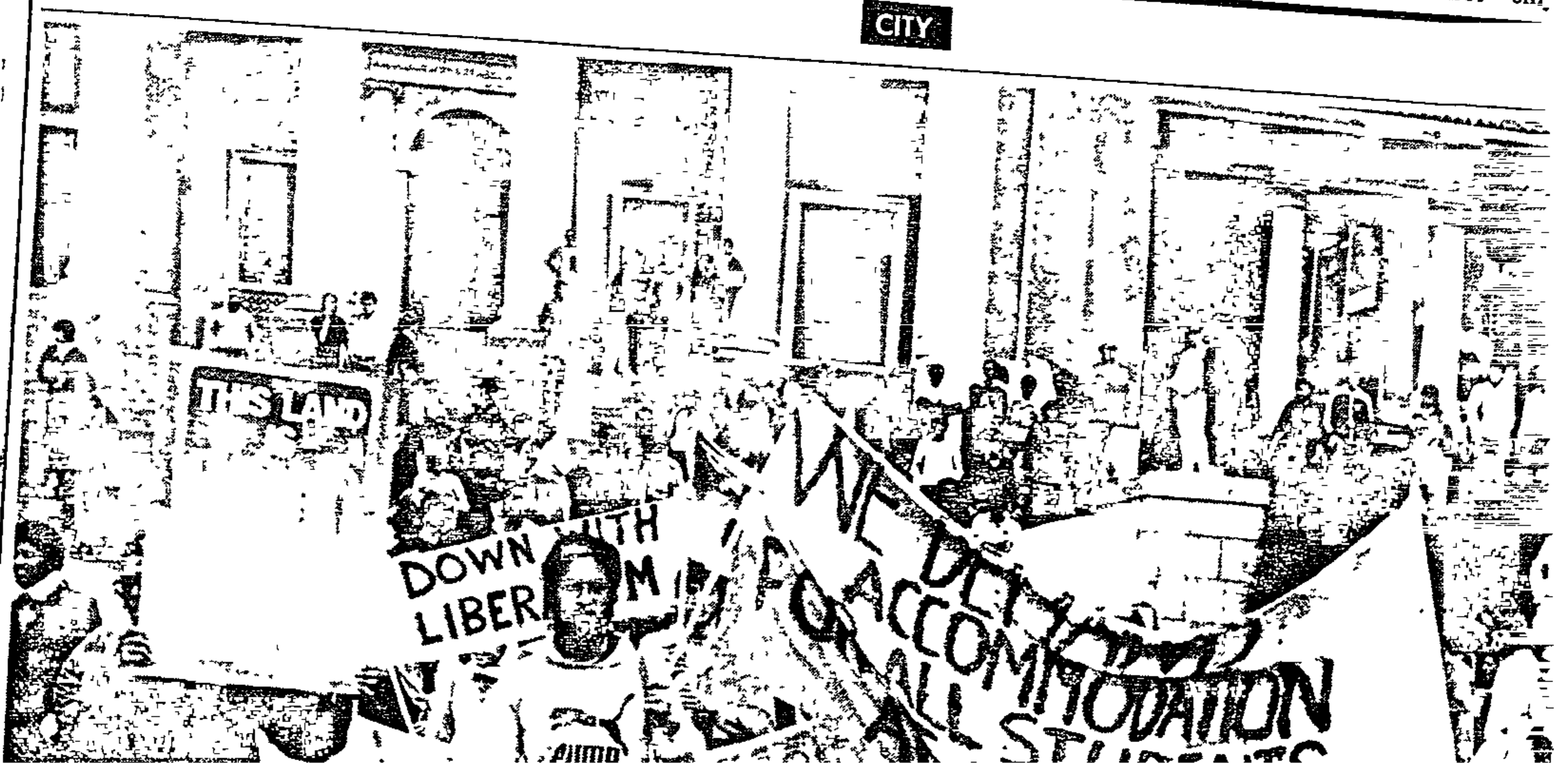
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In Johannesburg, Barclays economist Dr Johan Cloete welcomed the fact that general sales tax on basic foods was being removed, saying it had weighed heavily on lower-income groups

"It's a step in the right direction."

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Professor Roger Gidlow of the University of the Witwatersrand said, however, that the Government's decision to raise GST less than two months after the budget suggested that other



Reaction to Govt's latest tax changes

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appeal from union groupings within the emergent trade union movement which represents mostly black workers for a lifting of GST on basic foods.

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"OTHER RISES"

Professor Roger Gidlow of the University of the Witwatersrand said, however, that the Government's decision to raise GST less than two months after the budget suggested that other

raises might not be far away.

"In future there could be an even greater emphasis on indirect taxation as a method of raising revenue."

"Now that basic foods are being exempted it will be easier politically to raise GST again."

MORE MONEY

Both Dr Cloete and Professor Gidlow thought the increase would tend to lower long-term interest rates, by putting more money in Government coffers and therefore lessening the Government's need to borrow.

Dr Cloete thought one unfavourable implication was that taking the extra tax earnings — Mr Horwood estimates them at around R800-million this fiscal year — out of the economy would make the country's already poor growth prospects even worse.

Professor Gidlow said the move "gives one the impression the Government won't be able to control the growth in its expenditure."

If the Government had to raise money, he added, increasing GST was about the best way to do it.

"It's easy to collect and, unlike income tax, does not harm the productive base of the economy."

CITY



AKS 11/5/84

Opposition reacts with sense of shock and disbelief

Parliamentary Staff

CHIEF Opposition spokesman on finance Mr Harry Schwarz said today Mr Owen Horwood's announcement of an increase in general sales tax (GST) had induced "a sense of shock and disbelief".

Speaking after the Minister of Finance, Mr Schwarz said the question that would be raised in the public mind was: "Does this Government know what it is doing?"

Mr Schwarz (PFP Yeoville) said that only six weeks ago, when the Minister introduced the Budget, he had said it would come as a relief that there was no increase in GST.

The Budget had been taken through a long process of debating. Now the Minister was saying, in effect, that what he had told the Assembly six weeks ago was not correct.

Mr Schwarz said the reasons given by the Minister for increasing GST were not acceptable. Nothing dramatic had happened to the gold price and it was generally known that this price and the value of the rand had dropped.

The Minister's reasons demonstrated that criticism of the credibility of his Budget — to which the Minister took exception — was "absolutely right".

Mr Schwarz asked what would happen between now and July 1 when the higher GST was due to come into effect.

Would people get themselves into debt in order to buy goods before the increase?

Referring to the announcement that certain basic foods would be exempted from GST, Mr Schwarz said the Opposition had appealed to the Government to do this when GST was first introduced.

"Why didn't you do it years ago when the Opposition asked you to do it?"

Mr Schwarz said he had "a horrible suspicion" that the Government was giving with one hand but would take from the public with the other hand.

"We will watch what happens to the bread price," he said.



Mr Harry Schwarz

Mr George Bartlett (NRP Amanzimtoti) said the Minister had to be condemned for allowing the economy to deteriorate to such an extent that the big increase in GST was necessary.

The shock announcement only six weeks after the budget, resulted in a lack of certainty, stability and continuity about tax.

He welcomed the removal of GST from basic foods which, he said, would go a long way to assist the low-income groups to survive.

Mr Jan van Zyl (CP Sunnyside) described the announcement as "a disaster".

Since the end of January, GST had increased by 66 percent, which was "unheard of in world history".



Mr George Bartlett

Sales tax up to 10

Political Staff

GENERAL sales tax will go up to 10 percent on July 1, but GST will fall away for certain basic foods.

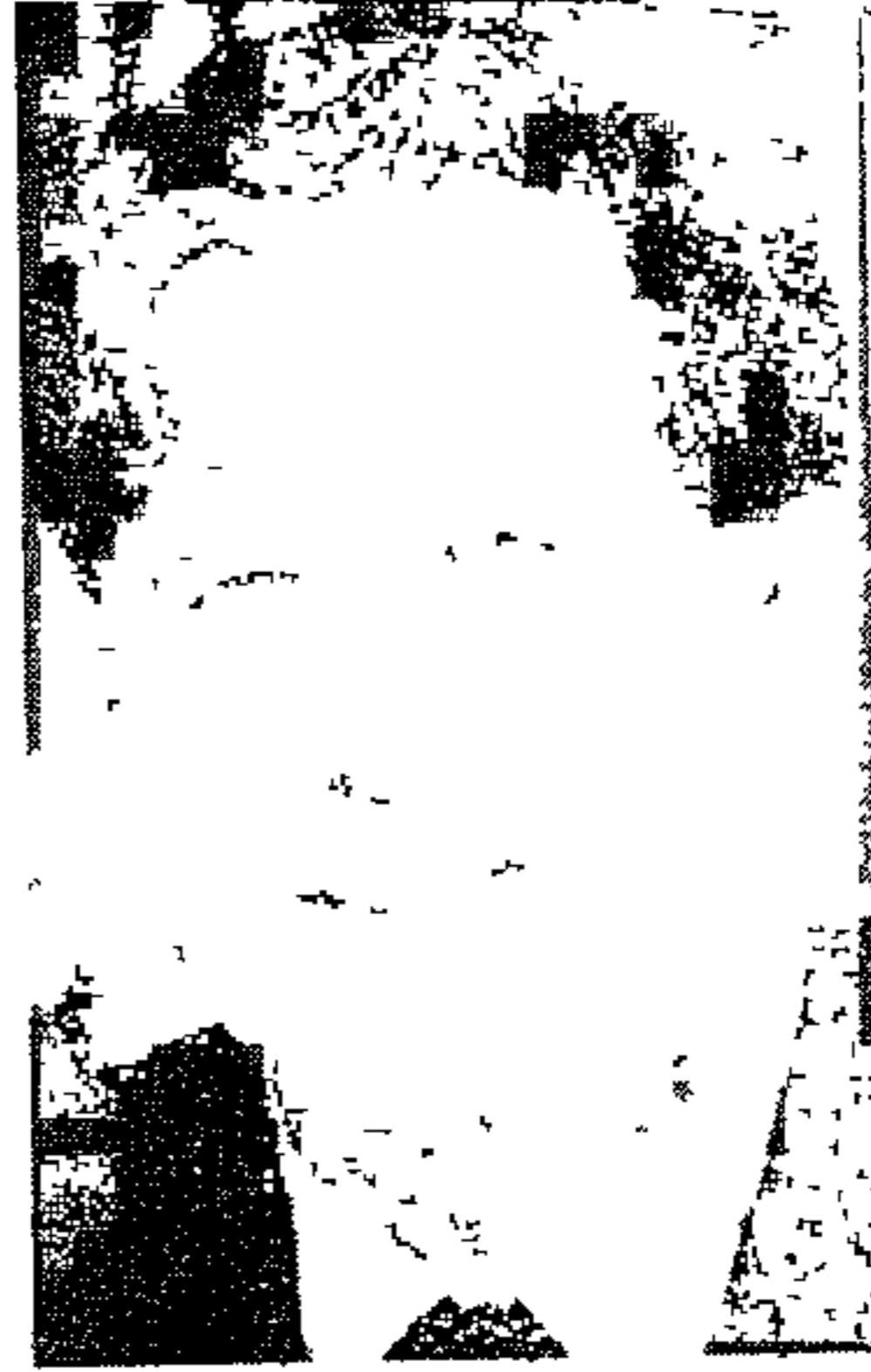
The jump in GST from 7 to 10 percent will provide the Treasury with an estimated extra R800-million during this fiscal year

Announcing the increase today, the Minister of Finance, Mr. Owen Horwood, said that even at 10 percent, the tax would be one of the lowest in the world

Mr Horwood's announcement — made in the Senate chamber of Parliament when the finance vote of the Budget came up for debate — appeared to catch all MPs by surprise

Among those foods exempted from general sales tax from July 1:

Bread, maize meal, unsifted wheat meal, raw meat, raw fish, fresh vegetables and fruits, fresh milk, butter, margarine and eggs.



Mr Owen Horwood — "tax one of lowest in world".

Add-on system

The Government had decided, he said, that the add-on system would be compulsory from July 1 except for certain unavoidable cases.

This was not only for efficient administration of the tax but also to prevent unscrupulous exploitation of the public.

When GST was originally introduced there was a debate on which system to use, and the Government then decided to allow traders to use either the add-on or inclusive systems

Food list

The foods which would be exempted were those necessary for nutrition, said Mr Horwood. He listed bread, maize meal, unsifted wheat meal, raw meat, raw fish, fresh vegetables and fruits, fresh milk, butter, margarine and raw eggs

He said he had warned that if expenditure estimates turned out to be too conservative or the revenue estimates less buoyant than expected, he would be unable to avoid further tax increases in the year ahead.

"In the more than six weeks since my Budget speech, the far-reaching changes in the underlying economic situation . . . with certain other new developments, have led me to the conclusion that further radical fiscal action is called for"

Burden

Mr Horwood said the increase and the proposed exemptions would place an additional burden on Inland Revenue staff. Special steps had already been taken to augment staff and inspectors.

He anticipated there would be allegations that the increase was inflationary. But, there would be the downward impact of the exemptions and the net effect would be to raise the overall consumer price index by less than 1 percent.

For the lower income groups, the net price effect would almost certainly be downwards because of the larger proportion of their spending on basic foods.

Pledge

The Minister pledged that he would cut tax "should we benefit from an unexpected substantial rise in the gold price"

It had been impossible at the time of the Budget to predict that the producer price of maize would go as high as it had and detailed financial implications of drought and other disaster relief had only recently become available.

He also blamed uncertainty on the wheat price, transport subsidies for commuters, and other tax concessions for the increase

Shock as GST up to 10 percent but relief on food

PKG us

11/5/84

244



GST HIKE

The union response

FM
244
11/5/84

Finance Minister Owen Horwood's announcement last week that, barring a few basic products, gst is to be raised to 10% from July 1 has provoked a cry of outrage from trade unions

A strongly worded statement released by the feasibility committee currently involved in unity talks — aimed at forming a powerful federation which will represent 300 000 workers — makes this clear. The committee charges that the Minister's decision reflects government contempt for working people. It warns that the gst hike will strongly influence union wage demands and intimates that industrial action will be "inevitable" if significant increases are not won.

The statement comes at a time when uncertainty is rife about which foodstuffs will be exempt from the tax. Government has indicated that raw fish and meat, vegetables and fruit, unsifted flour, milk, bread, butter, margarine and eggs will be exempt. But some are arguing that certain processed foods, such as canned sardines, should also be free of gst.

The feasibility committee condemns the list of foodstuffs from which gst will be exempt as "totally inadequate" and says most workers will be obliged to pay more for most foodstuffs they consume. "At the very least, it should also be eliminated from canned and certain processed foodstuffs and other basics such as rice, tea, coffee, sugar and powdered milk," it says.

Gst increases on a range of household necessities — paraffin, candles, soap and household utensils, as well as clothing — are termed "unacceptable."

CAPE TIMES 12/5/84

Tramways seeks 12pc fare rise

230 244

By NOEL BRUYNS

CITY TRAMWAYS Limited has applied to the Local Road Transportation Board for a bus-fare increase of nearly 12 percent. The application was published in the Government Gazette yesterday.

According to a statement released yesterday, the proposed increase of 11,81 percent on average "is necessary because of the general increase in operating costs"

THE following are examples of fare increases sought by City Tramways:

Bellville Station to Kuilsriver	45c to 50c
Cape Town to Camps Bay	55c to 62c
Cape Town to Facreton	55c to 62c
Claremont to Manenberg	58c to 65c
Claremont to Cross Roads	58c to 65c
Fish Hoek Station to Noordhoek	47c to 52c
Mowbray to Sea Point	58c to 65c
Mowbray to Bridgetown	50c to 56c
Wynberg Station to Hout Bay	85c to 95c
Scholars 13 years of age and over: 10 ride clip-cards	R3,50 to R4
Scholars 12 years of age and under: 10 ride clip-cards	R2 to R2,40

Overtime

The increase would also provide for a rise in staff salaries and wages (City Tramways bus drivers have been refusing since mid-April to work overtime in support of a demand for higher wages)

"Apart from an increase in bus fares in May 1983 which was related to an increase in wages and salaries, the company has absorbed all other increases in operating costs since September 1982 — including a further 12 percent increase in wages and salaries in November last year," the statement said

Spokesmen for civic bodies and those representing people from the lower-income groups who would be hardest hit criticized the move.

"City Tramways, which runs a monopoly in bus transport in the Cape Peninsula, always finds excuses to push up bus fares — yet refuses its drivers a justifiable 15 percent wage increase," Miss Lynette Maart, secretary of the

Cape Areas Housing Action Committee, said.

"We know that City Tramways makes huge profits and thus reject the proposed increases in the strongest terms"

Miss Maart referred to a report last October which said Tollgate Holdings, the holding company for City Tramways, had increased its after-tax profits to R4,6-million from 1982's R3,3-million

Appeal

The chairman of the Cape Western Region of the Black Sash, Mrs Mary Burton, appealed to City Tramways to "seek other ways of obtaining the necessary finance for increasing employees' wages", and appealed to "employers to take into account the high transport costs workers have to pay"

● A spokesman for the National Transport Commission in Pretoria said yesterday a period of 21 days was allowed for objections to be lodged after the application was published in

the Government Gazette before the NTC would consider the application. Up till now no date had been set.

● The United Democratic Front last night warned that City Tramways was "playing with fire" in pressing for another fare increase

Recipe for conflict

In a statement the UDF said "The situation in the Western Cape — where the public bus service is monopolized by a board of management whose sole interest is profit and not efficient transport — is and has been a recipe for conflict."

The UDF said a "basic requisite" for the solution of Cape Town's transport problems was greater State responsibility for transport "so that this service becomes one for people and not for profit"

BUSINESS BRIEF

Gold (close)	\$372,50
RDM 100	1 078,50
Dow Jones	1 157,14

CHS Times 14/5/84

Meat firm drops price

Staff Reporter

A NATIONAL meat producer yesterday announced that it will drop the price of a popular meat line by seven percent following the government's decision last week to exempt basic foodstuffs from general sales tax as from July 1.

The company, Kanhym-Karoo, which has 12 Peninsula outlets, will sell its Karoo boerewors at the reduced rate from today.

Both the SA Federated Chamber of Industries executive director, Dr J C van Zyl, and the president of the Afrikaanse Handelsinstituut, Mr Hennie de Klerk, have cautiously welcomed the exemption of basic foodstuffs but have expressed concern that by increasing GST to 10 percent, the government would postpone the country's economic recovery.

Excess demand

Dr Van Zyl said the estimated further R800 million which would be generated was necessary to curb excess demand and to finance rapidly-growing government expenditure.

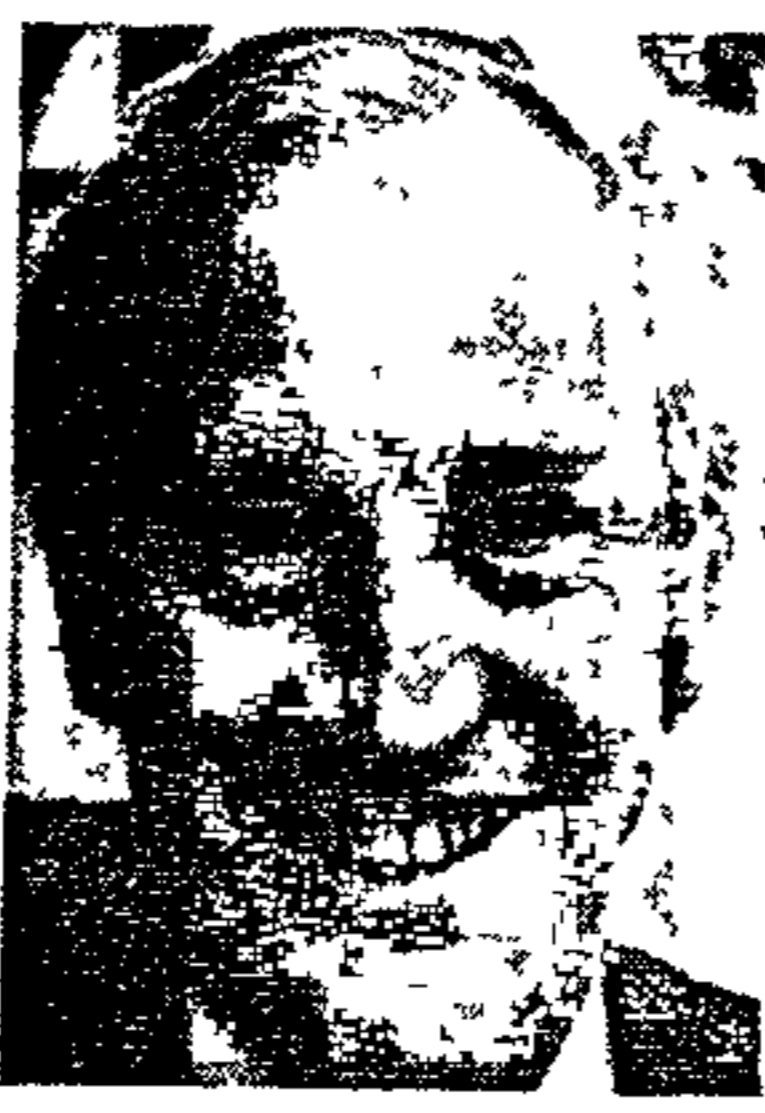
Mr De Klerk expressed disappointment at the increase and said the control of inflation would be hampered by the fact that most goods would still carry GST.

17645 15/5/64

Increased GST on medicines extra burden for sick — PFP

Parliamentary Staff
THE increase in general sales tax (GST) would be an extra burden for sick people in the form of higher medicine prices, the Assembly has been told

Dr Marius Barnard (PFP Parktown) said he did not think it was right that sick people should be a source of tax revenue for the Government.



Dr Marius Barnard

COMPETITION

The high cost of medicines and health services was a major theme in yesterday's debate on the Health and Welfare budget vote

Dr Barnard said there was a need for a new health care system in South Africa similar to that in Japan, where competition among doc-

tors and group practices was allowed.

Japan had achieved better results in health care than the United States, for example, which spent three times as much a person on medical services

This showed that modern medicine could produce cheap health, but modern politics did not allow it to do so

The Japanese concentrated on keeping workers healthy rather than treating them only after they became ill

ONLY ONE

Dr J J Vilonel (NP nominated) said the cost of medicines was only one item in total medical costs. This aspect of cost should not be over-emphasised, but should be considered as part of a larger problem.

Medical costs also included hospital treatment, the training of doctors and the prevention of disease.

The Minister of Health and Welfare, Dr Nak van der Merwe, said it was the Government's intention to work towards a system under which medicines could become cheaper through a system of free competition. This could save patients millions of rands.

FAMILY PLANNING

Speakers in yesterday's debate also called for additional State action to encourage family planning

Mr Aubrey Thompson (NRP South Coast) said ways had to be found to curb South Africa's population growth, which was one of the highest in the world.

Family planning should be made available at every level, he said.

Mr Horace van Rensburg (PFP Bryanston) said Africa's population had almost doubled in the past 25 years. Meanwhile, food production was not increasing and vast areas of grazing were being destroyed every year

More money should be spent on publicity about family planning.

Mr van Rensburg also suggested that more people, especially men, should be encouraged to undergo sterilisation.

By BRIAN STUART
Provincial Reporter

THE dramatic increase in GST is expected to cost the Cape Provincial Administration millions of rands in the year ahead, creating a new strain on the province's finances

The Administrator, Mr Gene Louw, obviously drew up his Cape budget of R1 771-million for 1984-85 before the shock announcement last Friday that GST will increase to 10 percent from July 1

The Provincial Administration also pays GST and the increase will cost the province millions more for stores, new hospital equipment and vehicles

Subsidies

While there could be a saving to hospital services with the exemption of GST on some foodstuffs such as raw meat, eggs, margarine and grains, this will be small compared with the additional costs on other items of hospital expenditure

Dramatic cuts in State subsidies to the Cape are also expected to be announced by Mr Louw when he makes his budget speech in the Cape Provincial Council tomorrow afternoon.

At the recent Cape Province Municipal Association conference Mr Louw said State subsidies to the Cape could be cut "on a scale far bigger than ever before"

The exact amount of these cuts will be announced by Mr Louw tomorrow, but they could be as much as twice the size of previous cuts

New term for Louw

Political Correspondent

MR Gene Louw, Administrator of the Cape Province, has been appointed for a further term of office, the Minister of Constitutional Development and Planning, Mr J C Heunis, announced today.

Mr Louw's present term expires on August 31

AK 6 15 15/5/84 Increase in GST likely to cost province millions

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Canon

While City telephone links were not severely interrupted 27 outlying districts were affected by line breakages

At a briefing yesterday, Major Rod Douglas, Civil Defence Officer for Cape Town, said at 5am yesterday, the situation in the Peninsula was "critical"

Major Douglas said it was "fair comment" to say that if at the critical time of 5am more rain and high winds had struck the City, it would have been a near disaster

A civil defence team, along with Dr Stan Evans, Cape Town's Chief Executive who was acting in his role as the City's chief of civil defence, had spent the night co-ordinating essential services in an attempt to put the City back on its feet, he said

Mr David Jack, Deputy City Engineer (Planning) and acting City Engineer, said 1200 trees with a replacement value of R500 000 had been uprooted

More than 70 houses in estates on the Cape Flats had sustained damage to roofs and ceilings. He said flooding had been minor

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'No' to more GST exemption

Political Correspondent
THE Minister of Finance, Mr Owen Horwood, has turned down appeals for the exemption of additional foods from general sales tax when this increases to 10 percent in July

Addressing a function in Cape Town last night, Mr Horwood said that the present list of exempted foods was adequate in most cases and that no additions would be considered at this stage

His statement follows repeated requests for the exemption of other items, particularly tinned and processed foods that poor people and those without refrigerators rely on

Announcing the exemptions last week, Mr Horwood listed ten basic foodstuffs, including raw meat, fish and eggs, which would be freed from GST in July

Criticism

The others were bread, maize meal, unsifted wheat meal, fresh vegetables and fruits, fresh milk, butter and margarine

This has led to criticism that the list is inadequate and should be extended to all basic foods

The opposition spokesman on consumer affairs, Mr Harry Schwarz, has called for an expert committee to determine which items should be exempt. He said milk powder, dried beans and lentils, and

cheap tinned fish should be considered

Mr Horwood said last night that the exempt items had been carefully selected to give the greatest benefit to the less privileged

"It is a matter of opinion what items should be exempted I am, however, satisfied that the proposed list will be adequate in the majority of cases. The sacrifice of revenue is such that additions to the list cannot be considered at this stage"

Rejecting criticisms that there was "chaos" about precisely what would be exempt, Mr Horwood emphasized that the broad descriptions of exempted items would require closer definition

This was a technical exercise which would take some time. He had, however, given six weeks' warning of the intention to exempt certain categories so traders could make administrative preparations and change accounting and computer procedures

Mr Horwood said the primary aim in increasing GST was not to finance government expenditure. Except for unforeseen contingencies, this was provided for in the budget.

The increase was to keep South Africa's financial position sound in the face of further adverse developments outside his control, such as the falling gold price and the worsening drought conditions

Solly Morris dies aged 71

Chief Reporter
DR Solly Morris, City Engineer of Cape Town for 25 years, from 1950 till his retirement in 1975, died yesterday aged 71

One of Cape Town's most colourful personalities, Dr Morris possibly left a bigger imprint on the City's structure than

and the Mitchells Plain community complex

While the Financial Mail referred to him as "a planning revolutionary", his critics dubbed him a "freeway maniac" whose roadways were carving up the Cape countryside

Landscaping

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SA's purses hit by staggering price hikes

By DAVID CAPEL

SOUTH AFRICANS have been bombarded with a staggering series of price increases across a wide range of products and services including food, petrol, general sales tax, and transport over the past four months.

Research by the Mail shows a startling series of steep hikes have forced South Africans to dig deeper into their purses for almost all essential foods and services — causing living standards to plummet.

A Consumer Council spokesman said in the first month of 1984 alone, consumers had to face increases in electricity tariffs, maize and fertiliser, while in February they had to fork out more for mortgage rates, canned foods, eggs, GST, sugar, beer, and bread — both white and brown.

Among the price hikes to hit consumers in January were:

- A rise in electricity tariffs by 7%, and an increase of between 6% and 7% in maize.
- A rise of 4% in the price of fertiliser, when price maintenance was lifted.

In February the list grew when consumers had to pay:

- 1.01% more for petrol,
- 1.25% more in mortgage rates,
- 14.75% more for canned foods,
- 3.5% more for a dozen eggs,
- 16.6% more for GST,
- Between 5.3% and 9.2% more for beer, depending on the size of the container,
- 11.1% more for white bread
- 16.7% more for brown bread

March brought

- An increase of 10% in the price of sugar;
 - A hike of between 3% and 5% for tyres
- In April consumers were faced with increases in

- Petrol (2.75%),
- Transport costs (9.4%),
- Postal tariffs (9%),

- Water (23% in the Rand Water Board area),
- Transvaal hospital fees (100%),
- Petrol (2.65%)

This month

- Third parties have gone up by between 8.9% and 11.8%,
- The egg price went up by 5.17%.

The Government announced GST would go up from 7% to 10% in July.

The GST hike will obviously affect almost all prices, except those food products to be exempt from July.

The Automobile Association expects that petrol will go up a further 2.75% in July because of the GST hike.

The national president of the Housewives' League, Mrs Joy Hurwitz, said the living standards of all South Africans had dropped markedly over the past decade.

She said in some instances both consumers and producers faced a "crisis situation".

A random survey of housewives this week showed they were feeling the pinch.

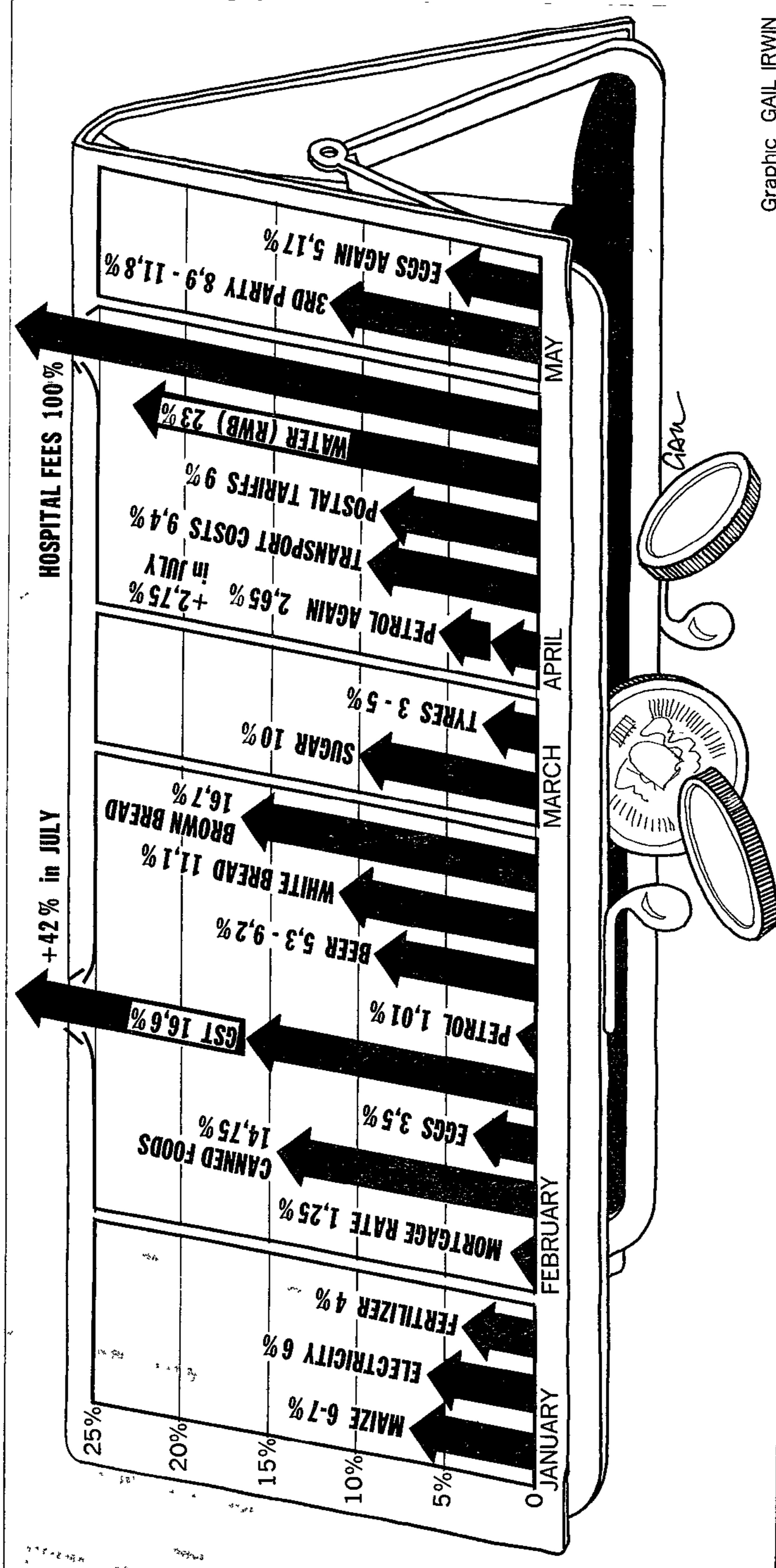
They told the Mail their living standards had dropped significantly this year, and had been declining steadily for at least five years.

According to the survey, some of the steps South Africans are adopting to make ends meet are:

- Cutting down on the use of the family car;
- Eating meat less often,
- Cutting down on luxuries, like cake, cream etc.
- Wives are going out to work in more cases than not.
- Cutting down on entertainment,
- Using water sparingly — especially in water restriction areas

Mrs Sandi Rees of Witbank said the petrol price was the biggest "killer" in her budget and she had had to cut down on using the car.

Another Witbank housewife said she had had to go out to work to finance the family's monthly grocery bill of R200. Mrs Molly Solomon, of Durban, who has four children, said her family had to cut down on luxuries



By DAVID CAPEL

CONSUMER spokesmen and experts on the cost of living have compiled a list of items they feel should be excluded from general sales tax.

The Rand Daily Mail put together the list after complaints from various people that there were many essen-

tial items not included in the Government's list of basic foods to be exempt from the new 10% GST.

Professor Johan Potgieter, an expert on the CoL from the University of Port Elizabeth, Mrs Molly Kopel, a Johannesburg city councillor concerned with the aged, and

Mrs Joy Hurwitz, national president of the Housewives' League, said the following items should also be exempt:

- Mealie rice,
- Mealie samp,
- Loose cheese (cheddar and Gouda),
- Tinned pulchards,
- Sugar,

- Powdered milk,
- Domestic coal,
- Paraffin,
- Candles,
- Dried peas and beans — the staple diet of thousands of rural blacks and coloureds,
- Salt,
- Toilet paper,
- Soap.

Prof Potgieter, who produces a twice-yearly report on living costs for coloureds and blacks, said it was essential milk powder and sugar be exempted. Many rural

blacks did not have fridges and they need powdered milk, he said.

Mrs Hurwitz has sent a letter to the Minister of Finance, Mr Owen Horwood, asking that additions be made to the list.

In it she said the impact of

such a high increase in GST on all other food, commodities and services would have a marked effect on the cost of living of the majority of consumers.

She asked that the increase be waived on petrol because of the resultant inflationary effect on the

Graphic GAIL IRWIN

Fresh veggies

SOUTH African shoppers face mark-ups of up to 520 percent when buying fresh fruit and vegetables at supermarkets.

A Sunday Times investigation this week found that prices in Johannesburg stores can be four to five times more than the cost at the municipal market, where the supermarkets mainly buy their produce

Supermarket spokesmen insist that the mark-ups are necessary to cover high overheads, distribution costs and to ensure continuity of supply to the public

Astonishing

The Housewives League insists that they are too high. I visited the Johannesburg municipal market at Kazerne and checked bulk prices of 13 varieties of popular fruits and vegetables

The bulk prices were then broken down for easy comparison with the units sold in local stores

These are some of the astonishing cost differences that emerged

- Cucumbers bought in bulk at the Kazerne market this week cost 7c each. Checkers was selling them at 44c — a mark-up of 528 percent.

- Customers who wanted beans were being over-charged everywhere

The market price was 44,4c a kg. OK Bazaars was charging R2,26 a kg (408 percent mark-up), Checkers R2,19 a kg (393 percent) and Pick 'n Pay R1,99 (348 percent)

- Gem squashes could be obtained for 3,75c each at the market

South African consumers, who last week were up in arms about a mere three percent GST increase, could buy

- AVOC
- BEANS
- BUTT
- CABB
- CUC
- GEM S
- LEM
- LET
- ONIONS
- ORANG
- PAW
- POTA
- TOMA

But defer

**SPECIAL
DOMESTIC
BY G
GIL**

them at each — cost price

- Fruit selling for market for 80c each

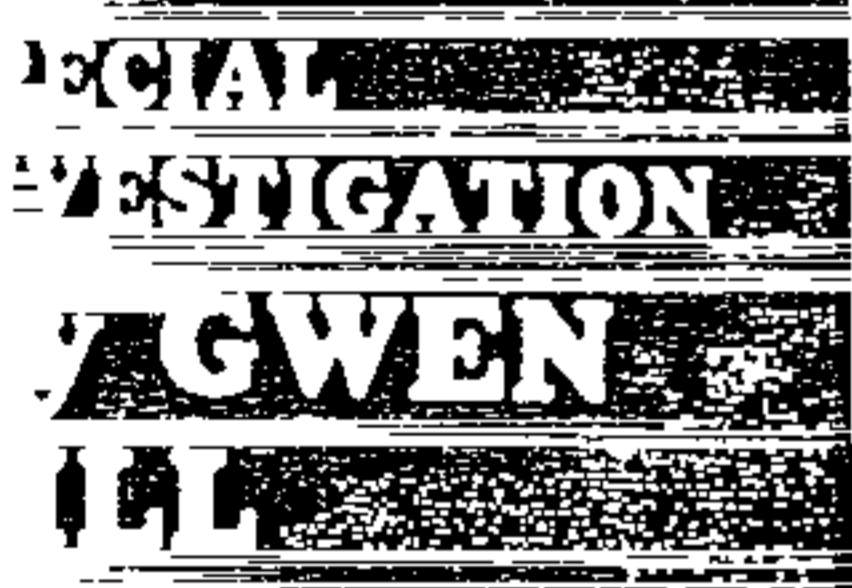
- C... popular Africa, each at lovers

Vegetables (244) S, ripe prices!

WHAT THEY PAY . . . AND WHAT YOU PAY

TYPE OF PRODUCE * Poor quality	PRICE AT MARKET (reduced to same unit as sold in Supermarkets)	PICK 'N PAY PRICE	PICK 'N PAY MARK UP	OK PRICE	OK MARK UP	CHECKERS PRICE	CHECKERS MARK UP
AVOCADOS	18,75c each	44c each	135%	39c each	108%	63c each	236%
BEANS	44,4c per kg	R1,99 per kg	348%	R2,26 per kg	408%	R2,19 per kg	393%
BUTTERNUTS	16,66c each	39,5c each	137%	80c each	380%	65c each	290%
CABBAGES	22c each	49c each	122%	* 19c each	—	59c each	168%
CUCUMBERS	7c each	18c each	157%	20c each	186%	44c each	528%
GEM SQUASH	3,75c each	14,75c each	293%	14,75c each	293%	23c each	513%
LEMONS	6c each	14,5c each	141%	20c each	233%	18c each	200%
LETTUCES	16,66c each	* 59c each	254%	69c each	314%	* 49c each	194%
ONIONS	40c per kg	79,5c per kg	99%	70c per kg	75%	R1,08 per kg	170%
ORANGES	3,1c each	10,5c each	238%	14,83c each	378%	14,16c each	356%
PAWPAWS	50c each	99c each	98%	R1,39 each	178%	R1,89 each	278%
POTATOES	20c per kg	43c per kg	115%	45c per kg	125%	69,5c per kg	248%
TOMATOES	41,66c per kg	R1,59 per kg	282%	99c per kg	138%	R1,99 per kg	377%

But supermarket men defend amazing mark-ups



them at Checkers for 23c each — 513 percent up on the cost price

● Butternut squashes were selling for 16,66c each at the market OK was selling them for 80c each, a mark-up of 380 percent.

● Oranges, one of the most popular fruits in South Africa, were going at 3,1c each at Kaserne Orange-lovers buying at supermar-

kets had to cough up 14,83c at the OK (378 percent mark-up), 14,16c at Checkers (356 percent) and 10,5c at Pick 'n Pay (238 percent)

● Tomatoes were 41,66c a kg at the market. At Checkers you were asked to pay R1,99 a kg, a mark-up of 377 percent

Rarely was produce in supermarkets marked up less than 100 percent above market price, and mark-ups of 300 percent and over were frequent.

Mrs Joy Hurwitz, chairman of the Housewives' League, described these mark-ups as "absolutely shocking"

"We look to supermarkets for a fair deal. But they still want high margins even in

this recession.

"These mark-ups are far too high"

Asked to comment on these figures, Checkers, whose mark-ups were found to be generally higher than OK and Pick 'n Pay, said it did not think it was making an unfair profit when the cost of buying, staff, repacking,

transport, wastage and store overheads was taken into consideration

"Also, to ensure continuity and quality, we often buy direct from the farmer, which is sometimes a more expensive source

"Our pricing is formulated every Wednesday for our stores throughout the country for the next week.

"If market prices go down afterwards, that can make us look expensive"

Mr Alan Fabig, marketing director of OK Bazaars said "Our margins after costs are small — way under 20 percent for fruit and vegetables overall.

"The difference between the market price and the price people buy at the supermarket is accounted for by two factors — our margin and our distribution costs, which are enormous"

Mr Richard Cohen, director of Pick 'n Pay, said "On average in the Southern Transvaal our gross margins are between 22 and 24 percent. In fact, last week they were down to 20 percent."

Mr Cohen said that his company also bought a percentage of its produce from direct sources

"We do that to get better quality at better prices"

How to stretch a R10 note

By BARRY SERGEANT

CONSUMERS who "shopped" at the Kazerne market on Tuesday would have had a lot to show for a R10 note

Unlike a shop or supermarket, prices at Kazerne are negotiable and often change hourly. On Tuesday morning R10 would have bought a pocket each of potatoes, onions and oranges

Although most of the market's 9 500 daily transactions are conducted by shop-owners and chain-store buyers, individual consumers are welcome

Bulk-buying is restricted to pockets and boxes

The market is one of the few free markets in South Africa. There are no floor prices, supports or controls

Taxing the poor on basic foods 'ridiculous'

~~22/5/84~~ 22/5/84
 ARSUS
 22/5/84

Provincial Staff

TO make the poor pay tax on pilchards while the rich paid no GST "living on a diet of fillet steak and crayfish" was ridiculous, Mr Geoff Everingham (PFP, Pinelands) told the Cape Provincial Council.

He said the Minister of Finance, Mr Owen Horwood, intended to "soak the man in the street of R800-million in GST" because every time he found himself short of money this was the simplest way to raise it

Yet the ordinary man was facing a proliferation of taxes income tax, GST, excise duty on liquor and tobacco, taxes on fuel, car licence fees and rates on his home

"Now he has not only to content himself with the GST blow, but also faces suggested road toll taxes, taxes to finance his children's education and taxes to finance the Government's new dispensation.

Eroded spending money

"He also has a donations tax if he gives any significant amounts away and faces estate duty at the end of his life"

Mr Everingham said a recent study had shown that tax had eroded spending money far more effectively than inflation

To use the gold price or the drought as an excuse was unacceptable. The drought was a known fact before Mr Horwood presented his budget in Parliament on March 28 and, therefore, before the GST increase was announced on May 11

Similarly, the gold price could not be blamed in the interval between March and May.

Against this background, the cut of R74,6-million in State subsidies to the Cape could not be condoned

Mr Everingham moved a motion declining the approval of the second reading of the Cape's 1984-85 budget until the Administrator, Mr Gene Louw, had made representations to the Government to act against pov-

Better deal

Mr Jan Moolman (NP, Tyger Valley), his party's spokesman on finance, said it was agreed that the Cape warranted a better financial deal from the Government.

At the same time, MPCs should not join a "complaints brigade" because there were positive aspects to the budget

Financial discipline was important and the Government was being realistic in its priorities. Its aims were stable economic growth and a stable level of employment

Think twice

In view of the difficult financial circumstances, everyone should think twice before spending money

"Let us for the present put luxury aside and concentrate on what is necessary to maintain a good, sound and balanced standard, without trying to fly too high financially," Mr Moolman said

He rejected claims that expenditure was high because of political ideology

The debate continues today.

...opes of curbing cost of living fade as ...

Food price hikes help push up CPI by 1,5%

RDM 23/5/84

244

By HOWARD PREECE

A BIG jump in food prices in April helped push the consumer price index up by 1,5% and sent the annual rate of increase back up to 11%.

The year-on-year rate has increased from 10% at the end of February and 10,2% at the end of March.

Factors such as the large maize price rise at the end of April and the net effect of increasing general sales tax to 10%, but exempting food from July 1, could well push the annual CPI rate up to 12% over the next few months.

From then on the deflationary impact of the R2,4bn in new taxes imposed so far this year and the painfully high level of real interest rates should produce a downturn in the CPI.

Even so, however, it will be difficult now to get the rate below 10% for calendar 1984.

Higher rail and postal tariffs and a hike in petrol prices played an important part in the exceptionally large CPI increase in April.

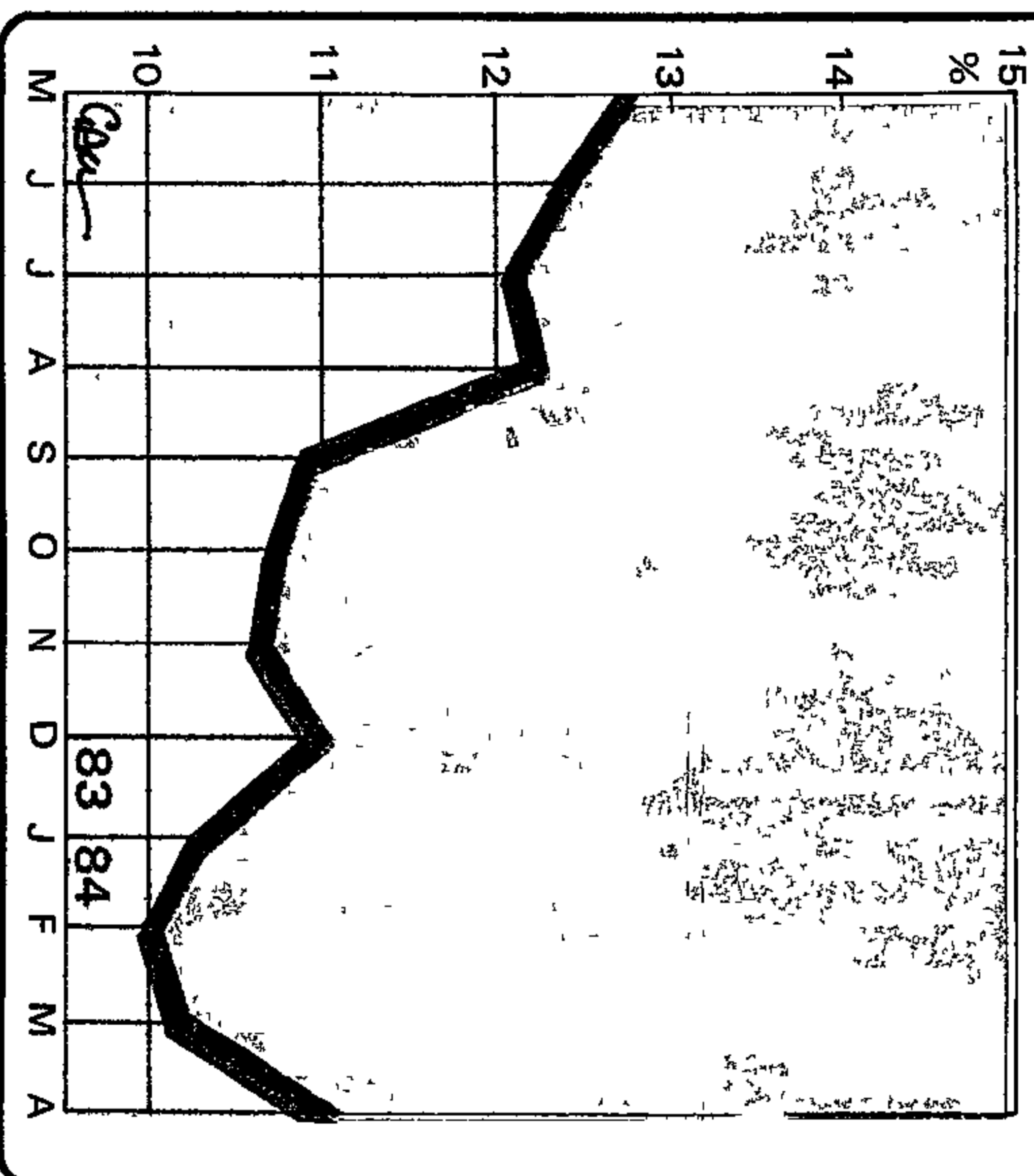
According to the Department of Statistics, the index rose to 286,1 from 281,9 in March and 257,8 in April 1983.

A hefty 1,7% jump in food prices had a strong effect on the total CPI rise.

At this stage, however, inflation is bearing more heavily in percentage terms on the upper and middle income groups than on those with lower incomes, which obviously includes most blacks.

The sub-division of the CPI shows

Consumer Price Index



that for the year to the end of April, the cost of living rise for the upper incomes was 11,2% and 11,3% for middle incomes.

It was a much lower 9,3% for the lower incomes.

In absolute terms, of course, it can certainly be argued that inflation is taking a much heavier toll on the poor than on the better off.

One important reason, however, for the above-average rise in the CPI for middle and upper incomes

is housing costs.

Rents or mortgages have gone up sharply higher for whites over the past year.

Although the 18,5% maize price increase at the end of April must bear particularly heavily on the poor, they will be cushioned to some extent by the removal of some basic foods from the GST at the end of June.

In the end, however, everyone's cost of living will be hit by the

coming GST rise.

Overall it will probably add around 0,8% to the CPI.

At the beginning of this year, Mr Owen Horwood, the Minister of Finance, said he expected inflation to be down to 7,5% to 8% by the end of the year.

It now looks as though the doubters — such as Dr Johan Cloete of Barclays National Bank (who had had a consistently good record in inflation forecasting) — will be correct.

Dr Cloete was among those economists to suggest the rate for 1984 was unlikely to be much below 10%.

That certainly looks likely to be the case.

What has happened, as reported in yesterday's Business Day, is that the economy continued to show a buoyant pattern of growth and expenditure in the first quarter of this year after an upturn in the second half of 1983.

Unfortunately this was far from being a result of deliberate planning by the authorities — it was a consequence of an inability, or unwillingness, by them to enforce genuine financial discipline.

There can be no surprise, therefore, that the battle against inflation is far from won.

Indeed, it has been waged only intermittently.

But with inflation in the US at 4,5%, in Britain at 5% and below that level in both Japan and West Germany, South Africa has no choice now but to resume the battle.

The rewards will not, however, be seen until 1985 and, meanwhile, the economy must move into another downturn phase.

From 23/5/84 (244)

Food prices push up CPI

By HOWARD PREECE

A BIG jump in food prices in April helped push the Consumer Price Index up by 1,5% and sent the annual rate of increase in the CPI back up to 11%

The year-on-year rate has increased from 10% at the end of February and 10,2% at the end of March

Factors such as the large maize price rise at the end of April and the nett effect of increasing general sales tax to 10% but exempting food

from July 1 could well push the annual CPI rate up to 12% over the next few months

From then on the deflationary impact of the R2,4-billion new taxes imposed so far this year and the painfully high level of real interest rates should produce a downturn in the CPI

Even so, however, it will be difficult now to get the rate below 10% for calendar 1984

● See Business Day

Concern over abuse of medical aid

Pretoria Correspondent

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The exploitation of medical schemes by a small group of doctors was a "very thorny" problem, said Dr Rene le Roex, president of the Medical Association of South Africa (Masa)

Dr le Roex was delivering his inaugural address as chairman of the Federal Council and president of Masa in Pretoria last night

There was a tendency for doctors and patients to disregard the costs of medical services and to forget there was a limit to funds available when a third party, namely medical aid, covered those costs, he said

Educating doctors in the pharmaceutical field and

in laboratory services would contribute to cutting these costs, Dr le Roex said

He also said Masa's first aim was to maintain and protect the honour and interests of the medical profession, which was not something apart from the society in which it existed

"Unfortunately, we are now faced with a situation where there are voices clamouring for us to become a political force, or mini-political party," Dr le Roex said

By the very nature of doctors' working circumstances, they became aware of bottlenecks in the provision of health services

Doctors were not politicians, but it was their duty to express their opinions on these problems, he said

Doctors told: help to keep fees down

Pretoria Correspondent

Doctors must accept responsibility towards the costs of patients' medical care and eliminate cases of "blatant exploitation", says the Minister of Health and Welfare, Dr Nak van der Merwe

One of the many objectives of introducing the new method of determining medical fees was to make doctors more cost-conscious, he told the annual meeting of the Medical Association of South Africa in Pretoria last night

"Doctors are the ones who decide to which hospital a patient should be admitted, for how long he should stay, and what treatment should be given. So it is essential for doctors to be aware of how they contribute to the total costs of a service.

"See the patient as a person who must also make ends meet."

HEALTH TEAMS

The costs of health services were rising out of all proportion, he said. Of these, hospital costs were the most serious.

The emphasis should be shifted from curative services to preventive services. Experience had shown that more than 80 percent of patients could be treated by nurses outside institutions.

Doctors and pharmacists, such as those operating in areas like the Cape Flats, completed the health teams

"The medical profession is conservative and sees any change or anything new as a threat to its practices. I must, however, say there is too much work for all of us," said Dr van der Merwe.

Decentralisation of medical services by means of health teams and health centres, where doctors were the leaders of teams of experts, evoked wide reaction and was one of the reasons for the poor distribution of doctors, he said

8-25pc rise in medical dental fees

Political Correspondent

MEDICAL and dental fees for members of medical schemes are to be increased by between 8,8 percent and 25 percent from July 1, the Minister of Health, Dr C V van der Merwe, has announced.

Medical fees will rise by 8,8 percent and dental fees by 10 percent, with an additional increase of 15 percent for general practitioners within the dental profession.

The minister said the Medical and Dental Council had proposed a general increase of 33 percent in dental fees, but he was not prepared to accept this

This will be the last time the minister will have to determine a fee on the recommendation of the council

In terms of the Medical Schemes Amendment Act, passed this year but not yet implemented, fees will in future be determined by the Representative Association of Medical Schemes after consultation with medical associations

Medical, dental fees up on July 1

Cape Times
24/5/84

~~83~~ ~~74~~

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By PETER DENNEHY

CONSUMERS reeling from a barrage of cost-of-living increases are to suffer yet another blow when medical and dental fees rise from July 1.

The Minister of Health and Welfare, Dr Nak van der Merwe, announced in Cape Town yesterday that medical fees would increase

from July 1 by 8,8 percent and dental fees by as much as 25 percent in the case of general practitioners and by 10 percent for others

July 1 also marks the rise in general sales tax to 10 percent

Dr Van der Merwe said in a statement that it was on the recommendation of the SA Medical and Dental Council (SAMDC) that general practitioners would get an average 8,8 percent increase

A report before the Representative Association of Medical Schemes (RAMS) when the increase was mooted in October last year — after a 15 percent rise in medical and dental fees on September 1 —

estimated the proposed medical increase would cost aid schemes R32 million a year

RAMS president Mr John Ernstzen said at the time that aid schemes would have to raise subscriptions "substantially"

The SAMDC had proposed a 33 percent rise in dental fees, which Dr Van der Merwe said he was "not prepared to accept"

Instead, he approved a general rise of 10 percent with "an additional increase of 15 percent only to general practitioners within the dental profession"

The increases would be the last to be approved by the minister, as tariffs would in future be determined by RAMS, in terms of the Medical Schemes Act passed by Parliament this session, the statement said

The latest increase comes in the wake of a wave of others

● GST will rise to 10 percent on most items on the same day

● Capetonians will pay 8 percent more in rates from July 1, electricity fees are to rise by an unspecified amount and water tariffs rose by 7 percent from April 1 this year

● Suburban rail fares jumped 12,8 percent on average for third-class tickets on April 1, and domestic air fares rose 6 percent

● A massive national maize price increase of 18,5 percent was announced on April 26

● The budget seven weeks ago increased tax and duties on cigarettes and beer

● Company tax was also raised in the budget to 50 percent of profits

● Provincial hospital tariffs rose 50 percent from April 1

● Postal tariffs, including the cost of telephone calls, rose 9 percent on April 1

● Milk rose by 4c a litre from April 1 and the bread price rose 6c a loaf from February 20

● The wholesale price of beer rose 5,5 percent in mid-February

● Mortgage bond instalments rose in mid-February. At the beginning of the same month, GST rose from six to seven percent

Fees increase: medical aid will also go up

(24/5/84) Stan 24/5/84

The rise in medical and dental fees on July 1 will result in an increase in medical aid rates, the chairman of the Representative Association of Medical Aid Societies, Mr John Ernstzen, said today.

The Minister of Health, Dr Nak van der Merwe, approved rate increases of 8,8 percent for doctors and 10 percent for dentists yesterday. An increase of 15 percent will come into effect on July 1 for general practitioners within the dental profession.

"We think the increase is high under present economic conditions and medical rates will rise by about 6 percent," said Mr Ernstzen.

"We are so used to increases that we have become anaesthetised against this sort of shock."

Mr Ernstzen said medical aid societies had also been affected by increasing medicine costs.

A medical plan representative said medical aid societies expected an increase in fees every six months.

PROVINCIAL COUNCIL

Forced removal policy creating poverty — PFP

ARGUS Provincial Staff 25/5/84

INSTEAD of fighting poverty by providing homes and jobs for South Africans, the Government was "resettling" millions of people at enormous cost, Mr Frank van der Velde (PFP Wynberg) said in the Provincial Council.

'Resettled blacks better off'

Provincial Staff

BLACK citizens of independent homelands could not "come and do as they like in this country", Mr S M Greeff (NP Outshoorn) said in the provincial council

Defending National Party removals of blacks to resettlement areas, Mr Greeff denied that these were "forced removals"

He added "We concede that sometimes action had to be taken against minorities who did not wish to co-operate with the majorities"

"DEVELOPMENT"

The Government was giving blacks their own homes in properly planned towns and cities where it was easier to "provide the development potential for agriculture, irrigation and mining areas"

Mr Greeff said blacks were better off after being "resettled" by the Government

"People who were formerly squatters now have their own homes and properties in properly planned towns and cities"

The Government was not winning the hearts and minds of people by supplying much-needed housing for those who had none. Instead, it was creating increasing poverty and deep-seated bitterness by continuing a policy of forced removals

Mr van der Velde was introducing a motion "that this council abhors the continued forced removals of people for ideological reasons"

A "sick indictment" of the ideological policies was that in debates on the subject the National Party quibbled about the numbers involved and not the justification or morality of forced removals

"OBEY THE LAW"

Mr C J Veldtman (NP Durbanville) moved an amendment to the PFP motion in which a call was made "on all population groups to obey the laws of the country in order to ensure an orderly society, and, where relocations are still to be made, to give their co-operation so that this may be done in an orderly manner and with the least possible disruption to all involved"

In a division, the PFP motion was rejected and the NP motion approved by 36 votes to 10

Out of 13 products priced last week at Checkers, 10 were down this week, some by more than 35 percent.

Nine out of 13 were selling at slightly lower prices at OK Bazaars

Only three were down at Pick 'n Pay, the supermarket chain found in last week's investigation to have the lowest mark-ups

Among the products to have dropped dramatically were:

● Avocados (down from 63c to 39c at Checkers)

Dropped

● Beans, which dropped at all three supermarkets, particularly at Checkers and Pick 'n Pay, where they fell by more than 50c a kg, from R1,99 and R2,19 respectively. At OK they dropped 29c a kg.

● Prepacked tomatoes, which fell by 50c a kg at Checkers and 20c at Pick 'n Pay.

● Lemons, which dropped 20 percent in price at the OK and Checkers.

● Lettuces (down about 10c at Checkers and Pick 'n Pay).

● Cabbages, which fell to 39c from 59c at Checkers.

But, said a spokesman for Checkers — which buys the "vast majority" of its produce direct from farmers, but takes market prices into consideration when pricing — the investigation had nothing to do with this week's falling prices.

"We price our goods for the following week on a Wednesday. This means that prices for this week were fixed before the Sunday Times story."

Mr Peter Venter, director produce marketing at the Johannesburg market, said prices had been static for the last three weeks, apart from some short-term fluctuations during warm weather.

This would appear to indicate that, as far as market prices go, there is no justification for falling produce costs during the past three weeks.

Fluctuations

Checkers, however, said that there had been fluctuations which had caused its prices to come down.

Mr Alan Fabig, OK marketing director, also denied that price falls were due to anything but market fluctuations.

The Sunday Times reported last week that mark-ups on some fruit and vegetables can be as high as 500 percent on cost prices.

Supermarkets claimed that mark-ups overall were much lower.

Pick 'n Pay this week said its mark-up on selling prices overall on fresh produce is just over 20 percent, with staff, rent and transport

And big savings for the buyers

charges still to be taken off that — and produced proof of this to the Sunday Times.

It said that buying direct from the farmer, as it often did, probably saved it about 10 percent over buying at the market.

"We're not denying your figures, but it's a swings-and-roundabout situation. We balance out over all the products," a spokesman said.

A visit to the municipal market with Mr Richard Cohen, director of Pick 'n Pay, revealed that generally his company was buying at approximately the same price as the Sunday Times quoted.



MR RICHARD COHEN
Lowest mark-ups

However, on certain items, paw paws and tomatoes particularly, they were paying more for superior quality and a good shelf life.

Asked if selling in bulk with

minimal mark-ups to attract customers into the store meant that consumers buying small quantities were subsidising these promotions, the general manager Southern Transvaal supermarkets, Mr Gordon Holt, conceded that this was a "very good point".

Fairer

"It could be fairer to even them out. But small packs are always more expensive. You pay for the packing and the convenience."

A Checkers spokesman said it believed that, in some cases, it had bought at higher prices from the market than the Sunday Times quoted as the going market price, and that its mark-ups were therefore not as high as revealed last week.

"An extreme case is lettuces. On May 15 (the day the Sunday Times checked market prices) the average price was R5,01 for a case of 32. But the highest price was R20.

"The price we pay depends on time of purchase.

"Wastage is also an important factor. It can be as high as 1,5kg in a 10kg packet of beans, and the same for lemons. That also cuts down our mark-up."

FRESH fruit and vegetable prices plunged in many Johannesburg supermarkets this week after publication in the Sunday Times of figures that revealed high mark-ups on fresh produce.

By GWEN GILL

27/5/84

Lower prices! Fresh vegetables,

FROM LAST WEEK'S SUNDAY

Fresh veggies, ripe

Gunned down in front of his girl

Item	Unit	Price
Avocado	each	39c
Beans	kg	1,49
Prepacked tomatoes	kg	50c
Lemons	kg	1,99
Lettuces	case of 32	5,01
Cabbages	kg	39c
Paw paws	kg	1,99
Tomatoes	kg	1,99

Milk price increase expected in July

244
By Hannes Ferguson,
Farming Correspondent

Star 28/5/84
The price of fresh milk
may go up instead of
down from July 1

An increase in the
Transvaal producer price
of about 3 c a litre is ex-
pected to be announced
on Wednesday, cancelling
out most of the 4 c a litre
benefit consumers ex-
pected from the removal
of the GST on milk.

Cape producer prices
were already raised by
4 c a litre in February

The increase has been
made inevitable by the
rise in costs as a result of
the maize price increase

The Dairy Board
claims that, even with
the expected increase in
producer prices, dairy
farmers will be produc-
ing at a loss

Milk distributors claim
that they are making a
loss of 4 c a litre on deli-
vered milk and only a
negligible profit on milk
sold in cartons

SURPLUSES

To work away the ac-
cumulating surplus of
milk powder, a levy of
about 12 c a litre may be
introduced on all indus-
trial milk in excess of
present demands

This will finance ex-
pected export losses on
whole and skimmed milk
powder.

At the same time milk
powder products are still
being dumped in large
quantities on the South
African market from Eu-
rope, where huge export
subsidies are being paid
to get rid of milk sur-
pluses caused by the
agricultural policy of the
European Common Mar-
ket

The South African
dairy industry has long
tried in vain to convince
the Department of Indus-
tries and Commerce that
dumping of milk powder
from Europe should be
stopped

D. Disputch
**Milk prices to go
up this week** *28/5/84* *244*

EAST LONDON — The local wholesale and home-delivery prices of fresh milk are to be increased by as much as 7,5 per cent from June 1.

This was disclosed yesterday by the chief executive of Model Dairy, Mr G Stead, who said the move had been forced on his organisation by escalating rises in production and distribution costs.

From June 1 the wholesale price for a litre of milk in a carton will go up from 64c to 67c and milk delivered to homes will increase from 63,5c to 68c.

This represents increases of 4,6 per cent and 7,5 per cent respectively.

At the same time the dairy, which handles ab-

out 90 per cent of the milk trade in East London, will also increase the wholesale and home-delivery costs of fruit juices.

Mr Stead said the wholesale price of a litre of orange or guava juice in a carton will go up from 55c to 57c while the home-delivery price will increase from 55c to 60c.

The prices of fruit yoghurt and mass will not be affected.

Mr Stead said the new prices, which come into effect four weeks before the seven per cent GST on milk and other basic foodstuffs is withdrawn, will still put local charges on a par with prices in other major centres.

"We are paying farmers 8c more per litre

than we were 18 months ago," he said "and our last price rise was 14 months back."

Mr Stead said retailers could absorb the price increase themselves and sell milk as a loss-leader like many of the supermarkets did or they could add the recommended 12,5 per cent mark-up to the price they pay.

"Actually, there is such a shortage of local supply that we are having to import an average of 20 000 litres a day from the Alexandria area," he said.

Mr Stead, whose organisation distributes an average of 40 000 litres of milk a day, said the Port Elizabeth region at present has a surplus in milk production. —
DDR.

Randburg CoL will rise by 9,3 pc

By Shirley Woodgate

Stw 29/5/84

(244) The cost of living in Randburg will rise by 9,3 percent according to last night's budget — adding about R12 to the average ratepayer's monthly account.

Delivering the town's silver jubilee budget of almost R64 million (up by 25 percent on last year's R51 million), management committee chairman Mr Olaus van Zyl announced increases of 18 percent for sewerage, nine percent for water, 10 percent for electricity and nearly seven percent for assessment rates.

The 6,65 percent rates increase will leave a deficit of R449 992. The bulk (nearly 62 percent) of the total amount of R11 million brought in by assessment rates will be paid by householders, followed by businesses (15 percent) and flats (12 percent).

With the new valuation, certain ratepayers will pay higher rates than at present — mainly residents to the west of the western by-pass — and others lower

Mr van Zyl said with the new valuation the rate had been set at 1,755c in the rand for businesses, industries and flats, while a rebate of 40 percent on a sliding scale had been granted for houses and agricultural holdings.

Total income and expenditure for the year 1984/5 is up by 24 percent from last year, to R52 million. The capital budget is up by 30 percent from R8 million to R11 million, with capital expenditure up from R42 million to R52 million.

Mr van Zyl said compared with other local authorities of the same size, Randburg's capital estimates were less than all except one.

The 24 percent increase in expenditure was attributed mainly to tariff increases imposed by Johannesburg (more than 32 percent for sewerage) and the Rand Water Board (24 percent), inflation of more than 10 percent and growth of four percent.

and Politics

Parliament and Politics

Greyling: Press blew up meat issue

CME Times 29/5/84

244

~~meat~~ meat issue

HOUSE OF ASSEMBLY

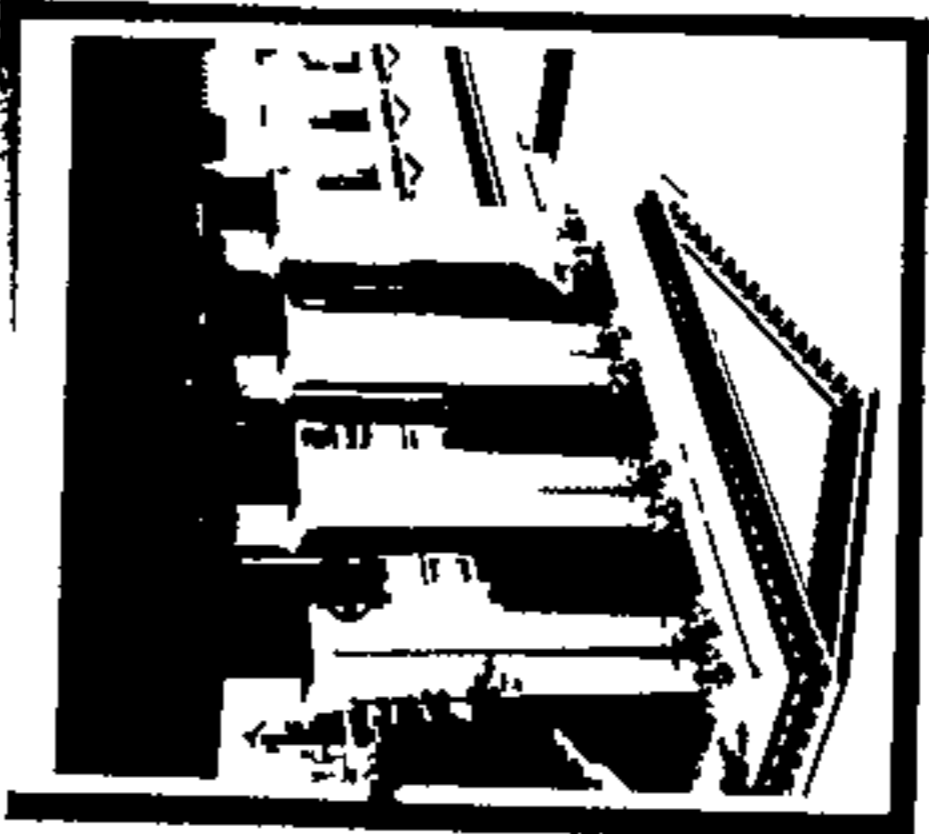
The Meat Board's plan to expand its control to certain areas of the Western Cape had been blown out of proportion by an uninformed press, the Minister of Agriculture, Mr Greyling Wentzel, said yesterday.

He was replying in the third reading debate on the Marketing Amendment Bill to concern expressed by Mr Ralph

Hardingham (NRP Mooi River) at the apparent "autocratic attitude" of the Meat Board towards the Western Cape.

The minister said the matter was sub judice as he and the National Marketing Board still had to consider representations by the Meat Board.

For some or other reason, a member of the board had made certain



facts public and these had been blown up by the press without all the facts being known.

Mr Wentzel said the matter would be handled fairly and democratically.

Mr Hardingham earlier quoted figures from a magazine article which showed that various meat prices over last Christmas had been more than one rand

cheaper in Western Cape areas not under Meat Board control.

The minister pointed out that of the 46 butcheries involved in the matter, only three bought their meat in uncontrolled areas while all the rest made their purchases in the controlled Matieland area.

The Marketing Amendment Bill was read a third time. — Sapa

Public storm over Meat Board plan started by 'leak'

Parliamentary Staff INFORMATION
 "leaked" by a member of the Meat Board had resulted in the public storm about the board's plan to expand its controlled area in the Western Cape, the Assembly has been told

The Minister of Agriculture, Mr J J G Wentzel, said the matter was "sub judice", but after the disclosure by the Meat Board member, the Press had turned it into "a terrible affair".

He said he did not know why the Meat Board member — whom he did not name — had disclosed the information

Mr Wentzel was replying to Opposition

criticism of "autocratic" attitudes in the meat industry during yesterday's third-reading debate on the Marketing Amendment Bill

Prohibit

He said existing legislation was being amended to prevent this happening again. The amendment would prohibit public disclosure of the board's discussions about "sensitive matters" before the facts had been submitted to the Minister

The Meat Board had been investigating the proposed expansion of the Western Cape controlled area. The board's recommendations would eventually be submitted to the National Marketing Council, which would then make a submission to the Minister to enable him to take a decision.

The Meat Board's whole discussion about the matter, however, had for some reason been made public by a member of the board.

Only three

"I am not defending the Meat Board, but I do not want to say for one moment that the board did not have good reasons for seeking to expand the controlled area," the Minister said

Of 46 butcher shops involved in the pro-

posed scheme, only three bought their meat outside the controlled area

The rest all bought their meat at the controlled Maitland abattoir

The question of whether the price of meat would be in-



Mr J J G Wentzel

creased in the process was "another matter"

Mr Wentzel said he was awaiting a submission from the Meat Board

He gave an assurance that the matter of expanding the controlled area would be investigated and would be settled "in a democratic manner"

Mr Wentzel said he hoped the Press would "stop writing about this because they don't

know exactly what is going on here"

Earlier Mr Ralph Hardingham (NRP Mooi River) said there were signs of "a certain autocratic attitude rearing its head within the meat industry"

He said he noted with a concern a report in a Johannesburg journal about the Meat Board's wish to extend control in the Western Cape

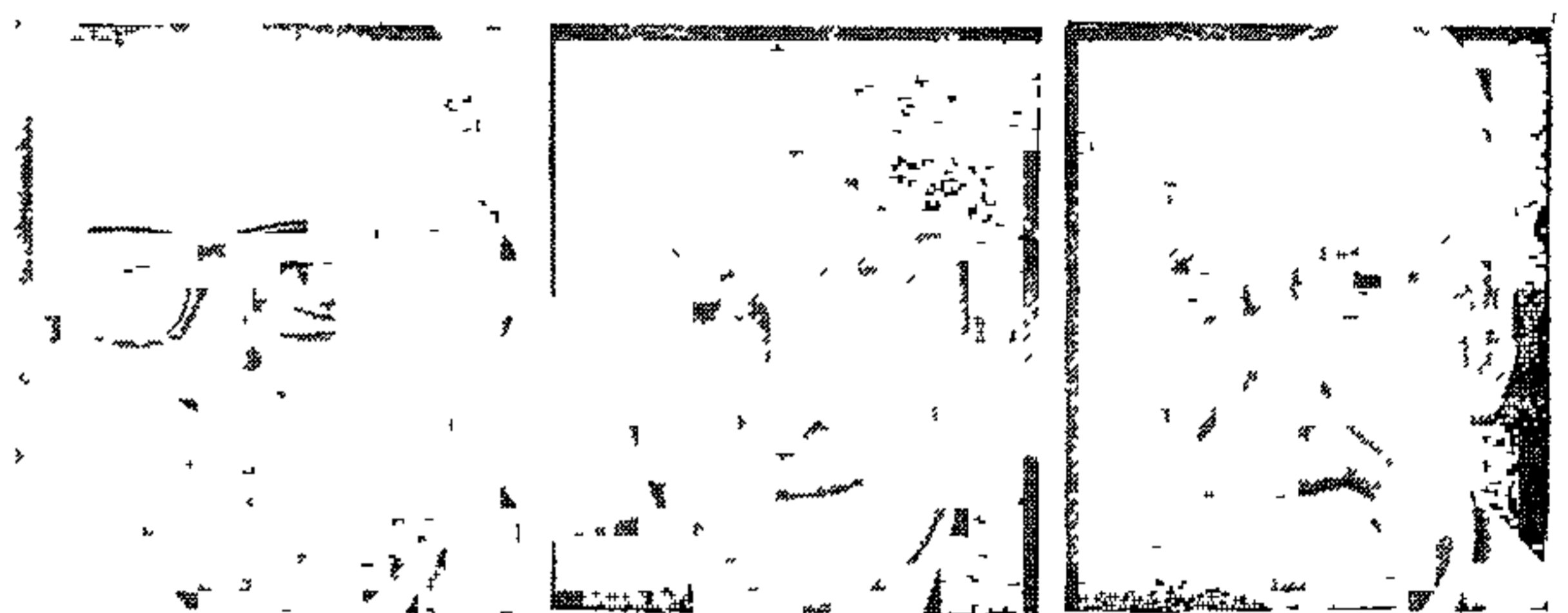
Mr Hardingham quoted figures from the journal's report which showed that various meat prices over last Christmas had been over one rand a kilogram cheaper in areas not under Meat Board control

The price of lamb chops, for example, was reported to have been R1,90 a kg cheaper in the uncontrolled areas than in the controlled areas

With one exception, the figures reflected the general tendency, Mr Hardingham said

He added "This is a matter which concerns all of us. I know of a number of meat producers in this country who are directly affected by a state of affairs of this nature"

The Bill, which amends the Marketing Act of 1968 largely in technical respects, was read a third time



Mr Danie Steyn

Mr Roger Hulley

Mr Ralph Hardingham

State audit control of oil funds to be investigated

Parliamentary Staff

THE whole question of bringing South Africa's oil funds under the audit control of State funds was now being investigated, and legislation for this might be introduced next year, the Assembly has been told

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, said he believed such legislation would dispel opposition fears about control of and accountability for public money in the oil funds

Replying to the second-reading debate on the State Oil Fund Amendment Bill, Mr Steyn rejected opposition charges of mismanagement of oil funds

He said the Bill before the Assembly was regarded by the Government as only an interim measure for proper financial arrangements according to law until the introduction of a consolidated measure in Parliament next year

The legislation envisaged for next year would provide for sound audit control by Parliament

TO BE TABLED

This would make it possible for reports on funds where no clandestine procedures were involved to be tabled in Parliament and for the funds to be audited

Mr Steyn said that so far no distinction had been made between public and private funds for audit purposes because all funds handled by private companies had been audited by private auditors in terms of the Companies Act

The Auditor-General, with whom discussions had been held about this matter, could therefore not have been involved in the financial control.

The rationalisation of South Africa's oil procurement organisation with a view to the best possible financial control over the various kinds of funds was now being considered by the department.

Mr Steyn said that in recent months new circumstances had developed which made it necessary to look again at the whole set-up in regard to the State Oil Fund, the Strategic Fuel Fund and the Industrial Development Corporation, as well as the procurement of crude oil

The Minister also said that the main purpose of legislation to divert and save part of the money raised from a levy on fuel sales instead of using it to finance the budget was to ensure that funds would be available for future projects like a Sasol 4

The Bill provides for the Treasury to take some of the money in the State Oil Fund, which in turn is given wider powers to transform it into a general energy development and trading fund, and new powers of general investment

Mr Steyn rejected a suggestion by Mr Roger Hulley (PFP Constantia) that there were billions of rands in the State Oil Fund. He accused Mr Hulley of spreading a "gossip story which has obtained a whole lot of new tails like octopus arms"

SELECT COMMITTEE

On April 30 there was only R887,6-million in the State Oil Fund and the money had come from the sale of Sasol

Mr Hulley called for the appointment of a parliamentary select committee to investigate transactions of the State Oil Fund and the Strategic Fuel Fund Association since their inception

In a proposed amendment declining to pass the second reading of the Bill, the Opposition also proposed that the Auditor-General be made responsible for the auditing of the accounts of the State Oil Fund and the Strategic Fuel Fund Association

The Bill was read a second time with the support of the New Republic Party, the Conservative Party and the National Party. The PFP amendment was rejected

A recommendation to increase Sandton's bus fares from July 1 was agreed at last night's council meeting

This was an effort to reduce the bus service subsidy, which is R560 000 for the current financial year and expected to increase to R630 000 for the next financial year.

The internal scholars' 30 c coupon or 45 c cash fare will increase to 35 c for a coupon and 55 c cash on all routes

~~247~~ ~~372~~ (244)
Council approves higher bus fares
Star
29/5/84

External scholars' fares will increase from 45 c for a coupon or full cash fare to 55 c for a coupon or full cash fare

Adults' fares will be
Monthly season tick-

ets over Sandton border R50 (3-stage routes), R45 (2-stage routes) and R40 (1-stage routes) with internal monthly season tickets R25

Cash fares over the Sandton border will be R1,50 a trip (3 stages), R1,40 (2 stages) and R1,35 (1 stage)

The internal fare for adults will be 80 c.

The R27 student trip card charge is not increased at this stage but will be reviewed in January 1985

Watchdog

Unit pricing — and what it means to you

MRS JEAN TATHAM, vice president of the Housewives League, welcomes Unit Pricing and gave WATCHDOG this explanation

"Which works out cheaper? The big tin of peas or the smaller, the big bottle of tomato sauce or the smaller?"

It should be the bigger, but it often isn't. We all know that it depends on which one the manufacturer is trying to push, which is old stock and which is new

The result is that you stand in front of the tinned fruits dividing the price of tin A to so many grams per cent, an

then multiplying it up to the size of the tin B. But then you can't remember whether you started with A or B, and there's a hideous possibility that you've ended with cents per cent instead of cents per gram

While you're struggling laboriously over calculations that you could have done in a flash 20 years ago, you try to ignore the glares of passing trolley pushers

Everything would be much simpler if tins and bottles had been properly standardized when we went metric in 1970. But all that happened

was that existing sizes were standardized to the nearest five grams

The reason? It would have been necessary to reconstruct all assembly lines and marketing policies if sizes were standardized to logical units. The result? One big tin of corned meat — 300 g, 1 small tin — 190 g, not 150 g

The result in the shopper's mind? Complete wooliness

She usually thinks of each size as being double the smaller one. But when she really wants to know which is cheaper, it's back to school with multiplica-

tion and proportions

Bottled/tinned cucumbers and gherkins come in the following sizes: 345 g, 440 g, 500 g, 510 g, 740 g, 795 g, and that is just in one store. Try to work out the cheapest without a calculator

Compare the sizes and brands of mayonnaise and viennas in the following table and see if you guessed the cheapest

Toilet paper comes in ones, twos, fours, eight and 12s — that's easy, but also in 15s and 16s — not so easy

Goods that are similar but not identical do not always have the same mass. Most tinned fruits, medium size are 410 g, but pie apples in the same tin are only 358 g

To solve this dilemma, comparative unit pricing was introduced in the United States in the early 1970s. This tells you exactly how much an item costs per convenient unit of mass or volume, and can be compared with all similar items in the store. It is now accepted as a very useful aid to shoppers wanting value for money, once quality has been taken into account.

When the Housewives' League asked for it to be introduced here, we were told that it would be too expensive. Staff in branch stores wouldn't or couldn't find time to cope with it.

(Every time a price changes, the unit price shelf label has to be altered.) Inaccurate unit pricing would be almost as bad as incorrect pricing of goods, and more difficult to detect.

But with the introduction of electronic tills and computerized records, unit pricing is now feasible

Take care with frozen foods

MICRO-ORGANISMS in frozen foods start multiplying as soon as the temperature starts to rise. Once the food has thawed, they multiply at a greatly increased rate. Not all are harmful, but even those that are not result in discolouration, deterioration of taste quality and loss of vitamins

We pay a lot for frozen food, so make sure you eat it at its best.

● Buy your frozen and chilled foods last.

● Pack them in a cold box. (Checkers sells an insulated foil bag)

● Get them home as soon as possible and into the freezer or fridge

● Read WATCHDOG in today's Classifier.

Unit Pricing

The brands of Vienna sausages and mayonnaise given below are similar but not identical and include local and imported prices at a supermarket in March

	Mass	Price	Unit price per 100 g
VIENNA SAUSAGES.			
Prima, cocktail, tinned	100 g	69	69c
Renown, chilled	250 g	1,28	51,2c
Prima, tinned	280 g	99	45,4c
Gants, tinned	375 g	1,15	30,7c
Bull Brand, tinned	390 g	1,38	35,4c
Plumrose, tinned	425 g	1,09	25,6c
Eskort, chilled	500 g	1,65	31c
Spekenam, tinned	510 g	1,49	29,2c
Renown, chilled	1 kg	3,69	36,9c
MAYONNAISE:			
Hellmann's Real Mayonnaise	330 g	1,75	53,0c
Jenny Post French Mayonnaise	350 g	1,79	51,0c
Crosse & Blackwell Mayonnaise	375 g	1,75	46,7c
Crosse & Blackwell Classique	445 g	1,99	44,7c
Heinz Mayonnaise	500 g	2,39	48,3c
Carmel Mayonnaise	500 g	1,78	35,6c
Crosse & Blackwell Mayonnaise	750 g	2,09	27,9c
No Name Salad Cream	750 g	1,69	22,5c
Nola Salannaise	760 g	1,99	26,2c
Koo Mayonnaise	760 g	1,99	26,2c
Crosse & Blackwell Salad Cream	790 g	2,00	26,4c
Crosse & Blackwell Mayonnaise	3 kg	8,49	28,3c
Crosse & Blackwell Chef Dressing	3,1 kg	7,79	25,1c

Person.

A HOUSEWIVES' League member offers this view of pricing

"Most of us will have unfamiliar perpendicular on certain articles which now purchasing. At the these do not have a significance but by the 1985 these codes will and bar coding will have a way of life

The article is coded point of manufacture and cific code number app the label or on the article. Having arrived at the ket the goods are packed shelves and no physical marking takes place — code appears

At the till the item scanner which picks up and simultaneously ref name of the product price on the till slip — ables the consumer to glance what has been each item. On arrival she is able to check against her shopping list

A safeguard for your rights. Edited by BOB MOLLOY

It's all over bar the coding...



MRS JEAN TATHAM, vice-president of the Housewives' League, has this to say on the advent of bar coding

"What are the advantages and disadvantages of bar coding for the consumer and how will she react to it? That is like asking 'How long is a piece of string'

Perhaps the only certain conclusion is that the consumer is unpredictable

She will meet bar coding head-on at the shelves no prices on tins This is an enormous disadvantage for those who want to compare prices up and



comparisons — if she hurries

Scanning will mean the cashier and packer can continue their chat uninterrupted, so the till slips will be accurate, which is probably the greatest advantage Also, there will be no waiting to get the price of unmarked items

Credit card delays will be reduced, but there will be no general speeding up at the tills — hold-ups occur because of delays in packing

A new hold-up will be from the shopper like me who couldn't add up her groceries in the trolley and now finds the total is more than she expected The cashier will have to spend quite a lot of time unbleeping goods

Bar coding is coming and the consumer will accept it. But whether or not it becomes a positive force, altering the shopping patterns in SA, depends on the trust that is built up by the supermarkets Where there is a lack of trust at the moment it is due to staff incompetence, computer inaccuracies and lack of competition

At the moment staff don't think for themselves and tend to shrug off responsibility on the 'head office' and the 'computer' What will it be like when each branch merely has to change the shelf masters and alter the memory life?

A very simple, explicit Code of Practice will have to reassure the customer that there is no rip-off between the shelf and the till That is easy It is less easy to ensure programming mistakes are picked up and rectified"

down the shelves, those who want to do a quick addition of how much they have in their trolleys and those who are short sighted

Prices will only be seen on shelf stickers so it is essential they be legible There must be no confusion as to pilchards with or without tomato sauce, 285 g or 410 g

Bottom shelves will present a particular problem Because there is no price label there will be no store identification. When you return a weevilly bag of flour the store will not have to take it back as there is no proof that you bought it there It is not feasible to ask customers to keep till slips for six weeks

An advantage would be the possible addition of unit pricing on the shelf marker so that you can compare the price of frozen, canned and fresh peas The pricing up of old stock on the shelves just by changing the shelf marker is an area of great disagreement to us

At the tills, the customer will like the descriptive till slips, the legible display and the bleep that tells her an item has been entered It is true the slips can be used as shopping lists and for price com-

ial view of bar coding

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will be in a position to compare prices as the months go by and use the list as a guide when next shopping

It is also easier for the consumer to assess which store offers the best prices

The scanning system will increase the speed at which customers pass through the checkouts Once this occurs, the retailer may find that he needs fewer checkouts and he can save on capital investment, labour costs, etc

With the reduction in operational costs, he could find he is able to sell his wares cheaper

All too often we have experienced the frustration of arriving at a till to find an item has not been marked and, similarly, the human error factor causes items to be marked incorrectly

These frustrations will be a thing of the past when all items are bar coded, as the prices will be retained in a central computer file The scanning systems will provide inventory control right down to item level This will enable the retailer to moni-

tor inventory more effectively and should assist in reducing the (also frustrating) out-of-stock situations

A most important benefit to be derived from scanning will be the competitiveness of the prices in a scanning store compared to stores without the system Because of the management of his stock the retailer can achieve savings in the areas of shrinkage, lower operating costs and reduced investment in inventory holdings and can price merchandise more competitively

With sophisticated inventory control by scanning systems, store management will have the means to isolate areas directly affected by shrinkage — a major cause of high prices

The question did arise as to how consumers could check prices before arrival at the till Many consumers still add up as they go along and bar coding could present a problem in this respect

The assurance was given that a price tag would appear on the shelves for the consumer's benefit"

Dismay at increase in milk price

By DIANE CASSERE

CARE TRK 31/5/84

CONSUMER organizations and heads of supermarket chains yesterday expressed shock and dismay at what one called the "total insensitivity" of an announcement that the price of milk and other dairy products would be increased on July 1, the day that GST rises and basic foodstuffs become exempt from the tax.

The chairman of the Dairy Board, Mr Jan van Vuuren, announced yesterday that the price of milk and other dairy products would be increased by between six and eight percent.

Despite the abolition of GST on these products, their prices will in effect remain unchanged.

Mr Van Vuuren announced at a press conference in Pretoria that the price of milk would increase on average by 6,5 percent (four cents a litre), but could vary from region to region and by packaging size due to distribution and packing costs.

Referring to the implementation of marketing quotas for milk, Mr Van Vuuren said the Dairy Board did not want to encourage the

production of milk when there was no demand for the product.

"As a result, each milk producer who supplies a factory will receive a marketing quota based on his own supply over the past 12 months, as well as a market for dairy products for the coming year."

A levy will be collected from a producer exceeding his marketing quota to enable the board to find a market for the surplus.

Mr Raymond Ackerman, chairman of Pick'n Pay, said yesterday that it was "absolutely diabolical" that the milk price should rise at the same time that GST was removed from basic foodstuffs, of which milk is one.

"This will negate the benefits we have been

fighting for on basic foodstuffs and the timing is so anti-consumerism."

Mr Jan Cronje, director of the Consumer Council, said the announced increase of 4c a litre meant the consumer would have to pay the same price after July 1, despite the fact that GST on milk was to be abolished, as from this date the increase in the maize price caused an increase in the input costs of the dairy farmer.

Mrs Joyce Seroke, vice-president of the Black Consumer Union, said she was appalled that the price of a basic foodstuff had been increased.

"Milk is one of the main proteins sustaining the disadvantaged groups. The removal of

GST will make no difference now."

Mr Gordon Utian, managing director of Checkers, urged the government to put a brake on food suppliers increasing prices "and taking for themselves under the veil of the removal of GST from basics, the savings that should be the consumers'."

Mrs Joy Hurwitz, chairman of the Housewives League of South Africa, urged those people who would now be forced to use milk powders not to confuse these with creamers and substitutes that had no nutritional value.

She said that while the producers deserved an increase — "after two years without one" — the distributors were at liberty to charge what they liked.



The Prime Minister

Soar

From ORMANDE LISBON — Portuguese Minister Dr Mario S... accepted an invitation to make a historic visit to Africa.

It would be the first visit by a European in many years and confirm his earlier statement that he would like Portugal have "a more relationship" with South Africa than in the past.

His acceptance appears to confirm that international communi...

heartwarming winter specials
we are open on sat. 2nd. june!

Girl mauled by neighbour's dog

Own Correspondent

JOHANNESBURG — A seven-year-old Boksburg schoolgirl is lying in a serious condition in hospital with four fractured ribs, a perforated lung and 115 stitches to her face, arms and body, after being savagely attacked by a Rotweiler dog yesterday.

The victim, Stephanie Webb, of Packer Road, Parkrand, is in the intensive care unit of the Johannesburg Hospital.

Stephanie, a pupil of St Dominic Convent, and a six-year-old friend, Pipa Bowler, were on their way

crack of dawn



"Bless our dear republic, less 10% GST."



Milk price

rise was ²⁴⁴
~~200~~ overdue ^{3/5/84}

While an increase in the producer price of dairy products was overdue, the semi-controlled rise in the distributors' price margin was not, the president of the Housewives' League, Mrs Joy Hurwitz, said last night.

A price was either controlled or it was not, and it was high time that producers were allowed to distribute their milk themselves, she said.

She warned consumers not to buy low-quality milk powders and blends because they might contain imported ingredients which are harmful to children.

Mrs Hurwitz stressed the necessity of introducing a registered South African dairy mark, modelled on the Woolmark and the Citrus Seal, as proof of a product being of high quality South African pure milk origin.

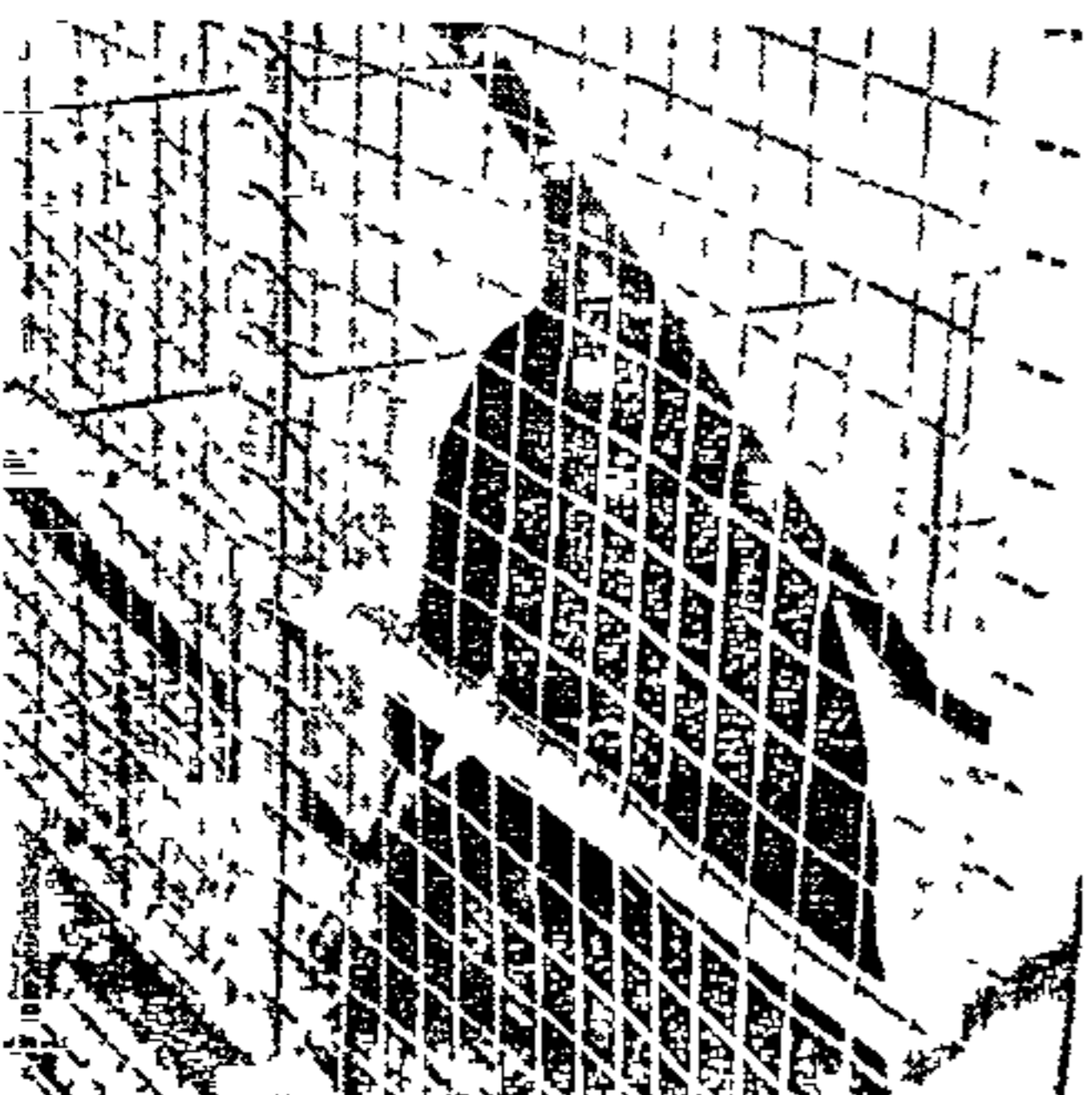
re on roads

to cold

115 STITCHES



serious condition in the Johannesburg he Rottweiler.



By GERALD REILLY
Pretoria Bureau

THE expected drop in the price of milk by four cents a litre from July 1, after the removal of the 7% GST, has been wiped out by an increase in the price of milk by between 6% and 8% a litre

This was announced by the chairman of the Dairy Board, Mr Jan van Vuuren, at a Press conference in Pretoria yesterday. This means the price of a litre of milk delivered will remain at 66c after GST has been removed.

Mr Van Vuuren said the producer price had been raised by three cents a litre — a far bigger increase could have been justified — and distributors had raised their margin by a cent a litre.

The PFP's consumer spokesman, Mr Harry Schwarz said "This is what we feared — that GST concessions would be overtaken by price rises.

"Consumers will be appalled. There is a feeling in some places that the consumer is a cow that can be milked for ever," he said.

The president of the Housewives League, Mrs Joy Hurwitz, said to be fair producers merited an increase — the first for two years. "We thought the consumer was at last getting a break with the removal of GST, but inflation seems to have negated this."

It was unfair, she said, always to pass on increased costs to consumers, especially in a time of recession and on basic foods. It meant that among the lower income groups consumption of milk would continue to decline because they simply could not afford to buy all they needed.

Mr Van Vuuren said the butter price would rise by 7,2c a kg to 468c. The general manager of the board, Mr Eddie Roux, said the butter price had actually been raised by 14,7%. The removal of GST had reduced the increase to 7,2%.

Mr Van Vuuren said industrial milk prices are to rise by about two cents a litre. This would result in a 7,4% or 35c per kg increase in the cheese price. Mr Van Vuuren emphasised the higher maize price alone had resulted in a two cents hike in the milk price.

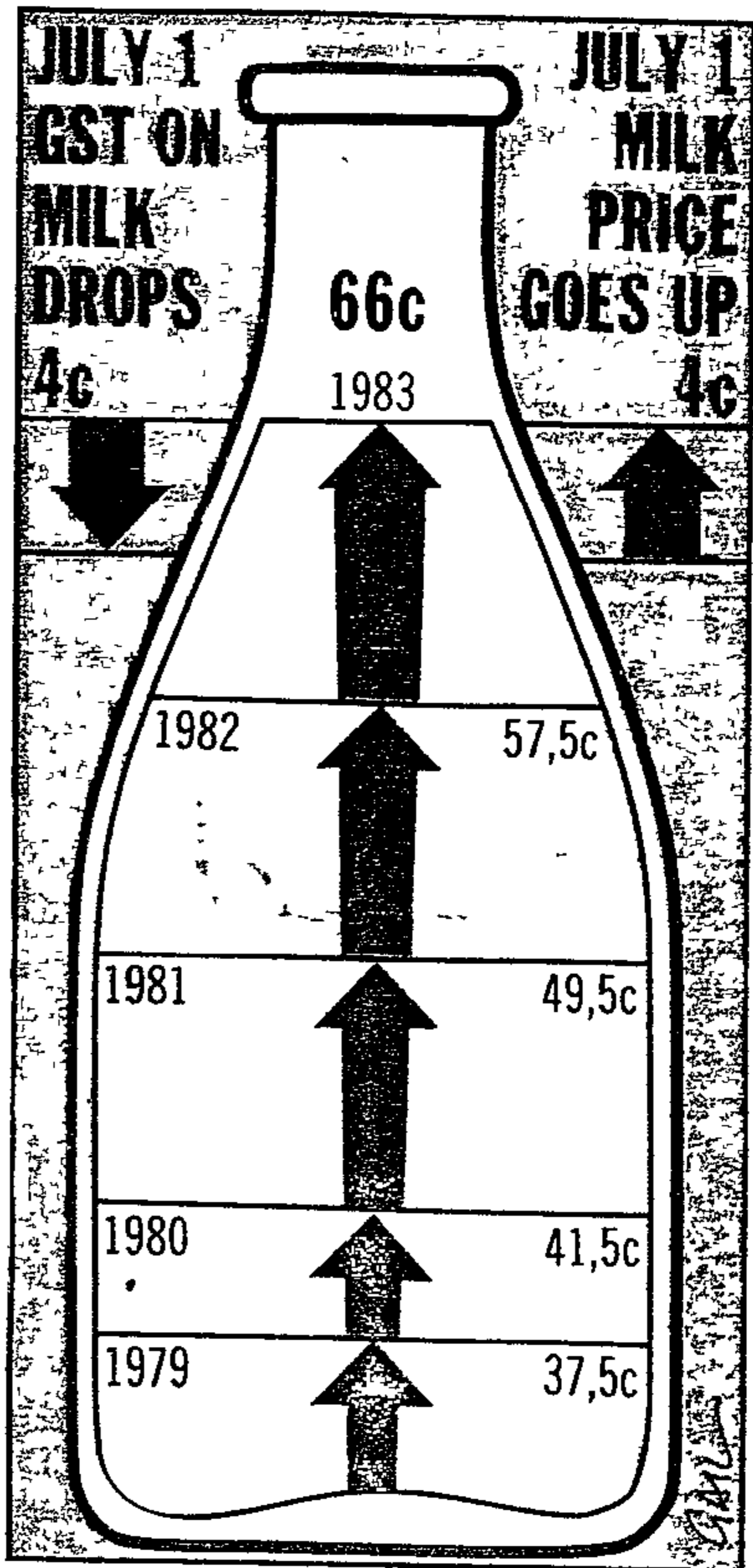
Details on which products would be freed from GST still had to be announced by the Directorate of Inland Revenue. He stressed in an economy with an inflation rate of around 10% a price increase of less than 8% should be acceptable. This was the absolute minimum to keep milk farmers in the industry.

Mr Van Vuuren also announced quotas for milk production would be introduced from July 1.

The board wanted to discourage milk production for which there was no demand. Where a producer exceeded his marketing quota a levy would be collected to help the

KAM 31/5/84

Milk increase comes in as GST goes out



Increase could cancel gains from dropping of GST

Milk price is set to rise yet again

By GERALD REILLY
Pretoria Bureau

board find a market for the surplus. Although the production of fresh milk was now adequate, it was not enough for industrial milk products such as cheese and powdered milk. However surpluses from previous overproduction satisfied the demand.

On the big 10 000-ton surplus of powdered milk, Mr Van Vuuren said welfare organisations and other deserving organisations could participate in the board's subsidy scheme in which powdered milk was subsidised to the extent of R1,50 a kg.

Fun guide

IT'S the first day of the long weekend — and you need WEEKEND FUNFINDER

Soares plans SA visit while UK

t-i-o-n!



**TALKING SHOP:
Colleen Shearer does her annual inflation survey**

**It's
greed,
not
need,
that is
pushing
up
prices**

	Pick 'n Pay La Lucia	OK Bazaars Obn North	Dayton Spar S Beach	Checkers West St	OK Hyperama	Pick n Pay Hypermt	Av % change
Brown bread 900g	37	37	39	37	36	37	+19
White bread 900g	54	54	56	54	53	54	+12
Fresh milk 1 l	62	63	67	65	63	62	+14
Cheddar/kilo	4,69	4,70	4,70	4,70	4,59	4,68	+10
Gouda/kilo	4,74	4,75	3,75	4,75	4,68	4,74	+10
Nestle cheese portions 200g	1,45	1,29	1,69	1,49	1,39	1,34	+8
Rama 500g brick	1,19	1,19	1,25	1,12	1,15	1,26	+34
Choice butter 500g	1,99	1,99	2,04	1,99	1,99	1,98	+10
White sugar 2,5 kilo	1,44	1,48	1,57	1,43	1,39	1,38	+11
White cake flour 2,5 kilo	1,69	1,69	1,89	1,65	1,47	1,49	+4
Clover smooth yoghurt 500ml	52	52	55	55	53	52	+13
Fresh cream 250ml	89	94	93	96	89	88	+15
Clover cottage cheese 250g	1,22	1,23	1,23	1,22	1,19	1,19	0*
Frozen chicken/kilo	1,98	2,19	—	2,12	1,89	1,89	+15
I&J fish fingers 400g	1,09	99	1,15	1,09	99	—	+19
Frozen green peas 1kg	2,59	2,89	2,49	2,75	2,75	2,55	+44
I&J frozen pet food 400g	78	73	79	84	75	75	+18
Frozen potato chips 1kg	2,49	2,89	2,55	2,69	2,69	1,99	+33
Taba Top orange conc 400ml	1,14	1,15	99	1,25	1,15	1,08	+33
I&J hake fillets 400g	—	1,29	1,35	1,29	1,19	—	+24
Frozen mixed vegetables 1kg	2,55	2,79	2,99	2,89	1,79	1,68	+45
Sea Harvest fish cakes 300g	89	79	69	82	79	—	+18
Robertsons icing sugar 500g	84	79	85	79	69	68	+20
Seedless raisins 250g	79	79	79	77	75	72	+12
Royal instant pudding 100g	29	29	35	36	29	28	+11
Cartwrights curry powder 100g	62	61	55	55	—	56	+14
Weetbix 500g	1,09	1,09	1,09	1,25	1,09	1,12	+9
Fattis spaghetti 500g	69	78	95	69	87	79	5*
Kellogg's Cornflakes 500g plastic	1,05	1,15	—	1,16	99	98	+15
Crossbow sugar beans 500g, grade	98	99	95	95	92	98	+7
Crossbow kidney beans 500g	1,05	1,05	99	95	99	98	+16
Purity strained 125g	41	38	39	39	37	38	+33
Table salt — plastic 1kg	44	45	49	43	39	42	+33
Nestle sw condensed milk 397g	75	85	85	83	79	72	+2
Kim powdered milk 500g	3,77	3,39	—	3,86	3,55	—	+9
Protea skim milk powder 500g	2,59	2,49	2,55	2,51	—	2,24	+24
Pronutro baby cereal 250g	89	75	—	92	89	88	+19
Carnation evap milk 410g	79	85	76	85	79	78	+7
Koo baked beans 420g	52	43	49	49	42	42	11
Koo whole kernel corn 410g	84	79	—	—	—	78	+26
Royco soup	37	41	42	40	39	39	+11
Five Roses tea 250g loose	2,25	2,19	—	2,09	2,19	2,12	+47
Pitco tea bags tagless 100g	2,15	2,49	2,29	2,45	2,29	2,28	+17
Bournville cocoa 500	1,75	1,79	1,99	1,77	1,69	1,68	+25
Frisco inst coffee 750g	2,99	3,19	3,19	3,25	3,09	3,12	+4
Eskort red viennas 500g	1,79	1,79	1,99	1,89	1,75	—	+19
Eskort pork sausages 500g	1,89	1,99	1,89	1,99	—	1,84	+35
Knorr chicken stock cubes 72g	46	46	49	44	45	46	+15
Eskort back bacon 250g	1,59	1,94	1,77	1,69	1,59	1,68	+37
Boe sardines 106g	79	75	—	85	—	58	+21
Lecol orange squash 750ml	69	69	69	73	79	64	+3
Mila 500g	2,49	2,89	2,79	2,89	2,59	2,39	+12
Coke in cans 340ml	35	38	39	36	35	34	+9
Bovril 125g	1,15	1,19	1,19	1,14	99	1,18	+7
Marmite 125g	95	85	1,05	89	99	98	+2
Pecks anchovette 125g	67	55	69	59	59	58	+7
Provita crisp bread 200g	69	69	79	69	65	72	+19
Bakers cream crackers 200g	74	81	75	69	65	72	+14
Bakers assorted biscuits 200g	75	89	75	69	69	78	+10
Outspan rusks 500g	99	1,09	89	99	1,09	1,12	3*
Clover Rich n Creamy ice cream 2l	3,19	3,35	3,39	3,39	2,99	2,99	+12
All Gold smooth apricot jam 900g	1,75	1,59	1,45	1,77	—	1,44	+45
All Gold marmalade 450g	72	—	79	79	—	66	+21
All Gold strawberry jam 450g	1,25	—	1,29	1,29	—	1,12	+12
All Gold tomato sauce 1 l	1,25	—	1,19	1,29	1,39	1,22	+43
Golden syrup 1kg	1,65	1,59	—	1,56	1,47	—	+20
Helios oil 750ml	1,55	1,59	—	—	—	1,46	+21
C&B mayonnaise 750ml	1,99	—	2,19	2,09	2,19	2,18	+8
Jenny Post vinegar 750ml	67	69	72	—	—	—	+23
Nestle slab chocolate 100g	59	65	79	67	65	62	+8
Fray Bentos corned beef 300g	1,95	1,92	1,99	—	1,85	1,82	+8
Gants meat balls 400g	1,09	75	99	98	89	—	+16
Gold Dish mutton breyani 380g	1,64	1,51	1,75	1,46	1,49	1,48	+10
Gold Dish beef breyani 380g	1,53	1,42	—	1,33	1,39	1,42	+10
Tastic rice 1kg	1,29	1,35	1,29	1,25	1,29	1,28	+11
Pronutro regu'ar 1kg	2,49	2,29	2,59	2,49	2,49	2,28	+4
Maizena 500g	99	97	95	96	89	88	+16
Maltabella 1kg	1,39	1,69	—	1,69	1,59	1,68	+33
Maize meal 2,5kg	1,25	1,29	1,39	1,32	1,05	1,24	+31
Jungle oats 1kg	1,12	1,12	99	1,09	1,15	1,14	+5
Tiger pearl barley 500g	65	69	75	69	65	56	+15
Royal baking powder 200g	89	1,05	92	1,03	99	88	+8
Samp 2,5kg	1,54	1,63	1,35	1,57	1,49	1,48	+36
Epol chunks 5kg	4,59	4,85	4,69	4,78	4,49	—	+17
Eggs large 1 dozen	1,26	1,22	1,26	1,24	1,22	1,25	+12
Tomatoes/kg loose	1,29	69	1,09	99	89	98	+14
Aluminium foil 5mx45cm	1,79	1,39	2,05	1,83	1,65	1,68	+56
Lux toilet soap 150g	40	38	39	39	41	40	+3
Fresh mushrooms 300g	1,49	1,09	1,39	1,19	99	1,09	+6
TOTAL BASKET	123,77	122,78	126,96	126,01	120,70	119,46	+15,3

1984 AVERAGE TOTAL BASKET = R123,20

1983 AVERAGE TOTAL BASKET = R106,83

D. Dispatch
Dairy Board hikes
5/6/84
do not affect EL *(244)*

EAST LONDON — The local wholesale and home-delivery prices of fresh milk would not be affected by the six to eight per cent increases announced by the Dairy Board and due to come into operation on July 1

This was made clear yesterday by the chief executive of Model Dairy, Mr Geoff Stead, who said "East London falls outside the jurisdiction of the Dairy Board and does not have to implement its general increases"

Local wholesale and home-delivery prices of milk were increased by as much as 7.5 per cent on June 1, but will not be increased further in keeping with Dairy Board increases

June 1 the wholesale price of

a litre of milk in a carton went up from 64c to 67c and milk delivered to homes was increased from 63.5c to 68c

The price increase announced by the Dairy Board for other parts of the country would co-incide with the removal of the seven per cent GST on fresh milk and other basic foods

Model Dairy, which handles about 90 per cent of the milk trade in East London, has not increased the prices of yoghurt and maas, but it is not yet known if the Dairy Board will push up the prices of these dairy products in other parts of the country

The Dairy Board has already announced that the prices of cheese and butter will go up countrywide —
DDR

NATIONAL

Advocates' charges are 'unrealistic' — attorney

RRG/s
6/6/84
244

Argus Correspondent

JOHANNESBURG. — An experienced attorney says he is turning away clients daily because he cannot risk exposing them to advocates' "unrealistic" fees.

According to the attorney, who has had 10 years' experience, he decided to stop briefing advocates when one of his poorest clients was charged R700 by a junior advocate for a simple civil claim which did not come to court

The claim, arising out of a collision, was for R3 500 and the only issue in question was whether a traffic policeman had given his client the right of way. The claim was set down for hearing in April, but it was withdrawn after it became clear that the policeman would testify against the client

The attorney said he and the advocate waited one hour at the court to tell the client the matter was withdrawn, drank a cup of tea together and then left

The advocate refused to discuss his fee, but later sent a bill for R700, which the attorney paid out of his own trust funds

R60 an hour

The attorney, who has five years' more experience than the advocate, was entitled to charge R60 for one hour's routine court-work.

"If I made an appointment for an operation with a cancer-surgeon and I cancelled the appointment, would the surgeon charge me R700 if he just waited in the theatre for a few minutes and enjoyed a cigarette or a little chat with a colleague?" he asked in a letter to the advocate querying the bill

In a letter to the Johannesburg Bar Council, which is investigating the attorney's complaint, the advocate replied that the bill included fees for setting aside three days to go to court, familiarisation with the matter, and research into the relevant law

The amount was the lowest allowed by the taxing master for the first day's appearance of a junior advocate.

The Bar Council's ombudsman said the Press would not be allowed to attend the hearing of the complaint as such hearings were private

Schwarz: GST list too short

Care Times 12/16/84

Political Staff

DFS

IT WAS regrettable that a number of basic foodstuffs were still not to be exempt from General Sales Tax, the Opposition spokesman on Finance, Mr Harry Schwarz said yesterday

He was reacting to the final list of foodstuffs exempt from GST announced by the Commissioner of Inland Revenue yesterday

Foods exempt from GST are

- Bread, but not high protein, special bread, super white, unleavened bread, rusks and other unspecified such as rye bread, rolls and buns
- Butter
- Eggs — those laid by domestic hens
- Raw fin-fish, but not non-vertebrates such as rock lobster, crabs, shrimps, langoustines, mussels and oysters. Also not exempt are canned or bottled fish, cured fish, fish sold as bait, fish extracts and pastes, caviar, smoked fish, fish biltong and fish sold ready to eat.
- Fresh fruit, but not nuts, dried or glace fruit, canned or bottled fruit, jam made from fruit and fruit juices
- Maize meal with the exception of maize flour
- Margarine
- Raw meat, including sausages, hamburger patties and steak and beef burgers, but excluding canned meat, marinated or pickled meat, polony, vienna sausages and frankfurters
- Milk, except condensed or concentrated milk, flavoured and sour milk, yoghurt and sweetened milk
- Milk powder
- Vegetables, except canned and dehydrated vegetables
- Whole-wheat meal

The commissioner pointed out that GST was not applicable where exempt foodstuffs were supplied for immediate consumption as in restaurants, or where board and lodging was charged inclusively

'Excuse for increases'

Mr Schwarz said it was with a degree of satisfaction that he noted that "after so many years" the minister had finally accepted the principle of exempting basic foodstuffs from GST

However, he said the list of exemptions was not complete and it was also to be regretted that they were accompanied by "a massive hike in the level of GST generally"

He expressed the hope that the exemption of certain foodstuffs from GST "will not be used as an excuse for price increases of those foods, and regrettably there are already signs of this"

He warned that the government and consumer should watch out for such exploitation

Mr Schwarz also pointed out that the time for the business sector to adapt cash registers and other procedures was short and consumers should be on the alert to make sure the tax was correctly charged

He said the minister "should make it compulsory to furnish every purchaser either with a cash register slip, invoice or some other written document"

Monday 12/6/84 ~~20~~ 244

TAX-FREE

TAXABLE

BREAD.
white, brown whole-wheat, compound bread

EGGS:
laid by domestic hens

FISH
which has to be cooked

FRUIT
Fresh

MAIZE MEAL.
super maize meal, sifted and unsifted maize meal, samp and mealie rice

MARGARINE

RAW-MEAT:
poultry, sausages, hamburger patties, steak and beef burgers

MILK
from cattle, sheep or goats, skimmed, cream, buttermilk, sterilized milk and long life milk

MILK POWDER.

VEGETABLES
for human consumption — fresh, frozen, blanched or scalded

BREAD
High-protein, French, super super white, rye, rolls buns, unleaven bread, and rusks

EGGS
any eggs laid by ducks, geese, ostriches, etc, or separate egg yolks and whites

FISH
any invertebrate fish such as rock lobster, crabs, langoustine, shrimps, prawns, oysters, mussels, abalone, canned and bottled fish, marinated and pickled fish, cured fish, bait, fish extract and pastes, caviar or caviar substitutes, smoked fish, fish biltong, any fish products containing less than 60 percent raw fish and any fish sold which can be eaten immediately.

FRUIT
dried, nuts, glace, canned or bottled, jam or juices

MAIZE MEAL
maize flour or wholewheat meal

RAW MEAT
canned meat, marinated or pickled, polony; vienna sausages or frankfurters

MILK
condensed or concentrated, flavoured, sour, sweetend or yoghurt.

VEGETABLES
canned or dehydrated

the public response of the affiliate organizations to the mounting crisis

Meanwhile, public servants have been granted pay increases which in some instances have doubled the salary bills of government departments, while they also receive fringe benefits which put them at a massive advantage over the man-in-the-street.

Static rate

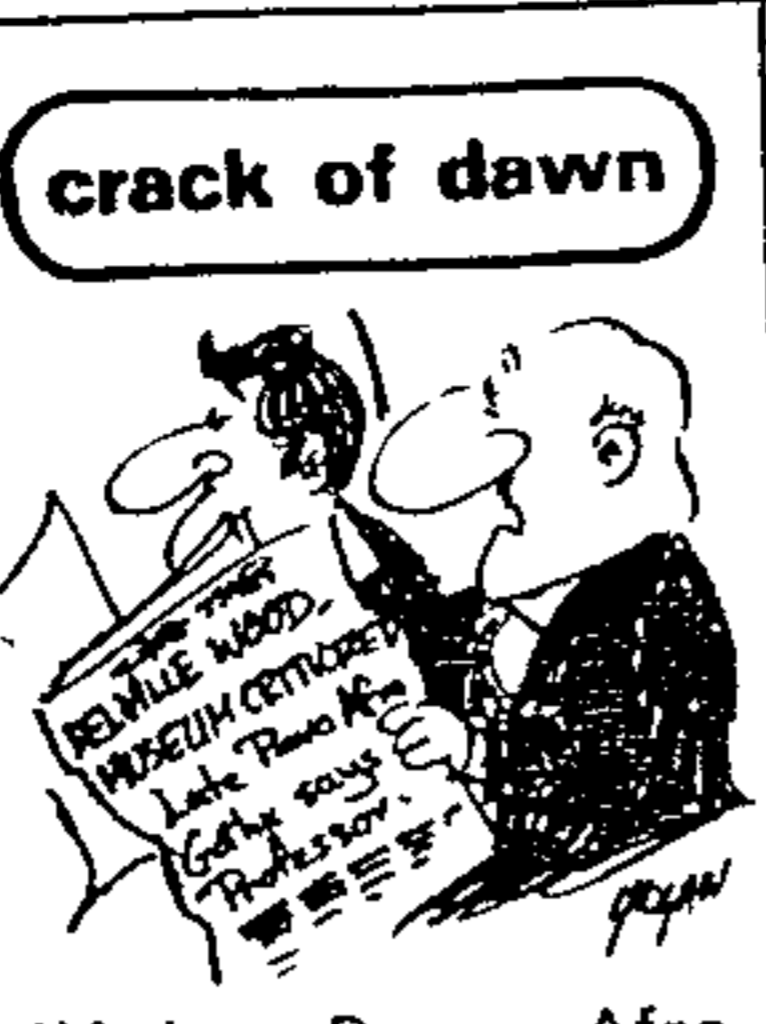
While the housing bond rate has gone up for everyone else, public servants still have a static rate of 4,5 percent.

The Commission for Administration, which monitors the position, said recently that Prime Minister Mr P W Botha's promise to rationalize the public sector did not imply that there would be salary cuts or static salary levels.

The commission said he had merely promised to make the service more efficient.

SS BRIEF

371,50
834,10
1048,20
1110,53



"A late Parow Afro-Gothic museum would look more in place in Bellville Wood"



CAPL Times 13/6/84.
Cheap, nutritious and taxed

Staff Reporter

KUPUGANI, a non-profit national distributor of cheap but nutritious foods, said yesterday that only three of the 84 lines of foodstuffs they stocked were on the list of items exempt from sales tax.

The firm is a major distributor of baby foods, powdered milk, dehydrated vegetables, soup and other high protein foods. The three lines exempted were margarine, milk powder and mealie (maize) meal.

A spokesman for the organization said Kupugani supplied creches, old-age homes, nurseries, day-schools and some day-hospitals. Some 40 percent of these institutions were exempted from sales tax, because they were registered as charities.

However, the vast number of unregistered institutions in the Cape Flats area did make their purchases from the firm and would have to pay the increased 10 percent GST effective from July 1.

Kupugani director Mr Gerry Henderson said canned meats, soya products and high protein dehydrated vegetables were the only types of food the poor had access to in many cases because of distance from markets in rural areas and absence of facilities such as refrigerators in most cases.

- Leading article, page 10
- Quick guide to the new GST, page 11

Breytenbach a friend of M

Correspondent

ESBURG — Afrikaner Breytenbach was sentenced to imprisonment on a terrorism charge, has disavowed his friendship with the bank robber Pat McCall.

McCCall was shot by police in the Stander gang's hide-out in Houghton in January.

Heyl — only surviving member of the trio of robbers — has claimed McCCall was responsible for the death of the gang leader, former policeman, Andre Stander.

But according to Breytenbach in his recently-published book "True Confessions of an Albino Terrorist", McCCall, "a humorous person not given to violence", had been "put up for death".

Police also found documents in the house which assisted them in tracing Stander to Fort Lauderdale, Florida.

"At the time of confessing this (December 1983), Mac, who had broken out on several previous occasions, by absconding from the dentist or diving, handcuffed, through a train window, was on the loose again.

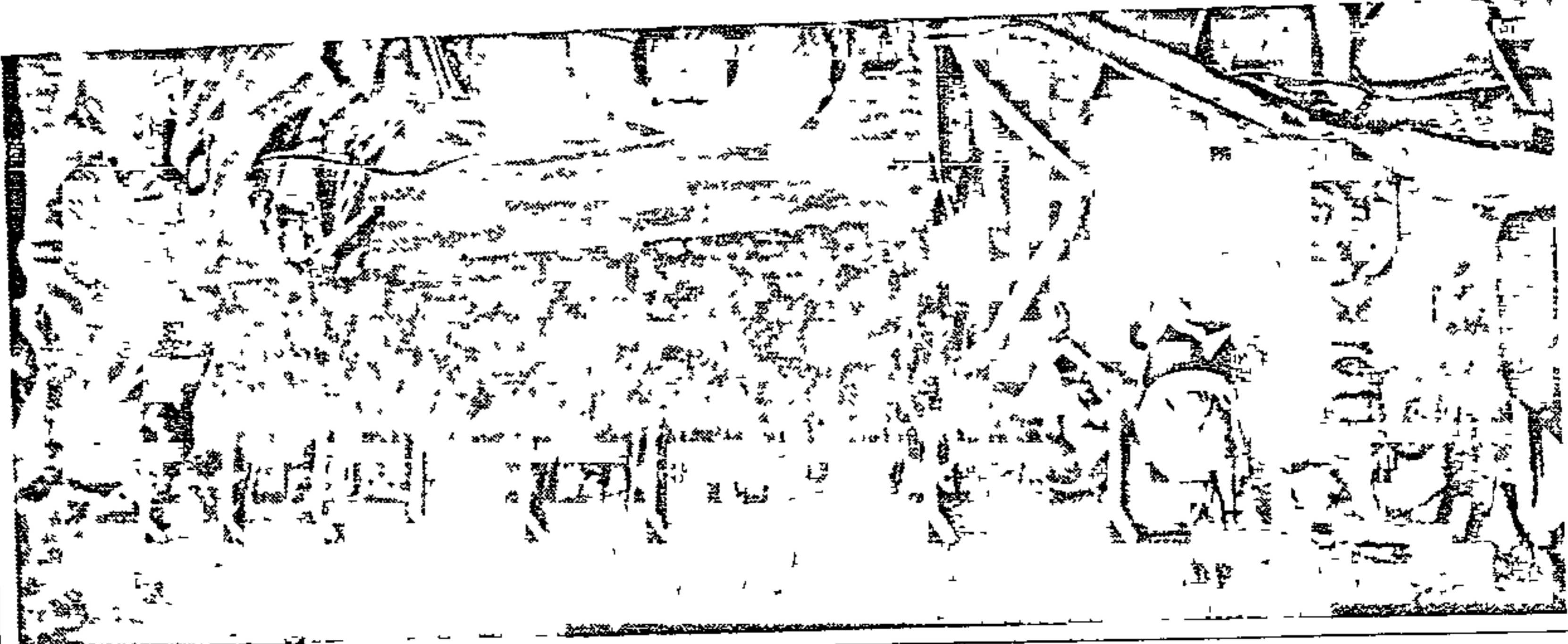
"This time he escaped in the company of an ex-policeman (presumably Captain Andre Stander).

"Mac is a gentle, humorous bloke, not given to violence — but the newspapers (and the police informing them) are creating an atmosphere of terror which would provoke and justify the shooting to death of the escapees if ever they are cornered. As far as I know they are still free.

"Feared for his death He McCCall the h Schur of esc for there shackl attem

SIDE	Aircraft	6	Cinema	8	Crossword	10	Parliament	4	TV	2
	Births, etc	15	Classified	15-21	Editorials	10	Racing	6	Weather	6
	Bridge	6	Column	5	Focus	8, 9	Radio	6	What's on?	6
	Burger	5	Comics	16	Horoscope	6	Ships	5	Women's	9
	Business	12-14	Court Roll	6	On Parade	5	Sport	21, 23, 24	World Report	4

night with an... Secretary for... from Moza... his governme... to reopen M... to South Afr... Tourism be... two states has... pended since... bique's inde... from Portugal... Mr Antonio... the former... colony's Sect... State, who led... delegation to... stated howeve... initial influx... from South... would be "cle



Illegally was unimpressive and grossly overstated. — Sapa

Officials bashing down his house and his furniture piled on the pavement

"The monstrous action by the family out of their home

Interest in seeing the Cassim unoccupied ten the offi-

Tyre price increase 'uncalled for' — AA

AKGUS
15/6/84

244

~~246~~

Staff Reporter

THE Automobile Association has described the increase in tyre prices as "uncalled for" and says tyre manufacturers are "agreeing among themselves on wholesale tyre prices".

In a statement, the AA said this week's announcement by the SA Tyre Manufacturers' Conference of a price increase on tyres and tubes from June 26 had "come as a shock" to all road-users

Tyres for passenger cars, light lorries, earthmovers and graders will increase by 8.33 percent, while giant lorries, tractor and agricultural implement equipment tyres will go up 6.66 percent

"It would appear that the abolition of wholesale price maintenance on tyres by the Government a few years ago has not led to keener competition and that manufacturers are continuing to agree among themselves on increases in wholesale prices," the statement said.

Would like greater competition

"While the AA accepts that tyre manufacturers have to meet increased production costs, it would like to see greater competition among them"

The organisation appealed to retailers not to apply the increase to existing stocks

It said tyre prices for passenger cars had increased by more than 40 percent since 1982, while the tyre production price index had gone up by about 22 percent and the consumer price index by 30 percent

at the only
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used Mr
eking "in-
emarks"

position in the Provin-
cial Council and official
PFP spokesman on edu-
cation, Mr Herbert
Hirsch, described Mr
Louw's attack on the
SATA as "distressing,
disturbing and unfortu-
nate to say the least"

Failure by leaders
such as Mr Louw public-
ly to recognize and ac-
knowledge the cardinal
role teachers play in
society could harm the
status of the profession
and the whole society,
he said

ital plan for ts area

ENNEHY
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from the

Planning
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formed Church — hopes
to construct a home for
the aged according to
the committee report

Three blocks of flats,
each three storeys high,
one two-storey block
and a central service
block would comprise
the complex, which
would accommodate 171
aged persons and staff

Although the flats
would abut the 3 Arts
complex, the business
section of it was 100
metres south-west of the
proposed flats, so aged
residents would not be
troubled by noise, the
report said

The proposed medical
centre would include a
hospital, six operating
theatres, 72 private doc-
tors' consulting rooms,
small shops for patients
and their visitors, and a
700-bay parking area

A municipal housing
scheme was once
planned on the land

CAP Times 15/6/84
From page 1

they made contact with
the runway

At 9 12am Mr and Mrs
Botha — he wearing his
usual buttonhole she in
a sealskin coat and cap
— came down the steps
of the aircraft The wait-
ing ministers set up a
spatter of applause
which was almost imme-
diately drowned out as
the field-guns started a
thunderous 19-shot sa-
lute, to the accompani-
ment of startled shrieks
from parts of the crowd

What almost no-one
realized was that at that
moment the police were
notified that a bomb
had been planted in the
domestic-arrivals build-
ing, but this hoax was
dealt with in an unob-
trusive manner

Serenade

After greeting the
greeters, Mr Botha and
General Viljoen mount-
ed the dais and took the
salute, then inspected
the troops Then the
four Bothas (P W, Pik
and wives) moved back
to the dais, where the
Tygerberg Children's
Choir serenaded them
in Afrikaans and Eng-
lish, and Dr E J van der
Walt of the NGK congre-
gation of Rondebosch
offered bilingual
thanks

Then followed a ram-
bling speech of welcome
by the acting Prime Min-
ister Dr Piet Kooijhof,
to which Mr Botha re-
plied in his usual forth-
right way

Medical aid to cost more

Own Correspondent
PRETORIA — The
country's 230 registered
medical schemes are to
raise their members'
subscriptions from the
beginning of July

The chairman of the
Representative Associa-
tion of Medical
Schemes, Mr John
Ernstzen, said yesterday
that conditions and
benefits varied from
scheme to scheme, but
most were talking of in-
creases of between 12
and 15 percent

One scheme had de-
cided to raise subscrip-
tions by 16½ percent
Reasons for the in-
creases included

- The increase in GST from July 1 which would further increase the prices of medicines
- Higher provincial and other hospital fees
- The fact that provincial hospitals were now referring scheme patients to private practi-

tioners Mr Ernstzen
said that in the past,
particularly for outpa-
tients, members were
accepted at provincial
hospitals, and medica-
tion was free

Even if the provincial
hospitals accepted a
scheme patient, medi-
cines still had to be
paid for and unless it
was a special-case
scheme, patients were
generally referred to
private doctors

He appealed to mem-
bers of schemes not to
run to doctors "with
every ache and pain"
but to use self-medica-
tion where the condi-
tion was not a serious
one This would con-
serve funds for more se-
rious cases

Mr Ernstzen estimat-
ed that the 230 regis-
tered schemes would
pay out a total of R1 500-
million in benefits this
year — about 40 percent
to doctors and 17 per-
cent to dentists

Airport parking fines rise

Staff Reporter

OWNERS of illegally-parked cars which have been
towed away at the D F Malan Airport after Monday
will have to dig deeper into their pockets to bail
out their vehicles

This was announced yesterday by the airport
manager, Mr J J Nel, who said the former R40 fine
to get back cars which had been towed away from
yellow lines and illegal parking bays would be in-
creased to R60

He called on motorists to co-operate in combat-
ing illegal parking, which had caused a lot of in-
convenience at the airport in the past

Gaye's father for trial

LOS ANGELES — The father of
slain soul singer Marvin Gaye, a
retired clergyman accused of
shooting the entertainer 10
weeks ago, has been declared
mentally competent to stand trial
for the murder

The entertainer added the "E"
to his surname at the start of his
music career

Superior Judge Michael Pirosh
ruled that Marvin Gay Snr, who
had surgery last month to re-
move a brain tumour, was fit to
go on trial for the murder of his
son Mr Gay said nothing during
the brief proceeding

The greying, 70-year-old defen-
dant was ordered to appear on
June 20 so a preliminary hearing
date could be set

"The court, having read and
considered the two-page report,
finds that Mr Gay in fact, after
his surgery, is competent to
stand trial," Judge Pirosh ruled

The judge declared Gay men-
tally competent based on two psy-
chiatric evaluations conducted
by Dr Ronald Markman In both
evaluations, the doctor found Gay
mentally competent

The defence did not contest the
findings

Gaye is charged with shooting
his Grammy Award-winning son
through the heart at his family's
south central Los Angeles home
on April 1

The older Gay pleaded not
guilty to the charges, claiming in
a published interview that he

had fired the gun in self-defence
during a heated argument with
his son He said he thought the
weapon was loaded with blanks

"In his post-operative period,
he continues to be fully oriented,
alert and responsive to ques-
tions," Dr Markman said in his
latest report "He was soft-spok-
en, but continued to provide a
consistent story regarding the
shooting of his son, which he la-
bels as 'self-defence'

"He is fully aware of the na-
ture and purpose of the proceed-
ings against him, can discuss his
available options, is aware of the
criminal justice process, the role
of judge, jury and prosecutor and
does know his attorneys" — UPI

It's time to take GST out of CPI

2444
RBM
18/6/84

BY BEN TEMKIN

IF THE consumer price index is to be a proper measure of inflation its make-up needs to be thought out again. In particular, the general sales tax ought to be excluded.

What probably happened in Pre-toria when GST was first levied (at 4%, remember, and as part of a planned policy move away from direct taxation) was that someone forgot to tell the Department of Statistics that tax is not normally included in the cost of living.

In case there is some concern about the logic here, it is probably best explained by looking at income tax. We pay income tax on a sliding scale so that the wealthier members of the community pay more than the lower-income earners.

Thus, the impact of tax on high incomes is greater than that on low incomes. If income tax were to be included in the cost-of-living index how would it be apportioned for different incomes?

Logic tells us that income tax — and company tax — have nothing,

therefore, to do with the cost of living.

As far as GST is concerned similar logic should prevail. It is quite true that the price we pay for goods subject to GST includes the tax. But this is only because shopkeepers are acting as tax collectors for the State. It's convenience that dictates this form of collection.

It may well be argued that customs duties and tariffs form part of the price and that these taxes are incorporated into prices.

Quite true, but these taxes have been collected before the goods are sold. GST is simply another way of collecting revenue.

In case you're still worried about the logic, think of it this way: suppose the Government had been honest in its intentions when it first levied GST, and when it subsequently raised it from 4% to 5% to 6% to 7% and soon to 10%, we would have seen income taxes falling each time. We would thus have had more take-home pay, but we would probably not have saved on tax because what we gained on lower income taxes, we would have lost on GST.

While our taxes in total might well have remained unchanged, the prices of the goods we were buying would have increased by the amount of GST.

In other words, in terms of tax we would be neither better nor worse off. Clearly it would not have been fair then to incorporate GST in the consumer price index.

Agreed the Government has not been honest in its intentions with GST, but that doesn't change the argument. All that has happened is, instead of income tax being increased, GST has been raised.

And taxes are taxes, they are not goods.

Expect, therefore, that sooner or later, GST will be removed from the consumer price index. But its removal should not be criticised on the grounds that it is another form of creative accounting. It is not.

The creative accounting in taxation lies in the myth that we are lightly taxed in this country because the highest marginal rate of tax is 50%, for individuals, and because companies pay 50%.

This myth takes no account of the

effects of fiscal drag nor of the double taxation which is the lot of the investor in ordinary shares. It takes no account, either, of the adverse effects of corporate tax on capital formation nor of the discentive effect of high taxes generally on individual enterprise.

Nor does the myth tell us anything about the taxes we pay to subsidise the purchase of homes by public servants while so many of us have to pay swingeing rates of interest on our bonds. For those who enjoy subsidies, upward changes in the consumer price index are almost certainly overstated and for those who don't enjoy subsidies, they're understated.

The strange thing is that so many of us believe in the consumer price index as a measure of inflation. We even get excited when told that the inflation rate could slow to under 10%.

Removing GST from the index would help to make us even more excited. It might also quieten down the more militant trade unionists who are waiting for July 1 to make their moves.

Little comfort for those close to the breadline

ARGUS

18/6/84 ~~250~~ ~~244~~ 244
Report and picture by Labour Reporter PIPPA GREEN

THE Government announcement that certain foods will be exempted from GST has brought little comfort to those already living close to the breadline, since many are unlikely to reap much benefit from the exemptions

Many Cape Flats households do not have electricity, and fridges are still regarded as a luxury. As a result, lower-income groups buy substantial amounts of tinned food — which will still be subject to the 10-percent sales tax from July 1

And even the shopping baskets of workers who do own fridges contain a high proportion of taxable goods

Examining the household budgets of workers interviewed showed that the tax exemptions hold little, if any, relief for the poor

Household necessities

The newly-formed federation of independent black trade unions has listed a "range of household necessities" bought regularly by workers on which tax will increase

They include tea, coffee, sugar, tinned foods, toiletries, candles, paraffin, clothing and household utensils

● Mr Shadrack Mkila is a contract worker with a local firm in the building industry. He has worked with the same firm for 13 years and earns R51,75 a week

He sends about R20 a week to his wife and six children in Transkei — leaving him about R31 a week to live on

Six tins of vegetables

Neither he nor a fellow contract worker, who did not want to be named, have a fridge, so most of the food they eat — apart from the exempted samp, mealie-meal and bread — is tinned, and therefore not exempt from GST

Mr Mkila and his colleague each buy about six tins of vegetables a week and several tins of

fish. They also buy one five-litre tin of paraffin, soap and other toiletries

Tea, coffee, sugar, jam and rice are bought once a fortnight

"We buy fresh meat and vegetables once a week before the weekend, never more than that"

"It would be better if the Government were to reduce GST on more things. It would make it easier for people all round. We all have to spend money on these things, whether you earn a lot or a little," said Mr Mkila's colleague

Typing school fees

● A municipal worker, who has worked for the City Council for nearly 14 years and who lives in Hanover Park with his family, earns a standard wage of R83,05 a week. His take-home pay, after deductions which include rent, is R64

Of that, the family spends about R26,50 a week on electricity, hire-purchase repayments, the telephone bill and his daughter's typing school fees. That leaves R37,50 a week for transport, groceries, clothes and entertainment

About R15 a week is spent on fresh vegetables, meat, milk and bread. The balance is spent on taxable goods

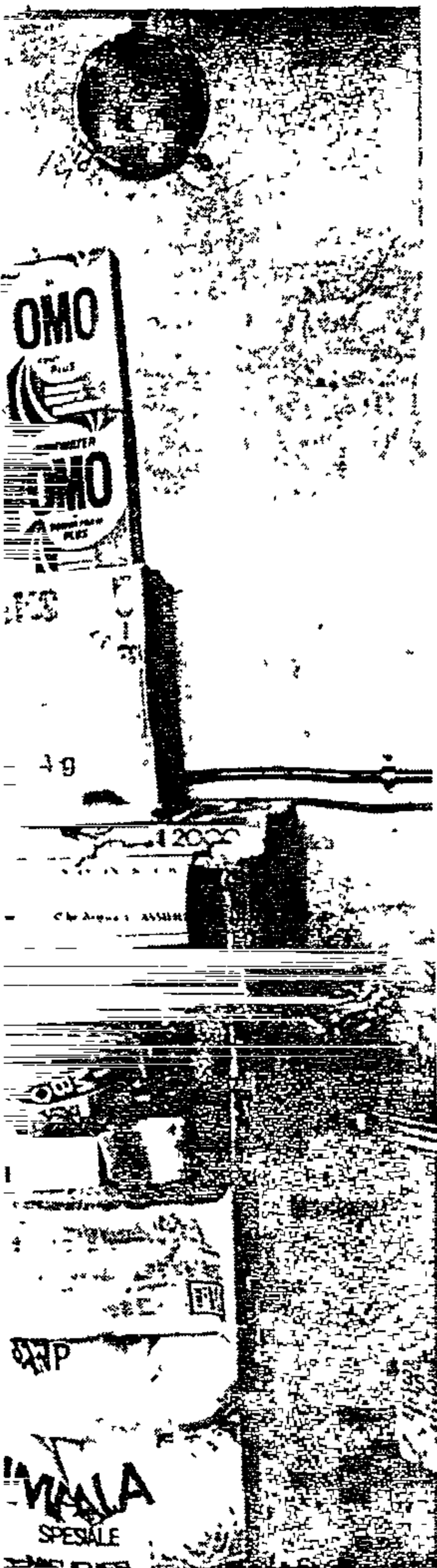
● Mr Alfred Jacobs of Guguletu is an electrician with a construction company

His basic wage is R108 a week, of which he pays R18,67 a month in rent and about R20 a month on electricity

Mr Jacobs has three school-going children, for whom he provides bus fares, school books and uniforms

Weekly bus fares for the family amount to R25,60 and hire-purchase repayments to R50. The fortnightly shopping bill comes to R82

Because the family owns a fridge they can afford to buy fresh foods. Nevertheless, of the R82 shopping bill only about R29 is spent on GST-exempt goods like samp, fresh meat, milk, bread, margarine and vegetables



...d in the Guguletu hostel room

SALES TAX



Mr Shadrack Mkila examines his grocery cupboard in the Guguletu hostel room where he lives.

Little for to the

AGUS 18/6
Report

THE Government announcement that certain foods will be exempt from sales tax brought little comfort to the poor, living close to the breadline, unlikely to reap much benefit from the exemptions.

Many Cape Flats households lack electricity, and fridges are a luxury. As a result, lower-income households will still be subject to the 10-per-cent tax from July 1.

And even the shopping lists of those who do own fridges contain a number of taxable goods.

Examining the household interviewed showed that it held little, if any, relief for the poor.

Household necessities

The newly-formed federation of black trade unions has listed "household necessities" bought regularly on which tax will increase.

They include tea, coffee, toiletries, candles, paraffin, and household utensils.

● Mr Shadrack Mkila is a worker with a local firm in the townships. He has worked with the same firm for 10 years and earns R51,75 a week.

He sends about R20 a week to support six children in Transkei — R31 a week to live on.

Six tins of vegetables

Neither he nor a fellow worker did want to be named, but most of the food they eat is exempted, such as samp, mealie-meal, and tinned, and therefore not taxable.

Mr Mkila and his colleagues buy six tins of vegetables a week.

Increases will keep inflation on the rise this year, say experts

MORE STOCK PRICE RISES

BY CHRIS ERASMUS
and BRUCE HOPWOOD
Weekend Argus Reporters

SOUTH Africans, already reeling under a long list of price increases, can expect no relief

New price increases in July, including a 43 percent jump in GST from seven to 10 percent, threaten to keep inflation on the rise for the rest of the year, experts predict

Two further blows have been announced in the past day. Foreign postal rates are to be increased from July 1 and Barclays Bank is to increase its interest rates on home loans with effect from Monday

The increase in foreign postal rates will be between 17 percent for airmail letters to Japan and Taiwan, and 40 percent for airmail postcards

Bond rates

The rate on loans up to R40 000 will increase by 0,5 percent to 18,5 percent, said Barclays. On loans above R40 000 the rate is to increase by 0,25 percent to 19,25 percent

The year began with an increase of six percent in Escom's electricity tariff — on October 1 there will be a further increase of 7,2 percent. January also brought increases in maize (between six and seven percent), tea and coffee

In February, 1,25 percent was added to the bond rate, followed by increases in tinned foods (14,75 percent), eggs (13c/doz), GST (from six to seven percent), beer (between 5,3 and 9,2 percent), white bread (11,1 percent) and brown bread (16,7 percent)

In March, sugar was increased by 10 percent, petrol by 1,5c a litre inland, transport tariffs (railway, air and harbour) by 9,4 percent and postal tariffs by 9 percent

Provincial hospital tariffs rose by about 50 percent on April 1, and are expected to rise again before the end of July. At the end of April maize went up by 18,5 percent. Cape egg producers also put their price up by six cents a dozen.

In May, third party insurance jumped between 8,9 percent and 11,8 percent, while bricks went up by 9,6 percent

Earlier this month the bond rate went up again, by 0,75 percent. This week eggs went up by an extra three cents a dozen. Next week tyres go up by an average of 7,5 percent

Next month brings another wave of price increases which have already been announced

Doctors' tariffs

Doctors' tariffs rise by 8,8 percent, dentists' tariffs by 10 percent, milk by six percent, butter by seven percent, spirits by one percent and malts by four percent

And certain Cape divisional council ratepayers will pay up to 46 percent more in local area rates from July 1

Mrs Joy Hurwitz, national president of the Housewives' League, said the largest and most important increases had been those in the price of maize, bread and GST, notwithstanding the removal of GST from basic foods

"The removal of GST is, of course, to be welcomed but the increases in administered rail and air transport tariffs are highly inflationary and will continue to push up the cost of living," she said

● South Africa's economy is facing troubled times. The main economic problems facing this country and possible solutions are analysed in three articles by the Financial Editor, Derek Tommey, in *The Argus* starting on Monday

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244

KDM 26/6/84

Inflation creeps ⁽²⁴⁴⁾ up to ~~(128)~~ 11,01%

By HAROLD FRIDJHON

SOUTH Africa's inflation rate as measured by the Consumer Price Index (CPI) rose from a 10,98% increase in April on a year-on-year basis to 11,01% in May

But the encouraging feature is that the rate of increase slowed down to 0,77% compared with 1,49% the previous month

The index, base April 1975, rose to 228,3 in May from 286,1 in April and 259,7 in May 1983

Figures produced by the Central Statistical Office show that the main contributor to the all-items index was a marked drop in the food-only index. This fell to 0,52% in May from April's 1,72% rise. On a year-on-year basis the food index rose slightly to 11,58% from April's 11,13%.

The higher income group index went up by 11,12%, year-on-year, the middle income group index rose by 11,42%, and the lower income group index moved up by 9,88% on the same basis

In the past ten months the rate of inflation has been relatively static in the 10% to 11% band. The lowest rate of 10% was achieved in February. This really signifies that the efforts of the authorities to reduce the rate of inflation have not been very successful.

With the increase in GST to come, these CPI figures are not encouraging in spite of the Minister of Finance, Mr Owen Horwood, saying in Cape Town recently that the increase from 7% to 10% in the GST, with the exemption of a number of food items, had been done to reduce the rate of inflation and not to raise it.

The foods which have been exempted will contribute to slowing down the inflation rate for people in the lower income groups, but for others the three percentage points rise will certainly send the CPI index up a few notches in July.

The only way the raised GST might help to bring down the rate of inflation is by curbing consumption expenditure. A factor which has stimulated the CPI has been credited consumer spending. The strength of this demand has kept prices high.

After this month's buying spree by the public there is the possibility that most consumers will not be in a position to spend as freely in the months ahead. This suggests that retailers will start cutting prices to attract business.

But after a few months the public will become accustomed to the higher tax and will trickle back to the shops again to a state of as-you-were in December.

Some authorities are of the opinion, however, that demand is not the basic reason for the rise in the CPI.

They maintain that the country suffers from cost-push inflation with the heavy input element being administered prices such as the maize price, the cost of animal feeds, the price of transport and other costs which the government raises in its various departmental budget.

If this cost-push theory is correct, the depreciated rand will also add to living costs because of its impact on the prices of imported goods.

Milk price rise wipes off tax saving

Mercury
29/6/84

244

Mercury Reporter

THE price of fresh milk is to increase by 4 c a litre on Monday — effectively neutralising any benefit consumers would have enjoyed from the sales tax exemption.

The national increase was approved by Minister of Agriculture Greyling Wentzel in agreement with the Dairy Board, said Mr Paul Freemantle, marketing manager of Clover Dairies in Natal, yesterday.

'It is in line with the normal annual increase. Producers will benefit by 3 c and distributors by 1 c,' he said.

With the tax exemption on fresh milk and other products, which comes into operation on July 1, the milk price should have dropped to 62 c delivered.

Instead it will remain

at the present level — including tax — of 66 c.

Mr Freemantle said. 'It is just unfortunate that the increase has coincided with the implementation of the tax exemption.'

Steel prices to increase 7,5% ^{244 C. Times}

JOHANNESBURG. — All steel products, excluding tins, will increase in price by 7,5 percent from July 2, the chairman of the SA Rolled Steel Producers' Co-ordinating Council, Mr F P Kotzee, announced yesterday. ^{30/6/84}

The council represents the eight primary steel producers in the Republic

In a statement, Mr Kotzee said the previous general steel price adjustment was on July 1 last year, and amounted to 9,9 percent

"A sustained productivity improvement in the past year enabled the local steel producers once again to limit the new adjustment to well below the rate of inflation, at present 11 percent," the statement said

"The industry's benefits of improved productivity and accompanying cost effectiveness have therefore been passed on to the steel consumer"

Canning industry

Tinplate prices are normally reviewed annually in April, the statement said, but this year Iscor — the only local manufacturer of tinplate — decided not to apply any increase

This decision was taken to assist the local canning industry "under the prevailing difficult conditions and in the wider economic field, to make a contribution to-

wards combating inflation

"The local steel industry has endeavoured for some years to improve productivity, which has led to steel price increases being kept low in relation to the general inflation rate

"This is borne out by the fact that while the production price index rose to 185 from an index basis of 100 in 1979, the steel price index increased to only 166 over the same period — including the latest adjustment," the statement said

Concerning recent criticism that local steel producers have been exporting steel products at prices lower than the fixed domestic prices, the statement said

"This is done to ensure the highest levels of capacity utilization and employment, which also applies to suppliers of goods and services to the steel industry, as well as to earn foreign currency for the Republic (R650m in the past year)

"The lower return from such exports by South African producers is borne by the respective companies themselves and is not

subsidized out of domestic selling prices.

"As in the case with steel producers in the Western world, the South African steel industry has to cope with poor market conditions and resultant unfavourable international prices"

The statement highlighted the impact of domestic inflation on South African prices

World prices

"The local steel industry is subject to inflation-bond cost increases in respect of their inputs, in the same way as other industries. The high domestic rate of inflation is largely responsible for the existing disparity between South African and world market prices for primary steel products, as well as between domestic prices in South Africa and those in other steel-producing countries

"South African steel is exported at world prices in order to compete with other exporters, some of whom are subsidized on a large scale by their governments, which is not the case in South Africa"

1/18/84 (244) S-Times

Steel adds to woes

By Don Robertson

ADDING to the GST nightmare which hits the consumer from today is the announcement of a 7,5% increase in the price of steel — a move which will have a ripple effect of the cost of virtually all household and other goods.

The South African Rolled Steel Processing Co-ordinating Committee, of which Iscor is the largest member and which includes seven oth-

er producers, says the average cost of all steels, excluding tin plate, will be raised from tomorrow.

Productivity

It says the price of raw materials used in making steel has risen considerably faster than the price of steel in the past few years and producers have again had to absorb some of this increase.

The steel committee says prices have been raised to

maintain reasonable productivity and plant use and that exports — generally sold at below the South African price — are not being subsidised by high domestic prices.

It stresses that exports last year which raised R650-million were vital to the economy.

The increase in price, is also necessary to maintain a steel industry and support an active secondary industry.

Most fresh meat and chickens on sale at major supermarkets are cheaper now that general sales tax has been dropped from a range of basic foods.

While customers at smaller stores and take-away restaurants complain that the revised GST system is proving a recipe for a rip-off, those at the bigger stores are finding some prices have dropped considerably over past months.

Store managements say the switch to the new GST system has been smooth and trouble-free. One exception is the OK Bazaar in Eloff Street. Yesterday some tills malfunctioned, causing long queues.

Pick 'n Pay's meat prices are now considerably lower than they were some weeks ago. For instance, Norwood Hypermarket is charging R2,29 for a kilogram of shortribs — against R3,99 halfway through May. T-bone steaks have gone down from R7,18 to R6,99. And leg of lamb has dropped from R5,58 to R4,58.

Mince up

Among items which have increased at Pick 'n Pay are beef mince (R3,59 to R5,30) and top-side (R4,99 to R6,38).

Chicken prices at Checkers have dropped from R2,74 to R2,19. Wings (R3,63 to R3,18), breasts (R3,73 to R2,10) and thighs (R5,13 to R3,33) also cost less than a month ago.

Bread is among the lines showing plummeting prices at Woolworths. A high-protein loaf of brown bread that cost 79c in mid-June now costs 69c. High-protein white bread dropped from 89c to 79c.

Woolworths' gammon steaks have dropped from R10,19 a kilogram to R8,99, but a leg of lamb that cost R6,19 a kilogram in mid-June costs R7,19.

At OK Bazaars, chuck has dropped since mid-May from R4,88 to R4,09 to R3,98. OK's other meat prices have also dropped substantially.

Spar meat prices have generally moved up. Short ribs, for example, have increased from R4,11 to R5,65 a kilogram.

Meat prices tumble at top supermarkets

By Malcolm Fothergill

244

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few after

Financial Editor

THERE will be strong pressure on the Government to increase the petrol price as the dollar-rand exchange rate plunges to yet lower levels.

Yesterday the rand sank to a new low of 69,33 U S cents.

Ten years ago it was 140 U S cents. A week ago it was 74 c

While the falling rand brings in more rands for exports, which last year were R20 billion and nearly half in gold, imports will see increased prices (about R16 billion last year), especially those bought with dollars, and that includes oil

To get oil to South African ports costs 34,6 c/l, about 60 percent of the pump price — the rest of the price, including 3,8 c for the retailer's profit, goes to customs and other Government taxes

The Mercury's Johannesburg correspondent says the foreign-exchange market thinks the banks are speculating and fuelling the fall with money borrowed from the Reserve Bank.

Slowed

The banks have borrowed more than R2 740 million from the Reserve Bank, and that figure has been rising instead of falling as other factors would dictate, and on which they are now paying 18,5 percent

From London the Mercury's correspondent reports that sales of South African gold have slowed in recent weeks and the Reserve Bank is not getting the usual flow of dollars for gold sales

Earlier this week the Reserve Bank spent about R150 million selling U S dollars and then on Wednesday put up the price (from 18 percent to 18,5 percent) at which it will lend money to the banks and floated an attractive issue of Treasury bills which drew R100 million and will pay 17,83 percent in interest

Both steps put pressure on the banks, which find it cheaper to borrow from the Reserve Bank and

lend to customers paying above the prime overdraft rate.

But one banker considers that only a dramatic revival in the gold price or a slump in the dollar will reverse the tumble

Commenting on the dramatic fall in the rand, the chief executive of the Association of Chambers of Commerce, Mr Raymond Parsons, said "The latest fall in the value of the rand against the dollar is the outcome of both external and internal economic factors — and was not unexpected.

Apparent

'At the same time it is apparent that the rand has fallen too far, and the chances are good that the underlying fundamental factors — together with Reserve Bank intervention — will help to stabilise and strengthen the rand in the immediate future

'Apart from the performance of the dollar, a realistic value for the rand will depend to a large extent upon appropriate domestic policies'

Our Pretoria correspondent reports that the plummeting value of the rand will deepen the recession and aggravate already serious inflationary pressures, according to economists

● See Editorial Opinion

Failure to raise petrol prices

6/7/84

Mercury

244

SA's fuel-from-coal industry has eroded takings of the private sector

By Stephen McQuillan

International oil companies in South Africa will be able to boost their profits after a deal with the Government, it was disclosed today.

The companies will take about 4c on each litre sold to bolster profits eroded by Sasol production and other developments. 24 Hours was told

It is believed the move comes after a long-term "understanding" between the oil companies and the Government over increases in production from South Africa's oil-from-coal industry.

The Government's equalisation fund, which takes 1,3c on each litre of petrol, will pick up the tab

It is unlikely that the extra cash going to the oil companies will have to be passed on to the motorist for some time because of the Government's decision to sell R550 million worth of crude oil from strategic stocks

The oil is being sold to refineries at today's market prices, and could mean profits of millions of rands. Some of it was bought up to 20 years ago, when prices were low

Profits from the sale will be used to strengthen the equalisation fund and replace strategic stocks

A spokesman for the Department of Mineral and Energy Affairs said negotiations between the oil companies and the Minister, Mr Dame Steyn, closed last week

"The Minister had the Cabinet's authority to strike the deal," he said

The oil companies had asked the Government several times to improve their profit margins

HOW THE PRICE OF A LITRE HAS ZOOMED

These are Reef prices in cents for 93 octane premium petrol when they were reflected in the monthly consumer price index.

April 1970	— 9,173
April 1971	— 9,9
July 1972	— 10,2
December 1972	— 10,4
January 1973	— 10,9
November 1973	— 12,4
February 1974	— 15,1
December 1974	— 16,0
April 1975	— 18,0
November 1975	— 21,1
April 1976	— 23,8
September 1976	— 24,1
February 1977	— 28,1
April 1977	— 28,6
April 1978	— 28,9
July 1978	— 30,1
January 1979	— 33,3
March 1979	— 39,3

Later Reef prices with the date of the rises:

June 8 1979	— 54,2
April 1 1980	— 54,4
April 1 1981	— 55,0
July 1 1981	— 61,0
March 1 1982	— 61,6
April 1 1982	— 64,6
September 1 1982	— 65,2
February 28 1983	— 63,6
August 22 1983	— 59,6
February 1 1984	— 60,2
July 1 1984	— 63,5

State approves profit rise for oil companies

The department's Director-General, Dr Louw Alberts, told 24 Hours that the deal came after a professional investigation into the oil business. It indicated that a fair return on the companies' capital investment was justified

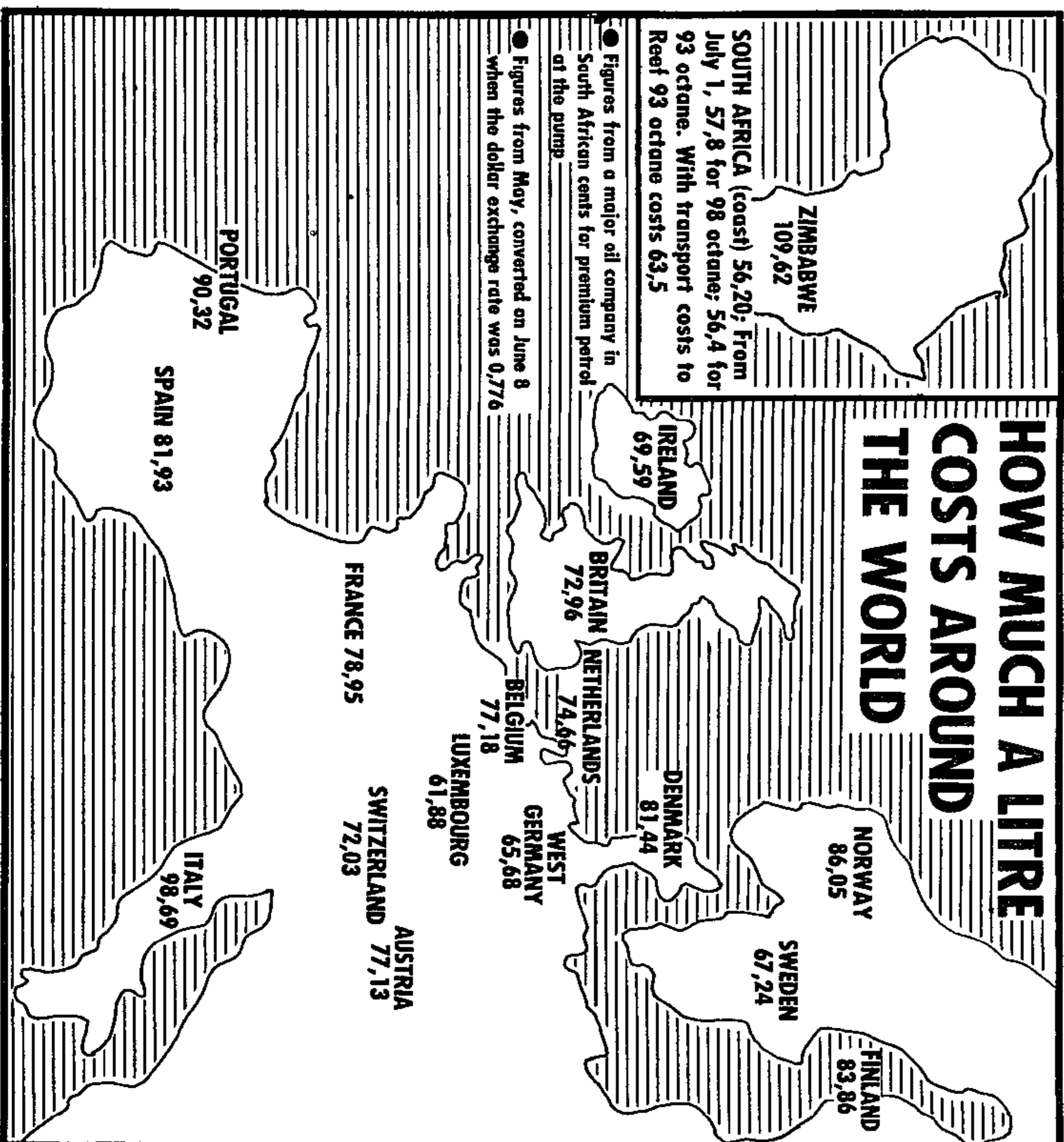
"In the light of that, it was necessary to subsidise the oil companies to between 4c and 4½c on a litre of 93 octane through the equalisation fund," he said. "This has now been agreed to and became effective from July 1"

The equalisation fund was channelled money from various sources, including the sale of some strategic oil stocks

"I believe the oil companies believe the agreement is reasonable under the circumstances," said Dr Alberts

A spokesman for BP, which occasionally acts as the secretarial oil company on matters of mutual interest in the industry, said "A meeting was recently held between the department and representatives of the oil industry on matters of common interest. The question of petroleum prices was raised"

For every cent that the value of the rand dropped against the dollar, South Africa had to pay an average of 0,4c a litre more, according to the department. The equalisation fund acts as a buffer to iron out price fluctuations



Price of oil up 18 cents a litre

244
C. Jones
18/7/84

Staff Reporter

LUBRICATING oil prices had gone up by an average 18 cents a litre, effective from Monday, major oil companies announced yesterday.

Mr Bernard King, financial director of a leading city lubricating firm, said the increase was due to price rises in base-oil and additives, which affected the overall petroleum industry.

A BP spokesman said that the increase was also subject to foreign exchange fluctuations.

The price of oil — unlike petrol — is not controlled by the government and prices are fixed by the controlling oil companies. The price of lubrication oil and products of this nature were subject to normal economic forces, he said. The Motor Industry Federation did, however, provide guidelines to garages in this respect.

Monograde oil used in most cars is up by 16c. The approximate wholesale price of R1,30 will now be R1,46, meaning that garages will now retail this at about R2,70 a litre or R1,35 for a 500ml can.

Multigrade, which till now retailed at about R1,35 a 500ml can, will be R1,45.

Most garages yesterday said they would increase their prices when new stock arrived. A Newlands garage owner said he would increase his price from today, when his new stock arrived. All garages are expected to be charging the new prices by the end of this week.

1977/84 C. Times 244

Gas price up 9 cents a kg

Staff Reporter

MAJOR oil companies yesterday announced a 9c/kg increase in the price of household gas — bringing the total price increase to 18c in less than five months

On March 12 this year, the price of gas (liquefied petroleum gas) was also raised by nine cents. The latest increase follows the increase in oil prices of which gas is a by-product. Gas is a non-

controlled commodity and is subject to prices fixed by the controlling oil companies

Mrs Phillene van Greunen, a spokeswoman for a City gas distributor, said yesterday that compared with prices in January — including the two increases in GST — consumers paid about R10 more for a purchase of 48kg of gas

Gas now sold at R1,01 a kg compared with 92c a

kg in March and 83c a kg in January this year

Mrs Joy Hurwitz, president of the Housewives League of South Africa, said from Johannesburg "It is ridiculous that a very important commodity should have two increases in such a short span of time. It is going to hit hardest old-age pensioners and people living in townships who are dependent on this source of energy"

Book prices up ^{21/7/84} 5 to 13 percent ^{(244) Slav}

Consumer Reporter

The prices of books are going up from Monday by between five percent and 13 percent.

Recommended price increases were recently distributed to booksellers throughout the country by the Associated Booksellers of Southern Africa.

President of the association, Mr Eckhard Oellermann, said the main reason for the increases was the weakened rate of exchange of the rand against both the dollar and the pound.

However this was not the only

reason for the increases.

"Books overseas are also expensive. Price rises in those countries also affect the price of books in this country".

He added education books printed in Britain and America had two prices — a home price for the local market and an export price which South African importers had to pay.

"When people say it is cheaper to buy books overseas and have them imported to this country they are quite correct — but that is because they are paying the local price for it," said Mr Oellermann.

Room 25/7/84

Putco is to raise fares by 12%

By RICH MKHONDO

PUTCO intends introducing an average 12,5% fare hike for its bus services in the Johannesburg, Pretoria, Durban and Bophuthatswana areas by not later than November 1 this year, it was announced yesterday.

A Putco spokesman said if the new increases were approved by the National Transportation Board, it would apply through the Department of Transport for an increased subsidy. The subsidy would then determine the new Putco fares.

The spokesman said the application was one of a number that would be submitted to local boards in Pretoria, Johannesburg, Bophuthatswana and Durban.

He said the new ticket prices were not known at this stage, as the application had first to be approved by the National Transport Committee.

"It is not possible to say how much of any increase granted is payable by the passenger until a decision is made by the department (of Transport Affairs).

He said the increase was necessary to meet increased operating costs.

Meanwhile, the Alexandra Youth Congress (AYCO) vice president, Mr Obed Bapela, said they had received a letter informing them that fares may go up by November 1 if they are approved by the Transportation Board in Pretoria.

AYCO was instrumental in the Alexandra bus boycott earlier this year. The boycott ended after residents alleged that they were being harassed by the police for refusing to use buses.

Mr Bapela said his organisation will circulate a petition to judge the opinion of people of Alexandra regarding the new increase.

Mr Bapela said Putco could not increase their fares until "they have courteous drivers, clean buses, shelters and ranks and clean toilet facilities".

"Putco must improve their appalling conditions, otherwise we will be forced to call another bus boycott which will include other townships affected by the fare increase."

Brick price increases ^{Staw} 244 25/7/84 tomorrow ~~1984~~

Consumer Reporter

It will cost more to build a home from tomorrow when the price of bricks goes up by about 4,5 percent.

The increase was one of the regular price adjustments made by Corobrik, said the acting managing director of the Transvaal division of the company, Mr Ray Andrews.

The last price rise was in May.

"The price adjustments vary from about R4 for 1 000 bricks to about R10 for 1 000 bricks — depending on the type of brick," he added.

"But there is some good news for people who are having homes built. Transport costs, which could increase the price of bricks by between 20 percent and 30 percent, will not rise."

The high rate of inflation and rising costs were responsible for the increase.

"Major cost factors are the increase in GST, the price of coal and the cost of labour," said Mr Andrews.

Another reason was that much of the equipment used by the company was bought overseas and costs had increased due to the falling rand.

ROM 26/7/84 (244)

Long list of hikes this year

Bread price rise likely in October

Mall Reporters

THE Government is financially unable to prevent an increase in the price of bread from October 1, according to Pretoria sources.

And people building a home will be hit by a 4,5% increase in the price of bricks from today.

A leading brick manufacturer yesterday attributed the increase to higher GST, and increases in coal and labour.

Last week the Wheat Board made recommendations to the National Marketing Council for increases in wheat producers prices and for bigger margins for the milling and baking industries

The recommendations will be passed on to the Cabinet food committee before a final decision is taken

However it is considered certain that the Government will reject any demand that the bread subsidy be raised to compensate for the higher producer price and higher margins in the baking and milling industry

If the bread price does go up it will be the latest in a series of staggering price rises for consumers.

Among the barrage of price hikes in essential services and products, maize, petrol and general sales tax have risen twice already, each time causing a ripple effect on other basic items

In January the consumer was hit when

- Escom upped its tariffs by 6%, and
- The consumer price of maize was raised by 7%

A drove of hikes hit the consumer in February

- General Sales Tax rose from 6% to 7%;
- Brown bread rose by 16,6% while white bread cost 11% more,
- Petrol went up by 1,01%;
- Mortgage rates increased by 1,25%;
- Canned foods cost 14,75% more,
- The price of a dozen eggs rose by 3,5%, and
- Beer cost between 5,3% and 9,2% more

More increases took effect in March

- Sugar prices rose by 10%, and
- Tyres went up by between 3% and 5%

April brought

- An increase of 1,5c a litre in the price of petrol,

- Railway, air and harbour tariffs increases of an average of 9,4%,

- The Rand Water Board increased its water tariffs by 23,5%, and

- Fees at Transvaal provincial hospitals rose by 100%.

By May the list had become staggering

- Third parties rose by between 8,8% and 11,8%; and

- Eggs rose by 5,17%

This month brought

- GST up to 10%,

- A 7% increase in the price of milk at the same time as GST was removed,

- Medical aid subscriptions climbed by between 12% and 15%,

- Doctor's and dentist's patients were hit by 10% and 8,8% increases respectively;

- Tyres cost between 6,6% and 8,3% more; and

- Steel went up by 7,5%

In his Budget speech in March this year the now retired Minister of Finance, Mr Owen Horwood, announced another bread price rise later in the year was "inevitable"

A Wheat Board spokesman said farmers costs had risen sharply during the past 12 months

Among them were the steep increase in interest rates and the fact that the Land Bank rate was only marginally less than the commercial rate

Economists said yesterday escalating costs in the wheat and milling industries was part of the inflationary spiral which has the economy by the throat

Wheat Board estimates are that bread consumption is rising

This year provision has been made for a 5% increase in bread sales

Contributing to the trend is the fact that a percentage of regular meal eaters have switched to bread because of the less popular yellow-white maize meal mix, and the recent increase in the maize price

The bigger bread consumption pushed up the Government's total bread subsidy, particularly as the more highly subsidised brown bread constitutes about 73% of all bread sold

Because of GST exemptions from the beginning of July the price of white bread was reduced to 56c a loaf and brown bread to 39c

It is likely that the prices will at least go back to 60c for a white loaf and 42c for brown and wholewheat from October 1 unless the unexpected happens and the Government raises the subsidy

244 Details of the new HP rates 4/8/84

By ANTON FISHER

THE NEW minimum deposits and maximum repayment periods for hire-purchase agreements concluded from today, with previous rates in brackets, are given below. These apply only to new agreements, not existing ones.

● Household furniture, including garden furniture, mattresses, floor carpets and floor rugs, irrespective of the materials from which these articles are manufactured — minimum deposit, 15 percent, maximum repayment period, 18 months (10 percent and 24 months)

● Appliances — electrical and non-electrical — for domestic use, including radios, gramophones, sound recorders and reproducers, record players, tape and wire decks, loudspeakers and amplifiers, and accessories for these, but excluding car radios, portable radios and coal stoves, 15 percent and 18 months (10 percent and 24 months)

● Camping equipment, including tents but excluding caravans, 15 percent and 18 months (10 percent and 24 months).

● Jewellery, including clocks and watches, 25 percent and 12 months. (10 percent and 24 months)

● Photographic equipment, including cine-

matographic cameras, enlargers and reducers, and projectors, including accessories for these articles, but excluding equipment for cinemas and theatres, microfilm equipment, lithographic process cameras, 25 percent and 12 months. (10 percent and 24 months).

● Television receivers and accessories thereof, but excluding closed-circuit television equipment, 15 percent and 20 months. (10 percent and 24 months).

● Video cassette recorders and players and video tape recorders and players, 30 percent and 12 months. (10 percent and 24 months).

● Video cassettes and video tapes, 30 percent and 12 months. (10 percent and 24 months)

● Electronic television games, 30 percent and 12 months. (10 percent and 24 months).

● Motor vehicles — designed to seat not more than 15 passengers — including motorcycles and motor tricycles, 20 percent 36 months (20 percent and 42 months).

the facts

TO correct material errors of fact, write to the Editor, Cape Times, P O Box 11, Cape Town, or dictate the complaint briefly to the Editor's office, telephone 24-2233 ext 220 between 9 15am and 5pm (Monday to Friday).

Food prices increase despite lifting of GST

244

10/8/84 S Lew

Consumer Reporter

Despite the lifting in July of general sales tax from many basic foods, prices have continued to rise.

Consumers, caught between the Government's new hard-hitting campaign to cut spending and spiralling costs, face a bleak future.

The Star surveyed the prices of 13 basic foodstuffs at four supermarkets last week and compared these with the prices of the same goods surveyed six months ago (see graph).

A shopping basket of foods now costs R37,30 (with 10 percent GST included on those items which are not exempt) compared with R36,10 (including 7 percent GST on all items) in February this year — an increase of R1,20.

Potatoes have risen in price by the largest margin. A 2 kg bag of potatoes costs R1,04 compared with 78c six months ago.

The only item to go down in price — by a substantial 19 percent — is chicken.

Lamb prices have remained fairly constant.

The average price has increased marginally from R7,05/kg in Febru-

DATE OF SURVEY	PICK 'N PAY HYPERMARKET NORWOOD	OK BAZAARS ROSEBANK	CHECKERS SANDTON CITY	PICK 'N PAY, BENMORE	AVERAGE PRICE	AVERAGE PRICE on FEBRUARY 1 1984	PERCENTAGE INCREASE OR DECREASE
Prices exclude GST							
1 kg Porterhouse* steak	R8,28	—	R8,59	R8,28	R8,38	R7,63	+9,80%
1 kg frozen chicken* Grade A	R1,79	R1,99	R1,89	R1,79	R1,87	R2,33	-19,70%
1 doz large* eggs	R1,18	R1,26	R1,26	R1,22	R1,23	97c	+26,80%
2 kg medium* potatoes, Grade A	98c	89c	R1,25	—	R1,04	78c	+33,30%
1 kg 1 & 1* hake fillets	R2,89	—	R3,19	R2,89	R2,99	R2,70	+10,70%
250 g Eskort* middle bacon	R1,85	R1,90	—	R1,97	R1,91	R1,62	+17,90%
1 kg super lamb* loin chops	R7,19	R7,15	R7,38	R7,09	R7,20	R7,05	+2,10%
500 g choice* butter	R2,35	R2,34	R1,99	R2,09	R2,19	R1,97	+11,20%
1 litre milk*	67c	68c	69c	67c	68c	61c	+11,50%
1 kg Tastic rice	R1,26	R1,35	R1,25	R1,29	R1,29	R1,10	+17,30%
500 g Kellogg's corn flakes	R1,15	R1,15	R1,19	R1,19	R1,17	R1,01	+15,80%
250 g Nescafe instant coffee	R4,45	R4,09	R4,56	R4,25	R4,34	R4,10	+5,90%

of R1,20
 Potatoes have risen in price by the largest margin. A 2 kg bag of potatoes costs R1,04 compared with 78c six months ago
 The only item to go down in price — by a substantial 19 percent — is chicken
 Lamb prices have remained fairly constant
 The average price has increased marginally from R7,05/kg in February to the present average price of R7,20
 Although salt (usually included in the shopping survey) has been included in the graph it has been excluded from the analysis of the shopping basket because no figures were available from the last survey

500 g choice* butter	R2,35	R2,34	R1,99	R2,09	R2,19	R1,97	+11,20%
1 litre milk*	67c	68c	69c	67c	68c	61c	+11,50%
1 kg Tastic rice	R1,26	R1,35	R1,25	R1,29	R1,29	R1,10	+17,30%
500 g Kellogg's corn flakes	R1,15	R1,15	R1,19	R1,19	R1,17	R1,01	+15,80%
250 g Nescafe instant coffee	R4,45	R4,09	R4,56	R4,25	R4,34	R4,10	+5,90%
250 g Five Roses tea bags (tagless)	—	R2,29	R2,49	R1,59	R2,12	R1,87	+13,40%
500 g Buffalo salt	45c	52c	52c	42c	48c	No figures available	

● The OK Bazaars in Sandton, usually surveyed by The Star, has been replaced by the OK Bazaars in Rosebank.
 *These items are exempt from tax.

Meat price drop not passed

Consumer Reporter

Auction prices of top grade beef and lamb have dropped recently — but the reductions have not been passed on to the consumer

The maximum auction prices on selected days show a steady drop in meat prices. In June, a kilogram of beef (super A) was R2,67, in July it cost R2,53 and this week the market price was R2,41.

Lamb has also dropped in price. In June, the maximum market price of a kilogram of top grade lamb (super) was R4,10. It dropped to R3,92 in July and this week it was down to R3,53.

But a survey of meat

prices in Johannesburg and Pretoria by the Housewives' League of South Africa found that shops had dropped prices only on "specials".

One butcher confirmed that the auction prices of beef and lamb had come down.

However, other butchers felt it was time they made some money. Prices rose earlier this year as the demand for meat dropped, he said.

"We've been absorbing

higher prices for some time. It is time for us to make a profit."

A major supermarket's meat division head, Mr Bernie Hefferman, said the auction price of lamb had been "unusually high" for a while. "We've taken the knock and did not raise the consumer price."

"We don't adjust the prices of our meat according to the daily fluctuations in auction prices. I think shoppers would find it confusing to find the price up one day and

down the next."

Speculation about possible decreases in the consumer price of beef was fuelled by the Meat Board's announcement of a five percent drop in the floor price of beef last month.

But a housewives' league survey found that did not happen.

Although there had been a call from consumers for butchers to drop their prices it was not always possible, the South African Federation of Meat Traders' chairman,

Mr Eddie Brelovich, said. "The market has been stable and prices have not risen for a while.

"Where traders bought beef at floor prices they passed these reductions on to shoppers. A lot of these items are 'specials,'" he said.

However, board spokesman Mr Koos Blignaut said he could see no reason why consumers did not benefit from the lower prices due to the reduced floor price.

"But I believe many butchers have dropped their prices.

"The five percent decrease in the floor price and the lifting of GST on meat last month should be an incentive to the trade."

Post Focus

Workers have little for the earners' comfort

By GERDA KENYON

Statistics)
a household of five

1975	1984
R169 17	R467 70
R15 09	R44 05
R10 01	R29 23
R44 84	R130 92
R8 67	R25 31
R159 68	R466 27
R15 68	R45 78
R44 80	R130 83
R15 74	R45 97
R29 36	R85 74
R33 28	R97 16
R122 80	R358 67
R41 90	R122 35
R7 77	R22 68
R17 76	R51 84
R21 47	R62 70
R12 15	R35 49
R25 77	R75 26
R9 92,	R28 96
R30 37	R88 69
7 23	R2 415 60

ECONOMISTS analysing the current financial crisis have concluded white South Africans are living way beyond their means

But is this surprising when their means fall so far short of the cost of living?

Further plums of logic from the economists are that the way out of this crisis for the individual is to "stop spending", "avoid credit", "save and build up cash", "work harder"

But in this kind of recession, where is the extra work to be found? And who among us has anything left to save?

If there is one thing this economic crisis has shown, it is the poverty of helpful advice coming from the economists

A Weekend Post survey of six salaried breadwinners showed the struggle these people are having to make ends meet, let alone worry about saving. In each case, only a wife's earnings were keeping the larders stocked

Taking into account all their outgoings — with such fixed commitments as bonds, rates, clothing and transport — it was really only on food that these people could make any economies

To actually bridge the gap between income and commitments, these men have to rely on their wife's salaries, take on extra work or work overtime to make ends meet

According to the Department of Statistics, the average white South African family of five had an expenditure of R827,23 a month in 1975, an amount which totals R2 415,60 in 1984

The cost of living has rocketed along with inflation and the public is suffering from what economists call "fiscal drag"

Annual increases are usually in line with inflation and

are meant to ensure that workers can maintain their standard of living

But, in effect, increases put people into higher tax brackets and they are left poorer each year

Statistics show a post office clerk who earns R650 a month cannot support a family of five on his salary alone and has to supplement his income with his wife's salary to survive

Excluding recreation, holidays, insurances, reading matter, drink and tobacco, he will have a monthly deficit and no possibility of saving a cent

A bank teller who earns R800 a month should be a lot better off than the post office clerk, but because he is in a higher tax bracket, he comes away with little more than the clerk and again no chance of saving

A sales representative who 10 years ago could have made healthy savings of at least R100 a month, now has to battle to survive and has to send his wife to work to supplement the family income

A toolroom miller who earns R1 500 a month and a garage mechanic earning R1 400 would have managed very comfortably 10 years ago to save as well as splash out on occasional luxuries but now have to work overtime and have no chance of saving even if their wives earn similar incomes

A civil engineer who earned R2 000 a month is left with only two-thirds of his income after deductions and he, too, has to rely on alternative forms of income to make ends meet

(married with three children, insurance, entertainment, taxis, bars, reading matter,

from local employment

Bank Teller	Sales Representative	Garage Mechanic	Toolroom Miller	Civil Engineer
Salary R800 00	Salary R1 200 00	Salary R1 400 00	Salary R1 500 00	Salary R2 000 00
-Pension @ 6% R48 00	-Pension @ 6% R72 00	-Pension @ 6% R84 00	-Pension @ 6% R90 00	-Pension @ 6% R120 00
Tax (PAYE) R21 63	-Tax R93 17	-Tax R139 23	-Tax R168 17	-Tax R316 57
-Medical aid R60 00	-Medical aid R60 00	-Medical aid R80 00	-Medical aid R85 00	-Medical aid R90 00
Take home pay R670 64	Take home pay R974 83	Take home pay R1 096 77	Take home pay R1 156 83	Take home pay R1 473 00
Subsidised bond/rent R150 00	Rent R300 00	Bond/rent R470 00	Bond/rent R480 00	Bond/rent R500 00
Food/housekeeping R300 00	Food/housekeeping R350 00	Food/housekeeping R467 70	Food/housekeeping R500 00	Food/housekeeping R500 00
Petrol/car R150 00	Petrol/car R250 00	Petrol/car R150 00	Petrol/car R150 00	Petrol/car R350 00
Lights and water R40 00	Lights and water R40 00	Lights and water R45 78	Lights and water R48 00	Lights and water R50 00
Phone R10 00	Phone R20 00	Phone R28 96	Phone R30 00	Phone R30 00
HP repayments R80 00	HP repayments R100 00	Rates R30 00	Rates R40 00	Rates R35 00
Education R30 00	Education R45 00	HP repayments R100 00	HP repayments R150 00	HP repayments R180 00
Clothes R50 00	Domestic worker R80 00	Education R51 84	Education R60 00	Education R65 00
Domestic worker R60 00	Clothes R80 00	Domestic worker R85 74	Domestic worker R90 00	Domestic worker R100 00
Amount owing R179 36-	Amount owing R290 17-	Clothes R130 92	Clothes R140 00	Clothes R160 00
		Amount owing R464 17-	Amount owing R511 17-	Amount owing R497 00

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Price ²⁴⁴ ~~243~~ control *D. Dispatch* on coal *16/8/27* to stay

WITBANK — Price control on coal and the rationalisation of coal distribution would remain in force until the government was convinced that the demand for coal for domestic and other smaller users could be met on a satisfactory basis.

This was stated yesterday by the Minister of Mineral and Energy Affairs, Mr Danie Steyn, when he opened a new coal quality control laboratory — The Transvaal Coal Owners' Association (TCOA) Laboratory — at Witbank.

Mr Steyn said he and the Minister of Industries and commerce, Dr Dawie De Villiers, had decided that the abolishment of both price control on coal and the rationalisation of coal distribution in the local market could not be considered at this stage.

The Competition Board had recommended that the government should withdraw from any form of control over the commodity.

"However, after discussions between the board and the Department of Mineral and Energy Affairs, it was agreed that particular circumstances exist necessitating continued intervention until such time as a combination of factors such as socio-economic aspects makes government's withdrawal possible," he said.

"Due to the importance of coal as a source of energy in our economy, it is important that its price be kept stable. It is imperative that coal should at all times be freely available to all consumers, certainly also to those consumers who are dependent on coal for cooking and heating purposes."

Mr Steyn said the Department of Mineral and Energy Affairs was finalising the requirements in consultation with the TCOA and the SA Coal Depot Operators Association, to which all merchants dealing in coal would have to adhere to qualify as licenced merchants.

Prospective merchants would be allowed to enter the market freely, if they met the requirements.

The minister also said research was being done to develop a refinement process for millions of tons of surplus dross-coal (stofsteenkool) which, because of its particle size, could not be absorbed by the local market and because of its low heat value could not be exported.

Mr Steyn said the main thrust of South Africa's energy policy — as was the case in most other countries — was aimed at securing adequate and consistent supplies of energy at reasonable costs for domestic use —SAPA

Food price rises will hit hard

By Jennifer Tennant,
Consumer Reporter

(244) Star 16/87 87
Increase every month

Consumer Reporter

Prices of a wide range of consumer goods including tea, cooking oil, milk powder and coffee are set to soar by between five and 15 percent within the next two months — and increases in the prices of wheat, sugar and cigarettes are also expected later this year.

Supermarket executives have been notified by suppliers of several pending increases.

By the end of October consumers can expect increases of about:

- Fifteen percent on milk powders (This follows an increase of about 7 percent in dairy products in July this year)
- Twelve percent on tea (In February this year prices rose by about 10 percent)
- Twelve percent on condensed milk (This follows a 7 percent increase in the prices of dairy products last month)
- Ten percent on coffee (The last increase of 7,5 percent was in April)

Not a month has gone by this year without a price rise in some service or commodity.

- JANUARY: Maize went up by about seven percent.
- FEBRUARY: Bond rates went up by about 1,25 percent and tinned foods by an average of nine percent. Brown bread rose by 16,7 percent and white bread by 11 percent.
- MARCH: Sugar increased by 10 percent.
- APRIL: Maize went up by 18,5 percent, while the cost of petrol inland went up by 1,5c a litre. Transport and postal tariffs increased by about nine percent.
- MAY: Third party insurance went up by between 8,9 percent and 11,8 percent.
- JUNE: Bond rates were increased again and tyres cost 7,5 percent more.
- JULY: Dairy products rose, milk by 4c a litre and butter and cheese by about seven percent. General sales tax rose to 10 percent in July. Although basic commodities are now exempt, prices of several of these commodities have also increased.

● Ten percent on margarine (Margarine prices rose by about 12 percent at the beginning of the year).

● Ten percent on cooking oil. (The price of cooking oil went up by 50 percent in May last year)

● Ten percent on cold drink cordials (Sugar went up by 10 percent in March)

● Eight percent on biscuits. (No figures are available of previous increases).

● Seven percent on baking powder (No figures are available of previous increases)

● Five percent on canned goods (Tinned foods rose by about 9 percent in February)

Many of these items are either imported or contain ingredients which are imported and are being affected by the currency situation.

To consumers, already labouring under the burden of the Government's new campaign to cut overspending, it will be yet another blow in a year of spiralling costs.

Many traders blame the fall of the rand against foreign currencies such as the dollar and the yen for many of the price increases.

A major bank's group economist, Dr Johan Cloete, outlined three major reasons for continued price rises: the devaluation of the rand, the drought and inflation.

Government may raise bread price in October

Consumer Reporter

The price of bread could rise — for the second time this year — in October.

A decision on whether to increase bread prices is expected to be taken by the Cabinet at its meeting at the end of this month.

The Wheat Board has recommended higher producer prices and larger margins for the baking and milling industry.

Earlier this year the then Minister of Finance, Mr Owen Horwood,

shocked consumers when he announced a 6c increase in the bread price during his mini-budget.

Brown bread rose by 16.6 percent to 42c a loaf and white bread went up from 54c a loaf to 60c, including general sales tax, an 11 percent increase.

At the time Mr Horwood said further increases this year were inevitable.

The price of bread dropped in July due to the exemption of basic foods from GST.

● See Page 2

More food prices shocks looming

argus 17/8/84

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By JEAN HEY, Consumer Reporter

ANOTHER round of spiralling food prices is set to hit the consumer in the next two months, adding pressure to households reeling from the Government's stringency campaign.

But consumers in the Western Cape will still enjoy the cheapest food prices in the country because of heavy competition among supermarkets.

Suppliers have told supermarket executives of several pending increases and at least two chains are pumping vast sums of money into stocks which they will sell at the old prices for about three months after the increases

"In spite of the rise in interest rates, we are pouring money into extra stocks so that we can cushion the consumer from the price increases as long as possible," said supermarket chairman Mr Raymond Ackerman

Prices set to soar

The prices of tea, cooking oil, milk powder and coffee are set to soar by between five and 15 percent by the end of October

Increases in the prices of wheat, sugar and cigarettes are also expected later this year

By the end of October consumers can expect the following increases

- Milk powders — 15 percent This follows an increase of about seven percent in dairy products in July
- Tea — 12 percent. Prices rose about 10 percent in February
- Condensed milk — 12 percent
- Coffee — 10 percent In April prices rose 7,5 percent
- Margarine — 10 percent In January prices rose about 12 percent
- Cooking oil — 10 percent Prices increased by 50 percent in May last year
- Soft drink cordials — 10 percent (The price of sugar increased by 10 percent in March)
- Biscuits — eight percent
- Baking powder — seven percent
- Canned goods — five percent In February prices rose about nine percent

Many of these items are either imported or contain imported ingredients, and are being affected by the fall of the rand against foreign currencies

There are strong rumours that the Government will soon impose a surcharge on imported goods, forcing prices still higher

Import surcharges were lifted last September

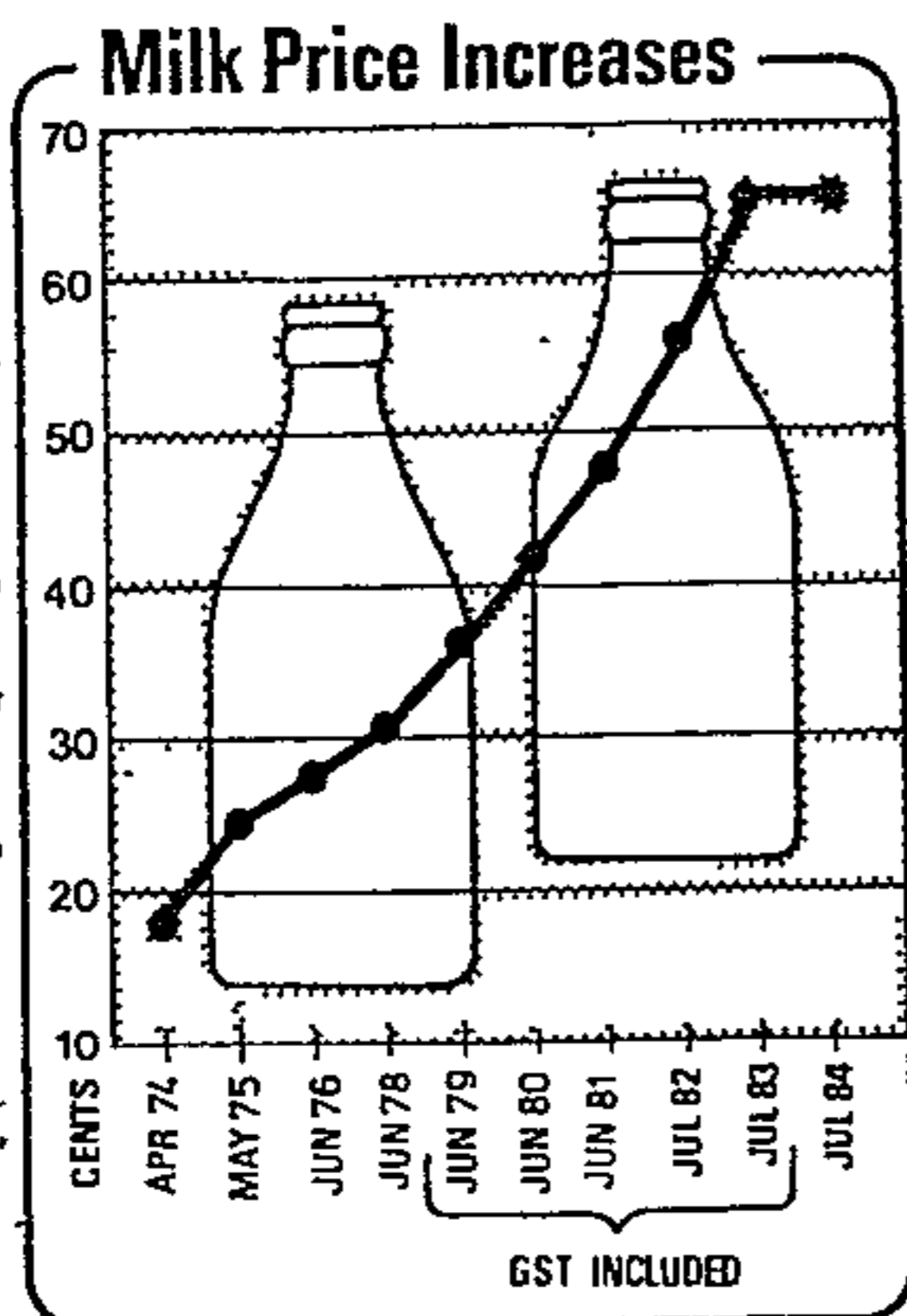
Dr Johan Cloete, group economist for a major bank, said the drought, inflation, the rise in transport costs and the falling rand were responsible for spiralling prices

The following examples of what consumers can expect to pay are based on average prices for commodities at a city supermarket

Milk powder 500g up from R3,55 to R4,08 Tea 500g up from R4,29 to R4,80 Condensed milk 397g up from 79c to 88c Coffee 250g up from R1,60 to R1,76 Margarine 500g up from R1,45 to R1,60 Cooking oil 750ml up from R1,77 to R1,94 Soft drink cordials 750ml up from 69c to 76c Biscuits An 85c packet up to 92c Baking powder 200g up from R1,05 to R1,12 The prices exclude general sales tax

250 pc price leap in bread, milk in 10 years

By Jennifer Tennant,
Consumer Reporter



Prices of basic foods such as milk and white bread have risen by a staggering 250 percent in the past decade, a review carried out by *The Star* of price increases since 1974 found

The review followed the recent announcement of a spate of price increases, including tea, milk powder and cooking oil, which will come into effect by the end of October

Reasons for soaring prices — in 10 years — have not changed the crippling drought of the last two years, South Africa's inflation rate, increasing transport costs, higher fuel prices, and the spiralling cost of labour

Since 1976 the price of brown bread has risen by 200 percent five increases in 10 years

- In 1976 it went up from 13c a loaf to 16c a loaf
 - In 1980 brown bread increased by 25 percent to 21c a loaf
 - Brown bread went up again in 1981 — this time by 40 percent — to 29c
 - In 1982 the price of it increased by 17,8 percent to 35c
 - This February it went up 6c, rising from 36c to 42c a loaf, an increase of 16,6 percent
 - But the price dropped to 39c when bread became exempt from general sales tax in July
- The price of white bread has risen by 250 percent — six increases in eight years
- White bread rose to 20c a loaf from 16c in 1976
 - In 1978 it increased to 26c a loaf
 - In 1980 a loaf of white bread went up by 5c to 31c
 - White bread went up again to 42c a loaf, an increase of 30 percent, in 1981.

- It cost 53c at the end of 1982
 - There was an 11 percent increase in the price of white bread to 60c a loaf this February
 - When bread became exempt from GST in July the price dropped to 56c.
- Milk has increased by about 250 percent — 47c — since 1974, when a litre bottle cost 18,8c (See graph of milk price increases)

Possible bread price rise

(244)
C. Times
20/8/84

By PETER DENNEHY

THE price of bread will rise for a second time this year, from October 1, if the Wheat Board's recommendation, announced on Friday in Pretoria, is put into effect.

But the amount of the increase has not yet been decided.

The Wheat Board recommended that new producer prices and new margins for the milling and baking industries should come into effect from October 1.

Foodstuffs

On February 20 the bread price was increased by 6c a loaf to 60c for white bread and 42c for brown. At the time, the then Minister of Finance, Mr Owen Horwood, said further price increases during the year would be inevitable.

When GST was abolished for basic foodstuffs on July 1, the price dropped to 56c (white) and 39c (brown).

Mrs Joy Hurwitz, national president of the Housewives' League of South Africa, said on Friday night that she had pleaded in vain the previous week at a meeting with the Minister of Agriculture, Mr Greyling Wentzel, not to allow either the wheat price rise or the millers' and

bakers' rise

"The price of bread is almost entirely dependent on these factors," she said. "Everybody is supposed to be cutting back now. If the input costs for wheat are expensive, they should be cut down."

Mrs Hurwitz said the problem lay in the wheat price, which was three times higher in South Africa than in other wheat-growing countries.

The Western Cape publicity secretary for the United Democratic Front, Mr Jonathan de Vries, said it was clear that the vote in the coming week would not change anybody's life with regard to increases in the price of basic foodstuffs.

Whisky shock

Mr Armen Abrahams, media convener for the Cape Action League, said the increase was "yet another attack on the living standards of the oppressed and exploited, particularly the working class".

• In a shock announcement for whisky drinkers, liquor outlets were informed on Thursday that the price of whisky had been increased by R5 a case with immediate effect — after a R3 per case increase three weeks ago.

RDM 21/8/84

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Price rises will 'push CPI higher still'

Inflation rate to top 13% for July

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICA'S chronically high inflation rate is expected to be above 13% during July, according to economists yesterday.

This, they say, will be reflected in the Consumer Price Index for July, due to be released by Central Statistical Services in Pretoria tomorrow or on Thursday.

Economists said yesterday the increase from 7% to 10% in General Sales Tax from July would add about 1,2% to the June rate of 11,7%. When other "inevitable" price increases were taken into account, the rate could rise to about 13,2%, they said.

Price increases which will keep the rate above 13%, probably for the rest of the year, include:

● Bread — likely to rise above 60c a

loaf from October 1,

- A possible maize price increase;
- Mortgage bond hikes; and
- A variety of food price rises, including vegetables and certain processed foods.

The rising food price trend was confirmed in the June CPI. The food only index then rose sharply 1,7% — with a rate of 13,5% for the 12 months to the end of June.

A University of Stellenbosh Bureau for Economic Research economist, Dr O D J Stuart, said the combined impact of the 3% increase in GST from the beginning of July, as well as higher mortgage rates and doctors and dentists fees, could add up to 1,5% to the index for July.

Other economists agreed there was little prospect of the rate being reduced before the end of the year. In fact, if there was no drastic improve-

ment in the performance of the rand, and high interest rates persisted, the inflation rate would accelerate.

The threat of high and rising inflation will be part of the argument used by the executive of the Federation of SACS Trade Unions when it meets the Minister of Transport Affairs, Mr Hendrick Schoeman, in Pretoria on Thursday to demand wage and salary increases for 240 000 railway workers, black and white.

The chairman of the federation, Mr Jimmy Zurich, said yesterday the Minister would be asked to implement the increases from April next year. Mr Zurich claimed the CPI had increased by 27,3% between July 1982 and June this year, "and we claim we are trailing the CoL by at least 24%".

Single-digit inflation, he said, had become an "impossible dream".

New school fees expected in 1985

The parents of pupils at white provincial schools in the Transvaal may have to pay for part of their children's education next year

Compulsory school fees have been accepted in principle by the Government, and are expected to be introduced at white provincial schools in all four provinces

A draft Education Ordinance published this week sets out the basic framework for a compulsory school fee system, and is to be debated during a special session of the Transvaal Provincial Council from August 28 to 30

It is expected the fee system will take effect during 1985

INDICATIONS

The draft ordinance does not give details of the new system but indications are that parents may have to pay about 10 percent of the amount spent by the State on educating a child

Parents will probably face a three-tier system, with lowest fees levied for primary school children, a higher fee for lower secondary school pupils and a top fee for senior secondary pupils

A bursary system — similar to the one already operating for hostel accommodation and transport — will be introduced for parents earning low salaries or with a number of children at school — Sapa

Food is most ²⁴⁴ pricey ^{22/8/84} in Cape

Consumer Reporter

Cape Town has replaced both Pretoria and the Witwatersrand as the most expensive area for food in South Africa, according to the latest figures released by the Central Statistical Services in Pretoria.

The survey of average retail food prices, which covers South Africa's 12 main urban areas, shows that Pretoria is the second most expensive area, followed by Durban and the Witwatersrand.

A shopping basket of 64 items (including general sales tax) cost R133,66 in Cape Town, R132,96 in Pretoria and R131,77 on the Witwatersrand.

The same items in Kimberley cost R116,27.

Fruit is the most expensive on the Reef, according to the report, while Pretoria is the most expensive area for buying vegetables.

Other coastal towns have also been hard-hit by rising costs.

The shopping basket cost R131,94 in Durban, R128,39 in Port Elizabeth and R125,58 in East London.

Meat is most expensive in Cape Town, while grain products, such as rice, oats and mealie meal, are the most expensive in the East London area.

A strange fact to emerge from the statistics is that hake can be bought more cheaply in the Transvaal than at the coast — Klerksdorp has the lowest price, R1,11 for 400 g.

In Pretoria 400 g costs R1,27.

The price of 400 g of hake is highest, in East London at R1,51.

Maize price will not drop

Farming Correspondent

The price of maize will not drop when South Africa stops importing maize, say informed sources, in Pretoria

The Maize Board briefed consumer groups today on the maize price

Imported maize now costs about R260 a ton landed in Durban

After adding R45 a ton for cleaning, storing, moisture compensating and transport, imported maize costs R305 a ton in Johannesburg. This is R86 a ton more than the South African maize price of R219 a ton

The Government is bearing the loss

The higher maize price here was caused by Russian and Chinese bulk-buying on the world market and the rand's decline in value



A model of the proposed features two courtyards foreground is a landscaped area

JCI donates

By Colleen Ryan, Municipal Reporter

A Johannesburg mining house has announced plans to build a new students' residence for the University of the Witwatersrand as a 1986 centenary gift

The project was launched yesterday by the chairman of the Johannesburg Consolidated Investments group, Mr Gordon Waddell

Mr Waddell, who declined to say how much the scheme would cost, said the gift was in recognition of the impor

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Support

Labour Reporter

The South African Council of the International Metal Workers' Federation has come out in full support of Highveld Steel workers who voted last week for industrial action at the plant

The council yesterday called upon Highveld's parent company, Anglo American, to "get the company back to the negotiating table with the two unions in an effort to

'School lunch' may become cost problem

244 E. Post
24/8/84

By YVONNE STEYNBERG

Woman's Editor

SOON the traditional wholesome sandwich and milk for a school lunch may be something many housewives cannot afford, considering that the products which have gone up in price most during the last nine years have been butter, margarine, white bread, brown bread, eggs and milk

In a survey conducted by the Housewives League of South Africa (HWL) included with their annual report, the league expresses concern over rapidly escalating costs resulting in a changing pattern of buying by the hard-pressed housewife

A small ray of relief was that during the past nine years, from 1975 to May, 1984, the price of frozen chickens increased by only 94% and rice by only 43%

But sugar, produced in South Africa, jumped by 264%, from 45c in October, 1975, to R1,64 a kg

Significantly, administration costs of control boards concerned with milk and dairy products, increased by 48% from 1981 to 1983

The demand for chicken has increased considerably for one basic reason — its price compared with that of red meat. The HWL compared an average price of R1,82/kg for frozen chicken with R6,12/kg for a super cut of red meat

The consumption of white meat has risen from 12% in 1970 to 35% in 1983

The HWL found, in surveys carried out in Kensington, Johannesburg North, Pretoria, Vereeniging and Sandton areas, that contrary to Press reports, beef prices have not decreased, apart from special offers

"Now a time of extreme austerity has been advocated by the Government and many families are straining under the burden of higher bond interests — we know we have to tighten our belts but we would like it if the Government gives us a lead," Mrs J Hurwitz, national president of the HWL said in a statement.

She queried where the cutbacks in Government spending had been effectively made

This month the HWL Executive met senior members of the Department of Agriculture and marketing councils to discuss the spiralling costs of basic foods

"The man in the street can no longer afford to accept rapid price increases for maize products, meat and bread," Mrs Hurwitz said

Items which were raised by the HWL included

- The lack of competition in the distribution of milk to consumers

- The limiting of competition between bakeries by the existing quota system of bread production

- The tardiness of the Dairy Board to introduce a purity seal

- The creation of an ombudsman to organise the distribution of surplus produce

- The reasons why meat prices remain so high when 6 000 tons of frozen meat (mostly deboned) has been sold to the retail trade this year

This figure is about 8% of sales

The HWL says that if meat prices continue to remain high, and even increase, people will buy more chickens, because the prices have remained reasonable throughout a nine-year period

This is how basic foodstuffs, necessary and used in most homes, have increased in price during the past nine years

Basic Food Increase	October '75	May '84
Butter 500g	59c — R1,99	+ 237%
Milk 1	25c — 64c	+ 156%
Rice 1kg	69c — 99c	+ 43%
Cake Flour 2,5kg	65c — R1,47	+ 126%
Instant Coffee 750g	R1,39 — R2,85	+ 105%
Teabags 100s	92c — R1,99	+ 116%
Tea 250g	59c — R2,09	+ 254%
Sugar 2,5kg	45c — R1,64	+ 264%
Eggs, large/dozen	38c — R1,04	+ 173%
Chickens — frozen/kg	92c — R1,79	+ 94%
fresh	98c — R2,09	+ 113%
Margarine 250g	24c — 66c	+ 175%
Mealie Meal 2,5kg	35c — R1,04	+ 197%
Brown Bread 900g	13c — 37c	+ 184%
White Bread 900g	16c — 54c	+ 237%

249 D. Disputat 27/5/84
CAROL VAN DER MERWE

provided neither the doctor nor the patient objected

This would throw the market open to medicines with the same biochemical action which would compete on a price basis and not on bias or personal confidence doctors hold for a particular brand, Dr Retief said

Generic prescription was nothing new, except that doctors have always had to add "or equivalent" to entitle the

pharmacist to substitute for example a cheaper product. Dr Retief believes doctors have simply not bothered to add those vital words which could have made quite a difference to the patient's pocket

The proposed new system would mean that the pharmacist could automatically substitute a prescription with a cheaper equivalent, unless the doctor specified that the patient had to be given nothing but the prescribed brand. Dr Retief said, adding that the decision would not mean a change of law, but merely involve an internal decision by the Pharmacy Board

Before implementing generic prescriptions there were, however, scientific and legal problems which had to be solved, the chairman of the Medicines Control Board, Prof Peter Folb, said

"There is no list of equivalent drugs in South Africa, which is essential when generic substitution is allowed," he said

He explained that the control board's function had been to test drugs for effectiveness and quality, and not to compare them

The legal question was who would be liable if a patient developed serious side-effects from a prescription that had been substituted by a pharmacist, Prof Folb said

The doctor could not be held responsible as the medicine he had prescribed, was not taken. The pharmacist, on the other hand, would be legally entitled to substitute the prescription with an "equivalent"

The Pharmaceutical and Chemical Manufacturers' Association (PCMA), questioned in its journal, Pharma News, whether generic substitution would really solve the root problems of high medicine costs and pointed out disadvantages it would have on the industry

It said that governments in many parts of the world had found generic prescribing had not resulted in substantial uniform savings in the long term and recently medical authorities in the United Kingdom had decided against this principle because

the projected cost saving of only two per cent to the National Health Service did not outweigh the disadvantages and risks

The PCMA said in parts of the United States of America and Canada legal substitution had produced short-term savings which were not maintained in the long term

"We in the pharmaceutical industry are firmly of the opinion that the very doubtful cost benefit of substitution can never justify the very serious medical risk to the patient or even the legal risks to the doctor the pharmacist and the industry," Pharma said

Opinion on whether generic "copies" were inferior to originals, was not clear

While there was no questioning of the Medical Control Board's discretion when they passed a medicine for effectiveness and quality, many doctors and pharmacists still had more faith in certain brands, pharmacists said

An East London pharmacist said, although equivalent medicines should have the same effect in theory, this did not always happen in practice

He cited an example of a tablet which contained all the elements of the original pill. "Because it is too hard, however, it does not have its full effect. It is not totally absorbed in the tummy and passes into the large intestine which is alkaline and where it cannot be absorbed," he explained

The executive director of the Pharmaceutical Society, Mr Boet van der Merwe, did not share the same apprehension about generic substitution, saying that there could not be a problem when a medicine had been passed by the Medicine Control Board

The Pharmaceutical Society was in favour of generic substitution, not only for the cost savings, but also because it would give the pharmacist the discretionary status which was due to him, Mr Van der Merwe said

Speaking for the Medical Association of South Africa (Masa), the vice-president Prof Nicolaas Louw supported generic substitution on two conditions

● The generic preparation must not be more expensive than the original prescription

● The doctor must have the final say, retaining the right to prohibit generic substitution

Prof Louw was, however, wary over the pharmacist's discretion to substitute a prescription. He agreed that it might be frustrating to complete a four-year course, only to count pills, but he said the problem could only be solved by a change in their curriculum, which did not include diagnostic training at present.

"The cheaper pill may have side-effects which could worsen the patient's agony. The pharmacist does not know the history—allergies and personal needs—of the patient who was examined and questioned by the doctor

"To treat a patient responsibly, one must be able to diagnose and unfortunately the pharmacist is not trained at this stage to do so," Prof Louw said

On the question of why doctors have not bothered to ensure that their patients get the cheapest available medicine, Dr Retief said doctors did not always know the price differences between possible alternatives and they merely prescribed the medicine they had known to be effective over many years

The drug the doctor knew best, was usually the most expensive. It was the one produced by the original manufacturer who invented it, had the patent right on it for 21 years, but which was now being copied by other firms who manufactured and sold it generically. These firms did not have the expense of research and could afford to reproduce and sell it at a cheaper price, an East London pharmacist said

The PCMA sympathized with firms who invested large amounts of money in continuous research, brought out a product of unquestionable quality and who then, after the expiry of their patent of 21 years, had to face up to a price competition with firms who could then copy their product

Dr Retief said 21 years was more than enough for them to recover their costs

The PCMA however believed that generic

even lead to disinvestment

Dr Gilder agreed, saying "the more responsible pharmaceutical companies use part of their profits for two purposes—research and support of medical education. If their profits are cut, both these channels of support will dry up"

He added that the government would then be the only body who could take the task of supplying funds. This was what happened in countries such as those in Eastern Europe and the result was no major pharmacological advance in the Soviet Union for the past 50 years!

"When a new drug appears they buy supplies from the West until they can copy it, then they make it themselves. Suppose everyone adopted this attitude, research would then stop world-wide

"There is in fact evidence that the bases for certain generic products marketed in South Africa actually come from Eastern Europe—a curious situation indeed," Dr Gilder said

He warned against the effects of disinvestment which was liable to occur. "Don't think that firms wouldn't pull out, Ciba-Geigy recently closed down its manufacturing plant in Australia because of increased pricing constraints

"A week before, Boehringer Ingelheim cancelled a 350 000 dollar clinical research project into heart disease at St Vincent's Hospital Sydney, because of a Federal Government decision to take one of its products off the pharmaceutical benefits list"

Dr Gilder added that the effect on medical education of a withdrawal of the multinationals from South Africa would be highly significant

"Congresses would become prohibitively expensive. At least three university departments of pharmacology would suffer considerably. Most medical publications would either shut down or suffer a drastic change," he warned

He then called on pharmaceutical manufacturers, wholesalers, pharmacists and doctors to get together, examine the problem objectively and to make proposals for cutting costs without hastily resorting to a simplistic solution that might just make matters worse all round

STANDARD

1974

(244) Consumer Reporter Jan The sugar price increase on March 2 this year had been absorbed by bottlers, he said.

The price of soft drinks is set to rise following an increase of almost 10 percent in wholesale prices yesterday

"During the past year the industrial price of sugar has risen by R48 a ton, which alone resulted in an additional cost to the soft drink industry of about R5 million a year."

The director of the Consumer Council, Mr Jan Cronje, condemned the increases and called on consumers to give up drinking soft drinks in preference to other products

● The new recommended retail selling prices (excluding GST and deposit) for bottles are 21c for 200 ml (2c increase), 25c for 300 ml (2c increase), 35c for 500 ml (3c increase) and 62c for 1 litre (6c increase) Cans of 175 ml are 32c (2c increase) and 340 ml are 43c (3c increase). While deposits are price-controlled, the contents are not

The president of the South African Federation of Soft Drink Manufacturers, Mr Hennie Viljoen, said the average increase of 9,9 percent was "realistic under the present economic conditions"

He said the federation had been aware of the cost increases to which manufacturers had been subjected

Boycotts 'self-defeating'

SA is important trader — report

24 HOURS NEWS TEAM

By Stephen McQuillan and Russell Gault

South Africa is one of the world's best trading partners. It emerges from an authoritative three-nation report on investment and boycott moves directed at South Africa.

The report has been prepared by the Institute for European Economic Studies in London in conjunction with the Ecole Supérieure de Commerce in Rheims and the Fachhochschule Reutlingen in West Germany.

On the African continent alone, 49 of 52 states trade with South Africa despite radical ideological differences. Zambia, Zaïre and Mozambique are among her fastest-growing export markets, says the report.

Transactions in South African shares on the Paris stock exchange were worth 4.1 billion French francs in 1982.

This was second only to United States shares in foreign stock transactions with a turnover of 4.9 billion French francs.

South Africa is also seen as France's most important market south of the Sahara.

The British have 10 percent of all their overseas direct in-

vestment committed to South Africa and even the Netherlands, which is not an important trading partner, would suffer serious damage to isolated sectors of its economy.

For example, 28 Dutch ships exclusively ply the South African route.

West Germany doubled its direct investment in South Africa between 1978 and 1981 from 857 million Deutschmarks to 1.7 billion Deutschmarks.

VALUABLE PARTNER

Exports in 1982 to this country totalled 6.1 billion Deutschmarks.

The report says that as a gold-producing and capital-importing country, South Africa is an exceptionally valuable trading partner of many Western industrial nations.

The value of its manufactured imports exceeds the value of its exports by a wide margin and, as a result, South Africa's manufactured goods do not come into full competition with product lines primarily produced by her trading partners.

This is because South Africa finances her trade deficit by

the sale of newly-mined gold and other minerals.

For example, West Germany's sales of machine tools to South Africa are not financed by, say, the export of textile products to Germany but rather by the export of Kruggerands.

The report says this does not directly curtail West Germany's income employment whereas the import of textiles would.

It could be argued that South Africa is generating jobs in a country such as West Germany rather than destroying employment opportunities through competition based on dumping.

Even a small country such as Switzerland sold goods valued at 530 million Swiss francs to South Africa in 1982 while importing, in return, goods valued at only 54 million Swiss francs.

In 1982 South Africa had a net deficit of R8 billion in the exchange of merchandise, excluding gold exports, and R4 billion in exchange of services such as freight and insurance.

These figures reflect the net value of income which accrues

Item	Washington DC	Moscow	Munich	Paris	London	Johannesburg
Rice, 1 kg	16 min.	54 min.	10 min.	15 min.	15 min.	4 min.
Sugar, 1 kg	9 min.	58 min.	10 min.	9 min.	11 min.	7 min.
Margarine, 1 kg	23 min.	111 min.	17 min.	19 min.	32 min.	21 min.
Cooking Oil, 750 ml	37 min.	118 min.	19 min.	32 min.	53 min.	13 min.
12 big eggs (70 g)	11 min.	96 min.	22 min.	22 min.	26 min.	14 min.
1 l fresh milk	6 min.	22 min.	7 min.	8 min.	9 min.	6 min.
Pork, 1 kg	60 min.	162 min.	70 min.	64 min.	66 min.	30 min.
Tomatoes, 1 kg	23 min.	62 min.	28 min.	25 min.	32 min.	19 min.
Newspaper, 250 g	60 min.	922 min.	88 min.	54 min.	56 min.	62 min.
8 x 0.5 l beer	49 min.	80 min.	38 min.	35 min.	81 min.	45 min.
Wool, 3/4 l	65 min.	484 min.	79 min.	115 min.	140 min.	86 min.
20 cigarettes	9 min.	14 min.	16 min.	8 min.	25 min.	9 min.
1 Men's shirt	137 min.	615 min.	289 min.	208 min.	237 min.	196 min.
1 Colour TV, 51 cm	65 hrs.	701 hrs.	143 hrs.	106 hrs.	132 hrs.	125 hrs.

Bricklayer (White) Plant Operator (Black)

From rice to a colour TV... how much work it takes around the world to go shopping

The tables above show that black industrial workers in South Africa are significantly better off than their counterparts in Moscow.

But to buy similar items they still have to work longer than comparable workers in Europe and the United States or whites in South Africa.

The tables, drawn up in March 1982 and just published, emerge from a combined study by British, French and West German economic institutes.

Studies were done of comparable groups of workers in Washington, Moscow, Munich, Paris, London and Johannesburg.

These found that a black plant operator worked 12 minutes for 1 kg of rice while the Moscow worker toiled for 54 minutes, the London and Paris workers for 15 minutes and the Munich worker for 10 minutes.

The Moscow worker toiled for 58 minutes to buy 1 kg of sugar and the black in Johannesburg put in 20 minutes

The purchase of a 51 cm colour TV set required 701 hours work in Moscow, 363 hours by the Johannesburg bricklayer.

In only two categories was the Moscow worker ahead of the black: 20 cigarettes took 14 minutes work in Moscow and 26 minutes by the black, a beer took 80 minutes at the Moscow workbench and 131 minutes for the local black.

modern farming techniques to local conditions.

The report says the problem of insufficient food production elsewhere in Africa cannot be attributed to a lack of land.

For example, only two percent of Zambia's arable land is under the plough.

Unrealistic price ceilings have meant farmers have been unable to buy adequate supplies of seed, fertiliser and labour.

The report suggests that, in the event of disinvestment moves, South Africa could hurt boycotting countries by refusing to allow the redemption of dividends and capital overseas.

In recent years such payments have exceeded the inflow of new capital in spite of heavy foreign investment which saw the number of foreign subsidiaries increase from 1 632 in 1974 to 3 035 in 1983.

South Africa would suffer little, if any, financial damage but with an average return yield of 15 percent in 1981, foreign dividend receivers would be seriously harmed.

The report says an action of this kind would be very much at last resorted to by the South Africans.

An economic boycott might even cause an exuberant phase of import substitution, although in the long term the effects of a boycott in particular would hurt the South African economy.

The report estimates that a 20 percent boycott in 1982 would have cost South Africa R3 000 million in lost exports. About 90 000 whites and more than 350 000 blacks, mainly foreign workers from neighbouring countries, would have lost their jobs.

Price of oil, margarine up

4/9/84 244
L. Times

Staff Reporter

THE price of salad and cooking oil will rise by an average 12,5 percent from next month, close on the heels of a 15 percent increase in June this year.

The increase is likely to bring about a ripple-effect rise of 10 percent in the price of margarine.

This was confirmed yesterday by Mr Lance Japhet, chairman of the South African Oil Expressers' Association and vice-chairman of the South African Margarine Manufacturers' Association.

Mr Japhet said vegetable oil had recently been imported at high cost because of the "depreciating value" of the rand against the dollar.

"We are still having to import about 60 percent of our oil requirements because of the limited local supply of seeds.

"The recent American drought has forced up the price of vegetable oils in the international market.

"The bank overdraft rate shot up, which meant a higher cost of financing raw materials, stocks and debtors," Mr Japhet said.

The last salad and cooking oil increase had been on June 1 this year, when housewives had to fork out 15 percent more, because of the local oil seed price increase and other cost increases.

Rise in attorney tariffs ²⁴⁴ will help public

Maximum attorney's tariffs for Magistrate's Court work have been increased by an average of 50 percent, according to a notice in yesterday's Government Gazette, but the man in the street stands to make a saving

This is because certain civil litigation that would have had to be conducted in the Supreme Court at traditionally far higher costs may now be carried out at considerably less cost in the Magistrate's Courts

A large portion of the work in respect of which the increased tariffs apply, was work previously done in the Supreme Court at much higher tariffs than in the lower courts," the Minister of Justice, Mr Kobie Coetsee, said in a statement in Pretoria yesterday

"The saving in costs by reason of the fact that the same work can now be done in the lower courts is considerable and is nevertheless greater than the increase in costs resulting from the increased tariffs"

The acting president of the Association of Law Societies of South Africa, Mr Chris van der Post, said from Bloemfontein it was difficult to put a percentage figure to the various tariff increases, published over eight pages in the Gazette

"Some items have remained the same while others have been increased, but I would say the overall increase is roughly 50 percent," he said

Mr Coetsee said the review of tariffs had been made necessary by the increase of the civil jurisdiction of Magistrate's Courts on May 2 from R1 500 and R3 000 to R5 000 and R10 000 respectively in liquid and liquid claims, while the present tariff of Magistrate's Courts fees did not provide for the increased amounts

"This measure should bring about a considerable transfer of work from the Supreme Court to the lower courts and represents a positive move towards making our courts more accessible to litigants at a much less expensive cost structure," he said

Mr van der Post pointed out that the increase in Magistrate's Court jurisdiction over the amount of claims was about 300 percent and that this had had to be accommodated in terms of attorney's fees

The increased jurisdiction of Magistrate's Court from May had already had a noticeable affect in relieving pressure on previously congested Supreme Court rolls, particularly in some fields of litigation, and this was to the good of all

The increased tariffs had been applied for towards the end of last year, but certain procedures had had to be followed before they could be implemented, he said

Attorney's fees for litigation in the Supreme Court and the Appellate Division have been increased by 10 percent, according to other notices in the Gazette

"These were last adjusted some time ago and the increase in this case was, therefore, found to be necessary as well," Mr Coetsee said — Sapa

Demands for new maize deal increase

by
Hannes Ferguson,
Farming Correspondent

Black organisations are moving to the centre of the maize arena. According to industry sources, the Black Chamber of Commerce, Nafcoc, may soon join the Black Consumers Union and the white maize producers in demanding a new deal for the hard-pressed maize industry.

They want cost incentives for the S A maize production, a policy of stockpiling white maize against future droughts, the shifting of bread subsidies to maize products and the organised marketing of traditional sorghum meal to replace bad-tasting, "orange-coloured" meal.

At this stage black organisations are seen as ideally placed to influence Mr Greyling Wentzel, the Minister of Agriculture's views on the future of the maize industry.

Faced with a R6 000 million drought debt and an interest burden exceeding farm income, maize producers are asking for cuts in crippling, administratively determined costs.

Consumer bodies feel that if the Maize Board had been allowed to stockpile white maize in 1981 and 1982 instead of having to export at staggering losses, the State would not now be losing R86 a ton on low-grade imported maize.

Sept 1984

ry September 12 1984

Star

Bread price set to rise next month

744

Own Correspondent

DURBAN — The bread price is expected to rise sharply on October 1 — the second time this year.

The price would be increased because the Government did not have the funds to raise the bread price subsidies, Mr A Liebenberg, assistant general manager of the Wheat Board, said today

He would not speculate on the size of the increase, but board officials have previously said it will be large. Department of Agriculture officials refused to comment on the matter.

About three-quarters of the R120 million bread price subsidy for the financial year ending next March has already been

spent, though there are still seven months to go. In addition, the Wheat Board has recommended higher producer prices from October 1, as well as higher profit margins for the milling and baking industries.

Mr Liebenberg said costs had risen by 11 percent in the past year because of increases in the price of fertilisers, interest rates and equipment.

The baking and milling industry, which has a fixed 15 percent profit margin, wants this increase as the industry feels it is not getting sufficient return on its capital expenditure at the moment.

The bread price was increased by 6c a loaf earlier this year. White bread presently costs 56c a loaf and brown 39c a loaf.

13/9/64
244

Bread price crisis looms as subsidy runs out

By GERALD REILLY
Pretoria Bureau

THE R120-million allocated in this year's Budget to subsidise the bread price is running out fast and "financial adjustments" are urgently necessary, say Pretoria sources.

The Cabinet is expected to approve an increase in the wheat price within the next 10 days.

The Minister of Agriculture, Mr. Greyling Wentzel, told the Rand Daily Mail yesterday that if the Cabinet decided to increase the wheat price, either the bread price or the Government subsidy would have to be increased.

Pretoria sources said R90-million of the original R120-million bread subsidy had already been spent.

The remaining R30-million was insufficient to hold bread prices at the present level.

Political observers said yesterday the Government

could not afford to increase the subsidy because of the critical nature of State finances. But if it raised the bread price there would be an angry reaction from an already disturbed black population.

Pretoria sources pointed out that wheat farmers were last granted an increase two years ago. It was extremely unlikely the Cabinet would reject Wheat Board recommendations for a price rise.

The baking and milling industries are also expected to be granted increased margins, even though they were given increases earlier this year.

Informed sources said even if the Government rejected the demands for producer price rises, and higher margins for bakers and millers, the subsidy would still have to be raised if the price of bread increased.

Govt raises wholesale price of sugar 12,5%

14/9/84 (244)

~~Star~~ C. Times

Own Correspondent

JOHANNESBURG — The government has taken a brave, but unpopular step for the consumer, of lifting the wholesale price of sugar by 12,5 percent from today, more important, it has given the go-ahead for the industry to embark on a pool system which could protect it from low export prices

White sugar will now cost R573,75 a ton — up from the 10 percent increase in March which took the price to R510 — and brown sugar slightly less.

But the price hike has only brought the price to the farmer and miller to the break-even level.

They will still have to shoulder export losses and the constantly rising costs of farming and milling inputs should push the industry into a "loss" position in six months

Financial risk

Full details of the pool system are still to be announced but it appears that each farmer will decide whether he wishes to produce for export and he will carry the financial risk

The industry will not have to carry the financial burden of exports and will, most likely, act

as an agent using its established export channels

The Minister of Industries and Commerce, Dr Dawie de Villiers, said the financial problems faced by the industry were "now reaching distressing proportions"

This had been caused by the droughts and the low international sugar price

While the "yearly increase" of 10,4 percent in the wholesale price had been allowed in March, the industry had borrowed R327m, partially to bridge the yearly deficits

"The present high interest rate results in an interest burden of R47m a year"

Deficits

"Further deficits could compel the industry to increase the loans, which could cause permanent damage

"The government has considered various alternative forms of assistance but decided that a further price increase in these circumstances was unavoidable

"It has agreed to an increase which would possibly prevent a number of growers from discontinuing their farming activities

Dr De Villiers noted that the government and the industry were engaged in restructuring the industry to make it more cost-efficient

Because sugar cane had a cycle of between eight and 10 years, "changes could not be affected overnight"

From this year onwards a new cane transport system was in operation which could to a large extent assist in placing the industry on a sound economic footing

"As from the 1985/6 season (May 1, 1985) the industry will introduce a pool system. Further particulars will be made available later"

Dr De Villiers said these steps would lead to a rationalization of the industry and to considerable cost savings

Consumption

"It should be emphasized that the application for a price increase by the industry was not made lightly

"It is realized that the two large price increases have a detrimental effect on consumption, in addition to the danger that alternative sweeteners could possibly affect the consumption of sugar"

The chairman of the S A Sugar Association,

Mr Ian Smeaton, reacted to the increase by saying "We appreciate the fact that the government has recognized the serious financial plight of the industry and taken steps to provide a partial solution to the problem

Production costs

"Domestic sugar has been selling at below the level of production costs and this increase will do no more than bring the consumer price closer to the correct level at which it should have been set at the beginning of the season

"At this new level, the domestic consumer would not be providing any financial support of the sugar industry's export operations

Regarding the production pool system which would be introduced from May 1, 1985, he said its terms were that the decision to produce for the export market and the financial consequences of that decision would be carried by individual growers and millers rather than remaining with the industry as a whole

2444

Poor eat less as maize price rises

By GERALD REILLY

MAIZE prices could rise still further this year because of the falling rand, threatening the diet and the existence of those who could least afford to pay, the deputy chairman of the Premier Group, Mr Peter Wrighton, said in Pretoria yesterday.

Addressing the "Business and the drought" conference, he said the drop in the volume of maize meal sales had not been offset by an equivalent rise in bread sales.

"So we are forced to the conclusion that people are eating significantly less than they were a year ago, with more people around the pot and less wastage."

Mr Wrighton said drought had taken a desperate human and social toll and inflicted debilitating punishment.

Last year instead of exporting R1 500-million worth of agricultural crops a similar amount had to be imported. The total effect of the balance of payments was about R3 000-million.

This put pressure on the rand, added to imported inflation and caused interest rates to rocket, bringing further misery and unemployment.

He pointed out that as the price of maize meal increased — and increases had exceeded 30% this year — the level of demand must fall.

Maize was a staple diet of those with the

lowest incomes, many of whom were on or below the breadline.

A drop in sales volumes of up to 20% had been experienced, something which had never happened before.

"What is even more critical is that the people most affected do not have the vote and it is a desperately frightening historical truth that hungry people react more actively and become more angry at gaps in living standards than those with full bellies and disposable incomes."

Drought drove labour from the land and into urban areas where opportunities were few and unemployment was rising. It drove up prices and created scarcities, hopelessness and hunger.

"But above all it can easily lay waste the years of diplomatic effort that gave birth to Nkomati and the new initiatives in Southern Africa by depriving us of the one real item of value — food exports — which we have in our gift for the rest of Africa," Mr Wrighton said.

The managing director of OK Bazaars, Mr Gordon Hood, said the growing number of insolvencies and liquidations served to underline the drought's by-products.

The lower income groups were reeling under the impact of shrinking purchasing power and retailers were experiencing big drops in after-tax profits.

There was a growing threat of labour unrest.

Consumers had stopped buying higher margin durables such as furniture and clothing, and were confining spending to necessities.

Botswana reply to Pik's charge on pact signing

By PATRICK LAURENCE
Political Editor

The Office of the Botswana President yesterday expressed regret at what it termed an "oblique suggestion" by the South African Foreign Minister, Mr Pik Botha, that economic ties between the two countries depended on the signing of a non-aggression pact.

In an earlier statement Mr Botha had accused the Botswana Government of "deliberate misrepresentations" in its account of negotiations with Pretoria on the signing of a non-aggression pact.

Mr Botha was referring to a reported statement by the Botswana President, Dr Quett Masire, that such a pact would be tantamount to a loss of sovereignty for Botswana.

teurs slipped through Botswana to attack neighbouring countries it was not with the knowledge and still less with the approval of the the Botswana authorities, the Office of the President said.

The signing of a non-aggression pact would not in itself prevent isolated cases of saboteurs crossing the borders, it added.

In another development the opposition Botswana National Front (BNF) said yesterday it planned to petition the High Court to order that a new election be held the Gaborone South constituency, where its leader, Dr Kenneth Koma, lost by 122 votes to the Vice-President, Mr Peter Mmusi, in last Saturday's general election.

The BNF secretary general Mr Maraledi Giddie

PW to make history today

By CHRIS FREIMOND
Political Correspondent.

CAPE TOWN - Mr P W Botha will be inaugurated as South Africa's first executive State President in Cape Town today.

And when he announces his new Cabinet tomorrow afternoon, it is likely to include people other than whites for the first time in the country's history.

Mr Botha will be sworn in by the Chief Justice, Mr Justice P J Rabe, at the Groote Kerk today.

After the ceremony Mr and Mrs Botha will travel along a soldier-lined route to the Grand Parade, in front of the Cape Town City Hall, where Mr Botha will address an expected

Sugar price rise to affect food industry

Mercury Reporter

THE 12,5 percent increase in the wholesale price of sugar is expected to have a ripple effect on the entire food industry.

The price hike, announced by the Minister of Industry, Commerce and Tourism, Dr Dawie de Villiers, last week, is expected to affect the prices of soft drinks, jams, sweets and some

cereals
Mr Gordon Utian, managing director of Checkers, yesterday urged the State President to apportion funds from the defence budget towards holding down the prices

of basic foodstuffs

'The best defence that South Africa can have is people with full stomachs,' he said

Mr Bernard Hellberg, assistant director of the Consumer Council, has slammed the increase, saying it was unfortunate that such a 'dramatic' increase should come at a time when the consumer was financially hard hit.

'A puzzling aspect of the industry is the regular over-production of sugar which is then exported at a loss. It is quite inexplicable that the South African consumer should subsidise the market abroad.'

Stocks

Mr N Eichorn of the Soft Drinks Federation said yesterday that the manufacturers of soft drinks were still 'licking their wounds' from the recent increases all round, but said he did not know whether prices would be increased.

'Since the lifting of price control manufacturers have been free to announce increases as they wish,' he said.

Spokesmen for major supermarket chains throughout Durban said yesterday they would sell sugar at the old prices for as long as long their existing stocks last.

Miss M Russel, secretary of the Durban Housewives' League, said: 'We deplore the increase in the sugar price at such a crucial time for consumers as it will also affect many other foods. The national executive will be telexing the Minister to ask him to reconsider.'

Price increases for

Delivered ²⁴⁴
Star ~~Star~~
milk up 2 c

17/9/84
Dairies on the Witwatersrand will increase the price of home-delivered milk by 2 c a litre this month.

At least one distributor has already pushed up prices, and other dairies are likely to follow within the next few weeks.

A spokesman for Nels Dairy, Mr Hans Nel, said home-delivered milk was increased by 2 c to 68c a litre today.

He said a distributor's increase of 1 c a litre in July had not been enough to cover higher labour and packaging costs.

A spokesman for another distributor, NCD, said prices would rise by the end of the month.

Rise in bread price expected

18/9/84 (244) ~~427~~ *Staw*

By Michael Chester

Increases in bread prices from October 1 that may wipe out all the benefits of exemption from general sales tax may be announced within the next few days

The price of brown bread, now accounting for 70 percent of all bread sales, may be pushed up from 39c to 45c — unless the Government agrees to new multimillion-rand subsidies

White bread prices, not subsidised but still controlled, may be raised from 56c to between 61c and 63c — “unless a miracle occurs”, as one inside source put it

A decision by the Cabinet, responsible for items



under price control, is believed to be imminent

The pressure on prices has been spelled out in confidential reports prepared by the National Marketing Council and the Wheat Board

Inside sources say the pressure has started with

recommendations that producer prices paid out to farmers should be increased by between eight and 10 percent to compensate for losses suffered in the prolonged drought and higher fertiliser and labour costs

Millers and bakers see little chance of winning any increase in the 15 percent return on fixed capital they have been allowed for several years, despite arguments that profit margins are inadequate

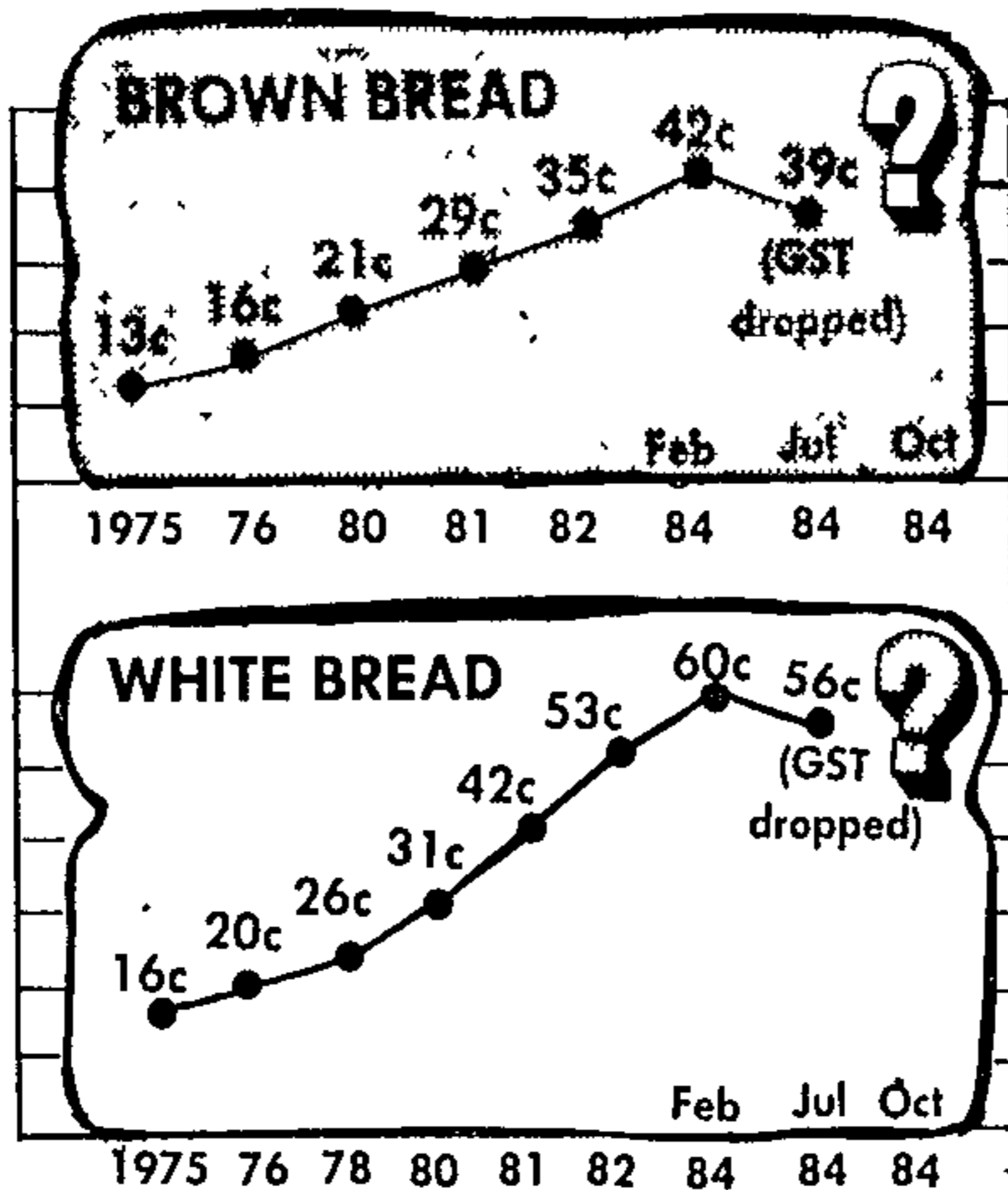
However, there is optimism that the Cabinet may agree to increase the current 16,5 percent return on what is termed “floating capital” — the cash they are forced to use to buy wheat stocks

The millers argue they are losing huge amounts by having to borrow from the banks at an unprecedented 28 percent to finance wheat supplies until they receive delayed compensation

One of the largest food producers told *24 Hours* “Bread prices need to go up between 5c and 7c if the industry hopes to survive

“Prices in South Africa are by far the lowest in the world — but millers and bakers are under tremendous strains in a fight for sheer survival

“The Cabinet can allow the full increases to be footed by the consumer or work out bigger subsidies”



Mark-up is too high, says monopolies critic

Bread price threat sparks profits row

244 ~~198~~ Stew
19/9/84

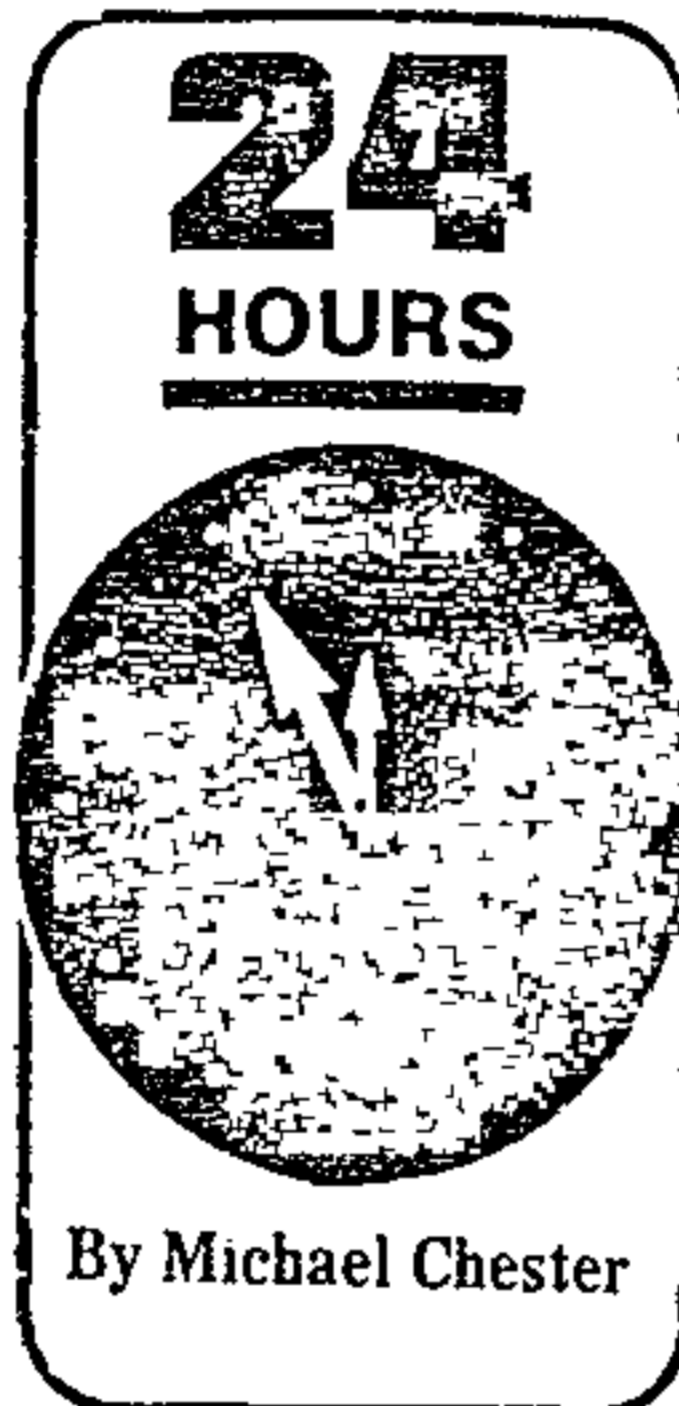
The threat of new increases in bread prices has raised a storm of controversy, with the big producers engaged in attack and counter-attack about their profit margins

Mr Robin McGregor, author of "Who Owns Whom" and a persistent critic of monopolies, has accused the big bakeries of running a nation-wide cartel that has boosted prices faster than the average inflation rate

The big food producers have countered with arguments that bread prices have been held at among the lowest in the world by price controls that have kept margins too low

The controversy has broken out at a moment when consumers are awaiting a Cabinet decision on new bread prices from October 1

Mr McGregor has released the results of an investigation in which he claims that the current price of white bread — at



56 cents a loaf already 250 percent higher than in 1975 — would be as much as 19 percent lower had it stayed in line with the pace of overall inflation

He lays the blame on a spurt in profit margins that broke away from the average inflation line in 1981

He argues that if margins had stayed on course with the consumer price index they would be 14,1 cents a loaf on white bread instead of an actual 17,3 cents

Mr McGregor insists that the result would be that white bread should be on sale at about 47 cents instead of the current 56 cents

Mr Tony Bloom, chairman of the Premier Group, one of the biggest producers, snaps back that the calculations ignore the abolition of Government subsidies on white bread that occurred three years ago

"If new price formulae had not been sorted out, the price of brown bread would today be as high as white bread", he told 24 Hours

"Our profit margins are hopelessly inadequate — as proved by evidence that there has not been a new major company launched in the sector over the past 40 years

"This is simply because if would be madness for investors to expect even a reasonable return", he said

"One has only to compare international bread prices to see that South African prices are the lowest in the world

"In South Africa, the

producer pays about R306 a ton for wheat and that becomes worth only R610 on the counter after the costs of the miller and baker and retailer have been covered

"In the United States, producers pay R170 a ton for wheat — which becomes worth a staggering R4 200 by the time the consumer is buying bread

"The squeeze on our margins is ludicrous"

Mr Patrick McLaughlin, of Tiger Oats, added "Profits from bread making have become non-existent. It is only by diversification that the big bakeries can survive at all"

Says Mr McGregor "I'm sticking to my guns

"The huge conglomerates can offer all the sophisticated statistics in the world

"The fact remains that profit margins on white bread have shot up far faster and higher than the overall inflation rate because of the cartel — and the consumer is paying the bill"

Application for busfare increase

20/9/84

C. Times

249

Staff Reporter

CITY Tramways applied yesterday for a 12 percent busfare increase

The increase was needed to offset increases in salaries, wages, operating and maintenance costs, Mr S Selikowitz, SC, who appeared for City Tramways, told the National Transport Commission in support of the company's application

About 50 people representing several civic and labour organizations attended the hearing, chaired by Mr H C van Zyl of the NTC. Several memoranda objecting to the increase were also handed to the commission

In papers before the commission, Mr Selikowitz said the actual revenue earned by City Tramways deduced from an "adjusted base period" between July 1983 and February 1984 was R30,5m, while actual expenditure for the same period was R28,1m

The anticipated increases in costs were expected to amount to R3,4m which would leave City Tramways with a pre-tax surplus of R186 718 which "represented an unreasonable return of less than one percent on the capital employed", he said

If the application for the higher fares was granted, the increase in revenue would amount to R5,1 million "We are

running at a type of break-even point and the company unashamedly would like to make a fair profit," Mr Selikowitz said

City Tramways experienced significant increases in the following categories: Rent, 89 percent, telephones, 14,8 percent, damages, 15 percent, and 55 and 32 percent on the dollar and sterling exchange rates respectively for fuel and parts purchases, he added. This year's profits were expected to be lower than the R1,4m made in 1983

The last time a cost-related increase was made was in 1982. The 18 percent increase in 1983 was to absorb salary and wage increases

Representations on behalf of the objectors will be heard today at 9am at the Nedbank Building, Foreshore

● Reports that City Tramways was using blue and white painted buses from Ciskei were denied at the hearing. Mr Selikowitz said the buses were purchased from the Corporation for Economic Development in Pretoria. To repaint the buses was "an expense not justifiable in this climate"

Mr Selikowitz was instructed by Asherson and Asherson. Mr David Mias, of Omar, Vasson, Sonn and Abercrombie, appeared on behalf of the objectors

2/19/84
C. Times

More price rises?

JOHANNESBURG —
The prices of tea, coffee, milk powder, margarine and at least six other basic foodstuffs are set to rise — in some cases for the second time this year — by the end of October, according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued here last night, he said continued increases in basic foodstuff prices would wipe out the benefit of general sales tax exclusion on certain staples within months.

He predicted increases of 10 percent in the price of coffee, margarine, cooking oil and cool-drinks. Coffee and margarine prices have already gone up this year — by 7,5 percent and 12 percent respectively.

Prices of biscuits, baking powder, cooking oil and condensed milk were also set to rise, Mr Hood said.

'Disastrous'

"The year to date has been disastrous, particularly for the lower-income groups," he said.

"In all my years in retailing, I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year.

"When we look back on 1984, we will find that from the consumers' point of view this year will have delivered the most dismal calendar in decades.

"If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months" — Sapa.

Wanted

Cost of

food up sharply

249

E-Post

21/9/84

It's a disaster, says top businessman

JOHANNESBURG — The price of bread may rise 15% today, and steep price rises in at least 10 other basic food items are expected before the end of October.

The Minister of Agriculture, Mr Greyling Wentzel, meets the Wheat Board in Pretoria today. An announcement on the wheat and bread price is expected this afternoon.

About R90 million of the Government's R120 million bread subsidy has already been paid out. With the cut-back in State spending because of the economic crisis, it is considered most unlikely that this amount will be increased.

And the managing director of OK Bazaars, Mr Gordon Hood, has warned of price rises for tea, coffee, milk powder, margarine and at least six other basic foodstuffs before the end of next month.

In a statement yesterday, he described the year so far as "disastrous, particularly for lower income groups", and as "the most disastrous calendar in decades".

Mr Hood warned that continued increases in basic foodstuff prices would wipe out within months the benefits of their exclusion from general sales tax.

He predicted rises of 10% in the price of coffee, margarine, cooking oil and cold drinks. Coffee and margarine prices have already

gone up this year — by 7,5% and 12% respectively.

Prices of biscuits, baking powder, cooking oil and condensed milk were also set to rise, he said.

"In all my years in retailing I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year," said Mr Hood.

"When we look back on 1984 we will find that, from the consumers' point of view, this year will have delivered the most dismal calendar in decades."

The exemption of certain foodstuffs from GST had not helped the consumer. Many true staples had been left off the exemption list, and most of the goods on the list had subsequently gone up in price or were about to do so.

"If we follow the present disturbing trend, the severe and now inevitable price increases will wipe out the benefits of GST exclusion within months," Mr Hood said.

By the end of October, consumers could expect price increases in the following foodstuffs:

- Milk powder and con-

densed milk, all for the second time,

- Tea, to rise 12% after a 10% hike in February,

- Coffee, up 10% after going up by 7,5% in April,

- Margarine, to rise 10% after a 12% hike in January,

- Cooking oil, by 10%,

- Cold drinks, by 10% after a sugar price rise,

- Biscuits and baking powder,

- Canned goods for the second time this year, and

- Bread

Mr Hood said currency problems had had a severe impact on prices of imported products or ingredients.

"But there are many inexplicable anomalies," he said. South African consumers were, for example, subsidising sugar exports while the benefits of the meat surplus had not been passed on to the consumer.

There were also rumours of another GST increase. If this did happen, more items were likely to be exempted from tax and it was hoped that the retail sector would be consulted so that a more accurate definition of "staples" could be obtained.

"But this will be a short-term benefit for the hard-hit South African consumer," Mr Hood said. — Sapa

PEOPLE IN THE NEWS

The Sunday
Star
News team

The news editor of *The Sunday Star*, Brendan Nicholson, knows more about Africa than any New Zealander has a right to. He has scoured the continent for stories from Durban to Dakar.

Born in Dublin, the Irish lad grew up in New Zealand, cutting his journalistic teeth on the *Timaru Herald* and the *Waikato Times* before arriving in South Africa for a six months' working holiday. That was 11 years ago and he's still here.

While working for the *The Star's* Foreign News Service he helped change the course of history when his interview with President Kenneth Kaunda led to the famous summit with Mr P W Botha.



David Breier,
Political Correspondent

David Breier, former chief reporter of *The Star* and political reporter for *The Argus*, has impressive qualifications for his new job — he has voted in every election and referendum since he turned 18.

When told that millions of South Africans had done likewise, he said: "So everyone's a political correspon-

Top retailer warns of more price shocks

Basic food prices set to rise again

244
Skw
21/9/84

The prices of tea, coffee, milk powder, margarine and at least six other basic foodstuffs are set to rise — in some cases for the second time this year — by the end of October, according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued in Johannesburg last night, he said continued increases in basic food prices would wipe out the benefit of general sales tax exclusion on certain staples within months.

He predicted increases of 10 percent in the price of coffee, margarine, cooking oil and cold drinks. Coffee and margarine prices have already gone up this year — by 7.5 percent and 12 percent respectively.

Prices of biscuits, baking powder, cooking oil and condensed milk were also set to rise, Mr Hood said.

'Disastrous for poor'

"This year to date has been disastrous, particularly for the lower income groups," he said.

"In all my years in retailing, I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year.

"When we look back on 1984, we will find that, from the consumer's point of view, this year will have delivered the most dismal calendar in decades."

Mr Hood said the exemption of certain foodstuffs from GST had not helped the consumer. Many true sta-

ples had been left off the exemption list, while most of the goods on the list had subsequently gone up in price or were about to do so.

"If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months."

He added that, by the end of October, consumers could expect price increases in the following foods:

- Milk powder and condensed milk (the second increase this year)
- Tea, to increase by 12 percent following a 10 percent rise in February
- Coffee, up 10 percent after going up by 7.5 percent in April
- Margarine, up 10 percent after a 12 percent hike in January
- Cooking oil (10 percent)
- Cold drinks (10 percent — following the sugar price rise)
- Biscuits and baking powder.
- Canned goods, for the second time this year
- Bread

Mr Hood said currency problems had had a severe impact on prices of imported products or ingredients.

"But there are many and inexplicable anomalies."

South African consumers were, for example, subsidising sugar exports, while benefits of the meat surplus had not been passed on to consumers.

There were also rumours of another GST increase. If this did happen, more items were likely to be exempted from tax and it was hoped that the retail sector would be consulted so that a more accurate definition of "staples" could be obtained.

"But this will be a short-term benefit for the hard-hit South African consumer," Mr Hood said. — Sapa

Live TV coverage of fight in jeopardy

By Sven Forssman

A premature announcement by a morning newspaper today has jeopardised

No foreign blacks in Pretoria's white facilities

By Andrew Beattie,
Pretoria Bureau

The final word from Pretoria Municipality is that no black people, foreign or local, except those with diplomatic status may use white municipal facilities.

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Bread price rises

C. Time
244
22/9/24

Own Correspondent

PRETORIA. — Bread prices are to go up for the second time this year on October 1.

Brown bread will cost one cent a loaf more and the price of white loaves will increase by four cents

Since the beginning of this year, the cost of brown bread has rocketed by 25 percent and white bread has shot up by 22 percent. Currently the price of white bread is 56 cents a loaf and brown bread 39 cents

Announcing the increase in Pretoria yesterday, the Minister of Agriculture, Mr Greyling Wentzel, said brown bread would rise to 40 cents a loaf — cheaper than it was before GST was removed in July — and white bread to 60 cents a loaf — the price before GST was removed

The recent 12½ percent rise in the sugar price and the threat before the next budget of

another increase in the price of mielie meal will severely strain the budget of black families, according to economists

While the minister said the increase in the brown-bread price would have little effect on the consumer, major food retailers and consumer spokesmen were yesterday disturbed by it.

Margin

Mr Wentzel said the rises were needed because of the increase of 7,45 percent in millers' margins, a 5,25 percent increase in bakers' margins and by a "reasonable" 8,7 percent rise in the wheat price to R299 a ton — the first adjustment in two years

Although Mr Wentzel described the bread-

price increases as "moderate", they represent another heavy cost-of-living blow to the lower-income groups

The PFP consumer spokesman, Mr Harry Schwarz, said "It is pleasing that the increases were reasonably small, but regrettable there had to be increases at all in these very difficult times — especially for the lower-income groups"

Mr Gordon Utian, managing director of Checkers, responded "The best defence South Africa can have is people with full stomachs"

He said in a statement yesterday "While this bread-price increase is modest, brown bread has increased by 25 percent and white bread by 22 percent this year alone

'Plight of poor'

"I appeal to the government to apportion funds from our large defence budget to holding down prices of basic foods and not to ignore the plight of our poor"

The general manager of a Pick 'n Pay last night commended the minister for keeping the bread-price increase to an "absolute" minimum, but once again appealed to the government to abolish GST on all basic foodstuffs

In a statement, Mr John Barry said he commended the minister for keeping the price increase to an absolute minimum of one cent on the price of brown bread, a basic foodstuff

Mr Wentzel said the minimum price increases were made possible because millers, bakers and wheat producers had sacrificed part of their increased costs

R40m allocation

Without this the government, because of the current economic climate and limited State funds, would have been unable to prevent a big increase in the prices of brown and white bread

The Wheat Board had also made a massive contribution by allocating R40-million from the Wheat Reserve Fund to keeping the prices down

The minister emphasized that it was a cabinet decision that in the present economic climate the increases should be limited to an absolute minimum

22/9/84 (244)

Foodstuff price hikes will make 1984 a dismal year

CONTINUED increases in basic foodstuff prices would wipe out the benefit of general sales tax exclusion on certain staples within months.

This is according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued in Johannesburg, he said the string of food price hikes this year would make 1984 the "most dismal" year in decades for the consumer.

"The year to date has been disastrous, particularly for the lower income groups," he said.

"In all my years in retailing I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year.

Mr Hood said the exemp-

tion of certain foodstuffs from GST had not helped the consumer.

Many true staples had been left off the exemption list, while most of the goods on the list had subsequently gone up in price or were about to do so.

"If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months."

Mr Hood said that by the end of October consumers could expect price increases in the following foodstuffs

- Milk powder and condensed milk (the second increase this year).
- Tea, to increase by 12%, following a 10% hike in February.
- Coffee, to rise by 10%, after going up by 7,5% in

April.

- Margarine, to increase by 10%, after a 12% hike in January.

- Cooking oil, to 10%

- Cold drinks, to 10%, following the sugar price rise

- Biscuits and baking powder.

- Canned goods, for the second time this year.

- Bread.

Mr Hood said currency problems had had a severe impact on prices of imported products and ingredients.

"But there are many and inexplicable anomalies" South African consumers were, for example, subsidising sugar exports, while the benefits of the meat surplus had not been passed on to the consumer.

'Modest increases' in price of bread greeted with relief

Weekend Argus
Consumer Reporter

WHITE consumer organisations have expressed relief at the "small increases" in the bread price, but a black consumer spokesman slammed the rise as being the "straw which breaks the camel's back"

The Minister of Agricultural, Economic and Water Affairs, Mr Greyling Wentzel, announced yesterday that the price of a loaf of brown bread would increase by one cent to 40c a loaf and white by four cents to 60c a loaf from October 1

These represent increases of 2,56 percent and 7,14 percent respectively — considerably less than the expected increases of between 10 and 15 percent

Can be grateful

The assistant-director of the South African Consumer Council, Mr Bernard Hellberg, said "The bias is for once in favour of the consumer instead of the producer. We can be grateful that the increases are below the inflation rate"

Mr Hellberg emphasised that anyone who sold bread for more than the stipulated price was liable for a fine of R1 000 or 12 months' imprisonment.

"Unimpressed"

The president of the Black Housewives' League, Mrs Sally Motlaha, said she was "totally unimpressed"

"This is the last straw to break the camel's back. It's effect on the black people will be more starvation, more graves and more children suffering malnutrition," she said

The president of the Housewives' League, Mrs Joy Hurwitz, said brown bread accounted for 75 percent of the bread consumed and the Government had shown clear thinking by keeping the price increase to a minimum

Mr Gordon Utian, managing director of Checkers, said in a statement "The best defence is people with full stomachs. While this bread price increase is modest, brown bread has increased by 25 percent and white bread by 22 percent this year alone

"I appeal to the Government to apportion funds from our large defence budget to keeping down prices of basic foods and not to ignore the plight of our poor"

Cigarettes cost 5% more and ...

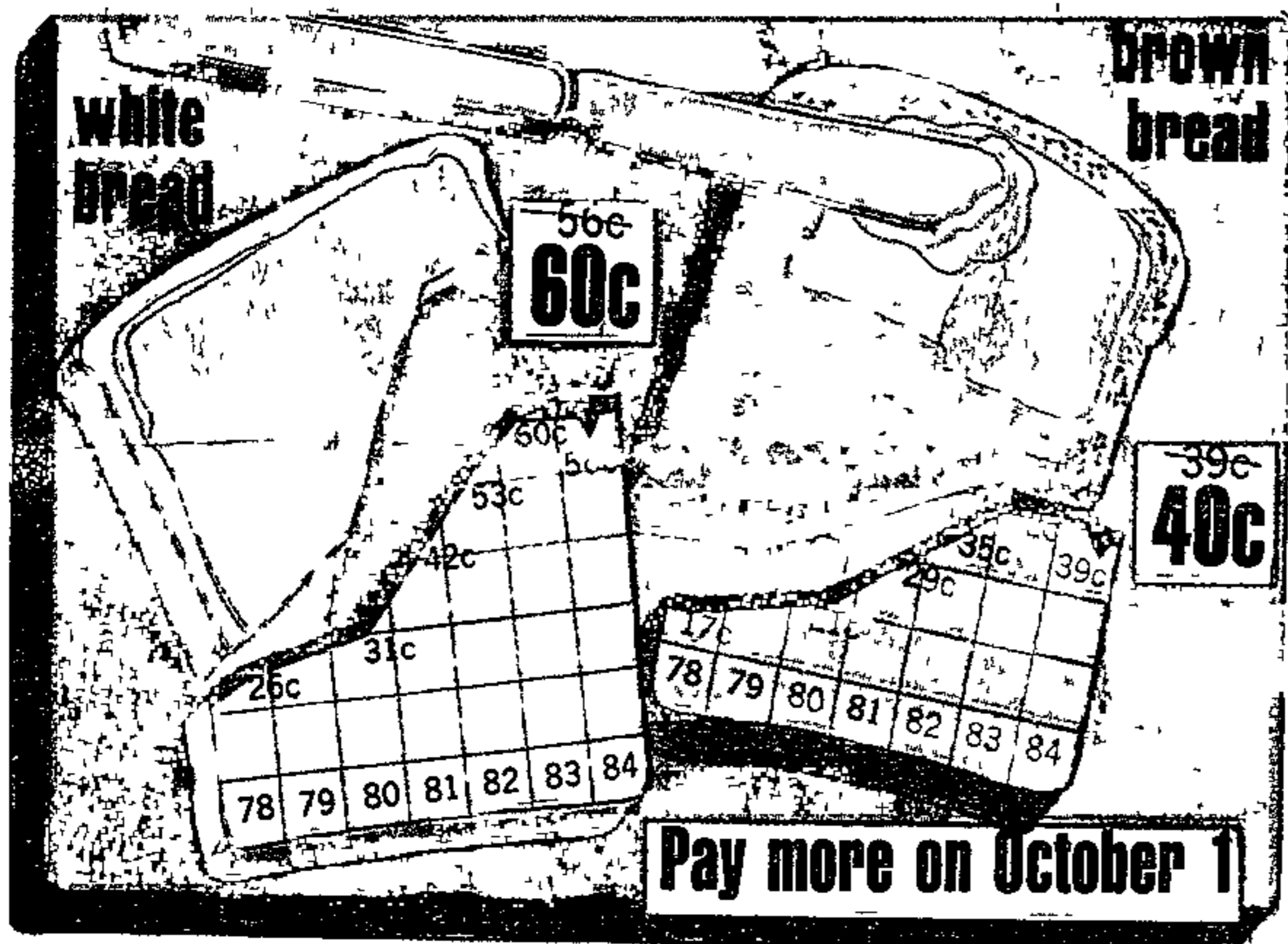
Bread price to rise from October 1

ROOM 22/9/84 (244)

By GERALD REILLY
Pretoria Bureau

THE price of bread will go up from October 1 — the second price increase this year. Brown bread will rise by 1c a loaf and white by 4c a loaf.

Announcing this in Pretoria yesterday, the Minister of Agriculture, Mr Greyling Wentzel, said brown bread would rise to 40c a loaf — cheaper than it was before GST was removed in July — and white bread to 60c a loaf, the price before GST was removed.



Graphic: GAIL IRWIN

Meanwhile, smokers who bought cigarettes yesterday had to pay an unannounced 5% to 6% price increase, taking the price of a packet of 20 from 72c to 79c in certain cases.

The Rand Daily Mail was alerted to the increase by a spokesman for the Tearoom, Restaurant and Proprietors' Association (TRPA), who was objecting to criticism being levelled at cafés by the public.

Currently the price of white bread is 56c a loaf and brown bread 39c.

The price hikes were necessitated by the increase of 7,45% in millers' margins, a 5,25% increase in bakers' margins and by a "reasonable" 8,7% rise in the wheat price to R299 a ton — the first adjustment in two years.

Mr Wentzel said the small increase in the brown bread price should have little effect on consumers.

Economists said the Government's decision to raise the price, instead of the subsidy, showed an insensitivity to the hardships in the black townships because of widespread unemployment and the spread of poverty.

The Minister said the moderate price rises were made possible because millers, bakers and wheat producers had sacrificed part of their increased costs.

The Wheat Board has also made a massive contribution by allocating R40-million from the Wheat Reserve Fund to keeping the prices down to a minimum.

Mr Wentzel said the Maize Board would soon make recommendations to him to raise the present 25% white maize component of meal.

He said this was necessary because of consumer resistance to the white/yellow maize mix.

Commenting on the rise in the price of cigarettes, the spokesman for the TRPA said: "There is nothing we can do about the increase as it was passed on to us yesterday morning by the wholesalers."

But it was the manufacturers who had increased the price.

A spokesman from the Rembrandt Tobacco Corporation said yesterday it was impossible to continue absorbing rising costs.

Blaming the increase on the current rand/dollar exchange rate, the spokesman said the manufacturer could not be held accountable for the increase as there was no

RJM 25/9/84 (244)

Inflation eases as food bill rises

By HAROLD FRIDJHON

THE inflation rate as measured by the consumer price index eased slightly from 12,4% in July to 11,8% in August.

The numbers issued yesterday by the Central Statistical Services show that the all-income-index for August was 297, compared with 295,1 for July and 265,6 for August 1983.

The lower income group index rose by 10,4% compared with 10,8% in July, the middle income group index went up by 12,1% — 12,6% in July — while the year-on-year increase in the upper income group index was 12,1% compared with the previous month's 12,8%.

A slower rate of increase in the food index was probably the main reason for the smaller increase in the overall CPI.

In August the food-only index rose by 10,2% compared with 11,2% in July. But this was probably an overhang from the exclusion of certain basic foods from GST.

In July the food only index actually declined to 307,2 compared with 314,4 in June, a drop of 2,3%. Last month the index moved up marginally to 308,6%.

And it is probable that the food index which is 25% of the total will give the CPI a shove in the months to come.

A higher price for bread is due next month. The milk price is scheduled to rise. The sugar price has gone up and a higher price for sugar affects a wide range of processed foods including jams, cold drinks and condensed milk.

Last month's drop in the increase of the CPI should not be seen as a turning point in the index which is expected to reach above 13% by the end of the year. The best that can be hoped for at this stage is a slowing down in the rate of increase after the August hiccup.

The prices of certain consumer durables can be expected to drop as increased competition in a shrinking market will result in traders cutting prices in order to promote business.

But to wring inflation out of the system input costs must be brought down otherwise prices will soar again as the economy pulls out of the present trough.

The Minister of Finance, Mr Bar-end du Plessis, hopes that the inflation rate will drop to 10% next year. As the graph shows, a 10% rate was achieved only in February.

If the Minister expects an average of 10% for 1985 the inflation rate will have to drop well below 10% to achieve this average.

(Times)
Milk price goes up
26/9/84 *(244)*
13,5c in 15 months

Staff Reporter

CONSUMERS, reeling under a barrage of price increases, have been dealt another surprise blow with the price of milk having risen by two cents a litre

The unannounced increase came into effect on Monday last week and affects all retail outlets. Home deliveries have not been affected.

This brings the effective increase in the price of a litre of milk since milk price control was abolished 15 months ago

to 13,5 cents. It is the second milk price increase this year.

A spokesman for the Cape Dairy Products Association, Mr Colin Boyes, described the increase as "pretty much in line" with inflation. "The hard reality of life is that the man in the street has to bear the brunt."

The chairwoman of the Cape Town branch of the Housewives League, Mrs Sheila Baillie, said her organization intended applying to the government for price control to be reinstated.

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We survey the supermarkets



	Grand Bazaars Mowbray	OK Bazaars Bellville	Checkers Blue Route	Pick'n Pay Claremont
Eskort back bacon, rindless (250g)	R1,59	R1,45	R1,84	R1,84
Boerewors 1kg	R4,29	R2,69	R4,05	R3,68
Topside mince 1kg	R5,29	R5,28	R5,35	R5,48
Lamb braai chops kg	R5,28	R6,15	R6,22	R5,88
Farmer Brown Chicken (fresh) 1kg	R2,25	n/a	n/a	R2,19
I&J hake fillets 400g	R1,42	n/a	R1,45	n/a
Protea skim milk powder 1kg	R5,29	n/a	R5,01	R5,25
Cheddar cheese 1kg	R6,29	R4,70	R5,05	R4,99
Large eggs, 12	R1,12	R1,22	R1,24	R1,22
Golden Spread margarine 500g brick	R1,25	R1,25	R1,29	R1,19
Choice butter 500g	R2,34	R1,89	R2,34	R1,99
Tomatoes (1st grade) 1kg	R1,59	R1,69	R1,99	R1,99
Potatoes (medium) 1kg	59c	59c	59c	50c
Onions 1kg	89c	59c	99c	79c
Cabbage (head)	39c	20c	19c	25c
Gem squash 1kg	69c	59c	R1,19	69c
Lettuce (head)	49c	25c	25c	29c
Hulets sugar 2,5kg	R1,65	R1,72	R1,79	R1,64
Jungle Oats 500g	71c	72c	69c	69c
Tastic rice 1kg	R1,35	R1,25	R1,35	R1,39
Dogmor dogfood 2kg	R2,49	R2,49	R2,31	R2,45
Marmite 250g	R1,99	R2,05	R2,01	R1,99
Black Cat Peanut Butter 410g	R1,29	R1,19	R1,49	R1,29
Kellogs cornflakes 500g	R1,09	99c	R1,18	95c
Wholewheat bread	37c	38c	37c	37c
White bread	54c	55c	54c	54c
Koffiehus instant coffee 250g	R1,69	R1,72	R1,65	R1,69
Joko tagless teabags 100	R2,25	R2,49	R2,39	R2,39
Milo, 500g	R2,59	R2,59	R3,09	R2,55
Fattis and Monis spaghetti 500g	88c	99c	95c	89c
Colgate toothpaste 100ml	R1,05	R1,05	R1,05	R1,05
Lux toilet soap	41c	42c	45c	43c
Sunlight liquid 750ml	R1,15	R1,15	R1,16	R1,15
Surf 500g	R1,05	R1,05	R1,03	R1,09

Consumer Staff

THIS is the first of a regular weekly survey by The Argus of grocery prices at four major supermarkets. Each week we will present the grand total of prices at each supermarket, allowing the consumer an overall comparison of the outlets.

Where particular lines are unavailable, we will add the product's average price calculated from the other stores

According to this week's survey, OK Bazaars appears the least expensive of the supermarkets

100 percent

In some cases prices between outlets fluctuated more than 100 percent. The biggest variations appeared in the fresh meat and vegetable sections. Gem squash showed the widest fluctuation a kg of gem squash which cost 59c at OK Bazaars in Bellville cost R1,19 at Checkers's Blue Route store.

Similar variations of prices were found in boerewors, cheese, tomatoes and onions. However some of these variations may be because of differences in quality

In the dry food section, Milo was the only commodity to show a large price fluctuation of 54c. Other items in the dry food line fluctuated between 2c and 30c

According to the survey, the prices of toiletries and cleaning goods show little variation between supermarkets

Food prices are staying constant

(244) Star 18/10/84

Consumer Reporter

Despite recent announcements of price increases *The Star's* latest shopping basket survey has a pleasant surprise for consumers food prices have remained fairly constant since the last survey in July

The prices of 14 basic foodstuffs at four northern suburbs supermarkets were compared with the prices of the same goods surveyed two months ago (see graph)

The shopping basket now costs R37,46 (including GST) compared with R37,83 in July this year


Frozen chicken has risen in price by the largest margin, 8,6 percent It now costs R2,03 kg compared with R1,87 kg two months ago

Potatoes have also gone up in price The average price for a 2 kg bag of medium first-grade potatoes is now R1,09 compared with R1,04 in July

Although eggs showed the greatest decrease in price, a 15,4 percent drop compared with July's prices, prices rose by 12c a dozen the week

Egg prices dropped twice during August and September because of an annual surplus

Meat prices have dropped slightly since July The average price for a kilogram of lamb is now R6,84 compared with R7,20 kg two months ago Porterhouse steak is now R8,24 kg, a drop of 1,7 percent since the previous survey when it cost R8,38 kg

	PICK N PAY HYPERMARKET INORWOOD	OK BAZAARS ROSEBANK	CHECKERS SANDTON	PICK N PAY BENMORE	AVERAGE PRICE	AVERAGE PRICE ON JULY 31 1984	PERCENTAGE INCREASE OR DECREASE
* 1 kg PORTERHOUSE STEAK	R8,18	—	R8,35	R8,18	R8,24	R8,38	-1,7%
* 1 kg FROZEN CHICKEN GRADE A	R1,78	R2,15	R2,09	R2,09	R2,03	R1,87	+8,6%
* 1 DOZEN LARGE EGGS	R1,04	R1,04	98c	R1,10	R1,04	R1,23	-15,4%
* 2 kg MEDIUM POTATOES, GRADE A	78c	R1,09	R1,29	R1,18	R1,09	R1,04	+4,8%
* 1 kg I & J HAKE FILLETS	R2,89	R3,09	R3,14	R2,65	R2,94	R2,99	-1,7%
* 250 g ESKORT MIDDLE BACON	R1,85	—	—	R1,92	R1,89	R1,91	-1,0%
* 1 kg LAMB LOIN CHOPS, SUPER	R7,08	R7,15	R7,15	R5,99	R6,84	R7,20	-5,0%
* 500 g CHOICE BUTTER	R2,18	R2,34	R2,29	R2,29	R2,28	R2,19	+4,1%
* 1 LITRE MILK	67c	69c	69c	67c	68c	68c	0%
1 kg TASTIC RICE	R1,37	R1,35	R1,39	R1,35	R1,37	R1,29	+6,2%
500 g KELLOGGS CORNFLAKES	R1,14	99c	R1,16	99c	R1,07	R1,17	-8,5%
250 g NESCAFE INSTANT COFFEE	R4,45	—	R4,19	R4,19	R4,28	R4,34	-1,4%
250 g FIVE ROSES TEABAGS (TAGLESS)	—	R2,29	R2,35	R2,19	R2,28	R2,12	+7,5%
500 g BUFFALO SALT	45c	52c	52c	42c	48c	48c	0%

PRICES EXCLUDE GST
* TAX EXEMPT ITEMS



Pick 'n Pay's Ackerman ... jail the offenders

powers to enforce its findings

"Government should take off the gloves and punish those guilty of such practices with jail sentences," says Ackerman "And the Competition Board needs more support from the Minister"

Utian says attempting to expose the country's cartels would be like "walking into a minefield" because of the influence in high places of those involved.

Kantor, who is a member of the Competition Board, says cartels are inherently unstable, and the incentive to boost sales ultimately pushes some members into breaking ranks and offering customers secret discounts and deals

"Markets such as SA which are protected against imports are ripe for cartels," he argues, "if only because they have no room

for more than a few local suppliers A solution is to allow free entry into the market by raising restrictions on imports"

Kantor also says collusive acts on prices between suppliers should be outlawed

Competition Board chairman Stef Naude agrees and says he favours the implementation of regulations under the present Act which would provide for fines of up to R100 000 for companies guilty of price collusion

A problem with stiffening the laws is that it is often difficult to prove collusion, since such agreements are not always placed on record And even when competitors' prices are on a par with each other, this is not necessarily due to deliberate collusion

"How do you force companies to compete?" asks Naude "Very often they choose to follow, rather than fight, an industry

leader's prices, and we cannot outlaw that"

Another cartel practice, predatory pricing, is also difficult to prove — especially because it offers obvious benefits to the consumer in the short term This happens when cartel members agree temporarily to drop prices to prevent a new competitor from gaining a foothold in the market Once the competition has been crushed, prices return to old, or higher, levels

New entrants frequently have resources to launch their products in certain regions only, rather than nationally — which makes pricing them out of the market that much less expensive for the cartel

It has been alleged that such collusion has squeezed competition in, among others, the western Cape softdrink market and the

Natal cement market But one established firm claims its actions are simply "a classic case of pure and perfect competition"

They may well be, but only those who took the decisions know for sure

"It is a normal market reaction," says Blue Circle financial commercial director Peter Kett of price cuts by a Natal factory owned by SA's three cement producers, Blue Circle, Pretoria Portland Cement and Anglo Alpha The three have a pricing and market-sharing agreement deemed by the Competition Board not to be against the public interest, owing largely to the fact that transport costs account for about 40% of total delivered cement costs

It is probably a matter of definition whether the Natal price decision is a case of collusion — although it could put paid to further imports of cheap cement

The existence of cartels is likely to be more easily proved in professional associations such as those for doctors, dentists, pharmacists, opticians, stockbrokers, architects, accountants, lawyers and advocates In many cases, restrictive trade practices are said to be written into their constitutions and enshrined by law

The Competition Board may make recommendations for sweeping changes in the affairs of these professions, which have traditionally disdained the notion of commercial competition -- probably to the detriment of the paying public The board's involvement here is in keeping with its brief from government to examine all legislation affecting competition

Professional codes

If it sticks to its stated principles, the board may recommend abolishing some of the professional conduct codes which allow certain professions to

- Bind their members to fixed minimum charges,
- Prevent suitably qualified individuals in good standing from doing certain work (for example, conveyancing) if they are not members,
- Specify that certain work must be handled by more members than is sometimes strictly necessary (for example, advocates must be briefed by attorneys and senior advocates must appear in court with juniors), and
- Prohibit non-members from buying shares in certain practices

Such changes are already occurring in the US and UK, and it is hoped that government will have the courage to follow a similar course here

But doing so will, by no means, win the war against all price and market fixing The next battle, in the manufacturing sector, will be harder And government may well shrink from the final and biggest battle of all — the challenge of imposing the same disciplines on agriculture with its parasitic marketing boards and co-operatives

The press and public have a role too. "Co-



Checkers' Utian ... a questionmark over 'good profits'

incidental" price adjustments should be closely scrutinised The real questions are who benefits by such apparent collusion, and who loses? But so widespread, and so

secret, are cartelised practices that the full dimensions of the cost to the economy may never be known What is certain is that, for a country which has waxed so enthusiastic

over the benefits of free enterprise, SA has an alarmingly large number of commercial sectors locked into rings of collusive practice.

WJMT 29/01/84 (244)

Councillors reject new Putco fare increases

By RAYMOND MASHAO

THE Vosloorus Town Council has rejected Putco's 12,5% proposed fare increase to be implemented in the Reef areas later this year

In August the Soweto Council also opposed the increase and turned down a suggestion that councillors serve on the Transport Consultative Committee.

A delegation led by the mayor of Vosloorus, Mr F L Mahlangu, his deputy, Mr C Mokoena, and a councillor, Mr E Jukuda, held talks with officials of the Local Transportation Board in Pretoria on Tuesday

"We have submitted our objections to the board and we are only waiting for the outcome. We are against the increment as we feel it would be the second time in a year that Putco increases fare in the area," said Mr Mok

He said in November last year violence nearly broke out because of Putco fare hikes.

The council claims Putco was giving poor service in the township and that bus drivers were not adhering to the normal procedure regarding the use of weekly coupons

making it difficult for commuters to cope with the increases

Mr Mokoena said the matter was brought to the council's attention by residents

He said it would have been unwise had the council turned a deaf ear to residents' grievances because "they elected us so we must serve them accordingly"

Putco recently wrote to a number of councils explaining their intention to increase fares, pending the outcome of an application to the Local Transportation Board

Meanwhile Putco is introducing

weekly season tickets for commuters using the Ekangala-Kaalfontein-Springs buses on Monday at one-third of 10 single fares, reports Sapa

In a statement yesterday Putco said five-day season tickets between Ekangala and Kaalfontein will cost R8,60 and Springs R8,20 Six-day tickets currently cost R10,30 and R9,80 respectively

The services were introduced at the end of April and five buses are operating daily The single journey fares are R3 for the Springs route and R2,50 for Kaalfontein

WbM 29/11/84 (244)

Now the flour price is to increase by 8%

By SUE FAULKNER

IF YOU thought of beating the bread price increase by baking at home — the price of flour has been raised by an average of 8%.

The rise, which affects all types of flour and which was gazetted yesterday, will also push up the prices of many other foods like cakes, biscuits and confectionary.

Bread prices will rise on Monday.

Cake flour, which now

costs about R1,87 a 2,5kg bag, will go up to R1,87 for the same size bag from Monday.

Ms Peta Lomborg, public relations officer for a large supermarket chain, said yesterday that because flour was perishable, supermarkets were unable to keep large stocks but were likely to be able to keep prices down for a few months.

● The cost of frozen and fresh meat pies is also set to rise from Monday.

Putco fares cut

PUTCO is to cut its fares for Ekangala passengers to less than a third of current prices with the issue of weekly season tickets from today.

Mr Pat Rogers, Putco's public relations executive, said that the company had applied to the Department of Transport for a subsidy with no results as yet. The company had now decided to go ahead on its own of necessity.

Putco's move follows a recent application by the South African Transport Services (SATS) to operate a bus service in the area.

The application was initially approved by the Johannesburg Road Transportation Board but the decision was suspended following an appeal to the National Transport Commission by Putco.

Putco has been operating services between Ekangala township, near Bronkhorstspuit, and Kaalfontein and Ekangala and Springs (via Benoni) since the end of April this year.

In the absence of a subsidy, passengers have been paying the full economic fare tariff — R3 to or from Springs and R2,50 to or from Kaalfontein.

The new five-day season tickets (providing for return trips from Monday to Friday) will sell at R8,60 and R8,20 respectively. Six day tickets will be R10,30 and R9,80.

"Putco anticipates that with the drastic reduction in travel costs, the service will attract more passengers which in time would allow for improved trip frequency," Mr Rogers said.

244
Sarejan 1/10/84

Eggs go
up on
Monday

244
Star 5/10/84
The price of eggs in the Transvaal and Orange Free State will increase on Monday, the Poultry Association said today

A huge egg surplus forced down prices at the beginning of August and again during September, the association said in a statement in Pretoria

Eggs came down by 12 c a dozen during the two months

The surplus had now been reduced and a more realistic balance existed between supply and demand

"As a result prices will return to normal, that is the price level during July," the statement said

— Sapa

BREAD PRICES ~~Should~~ Catcher in the chaff

~~Should~~ (U) 5/10/84

Last week's wheat price increase again raises the question of why farmers should be encouraged, by artificially high prices, to grow a crop which can be imported at less than half the local production cost.

If this year's domestic wheat requirements had been bought on world markets — instead of paying local prices — the saving would have been at least R200m. This would have more than compensated for the brown bread subsidy, set to cost a minimum of R120m this year.

As a *quid pro quo* for the new R299/t wheat price, the Wheat Board has agreed to contribute R40m from its R80m stabilisation fund towards the brown bread subsidy. The R120m government allocation for the subsidy has been depleted by blacks switching to brown bread because of the higher percentage of yellow maize in maize meal.

The question of paying farmers over the odds also applies to the sugar industry —

which is expecting a record crop this year — but not to maize, where the domestic price has at least assumed parity with the imported landed price.

The effects of the local prices of wheat and sugar are that the consumer is being asked to subsidise farmers. Farmers countrywide are climbing on the high price wheat wagon. This season, farmers in the western and central Free State put 100 000 more hectares under wheat than the year before — in areas unsuited to this winter rainfall cereal.

At least the sugar industry is making an outward attempt to solve its problems; it hopes to institute soon a three-tier quota system. Farmers will be allocated quota for the domestic market based on previous performance; any further production will be subject to the world price and its vagaries.

The wheat-bread industry is another kettle of fish. The sugar industry at least plants a crop suitable to the prevailing climate, wheat, as the Wheat Board freely admits, is not a suitable crop for SA's climatic conditions. Efficient maize farmers can equal overseas yields (given good weather), wheat farmers average 1,4 t/ha compared to an overseas 4 t-5 t/ha.

Production

The Wheat Board argues that wheat production, at least to the level of domestic consumption, should be seen as a strategic crop. That could be countered by events with this year's maize imports, which are being openly bought on the Chicago Commodities Exchange, in a country which is becoming increasingly hostile to SA. If the US sells grain to Russia, it seems certain that the last sanctioned commodity import to SA would be food.

There are also problems the wheat-bread industry faces on its own doorstep. Joy Hurwitz, national president of the Housewives League, says the industry, from producer to consumer, is a can of worms. She says investigation of each process in the industry is needed, and welcomes government's call in the *Government Gazette* for comment on the role of millers and bakers.

Hurwitz observes that farmers have experienced increasing input costs, but says there should be a far greater disclosure of the industry's infrastructure — particularly details on who is making the profits.

The R40m drawdown from the Wheat Board's stabilisation fund has been slammed by Jan Schutte, chairman of the Free State Wheat Committee. He says the withdrawal has cut the Free State farmers' lifeline in a year when a maize crop failure was followed by a wheat crop failure, adding insult to injury.

But Gert Schoonbee, chairman of the SAAU's National Winter Cereals Committee, says the drawdown is the farmers' contribution to keeping the CPI low. The SAAU's Hennie Bezuidenhout argues that the levy which built the fund is built into

consumer prices, and it is fair that the money should now be used to benefit consumers.

One cost saved if the subsidy were abolished would be R750 000 a year needed to administer the subsidy.

Pesticides and
Grain dust hazar
Sulphuric acid ha
Spray painting h
Galvanising haza
Work in boilers
Cold work
Talc hazards
Building and cor
Sewage handling

CARTELS

The secret sharers



When the *FM* recently telephoned a paper company executive on alleged price fixing, this was his first reaction. "Have you asked our competitor these questions? I'd like to know what they said."

SA's two paper giants, Sappi and Mondi, may not collude on price fixing. But the executive's comment would strike some cynics as an unguarded response from a company that *does* regularly consult one another on matters which may threaten their interests — though, to the world at large, they tend to project the image of being in competition.

Economics dictionaries define a cartel as a formal agreement between two or more parties on matters such as pricing, sales quotas and measures to prevent newcomers entering the market. There are few manufacturing industries in SA (cement is one) which are known to have formal agreements of this nature. But retailers maintain that SA has many cartels — and that collusion on a less formal basis routinely takes place.

Ackerman's charge

"The big milling and dairy companies definitely run cartels," says Pick 'n Pay chairman Raymond Ackerman.

Tiger Oats chief executive Robbie Williams replies "Tiger Oats is very surprised by this statement. In the milling and animal feed industry where we are active, competition is particularly keen at present, and our margins are under continual challenge."

"In the wheat milling and baking industry, government controls the prices of our raw material, flour, and also that of the final product, bread. This may not be deviated from, either up or down. We think the margins are too low and have said so in the past. Consequently our return on investment is too low to enable us to firmly guarantee our ability to meet the growing demand for bread in the future."

Premier Group director Peter Wrighton says "It would not be proper for me to comment on this in view of the investigation into the milling and baking industry currently being undertaken by the Competition Board."

Chief executive of dairy company NCD Japie Dreyer does not exactly deny the charge. But he points out that since milk prices have to be approved by the Dairy Board, dairies do get together for price discussions before negotiating increases.

Economist Brian Kantor says he suspects cartels in industries where prices from all manufacturers go up simulta-

Pricing agreements between apparent competitors appear to be far more widespread in SA than most realise. Large retail chains are particularly bitter about cartel-type arrangements between their suppliers. But charges of price rigging are difficult to prove. Where it does exist, it is often with government's sanction.

neously. He cites as a recent example the apparently coincidental price increase from 25c to 30c of three Cape Town English newspapers (There were similar moves in Johannesburg). While this is not necessarily proof of a cartel, it certainly arouses suspicions.

In a submission to the Competition Board in 1980, retailers asserted that there had been cartel-type pricing arrangements with processed meat, frozen vegetables, potato chips, tea, paper products, cooking oil, margarine and bakery products.

Most of the alleged offenders refuse to comment — or they deny charges of collusion and say that their prices are determined largely by common input costs. "And if one of us puts up his prices before the others," says one, "he also gets flak from retailers."

Among those who deny involvement of their industries in cartels are president of the SA Federation of Softdrink Manufacturers Henne Viljoen, MD of tea distributor

T W Beckett Toby Gawith, MD of Sappi Eugene van As, and a spokesman for potato chip manufacturer Simba-Quix.

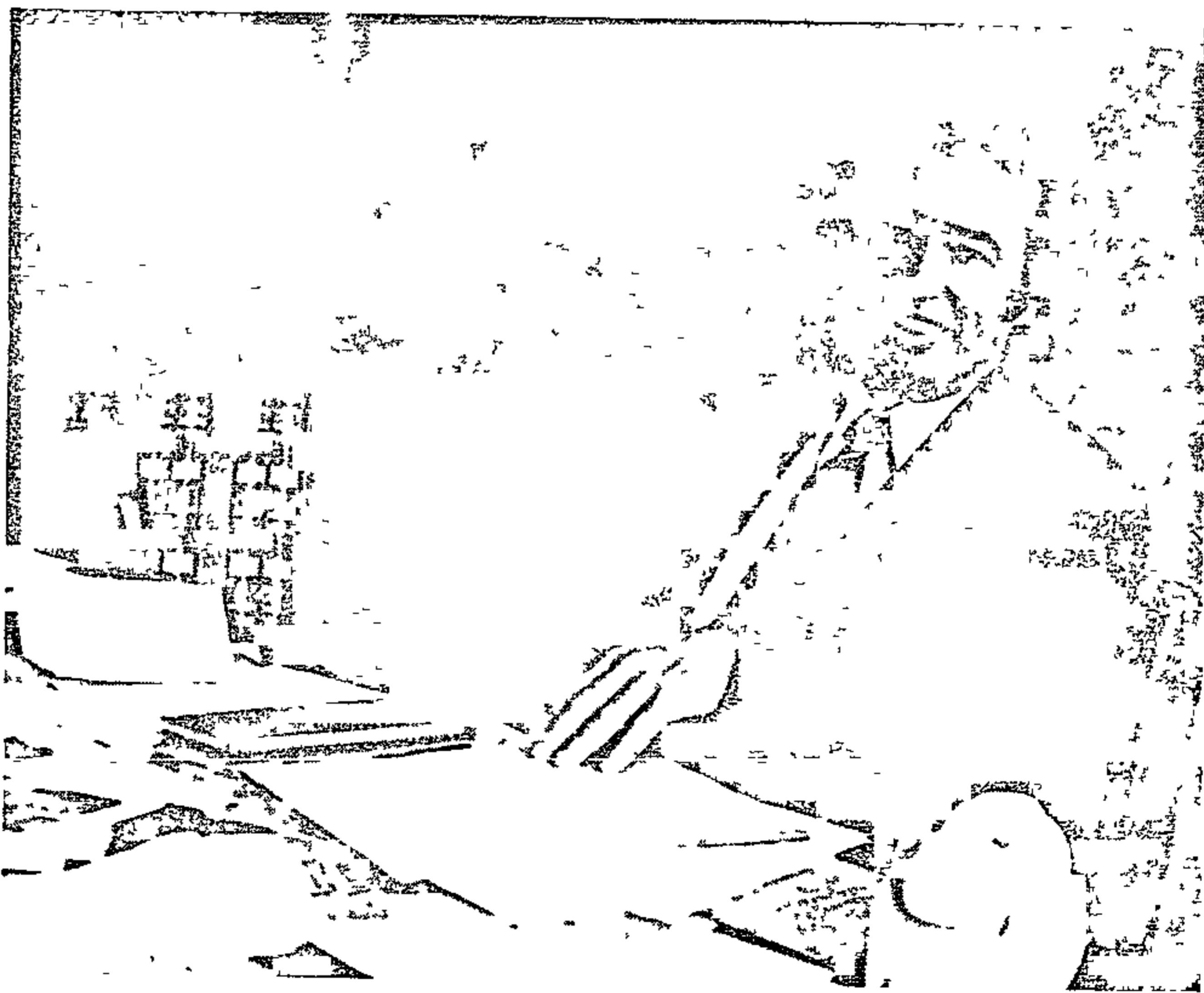
"There is a cartel for everything and anything in this country," asserts Checkers MD Gordon Utian. "How else could some of our suppliers, who should really be suffering in this recession, be making such good profits?"

"In many cases, it does not help to phone around for a quotation because so many companies are working hand in glove. Government is not aware of the extent of cartels and where it does know, it tends to turn its back on the problem."

Weak legislation

Some believe that the legislation on cartels — in the Maintenance and Promotion of Competition Act — is not strong enough. It provides that action can be taken against offenders only after an investigation by the Competition Board, and then only at government discretion. Pretoria's rejection of the board's recommendations on the wine and spirits industry, where restrictive practices were found, bears out the view that the authorities are unwilling to rock the boat if important interests are involved.

Another case of government reluctance to act decisively could be in coal distribution. It has accepted the board's findings that a cartel-type situation exists, but has directed that the market be freed by negotiation between the parties concerned and the board — which does not have full



UCT economist Kantor wants collusion outlawed

Watchdog



244 C-Times
23/10/84

Main suppliers of commodities on attached schedule

Mealie meal	Premier, Tiger, Tongaat & Fedfood
Bakers' margin	Premier, Tiger, Bokomo & Fedfood
Bricks	Tongaat
Eggs	Premier, Tiger, Bokomo & Fedfood
Brown bread	Premier, Tiger, Bokomo & Fedfood
White bread	Premier, Tiger, Bokomo & Fedfood
Cheese	Premier, Tiger, Bokomo & Fedfood
Butter	Premier, Tiger, Bokomo & Fedfood
Wheat Millers margin	Kanhym, Vleissentraal etc
Meat	BP, Shell, Caltex & Mobil
Rallage	
Petrol	
Coal	Rainbow, Premier, Tiger
Frozen chickens	Kelloogg, Bokomo, Pro Nutro, Premier & Tiger
Breakfast cereals	Tongaat & CG Smith
Sugar	Many
Detergents	I & J, ICS, Table Top
Frozen vegetables	Beckets, Unilever, Brookebond & CTC
Teabags	SA Brewers
Beer	Beckets, Carnation, Borden
Creamers	Beckets, Nutritional Foods, Perco & CTC
Coffee	Unilever, Beechams, Colgate
Toothpaste	
Premier	Anglo
Tiger	SA Mutual via Barlows
Tongaat	Anglo
Fedfood	Sanlam
Bokomo	Co-op
Kanhym	Sanlam
Vleissentraal	Co-op
Rainbow	Stan Methven
Pro Nutro	Anglovaal
I & J	Anglovaal
ICS	SA Mutual via Barlows
C G Smith	SA Mutual via Barlows
Table Top	Sanlam
Beckets	Anglovaal
SA Brewers	SA Mutual
Perco	Anglo
	Brookbonds

Ultimate controlling shareholders of above

Commodity increases from 1978 to 1984 compared with increase in inflation

Ever wondered who is making the holes in your pocket? And who dictates what you can afford to put in your stomach? The following material supplied exclusively to WATCHDOG shows who controls what in terms of basic foods. The information was derived from inter-

views with the Housewives League. Price rises were confirmed by a large supermarket chain. More detailed commentary will appear in the next issue of the subscriber newsletter, "Takeover Talks".
e Robyn McGregor (author of Who Owns Whom)

Commodity increase price controlled by:

	%	STATE	PRIVATE SECTOR
MEALIE MEAL	187	control board	cartel
BAKERS MARGIN	160	price control	cartel
BRICKS	157	price control	monopoly
EGGS	152	control board	monopoly
BROWN BREAD	150	price control	cartel
ORANGES	147	control board	monopoly
WHITE BREAD	140	price control	cartel
CHEESE	139	control board	monopoly
BUTTER	135	control board	monopoly
WHEAT MILLERS MARGIN	135	price control	cartel
MEAT	130	control board	cartel
RALLAGE-COAL	126		monopoly
INFLATION	115		
PETROL	114	price control	cartel
COAL	114	price control	cartel
FROZEN CHICKENS	97		oligopoly
BREAKFAST CEREALS	95		oligopoly
SUGAR	88	control board	cartel
DETERGENTS	71		free competition
FROZEN VEGETABLES	69		oligopoly
TEABAGS	61		oligopoly
BEER	61		monopoly
CHEAMERS	44		oligopoly
COFFEE	33		oligopoly
TOOTHPASTE	21		oligopoly

↑
FUELLING INFLATION

↑
MAINTAINING INFLATION

↑
LOWERING INFLATION



A safeguard for your rights.
Edited by BOB MOLLOY

Watchdog tip

Look out for linked special prices

YOU have just received notice of renewal from your insurance company. With it is a requirement that you install a burglar alarm on the insured premises.
So far, so legal — but wait for it — they have specified the Easi-Catchem Burglar Alarm Company who will give you a special price and

linking of one product with another, and particularly with insurance. You'd have to get your insurance company into trouble — after all it is only trying to make an honest buck. So what to do? The steps to the solution are simple.

● Have your alarm installed by the company which suits your pocket

● Inform your insurer

● If he is unhappy about it, take his renewed notice between thumb and finger and drop it into the wastebasket.

● Find a broker who will get you the same rates elsewhere

● Tell your friends about it just to guide them in their choice of insurer.
● Then tell WATCHDOG. We love consumer stories.

Chickens free of sales tax

From ELIZABETH ROGERS (County Fair Foods).
FOR the benefit of the consumer (and the poultry industry as a whole) it should be made known that not only are fresh and frozen whole chickens excluded from GST but also all forms of chicken portions includ-

ing those in marinades, crumbed, in batter, spiced etc. The only chicken which would be included in GST is the ready-to-eat roasted/grilled/smoked product.

letter

well financed

● Do not permit your deposit to be commingled with other developer funds, but request that it be deposited in a Trust Account under your name. Be emphatic on this point.

● Make sure that you understand all the lease situations with regard to garages, maid's quarters, storerooms, etc and do NOT accept promises of future swimming pools, tennis courts, etc.
These MUST be available BEFORE you buy

And finally:

● The important difference between Sectional Title and Share Block is that if others default on Sectional Title or the whole project fails you are NOT held financially responsible for the failure.
This becomes the bondholders problem, not yours.

What you should know when you're buying a flat

By HERBERT SACKSON

SO you have decided — or been forced — to buy a flat and among the many you have seen are some for sale on "sectional title" and some on the "share block" scheme

There are basic differences. These are:
● A "share block" is a company with shareholders, elected directors and officers. Each shareholder has a voice in how the company is managed

● When you buy into this scheme, you buy shares only in the company. The company owns and runs the building

● In addition to the purchase price of your shares, you be required to pay a monthly "maintenance charge" which covers the rates and general maintenance of the building and grounds
● As a member of a "non-profit company"

you are your own landlord. You set the standard for the building. You choose your neighbours and you get the "profit" a landlord would otherwise get — in the form of lower maintenance charges

● Unlike the person who rents a house or flat, the shareholder in a "share block" can benefit from an increase in value of his share in the project. As the overall value of the company rises, because of housing and other shortages, the value of each family's share rises too

Some disadvantages are:

● If there are too few shareholders, those who have already bought may have to pay higher maintenance charges

● If one or more occupants default on payments, the remainder of the shareholders

must make up the loss. Should the company go insolvent, you may well lose your property

● Buyers may be required to put up cash. The other tenants must be financially responsible. You are, in effect, going into business with them

● Before buying in, it is necessary to check that management is professional and skilled, and to find out how your complaints will be treated

Sectional title:

The major differences between share block and sectional title may be stated simply as:

● A share block is a batch of people owning one structure. Sectional title is a batch of people owning a batch of structures

Sectional title:

● In a sectional title agreement you buy your flat outright, with the usual deposit and bond. At the same time, you buy a share in the community property and facilities, which includes the lifts, gardens, swimming-pool, etc

● You pay monthly maintenance costs to cover these expenses

● Since you have a "deed", and are the owner of the flat, you may resell it, or give it to any one you choose — although the other owners often have a "right of first refusal"

● You have the advantage when you own sectional title of building up an equity in the flat as you pay off your bond

Some cautions:

● When buying in a new or developing flat complex, make sure that the seller/developer is reputable, experienced and

Bread prices start to rise

Shoppers pay more for food in Gardens

Consumer Reporter

GARDENS, it seems, is a particularly expensive suburb for shoppers. Items surveyed at the Gardens branch of Pick 'n Pay last week were more than R2 dearer than those at the Mitchell's Plain branch this week

And the most expensive shop surveyed this week is the Gardens branch of Checkers.

While last week's survey showed less than a R1 fluctuation between surveyed branches, this week we see a fluctuation of almost R3

Fresh produce showed the biggest percentage price difference. First-grade tomatoes at Checkers were more than double those at Shoprite

The Checkers potatoes were also almost double the prices elsewhere.

Frozen fish also showed a marked price difference of 33 percent between Checkers and Shoprite

Prices in the beverage line differed a little less but still showed a discrepancy of at least 10 percent.

Last month's bread-price increase is slowly beginning to filter through to the consumer. For several weeks supermarkets have maintained the old prices but this week's survey shows that at least two have increased white bread price by 4c and wholewheat by 1c.

Because the surveyed branch of Shoprite did not have a butchery section, fresh-meat prices were taken from their Lansdowne branch. Once again, where items were unavailable, the price average has been used to calculate the grand total

	Shoprite Wynberg	Pick 'n Pay Mitchell's Plain	Checkers Gardens
Eskort back bacon, rindless (250g)	R1,73	R1,84	R1,84
Butcher's boerewors (1kg)	R3,98	R4,28	R3,98
Topside mince 1kg	R4,98	R4,88(lean)	R5,12
Lamb loin chops (1kg)	R7,28	R6,98	R6,39
Farmer Brown chicken (fresh) 1 kg	R2,39	n/a	R2,45
I&J hake fillets 400g	R1,09	n/a	R1,45
Protea skim milk powder 1kg	R5,25	R4,99	R4,45
Cheddar cheese 1kg	R4,39	R4,99	R5,05
Large eggs, 12	R1,24	R1,22	R1,24
Golden Spread margarine 500g brick	R1,27	R1,09	R1,29
Choice butter 500g	R1,95	R1,89	R2,40
Tomatoes (1st grade) 1kg	R1,05	R1,49	R2,29
Potatoes (medium) 1kg	39c	35	69c
Onions 1kg	69c	79c	79c
Gem squash 1kg	69c	79c	79c
Hulett's sugar 2,5kg	R1,79	R1,64	R1,79
Jungle Oats 500g	72c	69c	69c
Tastic rice 1kg	R1,39	R1,35	R1,35
Dogmor dogfood 2kg	R2,45	R2,45	R2,31
Marmite 250g	R1,99	R1,99	n/a
Black Cat peanut butter 410g	R1,29	R1,32	R1,49
Kellogg's cornflakes 500g	R1,09	95c	R1,18
Wholewheat bread	38c	37c	38c
White bread	58c	54c	58c
Koffiehuis instant coffee 250g	R1,65	R1,49	R1,65
Joko tagless teabags 100	R2,49	R2,24	R2,69
Milo 500g	R2,99	R2,55	R2,99
Fattis and Monis spaghetti 500g	89c	95c	95c
Colgate toothpaste 100ml	R1,09	89c	R1,09
Lux toilet soap	44c	40c	49c
Sunlight liquid 750ml	R1,25	R1,15	R1,19
Surf 500g	R1,07	R1,09	R1,05
Total	R61,92	R61,33	R64,08

Milk (249)
26/10/84
price to
rise by ~~2c~~
E. Post
2c a litre

Post Reporter

THE price of milk in the United Dairies supply area will be increased by 2c a litre from November 1, according to the marketing manager of United Dairies, Mr Stephen du Plessis.

Mr Du Plessis said the increase was due to an increase in distribution costs, wages, transport, manufacturing and packaging.

He said milk delivered to the doorstep would go up from 67c to 69c and 20 milk tokens would now cost R13,80.

Milk bought at United Dairies' depots would go up from 65c to 67c.

The price increase will also affect the price of milk at the new Abomat dispensing operation at the Newton Park depot, where it will also be increased by 2c a litre.

THE NUMBERS GAME... THE NUMBERS GAME...

Your pocket

Markups reach 300pc

ORANGES Consumers are advised to shop around as supermarkets have been known to mark up orange prices about 300 percent on cost. Prices are greatly influenced by availability and demand.

CARROTS Enormous price fluctuations have been recorded, no doubt influenced by the drought. The produce market figures have been used, taking the lowest and highest prices fetched each month, with April and May showing the strongest demand.

ENTERTAINMENT The official index has been used with the base at 100 in 1975. The Department of Statistics takes figures from a wide range of activities such as radios and television licensing, cinema tickets, zoo entrance fees, haircuts and even the cost of pet food.

READING MATTER Books, newspapers, magazines and others make up this index which reflects the 5 percent to 13 percent increases effective from end-July 1984.

Medicine: take care

MEDICAL CARE Choosing a doctor or dentist requires careful thought in relation to fees. Whether contracted in or out of medical aid schemes greatly influences medical tariffs.

Those contracted out charge between 10 percent and 40 percent more. Doctors fees rose 8,8 percent and dentists fees 10 percent in July 1984. Further increases are expected by the end of the year.

Subscription fees to medical aid schemes are now nearly three times higher than six years ago.

Furniture Order books for the furniture and appliance industry are down by some 40 percent over last year. The very competitive R2,3 billion a year industry has been ravaged by the tough economic times. No doubt the graph will present a very different picture next year.

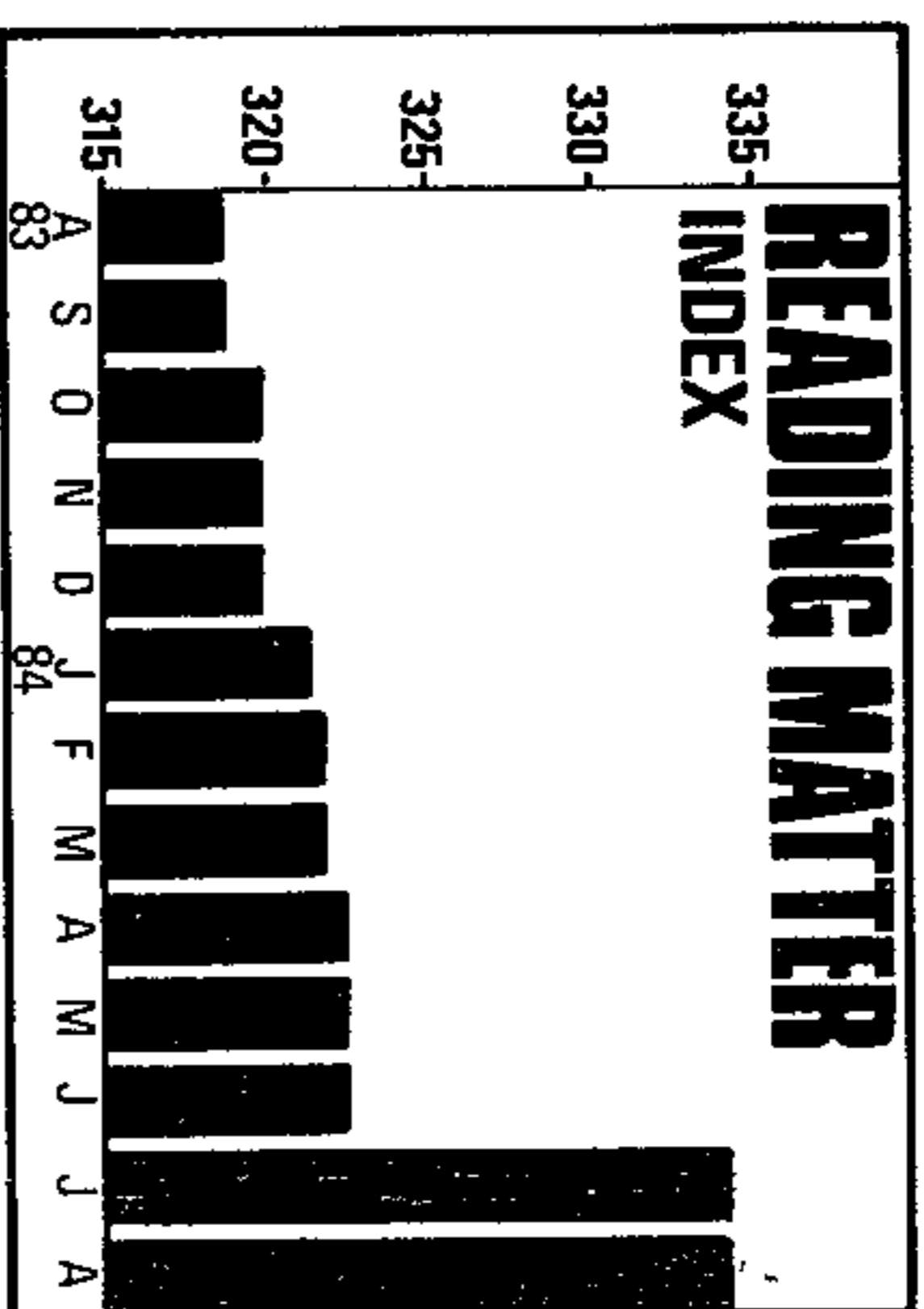
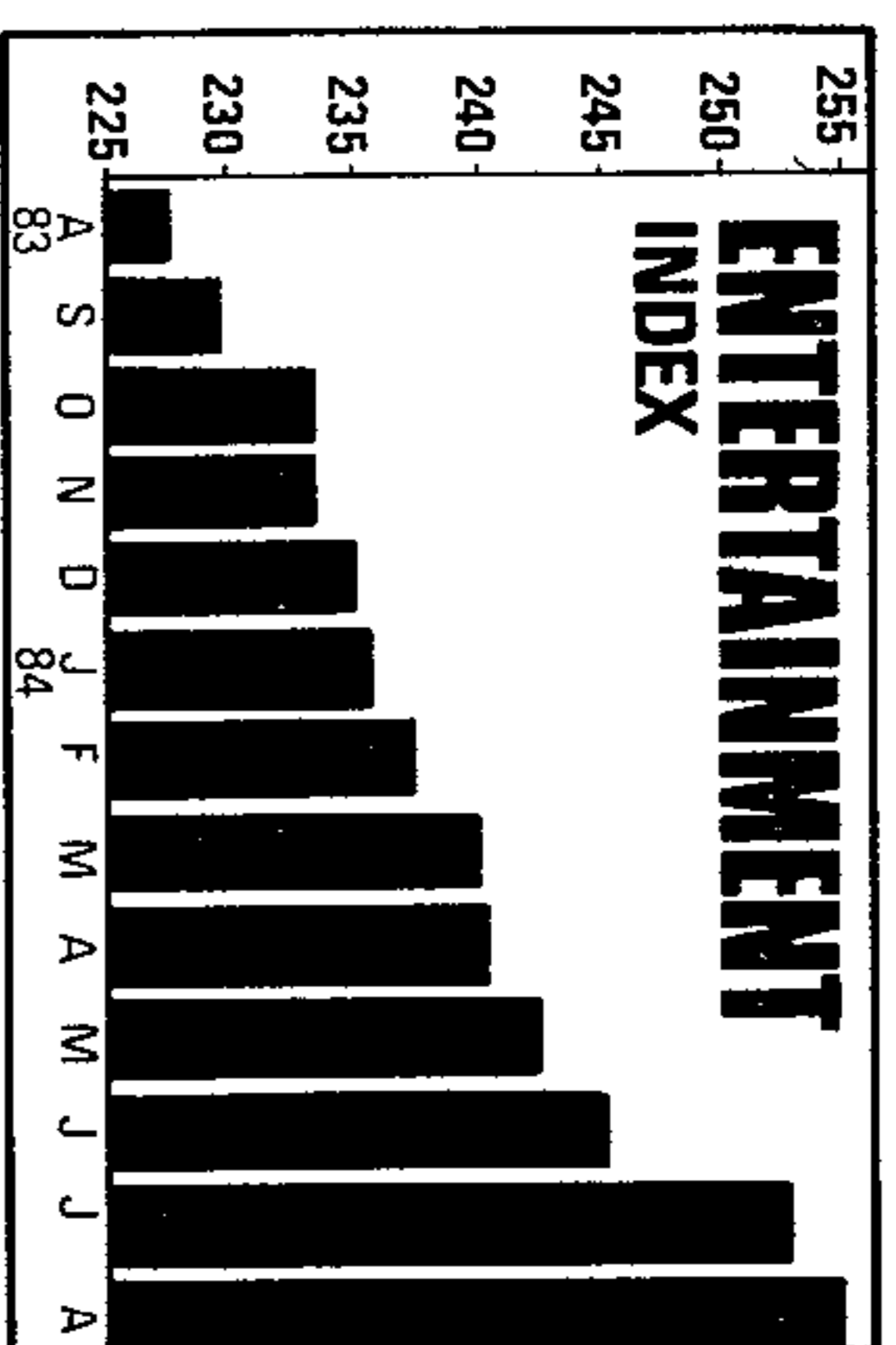
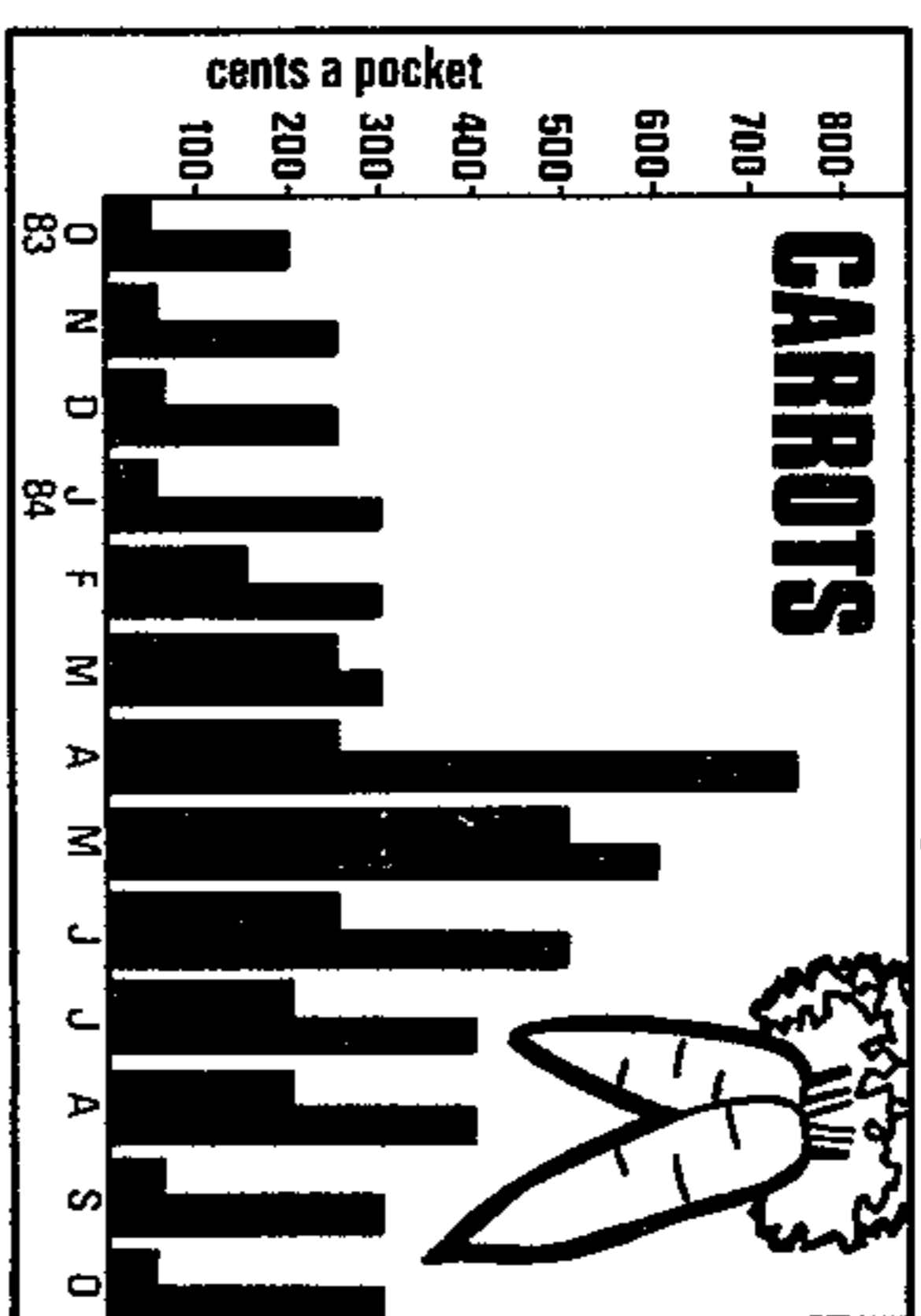
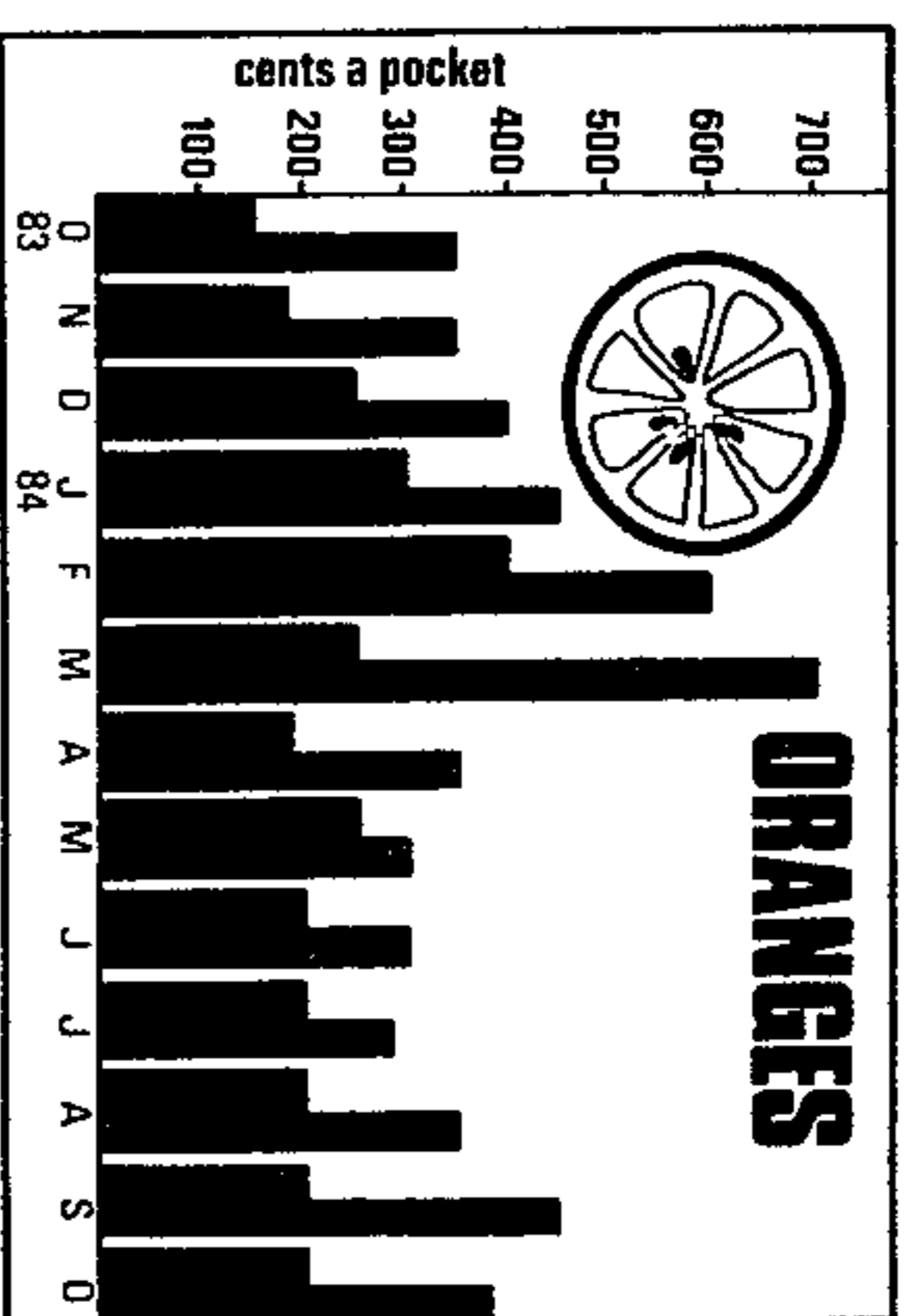
HP and GST rises and the increase of the prime rate to 25 percent are taking their toll.

Imports, exports up

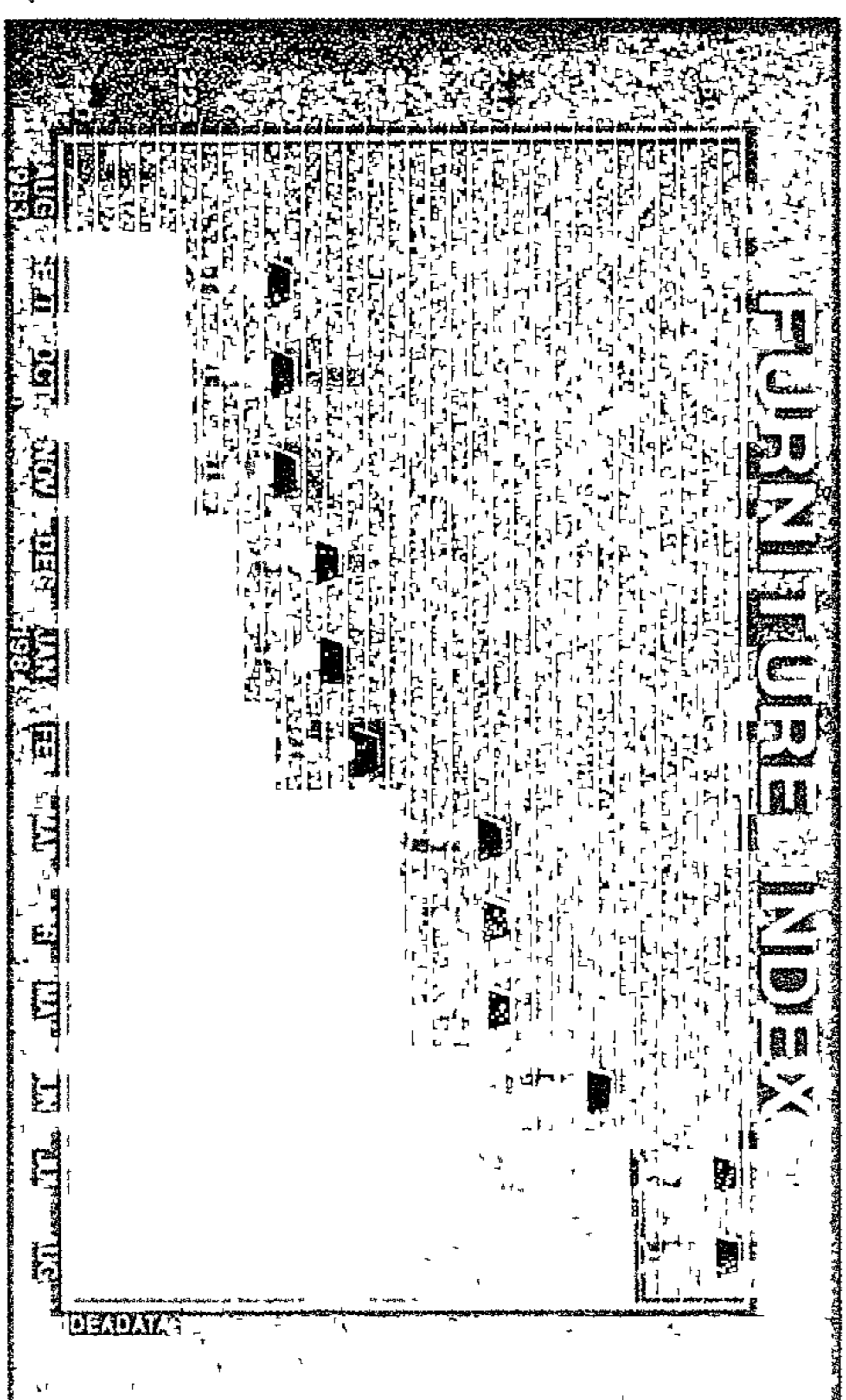
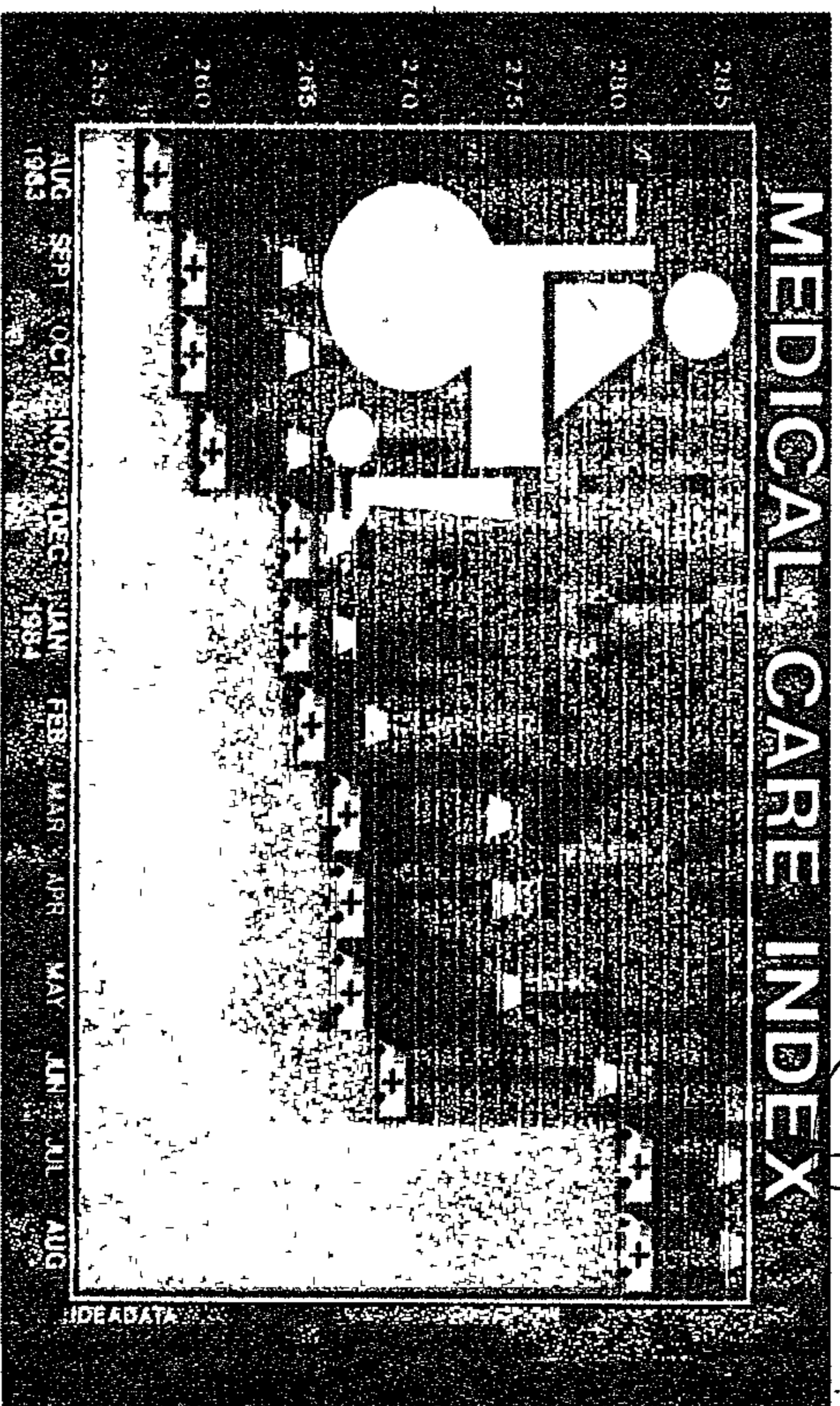
Value of South African merchandise exports this year has risen strongly under the impetus of the declining rand/dollar exchange rate.

The other side of the coin is that imports, too, have been rising sharply, with the adverse exchange rate being principally responsible for the increase. The balance of trade graph is a broad composite of the first two.

The graph depicting the growth in the country's gross domestic product will raise many an eyebrow. It indicates that the economy has actually been in a positive growth phase for the past 18 months. What recession? However, the figures upon which the graph is based are some five months out of date and, judging from more recent sectoral data, the downturn in recent months has been precipitate.

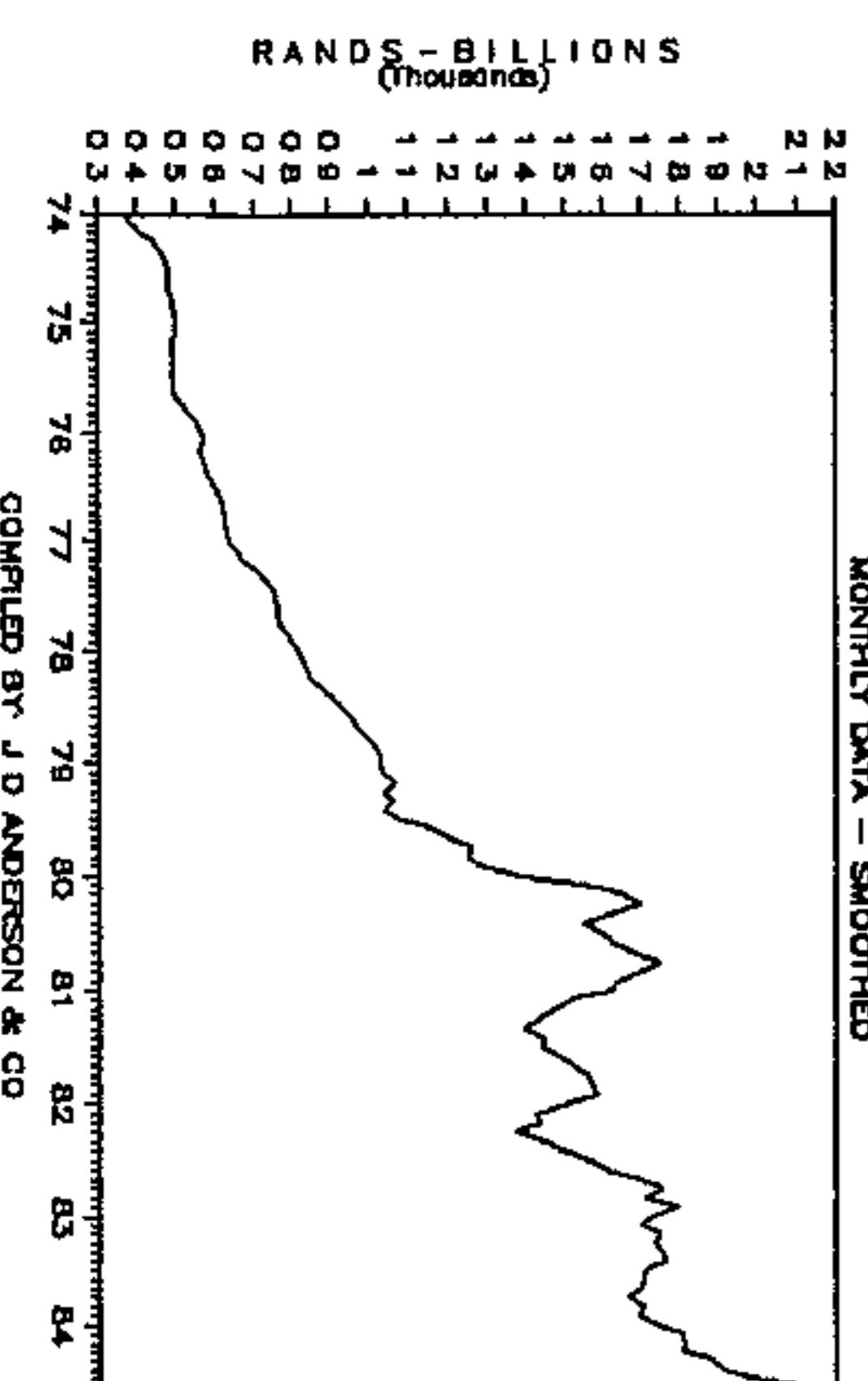


The Sunday Star
28 October 1984
FINANCE

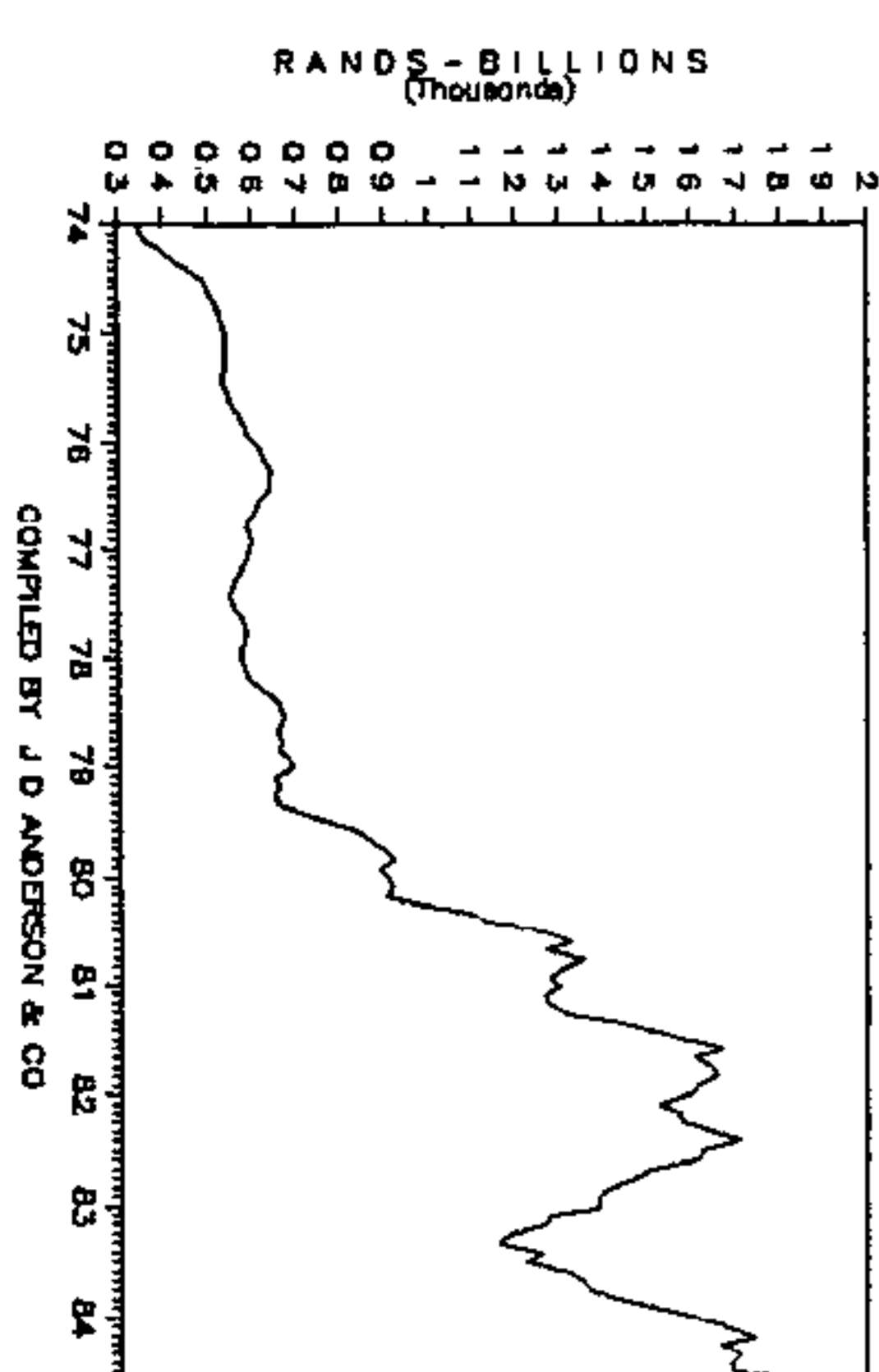


The economy

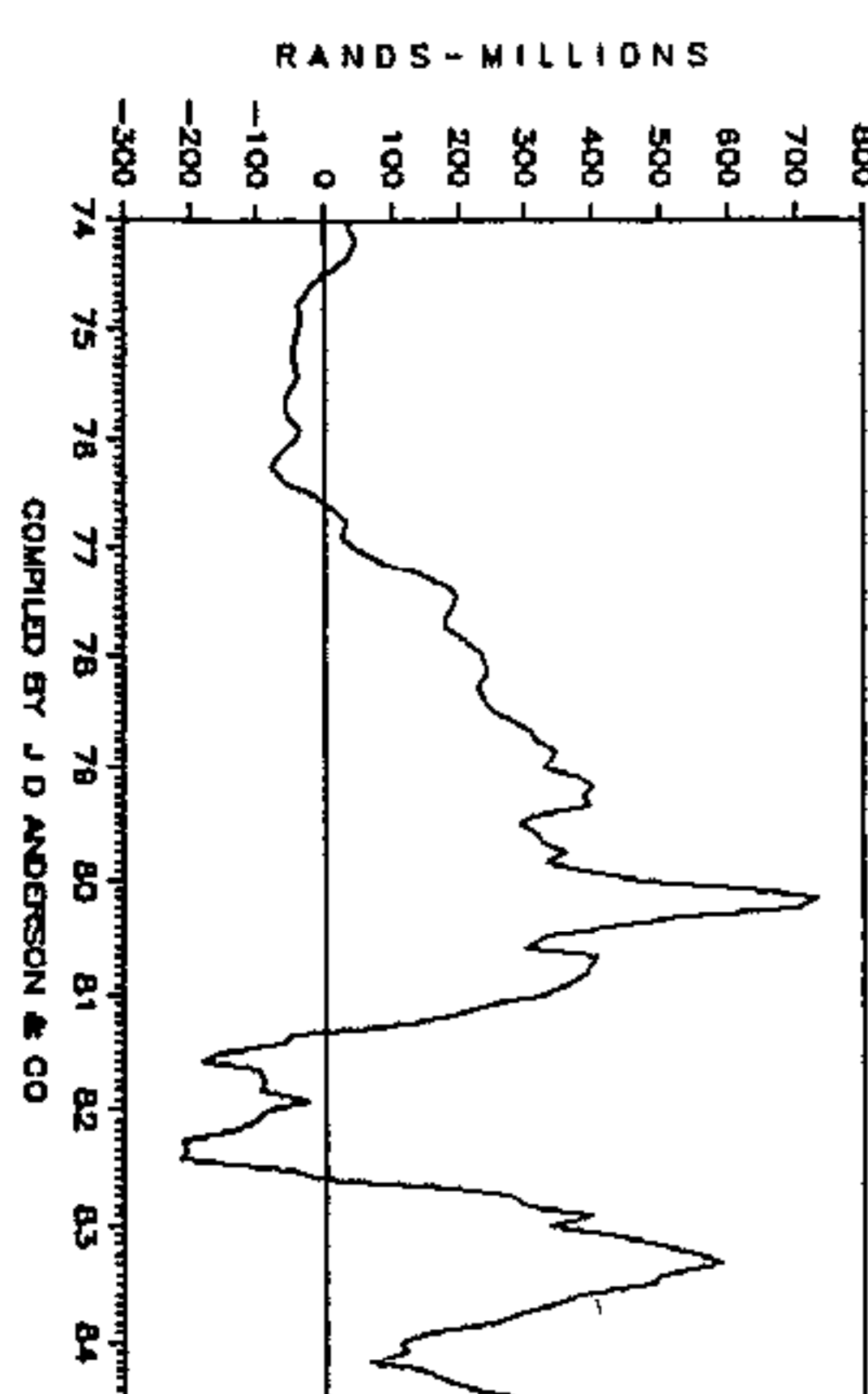
MERCHANDISE EXPORTS
MONTHLY DATA - SMOOTHED



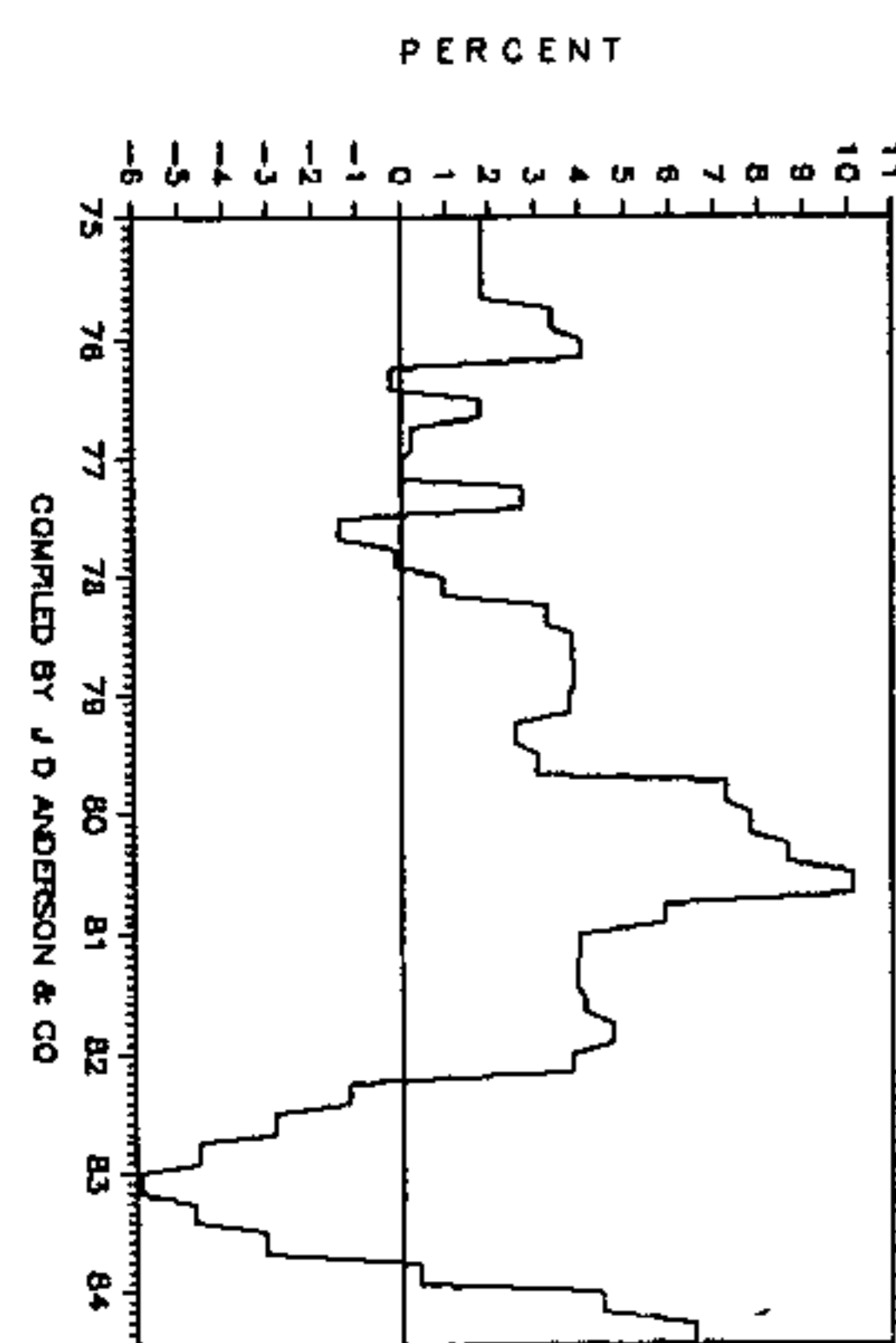
MERCHANDISE IMPORTS
MONTHLY DATA - SMOOTHED



BALANCE OF TRADE
MONTHLY DATA - SMOOTHED



GROWTH IN GROSS DOMESTIC PRODUCT
CONSTANT 1975 PRICES



COMPILED BY J.D. ANDERSON & CO

COMPILED BY J.D. ANDERSON & CO

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COMPILED BY J.D. ANDERSON & CO

Putco fares will go up by 12 percent

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30/10/84

By Revelation Ntola

Putco fares in the Transvaal will be raised by an average of 12,5 percent as from December 3

The new fares have been approved by the National Transport Commission which heard evidence on September 26

At its monthly meeting in September the Soweto City Council rejected proposed new fares, saying fares were already too high and that the council had not been consulted on the matter

It also rejected Putco's offer to serve on the company's special committee dealing with West Rand fares. Councillors felt that Putco wanted to use

them as rubber stamps to endorse unpopular decisions

Putco's public relations officer Mr Pat Rogers denied that the council had not been consulted

He said all interested parties, including the council, had been notified of the decision

TO RAISE

The council had had the opportunity to raise objections at a Transportation Board hearing but had not attended the meeting

Mr Rogers also dismissed as "nonsense" the council's allegation that Putco fares were already too high

R1-m damage to buses

Transport Reporter

Damage caused to Putco buses during recent unrest in townships on the Witwatersrand amounted to more than R1 million, a Putco spokesman said today.

The spokesman said it was impossible to give an exact figure because buses were being damaged every day.

Eight buses were completely destroyed and 460 were damaged. A total of 700 windows were smashed by stone-throwers

Of the three bus drivers seriously injured, one sustained a fractured skull and two had their eyes cut by broken glass. Many others were slightly injured.

Putco has submitted a claim to its insurance company, Carleo Head and Associates.

Argus 1/1/4

Unions condemn bus fare increase

Staff Reporter

TRADE UNION spokesmen said today the City Tramways bus fares increase was a shock and a burden that would "make living impossible" for many working families.

City Tramways has announced that Peninsula fares will increase by 12 percent on Sunday.

The National Transport Commission has granted the higher fares after an application heard in September.

City Tramways' application said the increase was "necessary because of the general increase in operating costs".

A union official said today the increases would be a factor in wage negotiations.

"This news has come as a great shock to us," said Mr John Ernstzen, general secretary of the Cape Town Municipal Workers Association.

"The union will very seriously have to analyse the implications for its members and workers in general.

(Turn to Page 3, col 3)

Argus

Union 'shock' at 12 percent hike

(Continued from Page 1)

"Whatever further action might be taken would probably be in consultation with other organisations whose membership will be similarly affected."

A spokesman for the General Workers Union said the increase was "terrible".

"City Tramways are overburdening the already overburdened worker and the increase will make their living impossible

"We totally reject the bus fares increase," said a spokesman for the Food and Canning Workers Union and the African Food and Canning Workers Union. "It comes at the worst time for the working class as a whole who make use of the public transport.

"Our union will have to take these increases into consideration in wage negotiations"

A spokesman for the executive committee of the Western

Cape Traders' Association said. "We are alarmed and annoyed at the intention of City Tramways to further increase the bus fares

"With the present disastrous economic climate the association wishes to warn City Tramways not to push city commuters any further

"The association is of the firm opinion that the Government should nationalise City Tramways and run it on a non-profit basis"

Peninsula bus fares up again

2/14
Times 11/19/84

By RENEE MOODIE

BUS fares in the Cape Peninsula are to rise from Sunday, City Tramways announced yesterday

Civic and labour organizations have condemned the increase, which will in some cases amount to an increase of 50c

According to tables released by City Tramways the lowest possible fare of 10c will remain the same, but the highest possible fare of R4,50 will increase to R5

The increase was granted by the National Transport Commission (NTC), following an application by City Tramways in September

Mr Bob Krause, public relations officer for the bus company, said City Tramways had no comment to make on adverse reaction and had nothing to add to what had been said at the hearing on September 19 and 20

The NTC heard that the increase was necessary to offset increases in salaries, wages, operating and maintenance costs

The latest increase follows similar increases in May last year and September 1982

'Provocation to community'

Several organizations presented memoranda to the NTC opposing the increases

Yesterday Mr Jonathan de Vries, Western Cape publicity secretary for the United Democratic Front, said the increases could be regarded as "a provocation to an already tense community".

"The people cannot afford the increases. Transport should be provided for people, not profit," he said

Mr Armen Abrahams, convener of the Cape Action League, said the increase "is yet another indication of the profound economic crisis into which the rulers of South Africa have led our country."

'Perpetual crisis'

"Together with large scale retrenchments, unemployment, increases in rents, train fares and electricity, we live in a period of perpetual crisis"

Mr John Ernstzen, general secretary of the Cape Town Municipal Workers Association said his immediate reaction was one of disappointment. The increase would have an adverse effect on the living standards of workers

"Most of our members use public transport and the union will have to take the increases seriously into account when considering wages," he said

Miss Lynette Maart, general secretary of the Cape Areas Housing Action Committee, said "We at Cahac wish to warn the government and the bus authorities that they are hitting at the people who are down and suffering under the economic recession"

Outrage at bus fares increase

Staff Reporter

COMMUTERS have reacted with outrage to the latest increase of 12 percent in bus fares which came into effect yesterday

Already civic and labour organizations have condemned the increase, which came after an application to the National Transport Commission (NTC) by City Tramways

Mr Salie Pick, of Hanover Park, was one of the commuters approached by the Cape Times for comment on the increase

"It's just too terrible. At the moment it costs us R2,50 to go to Wynberg, now it will cost even more. There's just no more money for this"

Mr Isaac Cupido, of Hanover Park, said he worked in Cape Town and spent a substantial proportion of his monthly earnings on travelling to and from work.

"When I first came to Hanover Park 13 years ago it cost me R2,50 a week to travel to work. Before the last increase I was paying R7,30 for a clipcard. Now I will be paying over R8"

Other commuters interviewed agreed that the fare increase was way beyond their means and came too soon after the last increase

The last two increases, which came into effect in September 1982 and May last year, were for percentages of between 11 and 12 percent

A City Tramways spokesman said the company had no comment to make on adverse reactions to the increase and had nothing to add to the September NTC hearings in which the company claimed that the increase was necessary to offset higher salaries, wages, operating and maintenance costs

Meat price may stay high

By Hannes Ferguson,
Farming Correspondent

Meat prices might not come down much after Christmas, according to the Meat Board

The board's general manager, Dr P H Coetzee, said yesterday that the present increase in beef prices was due to a pre-Christmas increase in demand

However, prices were not necessarily expected to drop after the festive season.

The prospect for 1985 was that supplies would dry up generally and meat prices would be on a long rising trend with out farmers being able to take much advantage of the situation

He added that Bushveld farmers were selling

because of financial distress and crop farmers elsewhere were now marketing the stock they fattened from last year's failed crops

District agricultural unions in the north-western Transvaal said that grazing had deteriorated so badly it would take three years to recover

In the Thabazimbi area herds were down to 20

percent of the normal number of cattle

Farmers were still feeding their cattle with feed bought at a cost of over R1 a head a day

To get a cash flow farmers were now selling their breeding stock at a rate which meant they had far below the number of cattle they would need to build up their stock again

Only the Soutpansberg had had good rains.

In other parts of the Bushveld termites were destroying what remained of the grazing crops

Rains were expected in the next few days

However even if the veld recovered partly, interest rates would force farmers to continue to sell and live on their capital

244

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6/11 1984

5c a litre milk price hike coming

D-Dispatch
244
8/11/84

EAST LONDON — The price of milk here is to go up by 5c a litre from November 26

In a statement released here yesterday, the Model Dairy Co-operative announced that the price rise would affect East London only.

In Queenstown the price would remain the same as the price there had been higher for some time, a spokesman said

"Over a number of years the dairy has acted reasonably in its attitude towards price increases and has only made adjustments when absolutely necessary," he said

"This is borne out by the fact that at present our price for fresh milk is 4c a litre below the

present price in controlled areas"

Over the past two years the co-operative's price of fresh milk had increased by 25 per cent.

"The real milk price increase was from 55c in February 1982 to 69c, which will be the new price," he said

This compared with an increase of 41 per cent in the controlled areas over the same period

"Owing to the unfavourable present economic climate and the increased cost of certain raw materials, it has also become necessary to increase the price of other Model Dairy products accordingly by approximately eight per cent on average," the spokesman said — DDR

argus 8/11/84

Bread price creeping up

Consumer Reporter

MORE than a month after the Government announced a bread price increase, supermarkets are still holding prices down

So far no supermarket surveyed has increased its prices to the 60c it is allowed to charge for white bread or 40c for wholewheat.

Yet each week the price of bread at at least one supermarket creeps up. And before Christmas, the consumer can expect to carry the full increase

Shoprite in Landsdowne Road ap-



pears the cheapest of the supermarkets for the items surveyed this week

This week we have included the names of different butter brands as the surveyed stores did not stock a common brand

Where a product was unavailable, the average price at other stores was used to calculate the grand total

	OK Bazaars Wynberg	Checkers Bellville	Shoprite Landsdowne Rd
Eskort back bacon, rindless (250g)	R1,59	R1,84	R1,72
Pork sausages 500g	R1,99	R1,99	R1,95
Topside mince 1kg	R5,68	R4,98	R4,78
Lamb loin chops 1kg	R7,18	R7,11	R6,88
Farmer Brown chicken (fresh) 1 kg	R2,45	R2,45	R2,39
I&J hake fillets 400g	R1,25	R1,45	R1,39
Protea skim milk powder 1kg	R5,89	R5,55	R5,25
Cheddar cheese 1kg	R5,05	R5,05	R4,29
Large eggs, 12	(1st grade) R1,22	(ungraded) R1,34	(1st grade) R1,20
Golden Spread margarine 500g brick	R1,47	R1,29	R1,27
Choice butter 500g	R2,36 (Cherry)	R2,40 (Gold Medal)	R1,95 (Dairybelle)
Tomatoes (1st grade) 1kg	R1,69	R1,99	n/a
Potatoes (1st grade medium) 1kg	22c	39c	25c
Omons 1kg	69c	75c	39c
Gem squash 1kg	59c	49c	49c
Hulett's sugar 2,5kg	R1,92	R1,79	R1,79
Jungle Oats 500g	61c	69c	68c
Tastic rice 1kg. ... R1,39	R1,46	R1,34	
Dogmor dogfood 2kg	R2,49	R2,31	R2,19
Marmite 250g	R2,15	R1,89	R1,99
Black Cat peanut butter 410g.	R1,52	R1,49	R1,29
Kelloggs cornflakes 500g	R1,29	R1,18	94c
Wholewheat bread	39c	38c	38c
White bread	59c	58c	58c
Koffiehuus instant coffee 250g	R1,85	R1,65	R1,48
Joko tagless teabags 100	R2,79	R2,69	R2,89
Milo 500g	R3,29	R3,09	R2,79
Fattis and Monis spaghetti 500g	99c	89c	89c
Colgate toothpaste 100ml	R1,12	R1,07	R1,09
Lux toilet soap.	45c	45c	44c
Sunlight liquid 750ml	R1,27	R1,29	R1,14
Surf 500g.	1,09	R1,05	R1,07
Total:	R64,52	R63,02	R59,01

EAST LONDON — The latest five cents a litre milk price increase was greeted with dismay by local residents who felt advantage was being taken of an essential commodity

Model Dairy announced this week that their milk would go up from 73c to 78c on November 26

Although supermar-

Dismay at milk price hike

244 ~~the~~ D. R. [unclear]

kets sometimes substitute commodities for a while after a price hike, none of the local supermarkets could give the assurance yesterday that they would be doing so in this case

"What can we do?" Mr M. Nel of Guiney asked "Nobody would be hap-

py at the price increase. Our salaries go up, but the price of food increases even more rapidly and we can do nothing about it," he said

Mrs Koeks Oelofse of Cambridge said the increase was bad enough, but the worst was the

cafes which have already been charging sky high prices — some over 90 cents a litre — for milk

"Five cents more for a litre is a big jump, especially as we use two litres of milk every day," Mrs Luise Randall of Vincent said. She and

her husband "are under doctor's orders" to drink a lot of milk, "but we will have to cut down if these price increases continue," she said

Mrs Dawn Russel of Amalinda, who also buys two litres of milk a day, was equally unhappy about the price increase,

but felt particularly despondent because there was nothing she could do about it

"How many increases have we not had in the past 18 months?" a dissatisfied Mr Guy Devine of Berea asked "They know we have to buy milk every day, no matter what the price, and they take advantage of it," Mr Devine said —
DDR

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Shoppers call for ²⁴⁴ food price ^{S low} inquest ^{9/11/54}

By Russell Gault

Consumers are seeking urgent meetings with representatives of the food industry as massive food price increases send shoppers reeling.

"We want answers now," said Mrs Joy Hurwitz, president of the Housewives League. "The increases in the past few weeks are the worst I can recall"

She said her organisation wanted plain answers from the manufacturers, wholesalers and retailers on the reasons for the increases

"We are sick of them. In times of recession there should be more competition and lower prices. Instead, we are being subjected to a barrage of shocking increases

"In the the past month there have been incredible increases which our organisation cannot explain on economic grounds

"We are left with the impression some people are concerned about keeping their profits at pre-recession levels. All consumers are being hit by costs today — it may be that some business people have to accept

24 HOURS

that the same should apply to them. You can't keep profits at the same level when everyone else is taking a knock with their incomes"

Mrs Hurwitz said that, if some people were making inordinate profits, "then we want to find out who they are"

Figures just prepared by the league have revealed that, in the past year, price increases have been the highest since figures were first compiled by the organisation many years ago

Some of the past year's 200 price increases monitored by the Housewives League include

- Corned meat up 51,0%
- Bacon . . . up 36,6%
- Tea bags . . . up 33,7%
- Peanut butter up 44,9%
- Dishwashing liquid. up 31,7%
- Jam up 30,0%
- Mealie meal up 27,3%
- Pork sausages up 24,8%

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244 ~~244~~ By Michael Tissong ~~244~~

Soweto electricity dearer

In a circular to consumers, the Soweto Town Council has announced it has pushed up electricity tariffs by 20 percent.

This increase has been condemned by the Soweto Civic Association (SCA) as an inhuman act in the present economic climate. A spokesman, Mr Tom Manthata, said the SCA executive would discuss the increase on Sunday.

The circular said the tariff for metered consumption would be adjusted by 0,8c a unit. Town Clerk Mr Nico Malan said: "This means a person who presently pays a monthly account of R25 will pay R30."

(244) ~~Disagreement~~
9/11/84
**Disagreement on
beef price rise**

Staff Reporter

THE price of beef in the Western Cape has risen sharply in recent weeks but butchers and a Meat Board spokesman disagree strongly as to the reasons for the increase

One butcher, who declined to be named, claimed an insufficient supply and a drop in the quality of beef was causing prices to rocket and warned that prices would rise further before Christmas

"The Meat Board complains that sales are deteriorating and go on an extensive advertising campaign but they then make the price prohibitive," he claimed

He described top-grade beef recently purchased as "an absolute disgrace", but several butchers contacted in a Peninsula survey disagreed with him

Most said supply was ample but agreed that prices had risen sharply

A spokesman for the Meat Board in Pretoria said there was an "ample" supply of beef. The reason for the recent price increases was that butchers were preparing for an "anticipated

Christmas rush", he said

However, one well-known butcher described this explanation as "utter nonsense"

"Nobody is stocking up now, it's far too early," he said

Mr F Hartley, a Mitchells Plain butcher, said the increase was above normal for the season, but there was no drop in quality or supply

A Rondebosch butcher said "The price of beef has not risen much but the value of our money has dropped"

A Grassy Park butcher said the price had risen "tremendously" but there had been no drop in quality or supply

● In a warning to beef farmers, the Meat Board spokesman said cattlemen supplying the Maitland abattoir were presenting up to 24 percent of the total slaughter stock as calves which later turned out to be adult animals and were thus opening themselves to prosecution

An animal qualifies as a calf only "if it is less than six months old, slaughters out at less than 91 kg or the fourth molar in its upper jaw has not yet erupted"

If only we could drink petrol

By David Carte

FIZZY soft drinks cost more than petrol.

A litre of soda water, which comprises nothing but water and gas, costs 65c in a cafe, excluding sales tax and any deposit on the bottle.

A litre of petrol on the Highveld costs 63c, including tax of at least 15c. So soda water is at least 30% more expensive than petrol.

Other carbonated soft drinks cost the same as soda water, even though they contain syrups, sugar and other ingredients that the industry calls expensive.

A 750ml beer costs 80c in a bottle store, without the bottle. That is R1,06 a litre. But a third of the beer price is excise duty. Without excise duty, beer costs 70c a litre — a bit more than soda water — and home delivered milk at 68c a litre.

Brewers mumble about the additional pleasure factor in their product and insist that beer is infinitely more difficult to make than soda water. If they could, cows would make a similar assertion about their short-life product.

Impatient

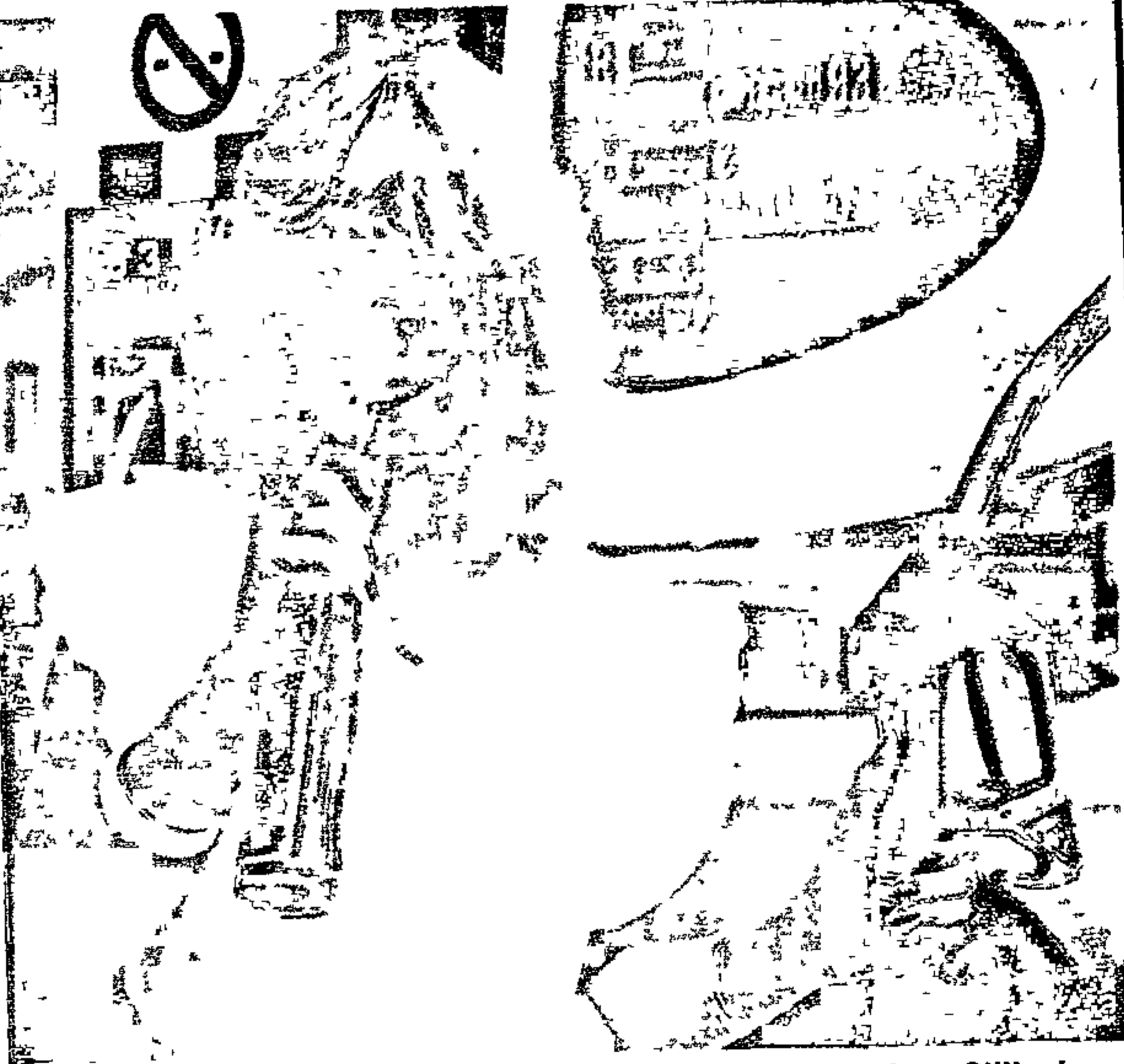
Highveld petrol is made by Sasol, but the cost to the consumer is based on Opec prices, which have quintupled in the past decade. Built into the petrol price are enormous exploration, exploitation, shipping, refining and distribution costs, not to mention huge profits for sheiks, oil companies and garages.

Still, it is cheaper than carbonated soft drinks.

Hennie Viljoen, head of the SA Federation of Soft Drink Manufacturers, gets impatient with the comparison.

"You can't compare petrol with soft-drink prices. They are too different. The difference is in volume handled and consumed. Soft-drink prices are determined mainly by input costs.

"Makers of carbonated soft drink use 110 000 tons of sugar a year. They pay R574



Coke is it ... but petrol's cheaper

Picture: Andrew Gillingham

a ton to the SA cartel — virtually three times the London price. This makes the sugar bill alone R63-million.

"Then there are ingredients, horrific water purification, bottling and canning expenses, the cost of crates and the enormous costs of distribution to thousands of tiny outlets all over the country. Our industry uses more fuel than just about any other."

But with sales exceeding R500-million, soft drinks are profitable. The Big Two, Coca-Cola and Pepsi Cola of the US, do not disclose their profits in SA, but several bottlers of their products are doing extremely well.

Amalgamated Beverage Industries, which bottles Coke and Schweppes, has been such a good investment for SA Breweries that the brewer wants to increase its 30% interest.

Rennes recently paid R10-million for Sparletta Sun-crush, which has the Sparletta franchise on the Reef.

Suncrush, bottlers of Coke, Sparletta and Schweppes in certain parts of SA, has been one of the highest-growth companies on the Johannesburg Stock Exchange. Cadbury Schweppes has also excelled.

According to the Soft Drink Federation, volume growth in soft drinks has been as good as it has in beer. In the past five years volume growth has been 11%, 14%, 17%, 10% and 6%. This year in spite of recession, it is expected to be 4%.

Small brands

Apart from a short-lived spell of "predatory pricing" by Pepsi Cola in the Cape last year, there has been little price competition. Different brand prices are generally identical in the same cafe. Cafe owners tend to follow "recommended" prices.

Coca-Cola, with 86% of the market, dominates the industry.

Coke's own products have an estimated 65% of the market and Sparletta 19%. Coke bottles Sparletta as well as Schweppes, which has 2%. So, effectively, Coke has 86% of the total market. Pepsi has about 6% and other small brands the balance of 8%.

"The brand leader" — as Mr Viljoen, a senior Coca-Cola man wearing his Federation hat coyly calls Coke — "recently increased its prices and the other manufacturers followed suit." Mr Viljoen says the federation does not set prices.

The Competition Board recommended lifting price control from soft drinks because they are not a luxury and although there is not much price competition, demand falls heavily when prices rise.

In addition there is competition from tea, coffee, cordials, fruit juices, home soda makers ... and even Adam's ale.

(244) (Date) C. June 13/11/84

Cost of food for blacks rises

Own Correspondent

JOHANNESBURG — The cost of food for black people rose "markedly" between March and September despite the exemption of basic foodstuffs from GST in July, according to the latest Household Subsistence Level (HSL) survey conducted by the University of Port Elizabeth

Since food items exempted from GST accounted for three-quarters of the food bought by blacks, the expectation was that food prices would remain more or less at the level recorded in March, Professor J F Potgieter, director of the university's Institute for Planning Research, said in his introduction

But analysis of actual food prices "proved to be most disturbing", with increases of up to 14 percent being recorded in major urban areas

GST was increased generally from seven to 10 percent on July 1. But on a wide range of staple foods it was scrapped — meaning that there should have been a 7 percent fall in the price of many non-luxury food items for July, August and September

'Questions'

Professor Potgieter concluded that the increase raised questions as to the manner in which the benefit was passed on to the consumer

Mrs Sheena Duncan, of the Black Sash, said yesterday "It is evidence that the benefits of GST exemptions are not passed on to the consumer. Retailers must share the burden of responsibility for the planned consumer boycott over

Christmas by black consumers"

Professor Potgieter's comparison showed that food prices rose more sharply for blacks than for coloured people

He saw this as an indication that the price of mealie meal rose more sharply than most exempted foodstuffs

Most expensive

Professor Potgieter's findings showed that the Vaal Triangle — scene of the most violent disturbances in the current unrest — was among the most expensive urban areas for blacks in South Africa

The HSL consists of three items: A Primary Household Subsistence Level (PHSL), made up of food, clothing and cleaning materials, rentals, including service charges, and transport costs

The PHSL was slightly higher for Johannesburg than for the Vaal Triangle — R257,46 against R254,26. So were transport costs in Johannesburg — R17,62 against R14,29

Minimum

But rentals in the Vaal Triangle were higher — R61,70 against R57,19. The unrest in the Vaal Triangle was ignited by protests against attempts to raise these rentals

Mrs Duncan said the HSL was the absolute minimum needed by a family to survive and that in the present situation of high unemployment, many families did not earn that much

Unemployment insurance amounted to only 45 percent of what the unemployed person had earned in the past six months

Cost of food hitting blacks hard — survey

By PATRICK LAURENCE
Political Editor

The cost of food to blacks rose markedly between March and September despite the decision to exempt basic foodstuffs from GST in July, the latest Household Subsistence Level (HSL) Survey conducted by the University of Port Elizabeth reveals.

Since food items exempted from GST accounted for three-quarters of the food bought by blacks, the expectation was that food prices would remain more or less at the level recorded in March. Professor J F Potgieter, director of the university's Institute for Planning Research, said in his introduction.

But an analysis of actual food prices "proved to be most disturbing," with increases of up to 14% being recorded in South Africa's major urban areas.

GST was increased generally from seven to 10% on July 1. But on a wide range of staple foods it was scrapped altogether — meaning, in effect, that there was, or should have been, a 7% fall in the price of many non-luxury food items for the three months July, August and September.

Professor Potgieter concluded that the increase raised questions as to the manner in which the benefits was passed on to the consumer.

Mrs Sheena Duncan, of the the Black Sash, said

yesterday "It is evidence that the benefits of GST exemptions are not passed onto the consumer. Retailers must share the burden of responsibility for the planned consumer boycott by black consumers over Christmas"

Professor Potgieter's comparison between the household subsistence levels of blacks and coloureds showed that food prices rose more sharply for blacks than for coloureds.

Professor Potgieter's findings showed that the Vaal Triangle - scene of the most violent disturbances in the current unrest - was the most expensive urban area for blacks in South Africa. The HSL of a family of six in the Vaal Triangle was R330,25, against R327,11 for Johannesburg, the next highest area.

The reason why the HSL for the Vaal Triangle is higher than Johannesburg's is that rentals are higher.

The HSL consists of three items: a Primary Household Subsistence Level (PHSL), made up of food, clothing and cleaning materials; rentals, including service charges; and transport costs.

The PHSL was slightly higher for Johannesburg than the Vaal Triangle, R257,46 against R254,26.

Rentals in the Vaal Triangle were higher, R61,70 against R57,19. The unrest in the Vaal Triangle was ignited by protests against attempts to raise rentals still further.

Butter, cheese prices slashed

244
D. Asford 14/11/84
EAST LONDON — Good news for consumers: the prices of surplus butter and cheese stocks are to be slashed.

The Dairy Board is expected to make a detailed announcement tomorrow, but it is understood the price of butter will be cut by at least 20 per cent and cheese by between 15 and 20 per cent.

One national supermarket chain has already cut its prices in anticipation.

The new prices come into effect at its East London branch today, amounting to R1,38 on a 500 g packet of choice butter (a cut of 81c), and R3,68 on first grade cheese (a cut of R1,01)

The new prices came into effect in Port Elizabeth yesterday. Mr Terry Carrol, regional general manager of Pick 'n Pay, said stores in Port Elizabeth had sold out of butter in two hours.

Sales had been "mind-boggling," he said.

Mr B. K. Nutt, deputy manager of the Dairy Board, declined to give details of the cuts yesterday, although he confirmed that a statement about the release of surplus butter and cheese stocks would be issued tomorrow.

It is not known at this stage what amounts of butter and cheese are to be sold at the lower price, but stocks are large, and the bonanza could last for several

weeks.

The losses involved will be carried by the board's stabilisation fund.

The reason for the huge surplus is continued milk supplies in excess of demand, and the 12 000 ton surplus of powdered milk which accumulated earlier in the year.

Part of the milk surplus has been reconstituted and used in the manufacture of cheese and other dairy products.

Miss Peta Lomborg, public affairs manager of Checkers in Johannesburg, said yesterday her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement.

"We cannot give the new prices yet, but we will definitely pass on the benefits to the consumer," she said.

Mr B. K. Hellberg, assistant director of the Consumer Council, welcomed the move as "excellent news."

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases."

"We hope that people will make use of this opportunity," he said —
DDR-DDC

Butter, cheese prices to drop?

Staff Reporter

LEADING chain stores are expecting a dramatic drop in the prices of butter and cheddar cheese but they do not know how far the prices will plunge

It is anticipated that the Dairy Board will announce the release of huge quantities of surplus butter and cheese tomorrow, resulting in a drop in the prices of both products

One leading national chain was so confident of a significant drop that yesterday it reduced the price of 500g of first-grade butter by 81 cents and of 1kg of first-grade cheddar cheese by R1,01

Another major group is waiting for the Dairy Board announcement

before cutting its prices.

Mr B K Nutt, deputy manager of the Dairy Board, speaking in Pretoria, yesterday declined to give details of the move, although he confirmed that a statement on the release of surplus butter and cheese stocks would be issued tomorrow

Those stores which dropped their prices did so of their own accord, he said

Several chain-store sources yesterday confirmed that there was a glut of choice butter and cheddar cheese

● The chairman of Pick 'n Pay stores, Mr Raymond Ackerman, welcomed the intention to release surplus stock

at a substantially lower price

His company had anticipated that the government would reduce the price of butter and cheese, he said, and had already reduced its prices in an effort to assist consumers

The company could have waited for the weekend but was taking a risk and absorbing the losses by lowering its prices ahead of time, Mr Ackerman said

"We compliment the Dairy Board, because in the past surplus stock was exported. The Dairy Board is doing an excellent job in bringing prices down

"We have always said that when there's a surplus prices should come down, and we're putting our money where our mouth is

"I just wish that when there's a surplus of other goods the prices would come down," he said

● Miss Peta Lomborg, public affairs manager for Checkers, said in Johannesburg yesterday that her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement

"We cannot give the new prices yet but we will definitely pass on the benefits to the customer", she said

● Mr B K Hellberg, assistant director of the Pretoria-based Consumer Council, welcomed the Dairy Board move as "excellent news"

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases. We hope that people will make use of this opportunity"

Aug 15/16/84

Prices down on last week

PRICES at supermarkets surveyed this week were generally cheaper than those of last week

Pick 'n Pay have reduced the price of butter by more than R1 in anticipation of the announcement by the Dairy Board that butter and cheese prices are to drop. Their cheese was also significantly cheaper than other supermarkets.

But other chain stores can be expected to drop the prices of these commodities after the announcement, which is expected today.

Wide price discrepancies are again evident between supermarkets. This



week the highest fluctuations, besides those of cheese and butter, were in mince, chops, milk powder, dogfood, Marmite and tea. Prices were surveyed on Tuesday.

Once again, where a product was unavailable, the average price at the other stores has been used to calculate the grand total.

	Pick 'n Pay Plumstead	Grand Bazaars Sea Point	OK Bazaars Sea Point
Eskort back bacon, rindless 250g	R1,84	n/a	R1,95
Renown Pork sausages (500g)	R1,99	R1,99	R1,29
Topside mince 1kg	R5,58	R5,29	R4,98
Loin lamb chops 1kg	R6,98	R6,89	R7,28
Farmer Brown chicken (fresh) 1kg	R2,25	R2,35	R2,45
I&J hake filets 400g	n/a	R1,42	R1,25
Protea skim-milk powder 1kg	R4,69	R5,29	R4,59
Cheddar cheese 1kg (1st grade)	R3,68	R4,39	R4,20
Large eggs, 12	R1,20	R1,22	R1,22
Golden Spread margarine 500g brick	R1,29	R1,35	R1,25
Cherry choice butter 500g	R1,39	R2,34	R2,37
Tomatoes (1st grade) 1kg	R1,99	n/a	R1,99
Potatoes (medium) 1st grade 1kg	40c	19c	29c
Onions 1kg	89c	69c	59c
Gem squash 1kg	49c	29c	58c
Huletts sugar 2,5kg	R1,79	R1,79	R1,93
Jungle Oats 500g	65c	77c	81c
Tastic rice 1kg	R1,35	R1,25	R1,39
Dogmor dogfood 2kg	R2,19	R2,49	R2,49
Marmite 250g	R1,85	R1,99	R2,19
Black Cat peanut butter 410g	R1,32	R1,29	R1,42
Kelloggs cornflakes 500g	99	95	R1,29
Wholewheat bread	38c	38c	39c
White bread	58c	58c	59c
Koffiehuis instant coffee (fine) 250g	R1,65	R1,55	R1,72
Joko tagless teabags 100	R2,24	R2,45	R2,59
Milo 500g	R2,55	R2,65	R2,59
Fattis and Monis spaghetti 500g	87c	94c	89c
Colgate toothpaste 100ml	89c	n/a	R1,05
Lux toilet soap	40c	42c	45c
Sunlight liquid 750ml	R1,15	R1,19	R1,27
Surf 500g	99c	R1,05	R1,09
Total	R57,83	R60,29	R60,43

20/11/84 (244)
**Fare rise implemented
6 days before approval**

EAST LONDON — The city council's action committee has approved a bus fare increase which came into operation six days ago.

This was confirmed by the chairman of the committee, Mr Donald Card

On November 28, 1983, the council applied to the Local Road Transportation Board for an increase in fares subject to no single fare exceeding R1 in value

The board turned the application down but on resubmission, the following fares were approved

Stage 1 fares went up from 25c to 30c, stage 2 from 30c to 35c, stage 3 from 35c to 40c, stage 4 from 40c to 45c, stage 5 from 45c to 50c and stage 6 from 55c to 60c

Pensioners' fares went up from 20c to 25c and children under 12 from 25c to 30c

Because the fares had to be implemented on November 12, permission was obtained from Mr Card, the chairman of the finance portfolio, Mr Errol Spring, and the portfolio holder for transport, Mr Len Cooper

The committee was asked last night to approve their decision

Mr Card said the transportation board had also approved two other

applications from the council

Council had been granted authority for its bus service to operate throughout South Africa from East London, and

Council had been granted authority to operate local services at times and over routes to suit the exigencies of the service

The committee was told that following various on-going studies of service times and routes, a new timetable would be implemented from December 3 — DDR

22/11/84
Electricity price hike

Own Correspondent C. Tume
JOHANNESBURG — Escom has announced that electricity tariffs will rise by 10 percent from January 1 1985

A further 10 percent increase will follow in the middle of next year, according to a statement released yesterday by Escom.

The statement said two percent may be added on to these hikes by an expected rise in the price of coal

The Escom chairman, Mr Jan H Smith, said the increase in General Sales Tax and the fall in the value of the rand had forced the "interim tariff increases"

THE POST



THURSDAY, NOVEMBER 22, 1984

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Cost of electricity in PE to rise by less than 5,3%

Post Reporter

THE cost of electricity to the consumer in Port Elizabeth will increase by less than 5,3% in January, says the City Electrical Engineer, Mr Charles Adams

Mr Adams was commenting on the 10% increase in tariffs announced by Escom.

Although the municipality had not yet been able to calculate the new tariffs, the price of electricity in Port Elizabeth would rise by less than 5,3%, he said.

Mr Adams said the figure of 10% announced by Escom was a weighted average across the whole country.

He said the increase of 5,3% was the rate charged electricity users drawing from the Orange River Undertaking. This figure varied in other areas of the country.

Port Elizabeth generated almost half of its own electricity needs and this would favourably reduce the tariff increase to the consumer.

The local generation of electricity generation would favourably reduce the amount passed on to the consumer.

Once the new tariff was calculated, it would be put to the City Council for approval in January, he said.

Mr Adams said the mid-year increase of 10% announced by Escom was only a possibility, as was the further 2% increase if the price of coal rose.

The cost of electricity would, if necessary, be passed on to the Port Elizabeth consumer in the same proportions as in January.

Sapa reports that the director of the Consumer Council, Mr Jan Cronje, said in a statement that Escom's announcement, which would result in electricity being up to 23% more expensive next year than at present, made a mockery of the previous

"modest" 6% tariff increase

Mr Cronje said that because these increases would also have a drastic effect on the country's exports, it was imperative for the central Government to take a thorough look at Escom's tariff policy.

The Federated Chamber of Industries said the extent of the tariff increases would "exert considerable upward pressure" on prices.

"The chamber questions the wisdom of building up the capital development fund during a recessionary period"

● See Page 12

Argus 22/11/84 (244)

Shock increases in electricity costs next year

Staff Reporters

PENINSULA households — particularly in the northern areas — face shock electricity tariff increases in the new year which will push up some power bills by more than 20 percent

The first increase is due in January when Escom increase its tariff by an average 10 percent.

But consumers in some Peninsula areas will benefit from Cape Town City Council's own power generation and tariff increases will be less

10,67 PERCENT

Escom's regional information officer, Mr André van Heerden, said today the tariff increase for the entire Western and Northern Cape would be 10,67 percent

Increases elsewhere are 10,69 percent for the Rand and Free State, 9,43 percent for the Eastern Transvaal, 10,38 percent for Natal and 5,33 percent for the Eastern Cape.

Escom has announced a further 10 percent increase on the January tariff in the middle of 1985

Coal-price changes could add a further two percent to the price of power — a total increase of 24 percent on the 1984 tariff

A spokesman for the city electrical engineer's office said: "This is quite a stiff increase, but it is too early for us to give a clear indication of the impact on Cape Town consumers

"TARIFFS LESS"

"Because we are a generating authority the tariffs in the Peninsula area will be less than in those areas served only by Escom

"The Peninsula area which will benefit from our power generation includes the Cape Town municipal area, some adjacent Divisional Council areas, Milnerton, Pinelands, Fish Hoek and Simon's Town

"The increases for this area may take a different form. It might be feasible to cushion the increase by introducing it over a different period"

Escom said it had to increase tariffs because it had "no alternative"

(Turn to Page 3, col 1)

The Argus Tygerberg Bureau reports that business leaders and municipal spokesmen in the northern areas reacted with shock to the price increases and said almost unanimously that it was a direct and severe blow to all consumers

The president of the Tygerberg Chamber of Commerce and Industrial Association, Mr Johan Bräslar said "We appreciate that increases are essential — probably owing to interest rates on overseas loans and the rand value against the dollar — but it comes at a difficult time for consumers, especially industry operating well below capacity.

"This will result in increased running costs and increase the inflation rate, with fewer rands in the pockets of consumers."

Mr J P Barnard, Town Clerk of Parow, said the increase would definitely affect the town's budget

"We certainly never make provision for such a big increase.

"If your electricity bill suddenly rises from R50 to R60 a month, it is a considerable increase", he said

Kraaifontein's town engineer, Mr G Davidson, said: "This is stunning I suppose they have their reasons, but the consumer is going to suffer Kraaifontein buys directly from Escom. So it is really between them and Escom."

The deputy city engineer of Bellville, Mr D Malan, said it would increase the cost of providing certain facilities but the blow would be felt directly by the consumer

Said the president of Bellville Chamber of Commerce, Mr John Elford "Ridiculous It's a big increase"

He said the chamber would not comment officially at this stage.

The secretary of the Durbanville Chamber of Commerce, Mr Henry Sacks, just whistled when told about the increase and said the shock took his breath away — and that was sufficient comment

In spite of the increases Escom's tariffs remain the lowest in the world, Escom said

●The Argus correspondent reports from Johannesburg that hotels will be hit hard and in most cases the extra charges will be passed on to the public.

"I can see no alternative. These charges by Escom are going to hurt the industry seriously," said Federated Hotel Association president, Mr S V Hoffmann

Two chains have anticipated announcement Wide fluctuations in prices of butter

Consumer Reporter
THE price of butter shows one of the widest fluctuations between supermarkets surveyed this week

OK Bazaars has retained the old price while the branches of Pick'n Pay and Checkers have dropped theirs by about R1 per 500g in anticipation of tomorrow's drop in the wholesale prices of butter and cheddar cheese

All supermarkets surveyed have dropped cheddar cheese prices, however.

Topside mince

Another noticeable difference is in the price of topside mince Pick'n Pay claim that the mince described by their shop assistants as topside mince is in fact extra lean and almost fat free, therefore of a better quality than the regular topside mince.

The Fish Hoek branch of OK Bazaars did not have any first grade potatoes, gem squash or onions available so the average price of the other stores has been used in calculating their grand total

Loin chops

Other significant price differences to emerge this week are those of milo (which varied by 54 cents), marmite (34 cents) loin chops (98 cents), and skim milk (86 cents)

Prices are surveyed on Tuesdays



Argus
22/11/84

244

	Checkers Southfield	Pick 'n Pay Milnerton	OK Bazaars Fish Hoek
Eskort back bacon, rindless 250g	R1,84	R1,59	R1,59
Enterprise pork sausages 500g	R2,19	R1,79	R1,99
Topside mince 1kg	R4,80	R5,88	R5,25
Lamb lion chops 1kg	R6,30	R7,28	R6,98
Farmer Brown chicken (fresh) 1kg	R2,45	R2,09	R2,55
I&J hake fillets 400g	R1,45	n/a	R1,25
Protea skim milk powder 1kg	R5,55	R4,69	R5,39
Cheddar cheese 1kg (1st grade)	R3,49	R3,59	R3,65
Large eggs, 12	R1,24	R1,00	R1,22
Golden Spread margarine 500g brick	R1,29	R1,29	R1,47
Choice butter 500g	R1,35	R1,39	R2,36
Tomatoes (1st grade) 1kg	R1,99	R1,99	R1,99
Potatoes, medium, 1st grade 1kg	39c	40c	n/a
Onions 1kg (1st grade)	79c	89c	n/a
Gem squash 1kg (1st grade)	49c	49c	n/a
Huletts sugar 2,5kg	R1,79	R1,79	R1,93
Jungle Oats 500g	69c	65c	72c
Tastic rice 1kg	R1,37	R1,25	R1,25
Dogmor dogfood 2kg	R2,15	R2,19	R2,39
Marmite 250g	R1,84	R1,85	R2,19
Black Cat peanut butter 410g	R1,39	R1,32	R1,42
Kelloggs cornflakes 500g	R1,06	99c	R1,29
Wholewheat bread	38c	38c	39c
White bread	58c	58c	59c
Koffiehuus instant coffee (fine) 250g	R1,63	R1,65	R1,72
Joko tagless teabags 100	R2,59	R2,24	R2,59
Milo 500g	R2,79	R2,55	R3,09
Fattis and Monis spaghetti 500g	87c	87c	89c
Colgate toothpaste 100ml	R1,07	89c	R1,05
Lux toilet soap	45c	44c	45c
Sunlight liquid 750ml	R1,25	R1,15	R1,27
Surf 500g	R1,05	99c	R1,09
Total:	R58,56	R57,49	R61,74

Clarification seen as 'misleading'

Users hit out at Escom price rises

STAR 23/11/84 244

Escom has issued a second statement clarifying the big electricity increases that have left all sectors of the economy stunned and angry.

The new statement blames the media for the furore that has ensued

Escom underlined that income from the increases will average out at between 15 and 17 percent more for 1985 as a calendar year

However, economists insisted today that the interpretation was misleading to consumers

By the time the 10 percent increase in January grows with the burden of an additional 12 percent in July, the size of electricity bills will be a stunning 23 percent higher by the middle of next year

Reaction has flooded in from all over South Africa. Consumers, homeowners, industrialists, farmers,

builders, shopkeepers, municipalities and just about every other group that uses electricity have labelled the increases a huge price push

The first 10 percent will hit the nation on January 1. The second will take effect from July 1. This may be accompanied by an extra two percent increase if coal prices go up

The cumulative effect will be to reap at least an extra R700 million from consumers during 1985. That figure may well soar higher, depending on demand

The Consumer Council slammed the increase as a 23 percent hike — the final effect of a 12 percent mid-year increase on top of a total already inflated by the 10 percent increase at the start of the year

This means that Escom's revenue for 1985 will jump to well over R4 billion, compared with R3,3 billion in 1983

The council also joined other critics such as the Sandton Town Council, which urged an inquiry into Escom's pricing policies

The Federated Chamber of Industries, the Cape Chamber of Industries, the Association of Chambers of Commerce, the Building Industries Federation and the South African Agricultural Union all heaped their condemnation on Escom

The union's president, Mr Kobus Jooste, said the agricultural sector was in no position to absorb the increases after years of punishing drought

The Association of Chambers of Commerce said it feared for energy-intensive industries once the mid-year increase was applied

Forecast

Building Industries Federation executive president Mr Lou Davis forecast that people would be forced out of their homes as a result of the power price surge

"This could mean that some homeowners are no longer able to meet their monthly commitments on bonds. They are already hard-pressed with increased interest rates on bonds"

Cape Chamber of Industries president Mr Chris Newton said the wisdom and timing of the increase was questionable

A semi-state organisation like Escom should not be building up its capital development fund in bad business times, he said

In defence of its case — although it was making no comment about its controversial plans to increase its capital funds — Escom claims that South Africans pay the world's lowest electricity rates

In one of its statements Escom repeated rates said to be applied in other countries and made comparisons. South Africans paid 7,22c/kwh, compared with 12,78c in parts of the United States and 8,4c in France

The fresh produce rip-off

D. O. J. 244

Market chief slams retailers prices

He said the market was merely the first point of departure of fresh produce to the consumer and agents on the market merely created the initial prices paid by the different buyers. They did not control or create the end price which the consumer eventually had to pay.

Prices paid by the housewife for fresh produce at local stores was often a 400 to 800 per cent mark-up on the price paid by the retailer at the market.

A 100 or even 200 per cent mark-up covering the retailers transport, labour and wastage costs, and enabling a fair profit, would be acceptable. At present, this was seldom the case.

Shopkeepers here gave many reasons justifying the prices demanded from the housewife for fresh produce. At one green grocer in the Quigley, green beans were selling for R1,18 a kg, but the market price was calculated at an average of R2 for 9 kg — 22 cents a kg.

At the same green grocer, butternuts were selling for R1,20 a kg, the average market price was calculated at 30 cents a kg. Tomatoes were selling for R1,35 a kg, the market price was 55 cents a kg.

The shopkeeper said he preferred to sell produce of a higher quality, therefore the price would be higher.

At another green grocer in Buffalo Street, prices for the same quality of fresh produce were noticeably cheaper. The owner who buys all his produce from the local municipal market, said he never demanded a price of more than a 10 per cent mark-up of the current market prices. This mark-up covered all his costs and he still ensured a profit "enough to survive on".

At a local supermarket chainstore, the prices of fresh produce also reflected, in some cases, a high mark-up. Green beans were selling for R1,59 a kg when the market price was between R1 and R3 for a 9 kg pocket.

Cabbages were selling from between 39 cents and 29 cents, the average market price calculated was 7 cents a kg and tomatoes were selling from between R1,39 a kg to R2,19 a kg when the market price calculated per kg was 55 cents.

Mr Rademeyer said the agents, who represented the different producers on the market, sold the produce on behalf of the producer on a set commission.

The market and its agents did not work on a profit system and received only five per cent each of the selling price of produce on the market. The remainder of the money made on produce went directly to the respective producers represented on the market.

Doctor Chris Barnard recently had some caustic comments on what he called the fresh produce rip-off. Daily Dispatch staff reporter TESSA COURTENAY takes a look here at the situation in East London.

via the market system were also controlled and monitored by certain laws and regulations enforced by the government and market authorities, said Mr Rademeyer.

These restrictions, and others also enforced by law, plus the agents' primary concern of keeping the producer and buyer satisfied with his services, helped to maintain the tight control of current market procedures.

Therefore, the eventual price paid by the consumer was determined by the individual retailer, often at the expense of the consumers pocket.

Mr Rademeyer said he had seen instances of clear profit-making incentives by retailers where the consumer price of fresh produce was concerned.

In one instance last season the market had handled a surplus of watermelons. The market price had been 70

cents each. "I saw the very same watermelons the next day in a shop here selling for R4,79 each. That's what I call a rip-off," he said.

"Profit is not a swear-word, but shopkeepers should keep it a profit — not a racket," Mr Rademeyer said.

He added that even though there were instances such as this, there were a great number of shopkeepers who "played the game fairly" and passed on their benefits to the consumer.

Mr Rademeyer said it was important to keep all market prices on fresh produce "on a par" with current supply and demand. In the case of a surplus of produce, the market prices would alter accordingly.

He said at present there was an incredible supply and demand for bananas here. The current market price on bananas was between R7,80 and R8,10 for a 20

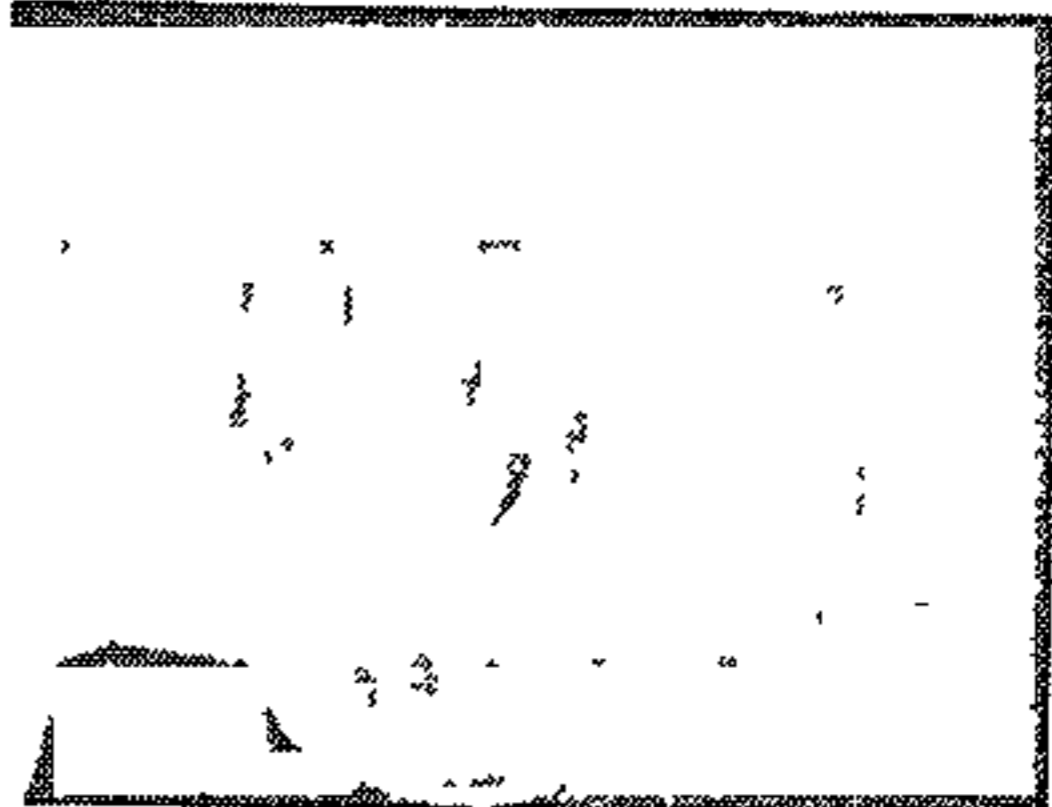
kg carton, averaging at about 40 cents a kg. What the consumer ended up paying for a kilo of bananas was a different story.

"In this type of case, the producer, the agent and the market department would like to see the consumer benefit. Yet this does not always happen, as shopkeepers often keep their prices up at a time like this, ensuring larger profits for themselves at the expense of the consumer," he said.

Mr Rademeyer said if prices were kept down throughout the cycle from producer to consumer in a case like this, the entire industry would benefit. The problem was that retailers often preferred to keep less produce at a higher price than more at a lower price.

The cost of transporting fresh produce from the producer to the market was "marginal" and did not have too noticeable an effect on market prices. For instance, all potatoes sold here had to be "imported" from other provinces as they were not grown locally. This would affect the price paid by the retailer and the consumer.

He also explained that no producer or retailer was bound to operate via the market system.



MR J RADEMEYER, director of the E.L. market

though there were definite advantages in using the market.

At the market, all buyers and producers (through their agents), came together, thus centralising supply and demand. The problem of "synthetic" prices was therefore avoided and fair prices could be obtained for all produce sold.

"If we could centralise all the buyers and producers in the area via the market system, the market prices obtained would be a lot fairer," he said.

When a producer did not work via a central system such as the local market, the buying and market powers were divided, thus making it difficult for the producer and retailer to accurately and fairly assess the price of produce to be sold. Because of this division, the prices asked by the producer and retailer were often not true indicators of the current market price.

He said approximately 40 to 50 per cent of the produce handled at the market was bought by large chain stores, wholesalers and distributors. The rest was bought by the individual housewife, the greengrocer and the private shopkeeper.

Mr Rademeyer said a benefit to the consumer was the strict grading regulations stipulated by laws on market produce.

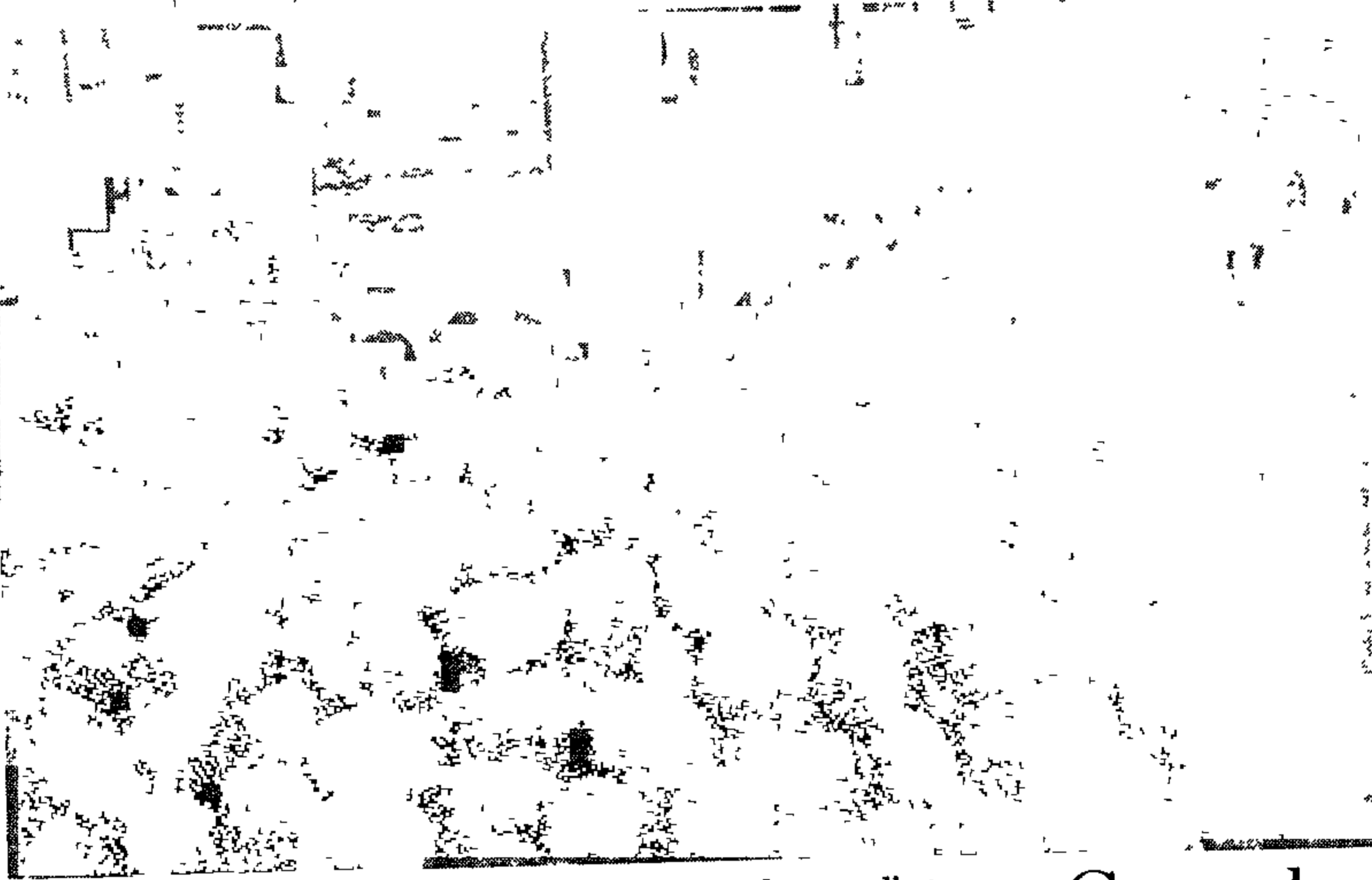
A large proportion of the produce sold on the market was subject to government inspection and had to conform to a minimum standard set by the government.

He said these laws protected the consumer and the housewife had every right to query the quality and grade of the produce she bought. If she was not satisfied with what was presented she could then contact the local market department.

Mr Rademeyer said also of concern to the market department was that few people seemed to know of the market facilities available for their benefit.

The market was open six days a week from 7 am to 10 30 am and the only restriction was that the housewife would have to buy the produce in the package "as" presented in.

He said this should not present a problem to the housewife who wanted to buy only a small amount of produce at a time, as there was a wide variety of packaging available.



Municipal market employees sort through watermelons, grading them into size, in preparation for the next day's market.



An agent preparing produce for sale at the market the next morning.

Growth of the market

EAST LONDON — The East London Municipal Market had the highest growth rate of national markets in South Africa and had maintained this for the past four years, according to the director of markets here, Mr J. G. H. Rademeyer.

Mr Rademeyer said the market here — one of 14 national markets in the country — had opened in September 1978 at a cost of R4,1 million. That same year it showed a turnover of R4,9 million. In 1982, the growth rate was up to 50,6 per cent and in 1983, the turnover was R15,3 million.

Mr Rademeyer said the average growth rate of the East London municipal market was 26,5 per cent a year. He said that this year, the market hoped to reach a turnover of R18 million.

A feasibility study done on market growth here in 1978, predicted that the second phase of the East London market's development and the produce handled by the market, would reach 65 000 metric tons in 1984.

Mr Rademeyer said that the produce handled at the market this year was expected to total approximately 68 000 metric tons. The produce handled here in 1979 was 29 000 tons and in 1983, 50 000 tons.

He said the market's growth rate was "phenomenal" and because of this he had recommended the investigation of the feasibility of extending the market sales area.

He said that this phase of development would add an extra 8 660 square metres to the present 14 990 square metres of the market's sales area. — DDR

argus 24/11/84 ~~244~~ 244

No end in sight to spiralling inflation hits 18-month high

Weekend Argus Correspondent

JOHANNESBURG — Inflation last month soared to its highest level in a year and a half — and there is no end in sight to the spiral

Figures released by the Central Statistics Services yesterday show that consumer prices, measured by the Consumer Price Index, rose by 12.5 per cent from October 1983 to October 1984.

In February this year the year-on-year inflation rate dropped to the lowest in six years — 10 per cent.

But the rising inflation rate is in line with economists' predictions that it may reach 14 per cent by the end of next year, before the Government's austerity campaign starts to bite.

Group economist for a major bank Dr Johan Cloete, said the outlook for next year was "unsatisfactory".

"The increase in the Escom tariffs will no doubt result in price increases all round," he said.

Consumers, hard hit by rapidly rising costs and a diminishing spending power, face a bleak new year as the economic crunch makes itself felt.

Dr Cloete singled out food prices as one of the major reasons for the higher price index. The index for food rose by 1.8 per cent from September and the annual rate of food price inflation amounted to 10.8 per cent during the last year.

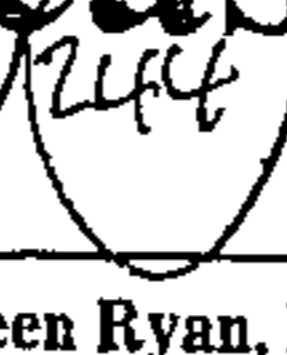
● A blunt warning that, unless Government relief is soon forthcoming many car dealers will go bankrupt was given this week by the chairman of the National Automobile Dealers' Association, Mr Bob Thomas.

And in a move unprecedented in the motor trade some dealers — including one of the biggest in Cape Town — have decided to give up selling new cars.

The plight of the motor retail trade was sketched today by Mr Thomas and numerous motor retailers Mr Thomas, speaking from Cape Town, said "In all the years I have been selling cars I have never seen the industry in such a desperate situation".

And Mr Stephen Farber, also of Cape Town, confirmed that his family had decided to relinquish a new car franchise and close down four branches.

Escom increases are 'reasonable'



by
Colleen Ryan, Municipal Reporter

STAR
ZC/11/84

'Don't knock Escom over price rise'

Escom's tariff increases are entirely reasonable and those who criticise it are speaking out of ignorance, says Johannesburg City Electrical Engineer Mr Wessel Barnard

An angry Mr Barnard told *The Star* that the critics deserved to be "hung up on the nearest tree."

Industrial and domestic consumers strongly condemned Escom this week when it announced a tariff increase of about 20 percent for 1985.

Mr Barnard, who is also president of the Association of Municipal Electricity Undertakings, said the electricity industry was highly capital-intensive

"The rand has been slaughtered, interests rates are sky high, so we must expect that it will hit the electricity industry hard," he said

"It is high time the public woke up to the fact that electricity is a commodity that has to be paid for," he said

Escom's chairman, Mr Jan Smith, said electricity tariffs would increase by 10 percent in January and by a "similar" amount in July. However, coal price increases could add a further two percent to the price of electricity

Johannesburg householders will pay five percent more for electricity next year, said a spokesman for the City Treasurer's Department, Mr Neville Olivier.

Johannesburg was able to cushion the Escom tariff increase because it only buys half its power from Escom, said Mr Barnard

He said most Reef municipalities would have to pass on the full 10 percent increase in January because they bought all their electricity from Escom.

Escom is getting unfair criticism over the power price rises

That's the charge by the past president of the Johannesburg Chamber of Commerce, Mr S K Ash. He is also the Association of Chambers of Commerce representative on the National Electricity Users' Forum

"Escom is a victim of inflation and low electricity prices in the past

"There have been artificial constraints on prices for years which tended to be politically inspired

"I believe the criticism of the increases should be at least balanced and there is little evidence of that. In my experience Escom is one of the better public bodies in this country with highly competent people

"While one doesn't grandly accept big price increases the situation facing Escom is unusual, particularly when you consider 25 percent of their capital purchases come from overseas and that planning of a power station from start to finish is a 15-year exercise"

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Bus fare increases will lead to unrest - council

By MONK NKOMO

PUTCO's fare increases — due to be implemented next week — will only lead to further unrest and riots in the township, the Atteridgeville Town Council warned yesterday.

The council, at its monthly meeting yesterday, also announced that they had written a letter to Putco requesting them to suspend the proposed fare increases indefinitely.

In the letter, the council also stated that "Our fear is that an increase of fares under the present political climate in the township will lead to further unrest and riots. A postponement will hopefully continue the moderate residents of your company's goodwill and good intentions."

We hope that a better economic and political climate will come up with the new year where both the council and your company will be in a position to increase their tariffs and fares.

Flats

The council also announced that they will advertise for the election of simplex or duplex flats near Masopha Street, Saulsville early next year.

No applications will be considered unless they are accompanied by sketch plans and applications, the council warned.

The erection of the flats would help alleviate the acute housing shortage in the township after the council was dealt two blows when the Government refused to grant them the nearby 'Dairy Farms' and the stretch of land west of the township.

Mercury
**No end
in sight
to bus
boycott**

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Labour Reporter

THE Hillcrest bus boycott entered its fourth week yesterday with no indication of an end in sight

Thousands of commuters, mainly factory workers, living in black settlements in the Valley of a Thousand Hills near Hillcrest are boycotting buses run by Interstate Bus Lines following an increase in fares

The boycotters are using minibus taxis to get to their destinations from Nqethu and Molweni while the buses continue to run empty

Some people are walking up to 20 km a day in protest against the fares increase which came into effect from the end of October. Weekly ticket fares were increased by 5c a trip and single trips by 20c

Determined

In spite of numerous meetings between local tribal chiefs and the management of the Transvaal-based bus company at which Maj Wynand van der Merwe, commanding officer of the S A P Reaction Unit, acted as mediator, the two sides are still deadlocked

Chief Vusumuzi Gideon Mkize, head of the Embo tribe and leader of more than 13 000 residents, told the Mercury yesterday that the commuters were determined to continue the boycott irrespective of whether it took another month to resolve

He said they wanted another company to take over the service which they believed would offer far cheaper fares

'We are preparing an application to the Local Road Transportation Board to grant permission for another company to take-over the service, which might be lodged early next week,' he said

Interstate Bus Lines' regional manager for Natal, Colin Bailey, could not be reached for comment yesterday, but he told the Mercury earlier that intimidation was playing an effective role in the bus boycott

Escom increase will cause more unrest Tuca

STAK 30/11/84
175 247
By Cardlyn Dempster,
Labour Reporter

Escom's proposed 20 percent-plus increase in electricity tariffs has been slated as "potentially disastrous" by the 460 000-member Trade Union Council of South Africa (Tuca)

Tuca's national executive this week condemned the timing and magnitude of the proposed increase and said it was a certain and dangerous way to fuel inflation

"In a climate in which virtually no competitive organisation could hope to raise its prices by 20 percent and survive, this latest increase suggests uncaring and monopolistic attitudes," said the executive

It has appealed to the authorities not to allow the increase because it is "liable to cause further economic hardship and provoke further civil unrest".

Tuca has also noted with concern that retrenchments are increasing

While employers did face severe problems as a result of the recession, the hardship and suffering faced by unemployed workers was massive

"We recommend that wherever remotely possible, workers should be placed on short-time instead of being laid off or dismissed"

On the issue of disinvestment, Tuca continues to swim against the tide of independent unions and has reiterated its support for investment by foreign companies in South Africa

"Tuca does not believe that the majority of black South Africans support a policy that must mean fewer jobs and opportunities for advancement"

ESCOMM price hikes a rip-off — charges

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Mr Ricky Valente . . . Escom "bigoated with cash".

Escom has been accused of mismanaging its finances grossly and using its monopolistic and protected position to siphon off funds from consumers.

This was the harsh allegation of Sandton management committee chairman Mr Ricky Valente, who has called on the State to freeze further electricity rises until it has carried out a full investigation into Escom funding.

He was reacting to the recent announcement that Escom will increase the cost of electricity by 10 percent in January, and at least another 10 percent in June.

by

Lucille McNamara

Escom's 1983 annual report, Mr Valente said that over the past 12 years its total annual income had increased by an "unbelievable" 1 198 percent. During the same period — from 1972 to 1983 — the amount of electricity supplied had increased by 136 percent, and income per unit had soared by 450 percent.

He said that at the end of last year, Escom's accumulated Statutory Funds amounted to a staggering R5 471 030 000.

Mr Valente said it was clear that after years of

overcharging, Escom was "bloated with cash". "Escom is now the fattest of fat cats, and all at the expense of ordinary South Africans."

Mr Valente said that as an elected representative of a local authority, he found it impossible to justify the electricity increase to his ratepayers.

He called on all other responsible local authorities to join Sandton and stand firm against the increase in the interests of residents and the country's economy.

"Escom's justification and reasoning about the increases is sketchy, to say the least, and a typical statement of an unbridled and non-accountable monopoly that has a stranglehold on the economy."

Mr Valente said he did not want to speculate on what the increases would do to an already tattered economy, or the disastrous cumulative effect it would have on the man-in-the-street.

He described as "absolute nonsense" the defensive roles of various spokesmen,

Johannesburg's City Electrical Engineer, Mr Wessel Barnard, said the increases were reasonable, and critics deserved to be "hung up on the nearest tree".

Mr S K Ash, past president of the Johannesburg Chamber of Commerce, said Escom was the victim of inflation and past low electricity prices.

Said Mr Valente "It must never be forgotten that Escom is a State organisation, and as such is funded by and answerable to all the people.

"The situation is a direct result of the Government's ineptitude, and it must immediately freeze all further electricity price rises and at the same time carry out a full investigation.

"We simply cannot afford to carry on financing Escom in this manner."

Price rises set to continue in New Year

slow
244
3/12/84

By Jennifer Tennant,
Consumer Reporter

Rising costs have hit South Africans hard this year and consumers face a bleak new year as the recession continues.

The October inflation rate, the latest to be published, rose to the highest level in more than 18 months — 12,5 percent.

And economists are predicting that it may reach 14 percent before the end of next year.

Not a month went by without some service or commodity price rise.

Numerous items — from basic foodstuffs including bread and milk to luxuries such as imported alcohol — went up in price at least once.

The managing director of a supermarket chain, Mr Gordon Hood, said he had never before encountered what appeared to be the accepted practice this year — “the phenomenon of raising the price of a basic foodstuff several times in a single year”

Some 1984 increases included

● In January the price of maize was increased by about seven percent

● General sales tax rose from six to seven percent and tinned foods increased by an average of nine percent in February.

● Sugar increased by 10 percent in March and a further 12,5 percent in September.

● In April the cost of petrol inland went up by 1,5c a litre

● Transport and postal tariffs also increased by about nine percent and maize went up by 18,5 percent.

Bond rate

● The price of bricks rose by 9,6 percent in May and in a further 4,5 percent in July

● In June high bond rates were increased again and car tyres cost 7,5 percent more

● Milk went up by 4c a litre and butter and cheese went up seven percent during July

During the same month GST rose to 10 percent.

● Among the price shocks in August were announcements of expected price rises of more than 10 items within the following two months. Coffee went up by more than 10 percent and soft drinks increased by 10 percent in September.

● At the beginning of October bread went up for the second time this year. A loaf of brown cost 40c, an increase of 1c, and white rose 4c a loaf to 60c

● In February brown bread rose by 16,7 percent and white by 11 percent

And the dismal picture shows no sign of improvement.

Escom plans a 10 percent increase in electricity tariffs in January, with the possibility of a similar increase in June, and a reportedly large petrol price increase in the pipeline

Memo 3/12/84

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Forecast: Inflation stays at 12.5pc in 1985

Economists predict 10,5 pc wage increases next year

Finance Editor
WORKERS can expect a 10.5 percent increase in their wages next year Sanlam says in its November *Economic Survey* making its forecasts for 1985, but it cautions that producers and sellers of durable and semi-durable goods

cannot expect any recovery until September next year

Inflation is not likely to abate either and is estimated at 12.5 percent for 1985 — compared with an expected 11.5 percent this year

Prices will rise next year the *Survey* says because of

The fall in the rand exchange rate against the

dollar

Relatively high interest rates

Hikes in administered prices - 'a considerable fuel price rise seems inevitable early in the new year'

The drought will push up food prices - buying new animals to replace those sold or lost in the drought will cause sharp rises in meat prices

Further rises in general sales tax

Salary

Salary increases outside agriculture are expected to rise by 10.5 percent next year With rising inflation and expected tax increases 'consumers real income per head will show no improvement next year'

Prime overdraft rate is seen as falling to 17 percent by the end of 1985 from the present 23 percent and the rate for long-term government stock should fall to 14.5 percent by the year-end — down by one percent from this year's rate

South Africa's foreign trading should be back on the right side of the books with a surplus of R1 500m against an estimated deficit this year of R878m and a modest surplus in 1983 of R282m

Growth

Their estimates for the seven main industrial countries making up the OECD (Organisation for Economic Co-operation and Development) are growth of three percent, inflation of 5.2 percent, a gold price of \$370 (\$360 in 1984) and a dollar-rand exchange rate of 63 US cents (70 US cents this year)

These forecasts shape the South African picture which should be

- real growth of 1,8

percent (after 3.5 percent this year and a negative 3.2 percent in 1983)

- Private consumption expenditure will not rise (after increases of 2.1 percent this year and 1.1 percent last year)

- Government consumption expenditure may rise by one percent (after a 7 percent rise this year and 2.8 percent in 1983)

- Fixed investment will continue its falling trend — by 2.4 percent next year after a 5.1 percent fall this year and 9.3 percent drop in 1983

- Gross domestic expenditure will fall by 0.7 percent next year after a 5.1 percent rise this year and a five percent drop last year

Dealing with the 1985 Budget the *Survey* consid-

ers that it will be possible to put together a 'zero increase' next year even though there will be greater spending on housing and education

'Tax concessions seem unlikely at this stage. In fact the possibility of increases in certain tax rates is not out of the question'

Monetary policy resulting in high interest rates will be eased gradually

Taxi firm increases its fares

Post Reporter

THE managing director of a Port Elizabeth taxi company, Mr D C Hurter, confirmed today that his company had increased its fares from 80c a kilometre to R1 a kilometre

The "flag drop" rate had also gone up from 60c to R2, in line with the rate charged in Johannesburg and Cape Town, he said

The new tariff came into effect yesterday, although the Local Transport Transportation Board approved the increase in October

Mr Hurter said an application for the increases was made to the board in July. The previous application for an increase was made in 1982

Mr Gordon Thomas Naidoo, another taxi operator, said applications to the board for increases were made individually

As far as he knew Mr Hurter's company was the only one in the city to have increased its fares

No fall in inflation in sight CPI surges to highest in 20 months

RAM
21/12/84
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By ANDREW DUNCAN

SOUTH AFRICA's inflation rate soared to 13,26% for the year to November, according to Consumer Price Index statistics released in Pretoria yesterday.

The year-on-year inflation rate rose from 12,48% in October

For the year to November 1983 the inflation rate was 10,59%

The all-income index increased from 303,7 in October to 307,4 in November, compared with 271,4 in November last year

The food-only index rose from 318,4 in October to 322,6 in November compared to only 288,4 in November 1983

The lower income group index rose by 12% year-on-year, the middle-income group by 13,6% and the higher income group went up by 13,4%

The inflation rate has reached its highest level in 20 months, confirming economists' predictions that it would push past the 13% level by the year-end

The main reasons for the jump are the weak exchange rate for the rand, the low gold price and the July hike in GST

Economists say the December figures will be even higher and there is no reason to believe the inflation rate will start falling in the new year

The 10% increase in electricity tariffs from January and rumours of increases in GST and fuel effectively rule out any such decrease in the rate of inflation

Senbank economist Mr Louis Geldenhuys said he was not optimistic that the average rate of inflation in 1985 would be any lower than the average this year

Volkskas' Mr Adam Jacobs said the high inflation rate was the price South Africa had to pay for its lack of financial discipline. He said it could go higher in the near future especially if the price of fuel went up

He urged householders to learn to lower their standard of living

"The man in the street does not seem to be aware of the seriousness of our economic position

"He is not prepared to exercise financial discipline, as is evidenced by the decrease in personal savings and the continued desire to live on credit," Mr Jacobs said

Mr Rudolf Gouws of Nedbank said he was not surprised that inflation continued to rise

"This underlines the real need for tight monetary policy. The authorities' austerity measures were only applied in the third quarter and it is still too early to tell if they are succeeding

"While the December figures will be even higher, the rate of inflation should start to 'come off' by the second quarter of next year"

The chief economist at the Chamber of Mines, Mr Ted Osborne, said that higher inflation would lead to an increase in costs for the mining industry

"Since July, the gold mining industry, has benefited considerably from the depreciation in the rand. This is however only a temporary situation, as highly-priced imports and inflationary pressures soon catch up

"Unless there is a real reduction in the value of the dollar — and this is extremely doubtful — one must expect the rate of inflation to remain high or even increase"

Escom shocks with two-step increase

22/12/84 ~~244~~ £ post

JOHANNESBURG — In a shock announcement yesterday, Escom indicated that its electricity charges could increase by 22% next year

The increases will be applied in two steps — 10% in January, and a further 10% in the middle of the year

In addition, adjustments to compensate for increases in the price of coal "could add a further 2% to the price of electricity"

"In January 1984 Escom increased its tariff

by a modest 6% at the request of the Government in an effort to support the Government's fight against inflation," said Escom in its statement

"Since then economic factors such as the increase in general sales tax and the fall in the value of the rand have forced Escom to consider an interim tariff increase

The increase was held back pending the recommendations of the Commission of Inquiry into Electricity Supply in South Africa

"Interest rates have subsequently increased considerably, and since Escom is regarded as a highly capital-intensive organisation whose costs are extremely sensitive to increases in the price of capital goods and interest rates and, in the case of overseas loans, to the value of the rand to other currencies, these increases are also supported by the Commission of Inquiry into Electricity in South Africa"

"Escom has been informed by the Minister of Mineral and Energy Affairs, Mr Dame Steyn, that in view of the recommendations and the report of the commission which, together with a White Paper of the Department of Mineral and Energy Affairs, will be tabled in Parliament early in 1985, it is considered necessary now to effect a tariff increase of 10% as from January 1

"Further increases will be considered in view of the prevailing circumstances and the tariff structure recommendations by the De Villiers Commission," the announcement said

Escom said it had made substantial deferments in capital expenditure for future power stations

It had also implemented "a successful cost-cutting programme on operating expenditure", with the increase in this respect in 1984 "less than 4% or lower than the prevailing inflation rate"

However, said Escom, despite these efforts to contain costs "external factors over which Escom has no control, have led to a situation which affords the commission no alternative but to increase tariffs by an average of 10% from January 1, 1985

"This increase must be considered together with the 6% in total for 1984," Mr Smith said

The announcement said concerted efforts would be made during 1985 to curtail costs and improve productivity

Curtailments announced in respect of capital expenditure would only affect the tariff in the future

Despite these increases, Escom's tariffs "remain the lowest in the world", the announcement said — Sapa