

Commerce
General

BLACK ROLE

A committee under the chairmanship of Sam Motsuenyane, President of the National African Federated Chamber of Commerce, has decided that the Black man's share in the economy and the problems of Black businessmen in urban areas (and in the homelands) needs further study.

ASSOCOM, the AHI and BENBO are all involved. Accordingly, to get certain basic information, the Bureau of Market Research has been asked to undertake a study on the attitudes of Blacks towards Black businesses, and on the role on the Black man in the South African economy.

The Small Business Ad-

COMMERCE Feb. 1975

visory Bureau has also been asked to make a study of the problems of the Black businessman in South Africa. It is hoped that these studies will be finalised by mid-year.

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18 February 1975.

Buy-aid associations

*30. Mr. L. F. WOOD asked the Minister of Economic Affairs:

- (1) Whether the committee of inquiry into the activities of buy-aid associations has completed its investigation and submitted its report; if not, when is it expected that the report will be available; if so,
- (2) whether he will make a statement on the recommendations of the committee.

†The MINISTER OF ECONOMIC AFFAIRS:

- (1) The committee of inquiry into the activities of buy-aid associations has completed its investigation and it is hoped that the report will be submitted to me in the near future.
- (2) In view of the reply furnished in (1) above it is clear that I am unable to make a statement on the recommendations of the committee at this stage.

28

The unique situation of Blacks in South Africa has made market research into their patterns of movement and behaviour most complex. Their world of movement does not merely lead to a different pattern from that of Whites but to a fragmentation and variability among Blacks themselves.

This is one of the main points to emerge from preliminary results of a scientific market-research survey measuring certain mobility factors in outdoor advertising.

It is "a most fascinating situation technically" to Mr Brian Copland, a market-research consultant from England, under whose direction the research, which began nearly 18 months ago, is being conducted.

He is the inventor of the Copland Poster Model, a mathematical model which relates traffic to movement pattern and measures how frequently people will see an outdoor advertising campaign.

Third visit

"Tell me the population in an area and I will tell you what its movement will be and how to place advertising," said Mr Copland, who is on his third visit to assess and analyse the findings of the survey using certain operational techniques which he has developed.

"If you want to reach 80 percent of the adult population in an area for an advertising campaign, then this research will tell how many posters to display, for instance, in bus shelters.

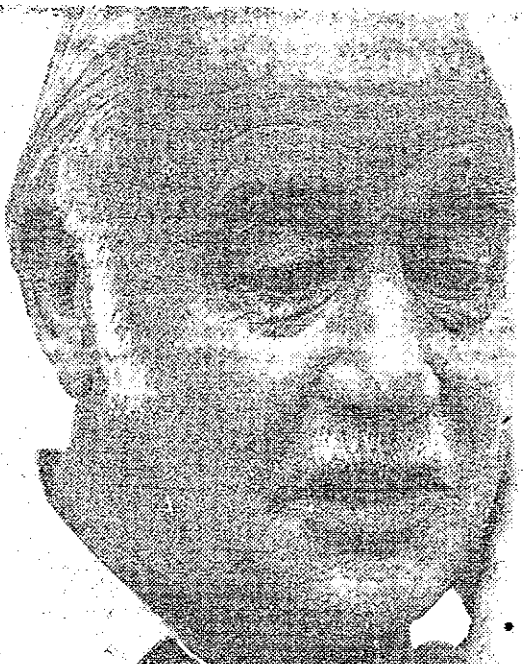
"With Whites you can do this, but it is more difficult to handle the Black market," he said.

The research does not deal with the kind of message that should be put across to the different strata of the population. It is based on the "opportunity to see."

"What is said on board-

MERVYN HARRIS finds in an interview with a market-research expert that the Black market in South Africa is difficult to assess owing to complex patterns of movement and behaviour.

Movement of Blacks sets a puzzle



Mr Brian Copland . . . analysing a fascinating technical problem.

ings and posters is for the advertising whiz kids to decide, on the knowledge they have of the psychology of the market," said Mr Copland.

The research so far has been into the Black and White markets and the extent to which they move about the areas they are encouraged to move in.

The traffic factor varies

according to the size of a town and its population, and that variation is similar for South African Whites as for people in Europe or America.

The situation of the Black market is, however, different. "What strikes me when looking at the initial results, is the homogeneity of the Whites and the heterogeneity of the Blacks.

"When you look at the White market it behaves and moves as the White market in Europe or America. The Black patterns of movement are not as regular or easily predictable as those of the White or Black markets in other parts of Africa.

"The irregularities in the Black market would seem to be a product of existing arrangements. It

is impossible to avoid the conclusion that the policies adopted are bound to be reflected in the daily behaviour and movement of the people.

"It strikes me that some of the lack of pattern in the Black market must stem from the pass laws and influx control.

"Surveys of this nature have been carried out in other parts of Black Africa but do not show the same variability as among South African Blacks. Nor do my mathematical models apply as readily to Blacks here as they do to Whites.

Complicated

"The world of movement of the Black is complicated by where he is permitted to live and work. These geographical limits may well be a cause of the variability I find.

"The non-existence of shopping facilities in Soweto, for instance, is unnatural and distorts the pattern of movement of people.

"When you get a situation as in South Africa, which is unique, it makes market research of this nature more difficult. The situation lends itself to artificiality which distorts natural growth and development.

"In other countries, we are looking at communities which grow naturally with people moving where they want to and in accordance with supply and demand.

Consequences

"The situation here does not merely lead to a different pattern from Whites but to a fragmentation and heterogeneity among Blacks.

"It is a most fascinating problem technically, and I am optimistic about the outcome. I am confident we will discover the underlying pattern behind these variables," said Mr Copland.

An example of this variability was that in some places trains were used greatly and in other places buses. These factors are being measured and their effects analysed.

Mr Copland believes the results of the research will enable people to see the consequences as well as the unintended consequences of the situation.

HANSARD 5

Q. column 395-6

7 March 1975.

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Indian flower-sellers in Pietermaritzburg

*13. Mr. G. W. MILLS asked the Minister of Community Development:

Whether representations were made to him to permit Indian flower-sellers to sell flowers on Churchill Square in Pietermaritzburg; if so, (a) when, (b) by whom were the representations made, (c) what was his reply and (d) what were the reasons for the reply.

The MINISTER OF COMMUNITY DEVELOPMENT:

Yes. To my predecessor.

(a) 1972.

(b) Ram family.

(c) My predecessor rejected an appeal against the refusal of the extension of the validity of a permit for the continued occupation of stalls on Churchill Square.

(d) A new city library was envisaged on the site which was formerly occupied by Ram, and was erected shortly after he had moved.

Mr. G. W. MILLS: Mr. Speaker, arising out of the hon. the Minister's reply, in view of the successful flower-selling operations just off Adderley Street here in Cape Town, should a site become available on Churchill Square for the Ram family, will he consider giving them a permit?

The MINISTER: If a site does become available and if there is an application in this regard, I shall certainly consider it.

7 March 1975.

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2. 28
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Distribution of coal/anthracite

*36. Mr. W. H. D. DEACON asked the Minister of Economic Affairs:

- (1) Whether the departmental investigation into alleged monopolistic tendencies in the distribution of coal and anthracite has submitted its report; if not.
- (2) when is the report expected to be submitted;
- (3) whether he will make a statement on the matter.

†The MINISTER OF ECONOMIC AFFAIRS:

- (1) No departmental investigation is presently being undertaken into alleged monopolistic tendencies in the distribution of coal and anthracite.
- (2) Falls away.
- (3) I am aware of the fact that the local marketing of coal and anthracite is carried out by a single organization with a limited number of agencies in the various regions of the country. The actions of this organization are under continuous scrutiny and should it render itself guilty of undesirable monopolistic practices, I shall not hesitate to take the necessary corrective measures.

†The MINISTER: In addition, I should just like to refer the hon. member to a reply which I furnished on 4 March in reply to question 25 in respect of the general position in the distribution trade of coal and anthracite.

Mr. W. H. D. DEACON: Mr. Speaker, arising out of the hon. the Minister's reply, could he tell me whether allegations in regard to certain possible monopolistic tendencies in the distribution of anthracite are in fact being investigated by the Department of Commerce?

†The MINISTER: I have already indicated in general that if and when complaints of this nature in respect of this industry or any other industry are lodged with the department, they are investigated in any case, as a matter of principle.

F.M. 7/3/75

28

Bottling-up liquor sales

Fears that liquor producers exert an undue influence on retailing could inspire heavyweight legislation. Somebody is bound to get hurt. But who?

judging by the ominous silence in the brewing industry, there's more than a suggestion that heavyweight legislation is just around the corner.

Hitherto, key bone of contention has been SA Breweries' grip on liquor retailing through its system of bulk discounts and other retail incentives.

As a result of pretests on that score the Liquor Amendment Bill had its First Reading in mid-1974. Clauses 18-20 did a pretty neat job of tightening up the "old house" prohibitions of the old Act, and outlawing performance discounts. However, when the bill resurfaced on December 6 those vital sections were missing.

The reason was, say the cynics, that the warring factions had been told to stop their public squabbles and sort the whole thing out round a table.

Whatever the reason, a recent statement from SAB is not without significance. "Members of the brewing industry", it runs, "met with the Minister of Justice and at his request agreed to remove discounts based on quantity, bases and market share which have been applied to the beer industry in certain areas".

It concludes: "As a result of these undertakings the Minister of Justice has decided not to proceed with legislation".

The move may meet former objections to SAB's marketing policy but it will only won't placate those, including the Federated Hotels Association (Fedhasa), who are worried about the brewers' increasing intrusion into their own territory.

As with legislation to restrict the number of outlets any producer may open on the horizon, three of the major players are understandably coveting their retail outlets. When asked by the FM for the number of outlets controlled, SAB, Gilbeys and Oude Meester declined to answer. Union Wine, in contrast, disclosed that it controlled 49 (25 hotels and 24 bottle stores).

However, a rough head-count suggests that Oude Meester is cut there in with around 200 stores, including in Province Cellars, Liquor Town and Cape-based Ma caw. Second is

Solly Kramer, John Dwyer, Winclands and Sabre.

Third is Gilbeys with, perhaps, 60 stores including Benny Goldberg, Rebel, Bertrams, Big Daddy's and Fine Fare, followed by Union Wine's 49 each under its own banner.

Thus with nearly 20% of the nation's 2 349 primary retail outlets already with the majors, it's small wonder that the independents are glancing anxiously over their shoulders. And with Oude Meester reportedly looking for more retail outlets, a reaction from the Liquor Board is a near certainty.

Probable step will be to curb the producers' ownership of stores, or at least to impose a maximum through licensing.

It's a move which would meet with the wholehearted approval of Fedhasa. The Association has long complained about price cutting and other retailing incentives but while noting the recent undertaking by the breweries, it makes the point that there is more than one way to skin a cat.

It cites the case of one retailing chain which, it says, is selling its principal products at cost. The same chain, it also complains, is selling other products at levels far below economic margins.

Fedhasa, therefore, is not only against preferential treatment but feels

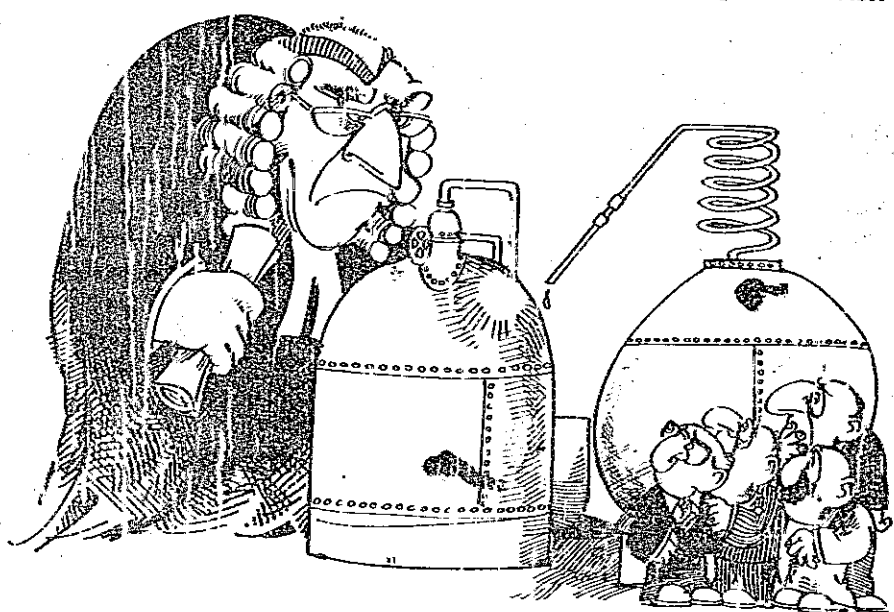
that the real answer lies in the elimination of producers from the retail field altogether. It believes, says president Abe Daitsh, that a formula for freezing the number of retail outlets has been worked out. And a process of dilution through granting further independent licences would lead to a further reduction in the share owned by producer merchants.

Of course bottle stores may well get together and reach an agreed policy on pricing. For example, following the February 3 price rise of 15% the Transvaal branch of the Hotel and Liquor Traders' Association called a meeting to recommend "economical prices" to anyone who cared to listen.

The intention was to side-step cut-throat operation by proposing an agreed mark-up of, say, 13%-15% on beer and spirits. Problem was that the basis for comparison was the regular published price lists of the producers.

Since bulk discounts were then the order of the day such agreements obviously favoured the committed stores.

However, with the new agreement among the producers, moves by the bottle stores to agree on pricing take on a new significance. They may prevent cut-throat competition in the high street, but are they in the public interest?



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ary 28), was acting within the law when it insisted on minimum resale prices for Pentax cameras.

The finding stems from Section 2 (2) of the Regulation of Monopolistic Conditions Act, which declares "the provisions of this Act shall not be applied in such a manner as to limit any right derived under the Patents Act . . ."

The firm also claimed it was entitled to insist on RPM on non-patented accessories. It based this claim on Section 32 of the Patents Act which states that a patentee may sell his product "in such a manner as to him seems meet."

Hampo argued that these words could be interpreted as meaning it could insist that minimum resale prices be charged *even on non-patented goods* where these are sold in conjunction with patented articles.

The magistrate disagreed. the essence of his judgment being that no firm is entitled to impose resale conditions that are inherently unlawful. If Hampo's argument were accepted it could lead to absurd results: RPM could be imposed on a whole warehouseful of non-patented goods, provided at least one patented article was included.

RPM

FM 14/3/78
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3247

Drawing the line

When is resale price maintenance legal? When it is a condition of sale laid down by a patentee.

This was established in the Johannesburg Regional Court this week, where it was found that Hampo Trading, a subsidiary of Premier Milling (FM Febru-

Battered face of the 'Native Shop' industry

DENIS BECKETT: Labour Correspondent

RDM 3/4/75

THE shop in the picture is typical of its species. Dusty, dark, perpetually crowded with Black customers. The walls are piled high with shoes, clothes, blankets. Behind the counter there is a vast range of toiletries — toothpastes, facecreams, laxatives.

What really sets it apart from most South African retailers is the sign above the door: "Native Shop — Naturelle Winkel."

This innocuous and fading placard gives the shop a set of particular and unconventional rights.

For one, it enables the owner to pay his shop assistants much lower wages than ordinary retail shops. It indicates that he is a member of the Industrial Council for the Non-White Trade (NWT). As such, until the end of March this year he was able to pay shop assistants R9.70 a week. In normal shops the equivalent minimum wage varies from R19.62 — in the case of a woman with no experience — to R41.54 in the case of a man with five years' experience.

From this month the minimum wages in the NWT increase. For shop assistants, the minimum goes to R15.40 — still below the rates set two years ago for other retail shops, and below the norm which recent Wage Determinations have been laying down for unskilled labourers.

This saving is made possible by agreement between the shopowners and the all-White Concession Stores and Allied Trades Assistants Union.

Together the employers and the White employees form an Industrial Council, and thus gain the right, unlike other shops, to run the affairs of their industry by drawing up their own Industrial Council agreement.

The Concession Stores Union has 171 members. Its secretary, Mr R. Handel, refuses to give any details about its membership, but the Rand Daily Mail has established from various sources that a large number of members are wives, sons and other close relatives of employers; that some members are partners in employing firms; and that some don't work in the industry at all.

Most of the union members who do work in the industry are not workers in the normal sense that members of trade unions are, but shop managers. Their own

There are a few hundred retail stores around the Reef displaying the inscription "Native Shop". This sign is the public tip of an iceberg of highly unusual practices. Behind it there lies an entire industry, officially known as "The Non-White Trade for the Witwatersrand and Heidelberg". The industry is little known, cosy and exceptionally coy. Among its distinguished features are that it has set Black wages well below the minimum applying to ordinary shops, and that its funds come largely from involuntary contributions by African workers for whom it does very little at all.

salaries bear no relation to the minimum laid down in the agreement.

The Concession Stores Union nonetheless forms the employee half of the Industrial Council for the NWT.

Industrial Council Agreements overrule wage determinations. The theory is that through collective bargaining in the Industrial Council the White trade union will do more to secure Black and White employee interests than the Wage Board could do.

Yet the Industrial Council for the NWT, apart from setting African wages far lower than the retail trade's Wage Determination, has also established a system which gives workers no right to payment for overtime.

The working week for employers in the NWT is 46 hours, but shops are allowed to stay open for 54½ hours. In practice most employees work as long as shops are open — add a little opening and closing time, subtract a little for lunch.

Most industries stipulate an increased rate for overtime. The NWT does not — it simply prohibits overtime. If a worker does work more than 46 hours in a week, his employer is technically guilty of an offence, but no penalty is provided for. And since the NWT's minimum rates are set on weekly and monthly — but not hourly — scales, the effect is that absolutely no payment need be made for illegally worked overtime.

Yet when it comes to paying fees to its Industrial Council delegates, the NWT is far more liberal than the country's biggest and richest industries.

Neither the council nor the office of the Industrial Registrar will reveal the latest statistics on payment to the NWT officers. In 1970, however, according to reliable

sources, the fee for an Industrial Council meeting was R12. Executive committee members attended weekly meetings, most of which lasted a few minutes.

For a "deputation", which included a visit to the Johannesburg Divisional Inspector of Labour, three blocks from the NWT's Simmonds Street headquarters, the fee went up to R24. The chairman and vice-chairman also received substantial salaries in return for their part-time activities.

Most South African industries treat Industrial Council service as an honour rather than a source of income. The Iron and Steel Industrial Council, for example — the country's biggest — pays a token R1 a meeting, and no salaries to office-bearers.

The funds with which the Industrial Council for the Non-White Trade pays its fees come largely from African workers. There is a compulsory deduction of 1.5 per cent from wages of all employees in the industry except unskilled labourers.

Although this deduction is far higher than the normal levy imposed by other industries, it does not provide for any of the customary benefits — pension, medical benefit or mortality grants.

In 1971, the National Union of Distributive Workers, which represents shopworkers in other retail shops, protested to the Minister of Labour about the "scandalously low" wages in the NWT.

It also demanded that African workers be excluded from the NWT agreement, so as to fall under the far more favourable terms of the retail trade's Wage Determination like all other African shopworkers.

The Minister replied that the NWT "was dependent on the buying power of mostly Bantu mineworkers ... wage increases could not therefore

be recovered from the clientele." Moreover, intervention would "cut across the principle of collective bargaining."

The Distributive Workers countered that since the Africans had absolutely no part in the collective bargaining process anyway, their exclusion from its outcome could not possibly interfere with the bargaining process. The Minister did not respond to this.

The NWT deals mainly in the same range of goods as conventional shopkeepers, many of whom sell principally to Blacks without ever joining the NWT, which there is no compulsion to do.

The NWT's mark-up, some of its own leading members admit, is at least equal to and often higher than normal retail shops. Its overheads are lower — shops are usually in low-rent areas, have little competition, and do not need to invest in plush carpets and fancy fittings to attract customers.

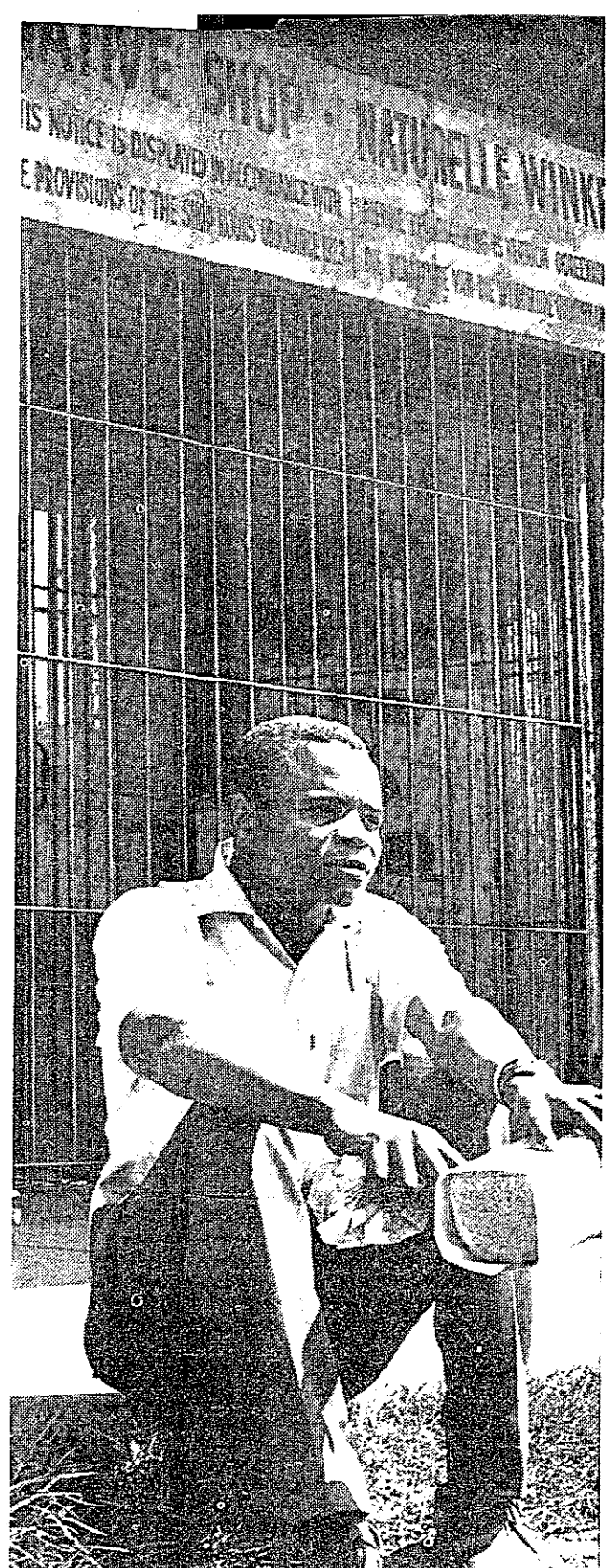
In the case of mine concession stores, which form part of the NWT, there is in fact a unique guarantee against local competitors. Mine concession rights are sold at public auctions by the Mining Commissioner to approved bidders. At the last such auction, in the late 1950s, the successful bid for the right to set up a store was £55 000 (R110 000) — hardly an indication of a low profit expectation.

The beauty of the concession store, from the employer's point of view, is that once the concession is granted he is assured of a captive market.

The NWT Industrial Council declined to discuss these issues. After initially agreeing to an interview, the secretary, Mr Handel (who is also secretary of the Concession Stores Union and "helps" the secretary of one of the two employer associations) called it off, saying he had been instructed to do so by the council's chairman, Mr Jasper Myburgh.

Mr Myburgh himself, who is also chairman of one of the employer organisations, said that the only reason shops joined the NWT was to gain the right to stay open on Sundays, public holidays, and weekdays up to 7.30 pm.

However, the Industrial Council Agreement, as published in the Government Gazette above Mr Myburgh's signature, specifically disal-



A faded and peeling sign ... public tip of an unusual iceberg.

lows Sunday trading, holiday trading, and weekday trading after 6.30 pm.

Mr Myburgh said it was untrue that the NWT paid lower than Wage Determination rates, but refused to explain the apparently contradictory information in the Government Gazette.

He did not want to talk of the matter since "other shopkeepers will get jealous of our hours" and he was permanently "too busy" to spare the time for an interview.

A final little irony in the strange case of the Non-White Trade is that most of its bigger members no longer comply with the only especial duty required in return for their array of advantages — to display the "Non-White Shop" board.

It's bad for business, these days. Africans in the cities tend to spurn the signs; Coloureds and Indians more so; and they put off the oc-

casional passing White customer.

The NWT has been in a beleaguered position for some time, although none of the controversy has come to the public eye.

It has endured the hostile representations by the Distributive Workers; a recommendation by a Government commission that it be abolished; and is known to have led to some extensive conflicts within the Department of Labour itself.

It is surprising that the NWT should have been given the right to set up an Industrial Council, and it is certain that the Industrial Council in its present form is a travesty of the spirit of South Africa's industrial legislation.

Despite all this, the NWT continues to exist. Not only does it exist — the new agreement, gazetted on March 21 by the Minister of Labour, extends its geographic scope.

hy away

Sunday Express 13/4/75

AFRICAN businessmen, who invest in the homelands, stand to lose their urban trading licences and be sent to live in the homelands.

This is the paradox of the Government's homelands policy, which is having the effect of frightening off African investment instead of encouraging it.

By
**MARTIN
CREAMER**

Wealthy Soweto businessman Richard Maponya is dead against homelands investment for that reason.

He is a Northern Sotho and has investigated the possibility of investing in Lebowa. He wanted to take over a trading store and bus company there.

But if he does he must forfeit his Soweto business and move to Lebowa.

"I am not prepared to do that," Mr Maponya told me this week in his plush Dube home.

"The interpretation of one official was that the same would apply if we invested overseas, which I thought was taking it a little far. But we went into this question thoroughly. The implication is clear: invest in a homeland and you lose your urban licence and must move there."

He gave examples of businessmen who had invested in homelands and subsequently lost their urban trading rights and were sent to the homelands to live.

A businessman, Mr Solly Lesolang, who had a trading store in Orlando West, had to sell up and move to Bophutha-Tswana after his interests there were discovered.

The same thing happened to Mr John Moage Lefoka.

"In fact a garage owner I know had his place put on the market a fortnight ago because it was discovered he is a Lesotho citizen," said Mr Maponya, a South African Foundation trustee and vice-president of the Johannesburg African Chamber of Commerce.

Mr Manie Mulder, chairman of the West Rand Bantu Administration Board, confirmed that African traders with investments in the

homelands had been forced to move in the past, but said such measures had not been adopted during his term of office.

"The whole question of trading rights for Africans in urban areas is under review and an announcement on the subject is expected next month."

At the recent meeting between Mr Vorster and homeland leaders, Chief Gatsha Buthelezi raised the issue of trading rights for Blacks in urban areas. He requested that:

- The one-man-one-business rule be relaxed;
- Black businessmen be allowed to have trading interests elsewhere and also be able to own businesses other than those which provided only the daily essentials and domestic requirements of Black residents;
- The ban on the establishment of Black partnerships, financial institutions and wholesale operations be lifted;
- The licensing procedures for businesses be the same as those for Whites.

The Prime Minister said the points raised were all valid. He was sympathetic to the problems and said the situation would be reconsidered.

A top Government source said Government thinking on the investment by urban African businessmen in homelands had been based on the idea that, if homelands Africans were not allowed to invest in urban areas, urban African traders should not be allowed to invest in the homelands without forfeiting their urban businesses.

25 March 1975

y Sale of Bantu beer

*20. Mr. W. M. SUTTON asked the Minister of Bantu Administration and Development:

- (1) Whether a general dealer who has been authorized under section 5(1A) of the Bantu Beer Act, may sell Bantu beer during tearoom hours if he is the holder of a tearoom licence;
- (2) whether any holders of both general dealer's and tearoom licences have been authorized to sell Bantu beer; if so, (a) what are their names and (b) where do they trade.

†The DEPUTY MINISTER OF BANTU ADMINISTRATION AND EDUCATION:

- (1) No.
- (2) Yes.

(a) and (b) More than 3 000 files have been opened in respect of applications for authority in terms of section 5(1A) of the Bantu Beer Act to sell Bantu beer and, also having regard to the available manpower, I do not consider the expense warranted to extract the information.

Mr. W. M. SUTTON: Mr. Speaker, arising out of the reply of the hon. the Deputy Minister, am I to understand that, if that is the case, 3 000 people have a general dealer's and a tearoom licence?

The DEPUTY MINISTER: No, they do not have a general dealer's and a tearoom licence, but it is for these licences that we have received 3 000 applications.

(1) 28

~~(2) 167~~~~(3) 319~~

up

Africans scorn UBC, Progs told

Staff Reporter
THE URBAN Bantu Council was useless and the youth of Soweto were tired of it and its talks, members of the Young Progressives were told at a meeting with some members of the UBC at the weekend.

The Young Progressives had asked for a meeting with the UBC members to find out what the UBC felt about the West Rand Administration Board taking over the running of Soweto from the City Council and also to discuss issues affecting Blacks in general.

They were told that since the West Rand Board took over the administration of Soweto, things had gone from bad to worse.

"We are not consulted in any manner. Rents have been increased without us being consulted — but we are supposed to be the voice of the people in Soweto. The young are angry and call this institution a puppet body," the UBC members said.

Mr Peter Lengene, a former mayor of Soweto, said that when the UBC was formed there was talk that it would be given executive powers to run the township,

but that had never come about.

Mr Lengene said money collected from Soweto for rents and other amenities was being used for the removal of Alexandra Township instead of being ploughed back into Soweto.

"We only see estimates for the township in newspaper reports. That may be because we are an advisory body without any powers at all," he said.

Mr T. J. Makhaya, the "mayor" of Soweto, told the Young Progressives it was difficult for the council to stick to civic matters when all they had to deal with were laws from Parliament dealing with the people of Soweto.

"We were told that Blacks had to run areas where Blacks were living. But there is not a single Black at the head of the administration of Soweto in the municipal offices. The UBC is out of date so the youngsters call us stooges and other names."

Asked for his opinion on the homelands, Mr V. Sqwebu said some people in the urban areas had no connection with them.

"Many Africans even have White names and have lived with Whites for generations. What are they going to do

in the homelands?" said Mr Sqwebu.

Asked about trade unions, the UBC members said these were something Blacks needed.

"If trains are late, our Blacks are the ones to suffer through loss of wages. No one will go to the employers to complain or go to the railways for compensation. If there were trade unions, such things would not occur," said Mr Lengene.

It was also claimed that shop site rents had been increased threefold to force Africans in Soweto to give up their shops. Then other racial groups could move in to run them, on the plea that Blacks could not run the shops, he said.

"We are told we overcharge our fellow Africans in Soweto, but the issue is that we buy the goods from wholesalers who run chain stores and charge us the same as they sell the goods for in their city stores. How much then are we supposed to sell our goods for?" asked Mr Lengene.

The Young Progressives were asked to tell other Whites that unless something was done soon the youth in Soweto would react in a way that would "not be good for the country."

RESULTS.

Pep profits up 35 pc

28
Sun Times
(Bus Times)
20/4/75

By RALPH HELLER

RENIER van Rooyen's Pep Stores yesterday published first-class results for the year ended February, despite tight money conditions.

In fiscal 1975 taxed profit rose 35 per cent to R4,6-million, on the back of an equal percentage rise in sales to R60-million. A final dividend of 25c is to be paid, making it 40c for the year — a third increase — covered twice (2,2 previously).

The opening of an extra 40 stores, in the period under review bringing the total to 303, has clearly brought about economies of scale. Pep plans a further 20 in the current fiscal period.

Mr van Rooyen estimates that this will boost group sales to R76-million and pre-tax profits to R9,3-million in fiscal 1976 (R7,7-million in 1975), but cautions that a more conservative dividend policy will be followed to increase the dividend cover.

But, says Mr van Rooyen: "The dividend will be at least equal to that paid in fiscal 1975.

"The current year is more predictable than last year, when tight money, the oil crisis, the scarcity and then oversupply of goods, and higher import duties, hit us. I am more confident now about prices stabilising," Mr Van Rooyen said.

OK profits ^{STAR} near double ^{30/14/75} those of '73

Franz Albrecht

A handsome 10c increase in the final dividend of OK Bazaars (1929) to 36c a share pushes up the annual total to 54c compared with the 43c paid in the previous financial period of 13 months.

The dividend payout is almost half of the 109.1c earnings a share achieved in the year ended March as against 87.8c in the previous 13 months (83.5c annualised).

Sales advanced to R384m — an increase of R36m above those of the previous financial period and taxed profit earned for ordinaries reached R13m compared with R10.5m.

The net profit has virtually doubled in the past 25 months from the 1973 figure of R6.6m and the managing director, Mr Cyril Atkinson, attributes this increase to the new management team backed by South African Breweries.

COST CONTROL

He adds that the net profit is 3.4 percent of total sales which indicates that the company relies on high turnovers and "rigorous cost controls" to achieve its results.

Just on 50 000 types of articles are sold in such divisions as food, soft ware, hard ware, clothes and furniture. The ratio

of sales to each employee has risen from R11 382 in 1970 to R21 590 in 1975. The reason is that during this period there has been a minimal increase in staff.

The present results were achieved with the same number of branches than that of the previous period, with a greater throughput in existing branches.

Mr Atkinson says gross profit margins have been reduced because of higher costs but personnel has been put to more effective use by management.

The sale of Rheingold Furnishers (Pty), with its 16 outlets, to Ellerine Holdings recently resulted in a loss of R1.6m. The sale was necessary because the company found it was selling more furniture to Blacks from its own stores than Rheingold managed to sell.

Mr Atkinson is confident that group sales in the current year will at least equal the expected growth of 15 percent in national retail sales. "Further sound growth in earnings should result, provided that costs can be contained," he says.

~~123~~
~~314~~
③ 28
~~93~~

ROM 2/5/75

Urban Blacks can now

BY APPOINTMENT
Special Correspondent
Blacks will be able to buy their own homes in white South Africa on a long lease basis.
The new deal, announced by the Government yesterday, will allow South Africans to buy millions of square feet of residential property for the first time.
By such a deal, the Government policy for Blacks, the Minister of Community Administration and Development, Mr M. C. Botha, also announced that:

- Blacks will be able to bequeath or sell their houses, although the site on which they are built remains municipal property.
 - Traders will be allowed to deal in a wider range of commodities, establish more than one type of business and enter into partnerships.
 - Doctors and other professional people will be able to possess their own consulting rooms and offices in Black residential areas.
- The new deal is a direct result of the discussions in

January between the Prime Minister, the Deputy Administration Minister and the homeland ministers.
It is clear, based on remarks some of the major points of agreement suffered Blacks when areas designated as their habitat of the January meeting.
Mr Botha announced the concessions of the text of the debate on his department and said the new home ownership scheme would mean a return to the position existing until 1967.
Blacks who qualified to

be in such areas would under specified conditions again be able to buy the right of occupation of houses on land belonging to the local authorities.
This would allow a "qualified" Black person to build his own house on an undeveloped site in a Black residential area or acquire a house that had already been built.
He would be able to extend or alter the house, and either pay for it immediately or by payments over a long period.

He would also be able to sell it to other "qualified" persons or bequeath it to a "qualified" heir.
According to the Minister, the new deal would allow Blacks to build their own homes on a long lease basis. Botha said the deal would be implemented with possibly a 2% increase in the relevant regulations.
The Minister said the new deal would allow Blacks to bequeath their houses to other "qualified" persons or bequeath it to a "qualified" heir.
Partnerships would

Ackerman set on 30 pc profit pick-up

28 Sun Times
(Bus Times)
4/5/78

RAYMOND Ackerman, chairman of Pick 'n Pay, projects a 30 per cent increase in profit for the current financial year.

In the annual report released yesterday, Mr Ackerman says he is optimistic that South Africa will ride out the economic storms of the world.

Mr Ackerman says no more stores will be opened during the remainder of the financial year, which ends on February 28 next year, following last week's opening at La Lucia, Natal.

"The rest of the year will be a period of consolidation of management systems and controls."

Already opened this year have been the Boksburg hypermarket and a replacement store in Wynberg, Cape Town. An 11 000 sq m warehouse opens in the Transvaal this month.

Consideration was given to the preparation of statements showing the company's profits adjusted for inflation accounting.

"This was not done because the board agreed with the Minister of Finance, Senator Horwood, that there is no unanimity yet in the accounting profession on the methods to be applied.

"The liquidity position remains strong, which enables us to buy forward and maintain prices at lower levels. Financial facilities totalling R6-million have been provided by the company's bankers and merchant bankers and are available when required."

The wine and bakery experiments have proved a success. Mr Ackerman says applications have been made to obtain bakery licences in other existing stores. (They now operate at the Lynwood, Pretoria, store and the hypermarket.)

"The three wine licences for stores in the Transvaal were difficult to procure, but the development has added flavour and excitement to the food business. The company intends to expand this department wherever licences can be obtained."

On inflation, Mr Ackerman says that not all of the pressures have been imported and those created in South Africa must be eliminated.

The company has requested the Government to take even stronger action in the year ahead to end undesirable practices in the marketing system, such as resale price maintenance.

"Although legally outlawed, it is still being employed by many concerns who refuse to supply Pick 'n Pay because we cut prices."

In the 1974 financial year the company opened new stores in Flora Park and Rosebank, Johannesburg; Maritzburg, Natal; Milner-ton, which replaced the small Brooklyn store in the Cape; and La Lucia.

A store was also opened in Uitenhage and many other stores were expanded.

Pick 'n Pay today has 37 stores, including the hypermarket, and a staff of 4 800, including a part-time staff of 750.

Civil contractors

Sun Times (Bus Times) 4/5/75

(30)

scrape the barrel

By DAVID PINCUS

THE STEEPLY rising cost of earth-moving equipment, non-availability of spares for some machines, a shortage of suitable labour, and the effects of long-running contracts which do not provide for inflation are forcing civil engineering contractors to the brink of bankruptcy.

This is the opinion of Clifford Harris, chairman of the big Cape-based civil engineering firm that bears his name. It is also the opinion of the Federation of Civil Engineering Contractors.

So seriously does the federation view the situation that it has started negotiating with clients of civil engineering contractors caught in the pinch to persuade them to increase their contract prices to a level

where the contractors will not be forced into bankruptcy.

But even this may not save all.

Those who have ageing machinery may not be able to afford the price of replacement.

"The situation", said Mr Harris, "is now so serious that the Government may have to step in to save any number of the smaller contractors."

"We also want another price adjustment rate. The first one was drawn up three years ago, and was suitable, but did not make provision for the drastic increases that have followed the oil crisis."

"We are groping for aid."

"The industry is operating on historic costs of equipment, but the price of earth-moving equipment is rising,

on average, at a rate of 2.5 per cent a month (about 33 per cent a year).

"Spare parts are rising at an even more impressive rate, and there are some spare parts that are simply not available in this country, nor is there any prospect that they will become available in the near future."

"In this organisation we have 12 excavators of one particular make. Five of them have been standing idle since October waiting for spare parts from overseas."

The cost of these excavators is about R45 000 each. They can be hired out at a rate of R19,50 an hour and it is expected that they work a 9,5-hour day.

Assuming that they work for an average of 20 days a month, the total cost of their down-time to the Clifford

Harris organisation, since the end of October, is already well in excess of R111 000, on a hire basis only.

To overcome the problem of equipment that is put out of action because of a lack of spare parts, Mr Harris suggested that the Government introduce a local content programme.

"I feel the Government should do something to help the people in trouble, and they should do it quickly," he said.

"There's no point in introducing legislation or schemes to compensate people who have lost out if there's no one left to help."

He said big contractors are working on profit margins of between 4 and 6 per cent. This left no hope of replacing depleted capital or replacing equipment.

PROTECTION FOR TEXTILE INDUSTRY

228

Own Correspondent

STAR 5/5/75

CAPE TOWN — The Minister of Economic Affairs, Mr Heunis, has taken steps to protect the textile industry in its present state of recession, and has also clamped down on import permit malpractices.

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Announcing the second-round import permit allocations in the light of prevailing economic conditions, Mr Heunis

brought to his attention that several so-called importers were no longer active in business.

○ Moved to rescue the textile industry by granting only a 20 percent additional import allocation for clothing. This brings the total of permit issues for this year up to 60 percent of the total for last year.

Ivan Philips adds: These moves came after a protracted battle between textile manufacturers, who have had to lay off as many as 10 000 workers in the face of slumping sales, and clothing manufacturers, who claim that they need substantial imports because they cannot get all they need from the local textile industry.

○ Issued instructions to the Department of Commerce not to issue import permits to any firm until it has submitted accounts confirming it is still a bona fide merchant with its own trading premises.

When the Government stepped in last year with what amounted to emergency protective measures to take the pressure off textiles there was a sharp reaction from the clothing men.

TOTAL ISSUES

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Mr Heunis's import permit allocations, other than for clothing, were all an additional 40 percent, bringing the total up to 80 percent of total issues last year. These permit allocations were for consumer goods, confectionary and alcoholic beverages.

On the other hand, there were claims that businesses with little or no previous connection with textiles had begun to import fabrics — encouraged by very competitive offers from overseas exporters who were trying to dispose of surpluses that had built up in the wake of world recessionary trends.

He said he was concerned about conditions in the textile industry and had decided that importation of clothing should be kept at relatively low levels "until the steps the government had taken to normalise the position in the textile industry had the desired effect. This was why a relatively low issue had been made for clothing."

South Africa's textile industry, largely centered on Border areas — and unemployment in these on border areas — and areas touches a particularly sensitive nerve.

() See Page 32)

On the steps he was taking to tighten up the issue of permits, the Minister said it had been

BUTCHERS ON THE BLOCK

Times are lean and tough for the meat trade. Stable price at a lower level for the last four months have failed to revive consumer demand and Witwatersrand retailer now owe wholesale butchers an estimated R15-20m.

There are several reasons for last year's price spiral:

• Although White farmers' cattle herds grew from 6.9m in 1967 to 8.5m last year, this figure remains lower than the cattle population in the early Sixties; the number of sheep in White areas has also fallen steadily since 1969 as has the pig population.

Meanwhile, *homo sapiens* has multiplied since 1962 by about 7m.

• Prices — particularly of low-grade meat — were for many years depressed as a result of the mines' refusal to pay higher prices.

With last year's soaring gold price, however, farmers were able to extract better prices from the mines (the country's largest meat consumer).

The mines have also turned to white meat in addition to traditional red meat purchases.

Now, however, higher returns have encouraged farmers to add some 500 000 head to their cattle herds in 1974, and supplies will improve gradually. At present, though, a daily average of only 1 200 oxen are slaughtered at Newtown, as against 1 700 a year or two ago.

This means butchers are able to

buy less meat than they need to ensure healthy turnovers.

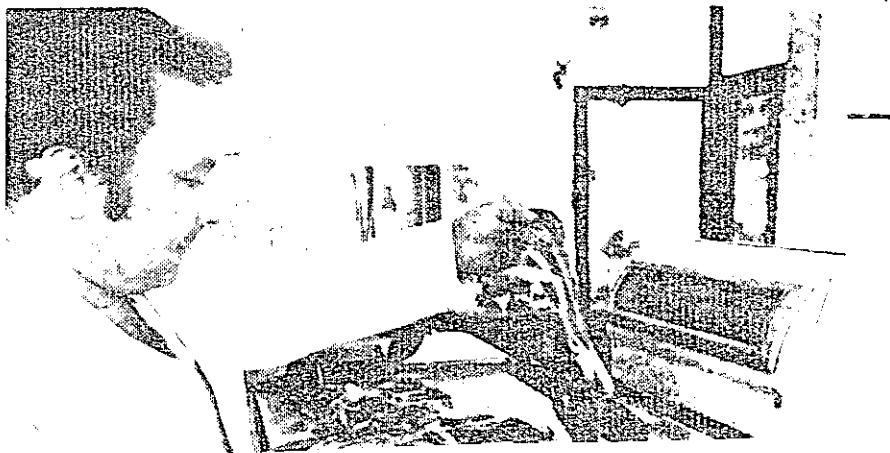
What's worse, consumer demand for meat is highly price sensitive and has declined markedly in recent years, largely because of the difficulty of obtaining supplies at reasonable prices and consequent adverse publicity. The average urban dweller's meat consumption dropped from 65.1kg in 1971 to 60.3kg in 1973. And over 20% of all purchases are now mincemeat. Moreover, butchers claim that consumers who've cut down on meat, have reduced their meat requirements permanently.

Government is making life even more difficult for the trade. Recent amendments to the Meat and Hygiene Act demand extensive improvements to abattoir facilities. For instance, a meat delivery truck which previously cost about R5 000, now costs over R15 000.

The trade has also been hurt by changes in buying habits. The ubiquitous suburban deep freeze has meant fewer visits to the butcher. And the convenience of buying pre-packed meat in supermarkets has hit independent retail butchers hard. In 1959, there were only nine supermarket butcheries. Today there are 604 — all controlled by wholesale groups.

It looks as if the family butcher is going the same way as the almost-extinct family grocer.

Retail butchers . . . weighing up the future



Blacks take legal advice on rents

Staff Reporter

A DELEGATION of Soweto traders is to meet attorneys today in preparation for a Supreme Court application against the West Rand administration Board.

On Sunday about 500 traders met in protest against rent increases imposed upon them by the board and launched a fund to finance legal action against the board.

A report-back meeting will be held by the delegation tonight and another big meeting is planned for Wednesday, when further reports will be given over the rent issue.

The shopowners com-

plained that the rents on their businesses have been increased by as much as 300 per cent. Some said they could not afford the new rentals as they did not make that much money every month.

At the meeting on Sunday the overall rent issue was also discussed—including lodger's permits for married or unmarried working children living in their parents' houses.

Speakers claimed that people living with friends and relatives were now forced to pay rent to the board over and above the amount they contributed to the friend's rental.

RDm
13/5/75

Officials did nothing — Roelofse

Staff Reporter

THE RECORD shows that Blacks are "shockingly exploited by traders in many areas of the private sector," says the Director of the SA Coordinating Consumer Council, Mr Eugene Roelofse.

Mr Roelofse resigned as director of the council, mainly because he had not the full support of council members in the direct methods he used to get a square deal for Black consumers, he said.

Mr Roelofse said in Pretoria yesterday that he had approached individual Government departments for their aid in combating exploitation of Black consumers. The response was polite but ineffective.

So he decided to send a memorandum setting out his "well-supported allegations of exploitation" to the Deputy Minister of Bantu Administration, Mr Punt Jansen, and the Deputy Minister of Coloured

Affairs, Mr Hennie Smjt.

Two sectors which have exploited Black buyers were the used car trade and the furniture trade.

There were others, but these were two glaring examples, Mr Roelofse said.

The summary repossession of partially paid for goods was another important factor in the exploitation pattern.

He said a square deal for Black buyers with their limited resources was a basic essential for peaceful and stable race relations.

DIFFICULT

"We are moving into difficult times, and it has become imperative that everything possible should be done to improve Black-White relations."

This, Mr Roelofse said, was why he tried to expose the extent to which Blacks were being taken for a ride by some traders.

It was also why he decided to give the facts to a Cabinet Minister who was more likely to react than a State department.

See Times
S.T. 18/5/75

TRUCKS AND TRUCKING

Kenworth throws out R1-million challenge

A NEW range of American trucks will appear soon on the South African scene

Durban-based Truckor, a member of the Vavasour group, has been appointed South African distributors for the Kenworth range of heavy trucks, made by Paccar International, of Seattle.

Truckor plans to import R1-million worth of trucks and parts in its first year, and these will be backed up by servicing facilities.

The Kenworth truck is claimed to be the Cadillac of the American truck industry. It ranges in size and capacity from 185 kW to 597 kW, and carries a payload of up to 150 tons off-highway.

But to start with, Truckor will import lorries for the long-haul highway trade, and most of the

trucks will be built to customers' individual specifications.

Although well established in America and Australia, Paccar, which has a turnover of R500-million a year, has been exporting for only 18 months.

It is already selling in volume to the Middle East and some African States.

To service Kenworth customers, Truckor is to open a number of branches and establish dealerships throughout South Africa.

At the same time, Truckor will retain its position as Fiat commercial vehicle distributor for Natal.

There have been attempts in the past to market Kenworth in South Africa, but they have met with little success. With more and more South African hauliers now turning to bigger trucks, however, it is felt that the Kenworth should make its mark.

The conventional and cab-over truck tractors have Cummins NTC 350 turbo-charged engines, twin fuel tanks, heavy-duty self-adjusting twin-plate clutches and 15-speed Fuller transmission.

They come equipped for long hauls with well-appointed sleeper cabs.

See Times
(S.T.)
18/5/75

Japanese dominant - share growing

THREE Japanese firms now dominate the South African commercial vehicle market.

Spectacular sales successes made in recent years by Toyota, Datsun and Mazda have given these three about 40 per cent of the South African commercial market - and all three are still increasing their hold on what is proving a lucrative field.

The Americans, represented mainly by Ford, GM, Mack, International Harvester and Oshkosh, have lost much of their prime position in the market.

Mack, IH and Oshkosh are, of course, virtual newcomers to the South African scene, but the big two, Ford and GM, have both lost out dramatically to the Japanese.

The Germans, represented by Volkswagen, Mercedes and Deutz Magirus, are virtually holding their own. In some instances they can report an increased share of sales.

R4,5m Indian shop plan

Mercury Reporter

20/5/75

LADYSMITH — After a 17-year freezing of development and later having the area occupied by them proclaimed White, 55 displaced Indian traders from Ladysmith, Van Reenen and Bergville are likely to gain a modern complex which will cost about R4 500 000.

Mr. N. M. Khan, chairman of the Ladysmith Indian Group Areas Committee, announced here yesterday that plans submitted by his committee for the development of the section 19 area to resettle displaced Indian traders had been approved in principle by the Department of Community Development.

He was pleased that the Ladysmith Town Council had also approved the plans apart from minor alterations which would be discussed by his committee.

"In my opinion the trading complex will be one of the best in the Republic and will be a landmark in the developing town of Ladysmith."

The plans provide adequate parking with access to all shops.

"This complex will attract trade presently lost to traders from Ladysmith and elsewhere. Consequently the town must benefit economically."

Many of the displaced traders who had in the past wished to expand their businesses to keep

pace with current trade demands had been unable to do so since 1953 when the position was frozen by Government proclamation.

This was followed in 1962 by a Group Areas proclamation which zoned the area occupied by them as White.

The Indians then had the additional uncertainty of their resettlement and were unable to trade to the best advantage.

For the past two years these traders have had to apply for permits to occupy their business.

Mr. Khan said that Indian traders in Ladysmith who were early pioneers in the commercial and distributive trade wanted to contribute and share in the development of the town and would continue to serve the needs of the general public.

"The department would like to start on the development of the section 19 business area shortly as negotiations over the plans for the complex have been going on for over two years" said Mr. Khan.

KwaZulu supermart chain plan

African Affairs Correspondent

Natal Mercury
20/5/75

A SUPERMARKET chain's plans to move into KwaZulu in partnership with Zulu traders and the KwaZulu Development Corporation were confirmed yesterday by Checkers and the Bantu Investment Corporation.

But a spokesman for the BIC emphasised that the proposal initiated by a National African Federated Chamber of Commerce resolution, would only become firm with the approval of the KwaZulu Government and organised African trade.

Chief Gatsha Buthelezi, head of the KwaZulu Government, has complained that Africans are forced to spend their money in White shops in White areas.

Calling for the establishment of commerce and industry, he has pointed out that the homeland could also benefit by the imposition of corporate tax on companies registered in KwaZulu.

A spokesman for Checkers told the Mercury yesterday that Checkers KwaZulu would not be a subsidiary of the Greatermans group, which owns the Checkers stores in White areas.

"It will be a KwaZulu public company unlisted on the Stock Exchange," he said.

'UNFAIR'

The supermarket plans were revealed yesterday by the Clermont tycoon, Mr. Zazi Kuzwayo, who quoted from a BIC document which he had come by.

He said the company would bring unfair competition to African areas and felt it was "morally wrong" under the Government's separate development policy.

The National African Federated Chamber of Commerce resolved last year to seek an association between African traders and a White chain of stores and this resolution was believed to have flowed out of the favourable impression made on African traders when Checkers helped Mr. Winnington Sabelo, an Umlazi businessman, set up his own supermarket.

According to a BIC

The board of director according to a memorandum submitted to Checkers, would be nominated by African Traders Ltd., and the Greatermans group, who own Checkers.

After the first years, increases in share capital would be issued only to African traders until the percentage share capital held by Greatermans had been reduced to 25 percent.

The memorandum also proposed that the initial share capital of Checkers KwaZulu be R200 000 which one half will be issued to another public company, KwaZulu African Traders Ltd., the shares in which will be issued only to African traders in KwaZulu. The other half will go to Greatermans.

The KwaZulu Development Corporation will lend money to traders to enable them to buy shares.

A BIC spokesman said the memorandum has been designed as a basis for discussion on the principle and not on the details. "The approval of the KwaZulu Government and of the organised trade in KwaZulu would have to be sought."

A Checkers spokesman said: "Our objective was to find a formula beneficial to the Black consumer and acceptable to African organised trade."

Primarily designed to give African consumers the benefit of low prices, the outlets would also be wholesalers for African businessmen.

He said the company would run and finance a training school for African traders.

Blacks, Whites on board of Umlazi supermarket

STAR 23/5/75

Own Correspondent

DURBAN — Both Black and White businessmen will be appointed to the board of directors of a KwaZulu supermarket company with the Blacks holding a 50 percent interest, if the principle is approved by the KwaZulu government, a spokesman for the Bantu Investment Corporation said today.

This new development follows a statement in a BIC memorandum that the company structure would have to ensure a 51 percent majority shareholdings to a White supermarket chain group, and a 49 percent shareholding to KwaZulu citizens and the KwaZulu Development

Corporation.

The spokesman said. "It is my personal opinion that if the proposal is to be acceptable to the KwaZulu government then a 50 percent rather than 49 percent interest will have to be given."

The spokesman also confirmed a report in the Zulu-language newspaper "Ilanga," that if the proposal is accepted, the first supermarket will be built in Umlazi.

No details as to whom the directors will be could be given at this stage, he said, as the idea was at discussion level only.

The idea was put to the KwaZulu Government "about two months ago, and

they are still sitting on it," he said.

The proposal was initiated by a National African Federated Chamber of Commerce resolution to seek an association with the White chain group Checkers, after they successfully helped an Umlazi businessman to set up his own supermarket.

In the past Chief Gatsha Buthelezi has complained that Africans are forced to spend their money in White shops in White areas.

If approved, these new supermarkets will provide the same items to be found in the White supermarkets and apparently at the same prices.

Motor industry needs R540-m in five years

Sunday Times (B.T.) 25/1/75

THE MOTOR vehicle and parts industry — a heavy consumer of metals — will require fixed capital to the tune of R540-million between 1974-79 to maintain steady growth.

Most of this will be needed for new tools and machines for the produc-

tion of new models and for replacement.

Extra investment will have to be made to match the demands of Phase 3 of the local content programme.

The motor industry has been one of the fastest growing sectors of the economy and its physical volume of production increased by the high rate of 13.8 per cent between 1961-73.

This growth coincided with the strong economic growth rate as well as the introduction of Phase 2 of the local content scheme.

But since 1969 production has remained stagnant, largely because of the downturn in the overall rate of economic expansion — further aggravated by stringent official policy measures to curb private expenditure.

The passenger car manufacturing sector has meanwhile had to contend with substantial inroads into its

market by light delivery vans — mainly because of lower excise and sales duties.

Discriminating conditions of sale and the higher production costs of cars owing to local content have also contributed.

This development has caused considerable concern among motor manufacturers, especially since the introduction of Phase 3 in January 1971, devised to increase local content of passenger cars from 52 per cent to 66 per cent in 1977.

The energy crisis has been another adverse factor.

No growth is foreseen for total vehicle sales during 1974-75.

Government planners say the manufacture and assembly of motor vehicles should increase at 6.5 per cent annually but that parts and accessory production should grow at 10.8 per cent.

SAKE - Rapport 25/5/75

DR. BASJAN LOOP RENIER STORM

Van WILLEM LAUBSCHER
Finansiële Redakteur
WINDHOEK

'N TEKSTIELBOM het die kongres van die Afrikaanse Handelsinstituut in Windhoek Woensdagmiddag kiertsregop gerk. Die bomgooier was die andersinds-bedaarde dr. Basjan Kleu, voorsitter van die Raad van Handel en Nywerheid. En die man wat hy stormgehoop het, is mnr. Renier van Rooyen, voorsitter van Pep Stores, en inleier van 'n tekstielvoorstel wat hom die gramskap van die doktor op die hals gehaal het.

Mnr. Van Rooyen, gesekondeer deur mnr. Jan Horn van Ekspa in Johannesburg, het op die handelskongres gevra dat die owerheid tariefbeskerming in die tekstielbedryf in hersiening neem ten einde aan die behoeftes van die handel te voorsien. In die proses het mnr. Van Rooyen 'n skerp aanval op die tekstielbedryf gedoen en gewys op 'n versuim aan die kant van die owerheid om die bedryf se misdrywe vas te vat.

Dr. Kleu het op die handelskongres nie kans gekry om te antwoord nie en is agterna

gevra om in die hoofkongres, waar die beskrywingspunte van die drie sektorale kongresse oorgedra is, 'n woord daaroor te spreek. En het die doktor toe nie!

Parasiete

Hy het losgetrek deur te sê die voorstel is een van die eensydigste en skeefste stukke wat nog onder die vaandel van die AHI die lig gesien het. Hy het daarby gevoeg mnr. Van Rooyen moet nog baie van die tariefbeskermingsbeleid van Suid-Afrika en die van die AHI leer.

Teen dié tyd was almal se ore gespits want die doktor het regtig omgekras gelyk. Hy het verder gesê mnr. Van Rooyen bepleit sy saak uit die oogpunt van die handel. Maar 'n tariefbeleid bestaan immers as instrument vir die stabilisering van die bedryf en nie net vir die handel nie. Dit moet in landsbelang wees en alle groepe in ag neem.

Mnr. Van Rooyen het in sy rede gepraat van tariefparasiete in die tekstielbedryf. Hierop het dr. Kleu gesê as daar dan gekyk moet word na dié soort parasiete, dan sal dit seker ewe billik wees om na 'n ander soort gogga te kyk. Dit is naamlik die mense in die bedryf wat die beskermde tariewe gebruik om met 'n laer aankoopprys groter winste te maak en die publiek dus die

voordeel van die laer tariewe ontse.

In afwagting het die kongres gewag op mnr. Van Rooyen se reaksie toe hy kort daarna 'n spreekbeurt kry. Maar mnr. Van Rooyen het die versoeking van 'n skerp teenaanval weerstaan.

Agterna het mnr. Van Rooyen aan Sake-RAPPORT gesê dr. Kleu het geen enkele feit in sy toespraak weerlê nie en het bloot 'n persoonlike aanval gedoen. Hy meen die feite in die voorstel van hom het seergemaak. Vandaar dr. Kleu se skerp reaksie.

Soos in die voorstel gesê, is dit die plig van die Raad vir Handel en Nywerheid om te kyk na praktiese toestande in die tekstiel en klerehandel

en na die behoeftes van die mark in sy geheel.

Soos dinge nou staan voel mnr. Van Rooyen, is die prioriteite van tariefbeskerming verkeerd. Dis hoofsaaklik die tekstielvervaardigers wat daarby baat vind. Die klerebedryf en klerehandel suig aan die agterste tiet.

Die beskerming moet meer eweredig versprei word. En as alles op 'n positiewe manier toegepas word, sal ruim 85 persent van die beskerming buitendien onnodig wees.

Hy ontken ten sterkste dat sy voorstel skeef is. Wat wel skeef is, is die tekstielbedryf. En dit voel hy moet reggestel word. Want die klerebedryf en die klerehandel kan alleen bloei wanneer dinge be-

langs in die bedryf (d.w.s. by die tekstielvervaardiging) reg verloop.

En op die oomblik loop dinge bolangs beslis nie reg nie. Die tariefbeskerming het die tekstielnyweraars in 'n byna-onaantastbare posisie byna sonder enige mededinging gelaat. Die gevolg is dat hulle feitlik met die klerefabrieke en klerehandel maak soos wat hulle wil. En die mense moet maar verlief neem.

Dr. Kleu het nou wel in sy toespraak gevra dat daar nie met vaaghede en algemene hede na die Raad gekom moet word nie, maar dat spesifieke gevalle van vermeende ongerymdhede onder die aandag gebring moet word. Maar dit is al herhaaldelik

gedoen, sê mnr. Van Rooyen deur homself en ook deur ander mense. Maar dit gaan maar oustryk voort.

● Dit is duidelik dat die angeleentheid besonder delikaat is en deeglike aandag verg. Daarom is dit verblydend dat daar op 2 Junie 'n tafelbespreking tussen verteenwoordigers van die AHI en die Raad vir Handel en Nywerheid is. Dit 'n afspraak wat voor Woensdag se dinge op uitnodiging van die Raad gemaak en aanvaar is. Blykbaar is die strydbyl nou voorlopig begrawe.

By daardie geleentheid sal die tekstielvoorstel wat nog staan, dan ook in alle rustigheid met die Raad bespreek word. Dit is so deur die kongres aanvaar.

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Petrol: gross profit rise of 73 pc

STAR 20/5/75

Siegfried Hannig

The gross profit a litre of premium petrol on the Witwatersrand will have increased by 73 percent since November 1973 if filling stations get the 10 percent mark-up they are demanding.

By comparison, the Consumer Price Index on the Reef went up by only about 18 percent between November 1973 and March this year.

According to figures supplied by

the Motor Industries Federation in Johannesburg yesterday, the gross retail profit a litre of petrol stood at 0,97c in November 1973.

● This profit rose by 20 percent to 1,17c a litre in February 1974.

● It will rise by another 43 percent (or 73 percent over the 1973 profit) to 1,68c a litre of premium petrol on the Rand, if the demand for

a 10 percent mark-up on the wholesale price is granted.

Asked to justify the increase, Mr J van Huyssteen of the Motor Industries Federation referred to "substantial increases" in the cost of labour, rentals, electricity and water.

Asked whether service stations had not reduced their labour and electricity costs substantially because they were not open to business at night and during most of the weekend, he said that had been offset by other increases.

The Automobile Association concedes that "in the light of current considerations, a case can possibly be

made out for an increase of about 0,25c a litre in the retailer's mark-up."

But it believes a 10 percent mark-up is unrealistic in relation to the working capital employed and the high turnover.

Mr Robert Kraft, assistant general secretary of the Trade Union Council of South Africa, described a mark-up from the present six percent to 10 percent as "completely exorbitant."

Pick 'n Pay sales running 66 pc ahead of 1974

STAR 29/5/75

Own Correspondent

CAPE TOWN — In the past four weeks Pick 'n Pay's turnover had been running 66 percent ahead of last year's figures, the chairman, Mr Raymond of last year's figures, the company's annual meeting here.

He pointed out however that part of the increase was due to the opening of the hypermarket at Boksburg North in March.

Turnover for the first 12 weeks of the current financial year is about 50 percent up on last year, Mr Ackerman reported.

Although sales are running well ahead of budget

he said he was unwilling at this stage to revise his forecast of a 30 percent rise in profits this year.

A new profit forecast would have to wait until fuller figures were available for the establishment costs at the hypermarket.

These had been heavy. Nevertheless the hypermarket is expected to be showing a profit within three months of its opening.

Mr Ackerman says the company is planning to open 12 hypermarkets, some larger than the one in Boksburg and a further four to five new supermarkets a year.

78

White monopoly of coal claimed

By NAGOOR BISSETTY *May 31/5/75*

THE South African Indian Council is investigating a claim by one of Durban's biggest Indian coal merchants that as White merchants hold a monopoly in coal supplies, Indian dealers are being forced out of business.

Confirming this, Mr. J. N. Reddy, chairman of the Council's executive committee, said that the executive committee had asked the Indian merchant, Mr. B. Harriram, for more information to back his allegation.

"We are not going to stomach monopolistic conditions in any kind of business," he said, adding that after the executive had had an opportunity to study Mr. Harriram's claim, an approach would be made to the Government, if necessary.

LARGEST

Mr. Harriram told the Indian Council that his firm, Mack's Wood and Coal, was the largest Indian - owned dealer in coal and the action of Natal Associated Collieries, sole distributor of coal in the province, not to supply his firm with coal was seriously affecting his business.

"My company supplies coal almost entirely to Indians, and if separate development is to work Indian merchants serving Indians must be placed in a position to serve their customers.

"White - owned coal companies are getting the bulk of the coal supply and Indian merchants are left in the cold," he said.

Mr. J. May, manager of Natal Associated Collieries, has denied the claim. He told the Mercury in an interview: "There is a serious shortage of coal and everybody knows it."

Car industry man attacks 'prejudice'

Cape Times
6/6/75

Motoring Editor

MR R G DU PLESSIS, director of the Motor Industries Federation, said that the press, the Automobile Association and the SA Co-ordinating Consumer Council are "clearly prejudiced against the motor trade".

Writing in the latest issue of "Automobil" Mr Du Plessis mentioned the wide adverse publicity on the garage trade which followed the recent publication of the report of the National Productivity Institute on the productivity of the motor repair industry.

He said that this once again "demonstrated clearly the measure of prejudice against the motor trade which exists in the minds of the press and organizations such as the AA and SA Co-ordinating Consumer Council.

CONDITIONS

"The press boldly announced the existence of 'scandalous' conditions in the motor repair trade, while both Messrs Roelofse of the SACCC and Turk of the AA will deny the garage operator a reasonable return on the sale of petrol because of their gross 'inefficiency' as revealed in the NPI report."

Mr Du Plessis said that at a press conference in Johannesburg on April 14 to which the AA was invited, NPI spokesmen revealed that they had carried out similar investigations into other sectors of the economy and that the level of productivity in the motor trade was certainly no worse than that found in other industries.

The reports on the other investigations had been released in the same way as the report on the motor repair trade — but never a word was said either by the press or anybody else.

Mr Du Plessis said that the SAMIEA should have been praised for its "endeavours to raise the stan-

dard of efficiency, workmanship and productivity in the repair trade ... for the survey had been carried out at the request of the association which, incidentally, had never failed to acknowledge that there was room for considerable improvement in the industry.

"We knew full well that the NPI was eminently qualified ... to prescribe the cure.

"That is precisely what has been done and is being done. For that the SAMIEA and the trade deserve credit — not carping criticism from the ill-informed."

FOOTNOTE: The Motoring Editor writes: The report to which Mr Du Plessis refers is the Productivity of the Motor Repair Industry in South Africa, conducted by the National Productivity Institute during 1973-1974.

The 122-page report was released to the press in April. One of the findings was that the average motor mechanic spent half his day waiting for parts, tools and orders and walking around.

CHALLENGED

The article which appeared in the Cape Times was based on the report. The facts in the report have never been challenged, though it has been denied that the public paid for the wasted time.

For Mr Du Plessis to say that the newspaper reports were "carping criticism from the ill-informed" is ridiculous. This newspaper's article was based on a report which took experts two years to compile. The chairman, Mr G Anderson, said in his foreword that criticisms were made "with a sincere desire to help".

Petrol men face squeeze

By the Motoring Editor

AT A TIME when many small petrol station operators are facing a serious financial squeeze, if not outright ruin, the Automobile Association is calling for a thorough Government investigation into the operation of the solo-site scheme and its effects on the price, and the retail petrol trade as a whole.

The AA has long accused the South African petrol industry of over-trading in petrol resulting from the solo-site scheme, and the actions of the five major oil companies in pushing competition to a level where it has made nonsense of the retail trade.

Now that the Government has firmly turned down a plea from the Motor Industries Federation for a built-in 10 per cent mark-up on the price of petrol, petrol sellers — especially the smaller

operators — may be facing the situation that small grocers faced when supermarkets took over and that small liquor outlets are now facing at the hands of large liquor dis-counters.

Ask any small station operator and he will say: "I am no longer making a profit on my petrol sales." Inquiries in Cape Town this week indicated that stations are changing hands because operators have not been able to keep going and are being replaced.

If a station operator goes broke the site still has to be supported by the oil company which owns or leases the land. An executive told me: "The problem is what to do with a station when the operator goes bankrupt. You can use it for little else, it is not like a shop which you can use for some other commodity."

Rethink by Cabinet on Indian traders

RDM
7/6/75

Political Correspondent

CAPE TOWN. — The Cabinet is to consider a request by the executive committee of the South African Indian Council that Indians be allowed to trade in areas and towns where members of all race groups shop.

That was one of the requests made at a meeting between the executive committee of the Indian Council and the Minister of Planning, Mr J. J. Loots, the Minister of Community Development, Mr A. H. du Plessis, and the Minister of Indian Affairs, Mr S. J. Marais Steyn.

The council also asked that:

● Powers over Indian edu-

cation and welfare be delegated to the council;

● An Indian area be established in the developing Richards Bay-Empangeni complex;

● A full Indian group area to be declared in the Fordsburg-Pageview complex of Johannesburg;

● A residential area for Indians be established close to Cape Town's city centre.

The Ministers were asked to approach the Durban City Council for its co-operation in erecting an Oriental Plaza in the Victoria Street area, in the interests of Indian market stallholders.

An official statement was released on the talks yesterday.

On the question of the Indian traders, the Ministers said the representations involved a change in policy and this would have to be discussed at Cabinet level.

The Minister of Planning agreed to give consideration to declaring an Indian area in the neighbourhood of Richards Bay.

The Minister of Community Development said he fully appreciated the concern expressed about Cato Manor and would consider the matter after studying a report which had been prepared on it.

The question of delegating powers on education and welfare, will be examined in consultation with the executive committee.

industry

25pc ^{C.T.}
11/6/75
efficient'

28

WHILE the National Productivity Institute had recently revealed that the motor repair industry had a productivity factor of 50 percent, a further study claims that the effective productivity is only 25 percent.

Mr H Keith van Heerden, managing director of SA Value Engineering (Pty) Ltd, who is to conduct a five-day seminar in Cape Town from June 16 to 20 on value management, has claimed that while the NPI said that the analysis they made showed productivity to be 50 percent, supporting activities 25 percent, and idle 25 percent the 50 percent productivity mentioned was in fact halved by several factors.

These were the wrong work done due to incorrect diagnosis, rework due to below-standard repairs, inefficient methods and application and necessary work left undone on previous occasions.

"Don't point a finger at the motor industry. Everyone, from the lowest-paid worker to the highest paid, is busy doing useless and unnecessary things and getting paid for it."

STAR 11/6/75

Grand Baz is well set

Rammie Botha

Grand Bazaars, the Cape-based supermarket chain, expects increased profits for the current year ending February.

The joint chairmen, Mr Max Sachar and Mr Manual Sachar, say in their annual review that stockholding has been considerably reduced.

Furthermore, there has been an easing off in manufacturer price increases and, in many cases, price reductions are

appearing for the first time in many years, where manufacturers are being forced to liquidate the results of over-production.

During the past year stockholdings were increased in order to anticipate further price rises and merchandise shortages. This proved costly in that interest charges increased from R20 641 in the previous year to R119 551.

As a result of the achieved and expected decreases in stockholdings, it is expected that

interest charges in the current year will be substantially lower.

During the year, one new store, the Grandways store in Port Elizabeth, was opened. This is a unit trading in general merchandise only, without food.

The next store opening will be a Grand Bazaars branch in Newton Park, Port Elizabeth.

This store, which will be the largest in the group, is expected to open in October or November this year.

Selling

set-up

'raises

prices'

Industrial Editor

Shortcomings in the food marketing system in South Africa are a significant factor in inflation, according to Mr David Lewis, president of the Johannesburg Chamber of Commerce.

Speaking at the southwestern Transvaal regional congress of Assocom in Johannesburg yesterday afternoon, Mr Lewis said that there was a preponderance of producer interests on the control boards, while the boards were proliferating.

The Government was urged, through a motion to publish the findings of the commission of inquiry into the Marketing Act as soon as it becomes available — probably towards the end of the year.

FOOD PRICES

Mr Lewis said in the five-year period ending in April, food costs had increased by 68,8 percent and that of other items by 48,8 percent, showing that food prices had made a significant contribution to inflation.

For Whites the food factor was 25 percent of their budgets, but for other races it was 50 percent. This posed the social economic and security implications.

"We cannot, like Marie Antoinette, tell them to eat cake."

The control boards encourage the inefficient producer, Mr Lewis said because the fixing of prices is based on the costs of the least efficient producer.

A motion introduced by Mr G Louwrens of the Benoni Chamber of Commers, expressed concern that metrication is being enforced through legal moves, rather than through training and education.

Reference was made to the Government Notice published in October last year, forbidding "dual notation" in advertising material.

Mr Louwrens and other delegates said that the public, particularly the lesser educated, would take long to get used to metrication in commerce.

In some small shops 95 percent of the customers still shop in imperial and other measures and their

Motor trade takes a knock

3100
13/6/75

The South African motor industry — haltered by slackening sales and ballooning costs — is unhappy with last month's sales figures for new vehicles.

The industry lost its healthy face soon after fuel restrictions came into effect at the end of 1973. Later price tags on motor vehicles showed higher prices — causing many consumers to shy away from buying new vehicles as often as they were used.

Many sectors of the motor industry are disappointed at last month's new-car sale figures — down 5.41 percent on the 19 288 sold during May last year.

Disappointment rests mainly on the fact that many consumers still have to make up their minds whether they should buy a car or a television set.

APPEAL

Logically, as prices on new vehicles moved up consumers should normally have made their way to a second-hand motor vehicle dealer.

But this has not been happening.

Something which could push the motor industry deeper into the doldrums are increases in motor vehicle licence premiums.

Some sections of the motor industry believe new commercial vehicle sales last month is an indication that the industry is moving towards sounder ground. Sales in May were the second highest for any month in the industry's history.

Detente *STAR 13/4/75* at home 'lagging'

The Government is lagging in carrying out its policy of detente in South Africa itself.

This was said at the East. Western Transvaal regional congress of Assocom in Johannesburg yesterday.

A congress motion expressed support for the Government's efforts towards detente in Africa, and urged Assocom to give a lead to the business community in facilitating the achievement of this objective.

In moving the motion Mr W H de Ville of Stilfontein said that commerce and industry and the Government should do more to eliminate petty apartheid in South Africa.

There was still too much discrimination in some shops and also in some Government organisations, he said.

Mr Cyril Pearce, chairman of the Assocom Non-European Affairs Committee, said commerce has a social responsibility besides making profits.

It should think in terms of how the millions could be housed, clothed and trained, and how new opportunities can be created for them.

"The Government is lagging in carrying out the policy of detente in South Africa itself," Mr Pearce said.

Police act on price fixing

STAR 17/6/75

The police and the Board of Trade and Industries are cracking down hard on businessmen who contravene the resale price maintenance regulations. Several companies are to be prosecuted soon.

Under resale price maintenance suppliers try to dictate to retailers at which price goods should be sold.

Mr D Mouton, a member of the Board of Trade and Industries, said in Pretoria today that the police were investigating several leads and that a "good number" of firms would be prosecuted in terms of the Monopolies Act.

He would not reveal how many companies were to be charged, but added that investigations were being carried out country-wide.

CONFIRMED

Colonel P A van Zyl, chief of the Commercial Branch of the South African Police, confirmed alleged contraventions of the Monopolies Act were being investigated.

He said the cases were investigated and the merits and some dockets could be handed over to the Attorneys General.

According to unconfirmed reports some retailers are afraid to give information to the police because they fear manufacturers and wholesalers will take action against them.

A spokesman for the Transvaal Attorney General's office in

To Page 3, Col 10

Police act on price fixing

^{STAR}
17/4/75
(From Page 1)

Pretoria said he knew nothing about forthcoming Monopolies Act prosecutions.

It is understood however that a Durban company will be charged next month under the resale price maintenance regulations.

Several cases have been brought recently — the best-known being that against Hampo Trading, a member of the Premier Milling group.

In that case it was found that Hampo was entitled to fix prices for goods on which it held the South African patents (in this case cameras) but was not entitled to practise resale price maintenance on the accessories for which it did not hold patents.

The Government's recent decision to appoint a commission of inquiry into monopolies and price fixing came 10 months after The Star's investigation of price fixing threw the business world into a furore.

The results of The Star's investigation, naming companies and products, was published on August 5 last year.

Almost simultaneously an investigation into price fixing was launched by the Board of Trade and the Commercial Branch.

Appeal to aid Black traders

ARGUS
13/6/75
28

The Argus Correspondent
JOHANNESBURG. — A Soweto businessman yesterday told the Afrikaans Sakekamer that if Blacks could be allowed to diversify their business interests, a middle class would emerge which would serve to avert any political uprising in the country.

Mr Richard Maponya was the first African to be invited to address members of the Sakekamer.

He said because the Afrikaner Sakekamer wielded influence in Government circles it could help greatly with the problems and difficulties that faced Black businessmen.

'Further, if Black businessmen could move out of the small general dealers set-up into a diversified business area, then the Black community would see the emergence of a middle class which would serve as a bulwark to any political uprising in this country,' he said.

Mr Maponya enumerated problems that confronted Black businessmen and suggested how the White businessmen could help the Black trader.

Among the problems were that Blacks were restricted to one business, one door and one licence, and difficulty in getting capital to develop.

By law, Blacks were also forced to have their passes signed every month by superintendents in the townships.

Sales of

28

TV sets

STAR 13/6/75

plummet

Six weeks of experimental transmissions have failed to ignite public enthusiasm for television, and only half the estimated 200 000 sets are likely to be in South African homes when the full service starts in January.

Firm statistics are not available as the four manufacturers now in the market refuse to release their sales figures.

But a spokesman for a stockbroker's firm who has been investigating the TV market says TV sales are "undoubtedly" below estimates.

"At the manufacturing level, about 30 000 sets have been put on the market, but only 15 000 sets have been sold," he said.

"If the SABC extends the viewing time and improves the entertainment content of the test schedules, then I can foresee sales of between 100 000 and 130 000 at the end of the year.

SLOWDOWN

"Our estimates were originally between 225 000 and 300 000."

Mr Warren Clewlow, chairman of the TV Manufacturers' Association said today he had detected a slowdown over the past two weeks, after an encouraging start in May.

"I would say that about 25 000 sets have been sold to the public, and my estimate for the year is 150 000."

TESTS 'FINE'

Asked if he agreed with the view that the test shows were a deterrent rather than an encouragement to buy sets, Mr Clewlow said: "I think the test transmissions are fine, but should be expanded in variety and content."

Mr Tony Rackham, project manager of OK Bazaars' giant TV marketing and rental organisation, agreed that sales were slow.

The Stellenbosch Bureau for Economic Research said in its consumer survey yesterday that since the last report in March there had been a drop in the number of people who were considering buying

Indians win flower case ^{RDM} against council ^{19/6/75}

Staff Reporter

TEN INDIAN flower sellers have been successful in their Rand Supreme Court application for the setting aside of a decision by the management committee of the Johannesburg City Council to refuse their applications for flower stands.

Mr Justice McEwan also ordered the management committee and the Johannesburg City Council, both cited as respondents in the action by the flower sellers, to pay the costs of the application.

The flower sellers, who have occupied their stands for many years, brought an urgent application before the court last month when a dispute arose over the meaning of the word

"tender" in the municipal by-laws.

The flower sellers contended that the word meant they were only required to "offer" to occupy a flower stand and not offer money, but the management committee claimed that a cash tender had to be made for written authority.

The flower sellers claimed their tenders had been wrongly refused by the committee.

The court heard that nine other Johannesburg flower vendors had made tenders totalling R3 000 for stands in Rosebank.

Earlier this year the management committee resolved to accept the highest offer for various stands. It also resolved to invite fresh tenders for those stands for which no offers of money were received.

Setting aside the committee's decision yesterday, Mr Justice McEwan said the committee did not apply its mind to the proper meaning and purpose in the by-laws of the word "tender" and had misconceived its function when considering the applications. He said the committee should reconsider the applications.

Dealing with the meaning of the word "tender" he said the word was purposely used by the Provincial Administration legislator to assist a local authority to choose between competing applicants. It did not merely mean an "offer" to occupy, as was contended on behalf of the flower sellers.

A tender in money could be accepted in terms of the by-law, and the committee was entitled to accept a tender of as little as R1, which was better than no offer at all, but the committee was not entitled to turn down an only tender for a single stand solely on the grounds that it was not accompanied by money, the judge explained.

The committee had lost sight of the purpose of the by-law, which was to effect a means of selection, he said.

—delegate

5782
19/6/75 London Staff Reporter

25

MADRID — There was a great need for Black South Africans to attend conferences at which their future was discussed so that men qualified to lead the country when needed might be produced.

This was why Mr Samuel Motsuenyane — one of the South African delegates to the International Chamber of Commerce Congress being held here—thought the congress was important to Black South Africans.

"It is the economic viability of the Black man that will sustain him in the future," he said. "It would be useless if there were to be a Black government in South Africa which led the country in juxtaposition to the rest of the world."

NEW STRUCTURE

He added that the present South African Government would have to start considering a new structure for the country if it wanted to avoid a "holocaust."

"After Rhodesia and South West Africa, we can expect the pressures to be on us," Mr Motsuenyane said.

One of the sub-themes being discussed at the congress is the "consequences of government interference in the functioning of a market economy," and Mr Motsuenyane said there were many instances of Government interference in the South African economy as far as Blacks were concerned.

ASSAULT

"Job reservation is an assault on the market economy," he said.

Mr Motsuenyane said he was also most interested in the sub-theme, "Global resources in an interdependent world."

"We have often thought that a developed country the position between their areas so far, as it there," he said.

"The case of Black and White Africa is similar to the position between developing and developed nations, but we do need White capital in the development of Black South Africa."

INVESTMENT

Mr Motsuenyane said, however, that Whites and Blacks in South Africa would have to form a structure for investment in Black areas.

"Blacks have been against investment in their areas so far, as it would jeopardise their autonomy," he said.

"They feel they should be number one in their own areas and have a majority on decision making boards."

F.M. 20/6/75

28

Inflation and unfair traders

Is there such a thing as unfair trading and if so what exactly is it? There are probably as many opinions as there are consumers. Next week the National Development & Management Foundation (NDMF) is to hold a seminar on marketing within the law, at which leading marketers, administrators and academics will air their views and hopefully hammer out guidelines for all those whose business it is to sell.

Among the speakers will be retailer Raymond Ackerman, politician Harry Schwarz and economist Arnt Spandau. As a curtain-raiser for this important conference* and bearing in mind the recent appointment of a commission to



Arnt Spandau . . . collusion should be severely punished

cult, although we know it is happening. Take the recent increase in the price of cooking oil. I know this came through a government board. But the price of cooking oil has gone up from approximately 38c two years ago to over 65c. There is a complete agreement between the cooking oil companies. They actually carve up the country in a true cartel operation. When I try to throw light on the subject, I am told by the producers that it is really the Oilseeds Control Board that defines the price. We can't help it, they say. Similar things are happening all over.

Spandau: In Germany the complete arsenal of the Criminal Procedures Act is used to investigate the files of companies. Employees of the Federal Cartel Office and the police sometimes invade companies on a Saturday night. They block off whole offices for a number of hours and look through all the files. A good and a very intensive job is done.

And the penalties are extraordinary. The penalty is 150% of the estimated additional revenue made by the company by having collusion. In one case it ran into something like R12m. Apart from this, of course, you have prison.

What I want to say is that the sort of situation we see in SA, namely collusion between big suppliers, should really be very severely punished.

What do you feel about price control?

Schwarz: Normally price control is undesirable, but in the type of inflationary system with which we are living, I think you may not be able to avoid it in respect of certain essentials.

One of the difficulties in SA is that you have a large variety of boards operating outside the ordinary price control regulations, which, in fact, determine prices mainly in the interests of producers. Consumers are represented on the boards but you do not have completely free appointments. So the consumer actually has no real influence on prices, and it is only the government that can protect his interests.

Ackerman: Nor is the retailer represented. We, more than most, know the abuses that occur in the market place. Any retailer worth his salt must interpret what the consumer wants. So a consumer, retailer and producer on a board — the three together — would, I think, do a far better job.

What other measures ought to be introduced to increase competition?

Spandau: Revalue the currency and at the same time encourage imports. In my opinion the rand is excessively undervalued. If a currency is undervalued, there is a premium on exports and a

penalty on imports. SA should pursue a policy that would allow overseas competitors to get a firmer grip on the SA market. I believe if it were not for this unfortunate undervaluation of the rand price competition would be much keener in the internal market.

Ackerman: I believe one of the chief problems is the power of the big retail chains. I was confronted recently by one of the major retailers who came to me and said unless I changed every one of the suppliers I am buying from for our hypermarket, he would threaten those suppliers. The power of the giant chains is being totally abused. When we opened our hypermarket we first of all were boy-



Harry Schwarz . . . the consumer has no real influence

cotted by many of the branded goods suppliers, who said "we can't afford to give you goods because the chains would and have, threatened us."

So then we went into house brands. One of the house brand firms came to see me and said: "If you don't stop buying from the suppliers who are making my quality house brands, we are going to threaten those suppliers that it is either Pick n Pay or us."

I think these things must be aired and these people warned. I am not suggesting they should go straight to jail. But the big stick has to be used, otherwise we are going to have more and more inflation.

The Board of Trade should take one or two people seriously to task, as in Germany. Then I think we would have half of the problem falling away.

Schwarz: The difficulty is that the lobbies that are not supposed to exist in SA politics do exist; to a large extent producers have influential voices.

I think, however, there is a change

look into the state of competition in SA (FM last week), we gathered the three of them round a table to hear their views. We kicked off by trying to establish how much collusion there is between suppliers:

Ackerman: I believe it is very, very extensive. The Regulation of Monopolistic Conditions Act has no teeth, which is the fault of those who softened the legislation to protect vested interests. I say this with a bit of knowledge. I have gone into it deeply.

One of the problems is to prove that there is collusion. To get proof of resale price maintenance (which is a crime) is easy — if you use a tape recorder. The number of conversations I have had that are totally illegal from other person's point of view would surprise you. But I don't tape record anyone.

Trying to prove collusion is more diffi-

*To be held on June 25 and 26 at the Carlton Hotel in Johannesburg.

Business centre plan for Coloured

ARGUS 20/6/75

143
28
25

The Argus Municipal Reporter

THE Coloured Development Corporation plans to establish a R3-million business centre for Coloured commerce and traders in the first-phase development of Mitchell's Plain.

The CDC anticipates the centre — grouping more than 20 businesses — will cater for almost 28 000 people. Shops would probably be leased to Coloured businessmen at lower rentals than privately developed business centres would demand.

The municipal executive committee has decided to recommend to the City Council that the business centre incorporated in planning for the first area of Mitchell's Plain be given over to the CDC for development. The transaction will have to be approved by the Department of Community Development.

The executive committee agreed to a recommendation by the Council's housing committee which also asked that all Municipal departments co-operate with the CDC to avoid delaying this urgent project.

CAPITAL

In a memorandum to the Town Clerk, the CDC estimated the cost of the business centre at more than R2-million. But the initial capital outlay, it said, could top R3-million.

The memorandum, outlining the CDC's project and summarising the activities of the corporation, was submitted to the Council by Mr. J. P. Otto, manager of the development department.

In it the CDC saw the project as 'an on-going involvement' to ensure that correct facilities are timeously provided for Coloured communities and that the facilities pass into Coloured control as quickly as possible and with maximum possible assistance.

SOPHISTICATED

Because of the anticipated socio-economic level of the people in the first Mitchell's Plain area, the CDC said the shopping centre would have to be more sophisticated than similar existing Coloured business centres in Cape Town.

It was difficult to determine the viability of shopping centres in Mitchell's Plain. This made it risky for individual Coloured businessmen to attempt the development.

The memorandum said the CDC was obliged to undertake such high-risk projects and to transfer them to Coloured control when the risks have been overcome.

Bantu boards want liquor wars banned

By G. R. NAIBDO

THE GOVERNMENT has taken action to stop liquor price wars because Bantu Administration Boards are complaining that Blacks are being attracted by lower prices in White bottle stores.

The boards control liquor outlets in African areas and profits are used to subsidise local amenities — but, by law, prices must

not be lower than those prevailing in the district.

The boards say that because of the constant price fluctuations they are often technically in breach of the law. More important, they are losing revenue because Blacks are being enticed by lower prices to shop at White outlets.

This emerged at a top secret meeting in Durban this week addressed by Mr Mike Pieterse, vice-president of the Federated Hotel Associations of South Africa (Fedhisa).

Government representatives were also present.

They were warned that the Government was considering a levy on them to offset the loss in turnover suffered by Bantu Administration Board liquor outlets.

As a first step, legislation may soon be introduced to compel bottle store owners to keep a separate register of all sales to Africans so that a proper assessment could be made of the amount of African custom diverted from bottle stores in townships.

They were also instruct-

ed, with immediate effect to keep a record of all sales of more than nine litres of Bantu beer to a customer. His name and address, and the quantity of beer over nine litres sold must be recorded in the same way as sales of more than a dozen bottles of liquor are.

The regulation was introduced when bottle stores were permitted to sell Bantu beer, but has not been strictly enforced till now.

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Chief hits at split in Zulu trade plan

28

Natal
Mara-7
25/6/75

African Affairs Correspondent

CHIEF GATSHA BUTHELEZI has come out strongly in favour of tri-companies and White aid in KwaZulu and warns the African Chamber of Commerce not to attempt to create a split between his Government and African traders.

He was commenting yesterday on the chamber's rejection of a move by Checkers, the supermarket chain, to set up a KwaZulu company on a 50-50 share basis with African traders.

Prompted by a resolution by the National African Federated Chamber of Commerce last year to seek an association with a White chain store, the Checkers' deal offers benefits to the Black community.

But the Natal Chamber, Inyanda, has rejected the project because, say some members, it fears White competition.

Chief Buthelezi told the Mercury he was considering the dissolution of the liaison committee established to act as a link between his Government and Zulu commerce.

He felt it was serving no purpose if the present of Inyanda, Mr. Patrick Gumede, felt he could by-pass the committee.

The Chief said Mr. Gumede, a committee member, had favoured the tri-company concept which involves a White company, African traders and the Bantu Investment Corporation in a peripheral role.

RESISTANCE

"Mr. Gumede's job, as member of the liaison committee, was to report the Cabinet's views to Inyanda."

Instead, Mr. Gumede left the chamber's resistance to the new plan.

He rejected the view that the tri-company concept, which could herald the establishment of a number of viable businesses in the homeland, could be "construed as White interference. This is simply not valid," he said.

ADVANTAGES

Enumerating some of the advantages, he said a tri-company deal offered:

- Low prices to the consumer, who would also be offered a wide range of goods.
- Corporate tax for the KwaZulu Government and a booster to homeland economics.
- Employment for Zulus and decent salaries.
- Training for Zulus from counterhand level to management.
- Business involvement and participation through shares and decision-making.
- Dividends for investors and ultimate takeover of the KwaZulu based company by a consortium of African shareholders.
- Wholesale services to Zulu retailers.

The Chief emphasised that tri-company stores would be built in selected areas and would not be allowed to put Zulu traders out of business.

Noting that the scheme would do much to keep Zulu money in Zulu areas, Chief Buthelezi also called on Africans to make use of the expertise being offered.

THE selections for
meeting at Scottsville
day
SELECTION

'I'll resign' offer made to chief

28

Natal Mercury Reporter 2/6/2

PIETERMARITZBURG—The president of the African Chamber of Commerce in Natal, Mr. Patrick Gumede, yesterday offered to resign following a claim by Chief Gatsha Buthelezi that the Chamber was attempting to create a split between his Government and African traders.

Chief Buthelezi's statement followed a rejection of a tri-company concept by the Chamber.

The tri-company plan would involve a White company, Black

traders and the Bantu Investment Corporation in a peripheral role.

The Chamber rejected the plan because some members feared White competition.

Mr. Gumede said he had the highest confidence and respect for Chief Gatsha Buthelezi. He wanted to point out, however, that he had not expressed a personal view when opposing the concept, but was merely conveying the chamber's resistance to the idea.

"I deny that the chamber is

attempting to create a division between the KwaZulu Government and African traders. Our aim is to work towards an economically powerful State," Mr. Gumede said.

"Our chamber has always given Chief Buthelezi its wholehearted support."

He said he would step down as president of the chamber if Chief Buthelezi considered him the instigator of a move to cause disunity.

See Times (Bus Times)
29/6/75

28

By COLIN CAMPBELL

SOUTH African Breweries is thrusting towards a R1 000-million turnover and solid entrenchment as South Africa's biggest industrial group.

SAB plans to spend R80-million by March next year to modernise and further extend its hold on the South African economy. The addition of R20-million as working capital takes projected commitments to R100-million.

This, and other plans, are detailed in chairman Dr Frans Cronje's annual review for fiscal 1975, published yesterday.

Dr Cronje tells shareholders that there should be a further sound improvement in SAB's profits for fiscal 1976, but warns that the South African economy faces "some difficulties".

Dr Cronje says that the R80-million will be spent on fixed capital investments in its brewery operations; on television equipment and TV sets for leasing; and on the first stage of a programme to develop larger retail stores and hypermarkets.

Of this, R30-million will be spent on breweries operations, and the chairman adds that "these expenditures are all considered essential if we are to meet projected turnovers and maintain our position in the market place".

SAB, which controls OK Bazaars, has not unveiled its hypermarket plans, but it is understood that the group plans at least two hypermarkets — one in Johannesburg and one in Cape Town — both near the present Makro outlets.

The cost of the group's expansion plans will be funded from internal resources and from borrowings.

In May SAB negotiated a R20-million loan — first reported in BUSINESS TIMES on May 4 — and has R15-million in the pipeline from the leaseback of properties arranged with Sanlam.

It will use its short-term facilities to supplement the balance.

The shortfall will be met by disposal of assets, and the chairman adds: "It is essential in the present financial climate that the group utilises its resources more effectively".

Gross margins were squeezed last year, and though turnover rose by 42 per cent to a record R888.9 million the pre-tax and pre-interest return slipped from 10 per cent to 9.4 per cent.

Net interest paid rose significantly from R5.6-million to R13.9-million, but despite this factor, the group was able to report record earnings of 18,1c a share, and improve its dividend payment by 0,5c to 9c a share.

SA Breweries should enjoy some relief on the interest front charge if interest rates continue to tend down, and because of management's intention to control costs strictly, earnings growth should continue.

Over the past 10 years, earnings have grown at an average annual compound rate of 12.3 per cent.

Dr Cronje is particularly lucid on his group's responsibilities towards the community it serves. Points from his review include:

○ SAB is moving towards unified salary and wage structures to eliminate the wage gap between Black and White workers doing the same job.

○ In addition to supporting sport, university education and charitable causes, SAB will concentrate its efforts more forcefully in the field of technical education.

○ SAB intends to initiate a research project to identify the various problems associated with the consumption of alcohol beverages, and in evaluating the sociological effects of these.

Dr Cronje makes a plea for the authorities to assist the private sector by offering forward cover facilities for medium-term loans, thus eliminating the exchange risk.

The capital requirements of South African industry are vast, and while SAB has the capacity to raise foreign capital, the group is obviously exposed to currency risks.

If forward cover is not accepted as a proposal, then Dr Cronje suggests that realised currency losses on loans should be allowed as a deduction from income when tax is determined.

There is no breakdown of turnover contribution, but on the profit contribution front, the South African beer division retains number one spot at R127.

○ Steibos (29 per cent) — this company finds it difficult to predict sales volumes this year because of possible consumer resistance to higher prices, but a further profit growth is expected.

Because of the gnawing effect of inflation, SAB proposes to revalue its assets on a replacement basis this year.

As an investment, SA Breweries can safely be recommended as a safe medium-term holding.

The group is closely

identified with the growth of the South African economy, and though the percentage rise in dividends paid may not be dramatic, at least shareholders have every right to expect a steadily rising dividend income.

Its earnings track record is good, and given management's determination to work assets as profitably as possible under current inflationary pressures, shareholders can safely bet that this year's earnings will be a record.

See MANUFACTURING - Beverages

Free...with the 'Box'

THE PROPHETS of doom are back with us. If they couldn't stop TV, they aren't going to let us watch it with a clear conscience.

The leader of the anti-TV brigade, a right-minded former Minister of Posts and Telegraphs, set the ball rolling in the House of Assembly some years ago when he announced that TV was bad for the eyes.

"Not bad for the eyes, good for the opticians," an ophthalmic surgeon said yesterday. "When a five-member family, watching the 'box' together, all want to set the focus differently, a pair of spectacles here and there can work wonders."

Predictably the myopic Minister soon gathered a herd of followers who

By HELEN ZILLE

have compiled an impressive list of TV evils.

Here are some you are likely to come across most often:

Goggle-eyes are unavoidable. And the real addicts can be spotted at a distance because their eyes square off at the corners and twinkle technicolourfully.

TV causes baldness, a British health expert claims. "Every day the number of patients suffering from baldness increases, and they are getting progressively younger. My diagnosis is too much TV," he said.

Then there is the theory that TV is fattening. That somehow light

rays and electrons turn into calories in mid-air.

Doctors have confirmed that TV addicts who down a nightly six-pack and tin of peanuts while they exhaust themselves watching the sports round-up after supper, will pick up the spare kilo and tyre here and there. But eating and lack of exercise are the causes. Not TV.

Probably the most effective anti-TV weapon is the theory that the "box" causes impotence.

"Nonsense," an American sexpert said. "With the heightened pace of life a couple has a long list of things to do each day and right at the end — in pencil — is sex. So if the late, late show cannot be missed, what chance has a healthy love-life got?"

TV — 'SABC' *Cape Times* 30/6/75 also to blame'

Cape Times Reporter

TELEVISION dealers yesterday criticized the SABC for not being absolutely frank with the public. They said that the Government was partly responsible for all the uncertainty by treating the TV service "as if it was some sort of nuclear weapon".

Much confusion has been caused by consumer resistance and efforts by dealers to overcome this resistance. The first advertising and promotional campaigns launched by sections of the trade were too cautious and the more recent campaigns have been too vociferous, creating a psychologically unfavourable impression on the public.

Prospective buyers are still adopting a wait-and-see attitude, caused by the high cost of sets and other irritants such as the fact that the three-month guarantee on a set will

have expired by the time the full service begins next January.

According to Mr Theo Rutstein, managing direc-



tor of one of the large rental companies, the slowness of the market threatens to cause a chaotic consumer situation towards the end of the year.

He said: "It was estimated that by January

1 there will be a demand for 300 000 sets. It was hoped that most of these would be delivered between now and the end of the year, but current indications are that only about 100 000 sets will be delivered by January.

"This means that in January next year there will still be a demand for 200 000 sets.

"Now it takes four hours to deliver a set — from warehouse to installation — and to deliver 200 000 sets will take something like 800 000 hours."

On this basis he warned that people who wanted sets after January 1 would have to wait months before they were delivered. The physical manpower would not be there to deliver them earlier.

After the first transmissions tomorrow night there will be two test transmissions a day from Mondays to Saturdays. The English programmes will be on Mondays, Wednesdays and Fridays and the Afrikaans on Tuesdays, Thursdays and Saturdays. Each evening programme from 7.30 to 8.30 will be repeated the following day between 1 and 2pm.

28

Pick 'n Pay branches out

By PAUL DOLD
Financial Editor

Cape Times 4/7/78

into catering

PICK 'n PAY is diversifying into catering and its well prepared plans envisage a major assault on the Western Cape market towards the end of this year.

This logical diversification to the thrustful Pick 'n Pay group's traditional business was announced last night by Mr David Watkins, general manager of Pick 'n Pay in the Western Cape.

He said that Pick 'n Pay is to offer top-line service at a low cost and will slash the price of catering considerably.

Not only will clients be able to order a wide range of snacks, buffet and full dinners, but Pick 'n Pay will be linking with leading liquor and equipment and waiter hire companies. This will enable catering clients to have low liquor and hiring charges.

The centre of the food-preparation operation at the group's new Epping complex will be ready

within weeks and Pick 'n Pay's launch should be in time for the Christmas trade.

Pick 'n Pay will be following the lead of several American store groups but as far as it is known it will be the first supermarket company in South Africa to offer this service.

Catering booths are to be opened in certain stores where orders will be taken and brochures are being designed showing the full range of foods available.

The group's present delicatessen range is prepared at Epping and the new facilities will be

among the best in the country. Pick 'n Pay has been testing the market for some time and is impressed with the potential.

"The group has held back from entering sooner because we want to ensure that our services will be unmatched both in price and quality," Mr Watkins said.

It seems the age of discount catering, as an adjunct of discount foods, is upon us and knowing Raymond Ackerman he has once more backed a winner.

'Exploiters'

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lambasted

Cape Times
8/7/75

PRETORIA.—One shopkeeper went so far in his exploitation of a debtor that he tried to get a stop order on a widow's pension, even though it was illegal to do so, said Mr Eugene Roelofse, former director of the SA Co-ordinating Consumer Council, last night.

Speaking at a meeting sponsored by Datum 80 on "The exploitation of the consumer by commerce," he said there was talk of weekend jail sentences for people who did not pay their debts.

"But what about the credit exploiter? Isn't it time he landed up behind bars?"

One of the most monstrous forms of exploitation of the consumer was the long-term hire-purchase contract on grounds of a young married woman's earnings. In many cases this led to her being frightened to death of pregnancy, and also led to divorce and other social problems.

"A magistrate in a town in the Western Cape told

me that on one day he had 800 requests for summonses from one furniture dealer — and most of the respondents lived in the African township."

Price control should not be regarded as a weapon against inflation. However, it was effective against exploitation, even though it was blunted at the edge.

BOYCOTT

"How could it be that some dealers charged twice as much for paraffin as garages charged for petrol? The Price Controller eventually stopped this practice about nine months after an investigation and a complaint to his office.

"How does one explain a profit margin of 150 per cent on a coal stove?"

"How is it that some re-

tailers threaten manufacturers with a boycott if they supply discount stores?"

"If the exploiter is not curbed, the consumer will eventually regard all inflation as the result of exploitation, and this should not happen," Mr Roelofse said.

One section should not enrich themselves at the cost of another. Action should be taken.

③ The newly-appointed director of the South African Co-ordinating Consumer Council, Mr Johann Verheem, plans to start a watchdog magazine similar to the English publication "Which"

Mr Verheem said that the council sought to educate the consumer. At present information was disseminated by the mass media, but he hoped to use more direct communication through television and pamphlets. — Sapa, own correspondent.

STAR 8/7/75

Bouquet for Roelofse

Pretoria Bureau

Mr Eugene Roelofse, former director of the Consumer Council, has come in for unexpected praise from the Furniture Traders Association.

He had put forward many worthwhile suggestions to stamp out malpractices, the association's director, Mr Danie Grabe, said in Pretoria last night.

While he conceded that malpractices existed, Mr Grabe said they were difficult to control because trade associations in South Africa had no teeth.

CONSUMER

It was in the interest of both the consumer and the trade that these malpractices be wiped out. A black list was being compiled of unscrupulous salesmen.

"Go from store to store to get the best value for your money," he urged.

Mr Grabe was speaking at a public meeting on consumer exploitation. Mr

Roelofse who was also on the platform, warned that contracts often protected the trader rather than the buyer.

All guarantees and contracts should be carefully read. If necessary an attorney should be engaged.

But the ultimate responsibility to protect the consumer lay with the Government. Mr Roelofse also warned of exploitation across the colour line. Its possible consequences were beyond conception, he said.

Consumer need — 'better deal'

ARGUS 9/7/75

PORT ELIZABETH. — The inadequacy of legislation against consumer exploitation and the operation of some commercial traders on 'the fringe of morality' led the consumer to feel the dice were loaded against him, the former director of the Consumer Council, Mr Eugene Roelofse, said here last night.

Addressing members of the Law Teachers' Association of South Africa at a banquet, Mr Roelofse appealed to law lecturers 'to work towards a better deal for the wage earner, housewife and salaried man.'

Mr Roelofse said the man in the street was feeling increasingly disenchanted about the law and lawyers.

The small man feels that our laws are for the wealthy and the trader. He hears much about consumer protection, but sees little.'

The attitude of those in high places to consumer-oriented laws 'to deal with those who operate on the fringes of commercial morality,' seemed to favour commerce, he said.

UNDERHAND

We have reached a stage in our commercial life where the words clever, wide-awake and enterprising are used to describe actions which could more fittingly be called crooked, underhand and avaricious,' Mr Roelofse said.

The favourite weapon of the trader 'operating in the shadows but within the law' was the contract.

The courts could act against the debtor but not against the racketeer,' he said. 'The consumer can hardly be blamed for thinking the dice are loaded against him.'

He appealed to the legal profession 'to strive towards greater parity between buyer and seller, educated and illiterate, educated and illiterate, Sapa.

THE Motor Industries Federation (MIF) estimates that most of its 4 500 petrol-selling members throughout South Africa are now 'financially embarrassed' because of the Government's refusal to allow them more than a six percent mark-up on petrol sales.

In an interview this week, the director of the MIF, Mr R. G. du Plessis, disclosed that his organisation had appointed an independent economist to review the country's entire petrol marketing system because of the financial crisis being faced by petrol retailers.

And he made it clear that the MIF would pursue its demand for a higher profit margin on petrol, in spite of the warning this week by the Minister of Economic Affairs, Mr Chris Heunis, that aside from any internal pressures on the petrol price, a new demand from oil producing states for a further increase in the crude oil price might, in any event, force up the petrol price.

Earlier this year the Government turned down a request from the MIF for the present six percent limit on petrol profits to be raised to 10 percent.

'Our position is that we have operated under a fixed markup since 1937. In that time, the price of petrol to the dealer has gone up by about 1 000 percent, while the dealer's allowable mark up has risen by only 40 percent,' Mr du Plessis said.

'So, it is surely not difficult to see our point of view for a change. The situation is very serious indeed. Well over half our petrol-selling members derive more than 50 percent of their income from petrol sales.

'My information is that of our total of some 4 500 petrol-selling members, more than half are now financially embarrassed. In view of the situation, we have appointed an in-

'We will press the Government for higher mark-up'



MR C. HEUNIS

dependent economist to review the entire petrol marketing system.

'And we will continue to press the Government for a higher mark up on petrol. This is a continuing process because of the continuous rise in our costs,' he said.

Opponents of a higher mark-up on petrol argued this week that any increase in the petrol price would drastically affect the entire economy, and that even if petrol retailers had plausible arguments to support their



MIF orders probe on sales



case, a price rise should be resisted in the national interest.

They said the number of petrol stations in South Africa was far too high, with the result that many stations were forced to operate on an uneconomic basis.

A squeeze on petrol retailers which would result in many of them going out of business might not, it was said, be a bad thing and might even prove a healthy development which could keep prices down.

28

Motor trade revenue up 26 p c

Cape Times

12/7/75

PRETORIA.—Estimated trading revenue in the motor trade increased from R147,8m in April last year to R186,3m in April this year, according to figures released here by the Department of Statistics.

This represented a 26 percent increase. Estimated trading figure for March this year was R169,5m, making the April figure up 10,1 percent on March.

Vehicle sales, both new and used, accounted for little more than half of the April figure with R99,9m.

This figure also showed a 26 percent

increase over the vehicle sales for April last year.

The total estimated number of vehicles sold in April this year was 35 052 and that for the same month last year 30 868, while the figure for March 1975 was 32 419.

An interesting comparison is found in the number of vehicles on hand—77 266 for April this year, 74 220 for March and 76 214 for April of last year.

Combined figures for the first quarter of 1975 show a 20,7 percent increase over last year from R569,3m to R687,3m. Vehicle sales for this period increased by 19,6 percent from R305,1m to R364,9m.

STAR 13/7/75

Farming Editor

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3
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A Meat Board survey has said the average retail butcher is "definitely not" making excessive profits. The Agricultural Union maintains, however, that retail beef prices have not gone down in sympathy with the lower auction prices.

Mr F C G Wink, assistant general manager of the Meat Board, today gave the breakdown of the average cost and profit margins of retail butchers.

But this profit is the retail butcher's gross margin 32c/kg, offset by losses in cutting up the carcasses, and by the fact that fat and bone are sold at very low prices.

If the butcher paid 96c/kg for a carcass, the less popular cuts (off the forequarter) amount to 55 percent which can be sold at about R1,30/kg.

The popular cuts (34 percent) will have to be sold for an average of R2,10/kg to make up the R1,43c/kg he needs to make a reasonable profit.

Some of these cuts like the thick flank cannot be sold for that price and consequently the more popular cuts like the sirloin must be increased still further, the Meat Board said.

Mr Fred Lategan, general manager of the Asokor Group (a large meat distribution group) says smaller butchers make only about two percent net profit and butchers with a bigger turnover make four percent to five percent net profit.

RETAIL

Commenting on the Meat Board's figure Mr Jan van der Walt, meat official of the South African Agricultural Union, said his organisation based its case for a downward adjustment of retail prices on the official index figures.

The auction prices of beef dropped by almost 10 percent in the first five months of this year while the consumer index for beef remained virtually static, "in fact it increased slightly," indicating that the retailers have failed to give the consumer the benefit of the lower auction prices.

TV, radio men meet to form ^{Cape Times} protective group

Cape Times Correspondent

JOHANNESBURG — About 80 radio and TV dealers and technicians met here at the weekend to form a new association "for the protection of dealers and technicians".

Mr John Perkins, a radio and TV technician and leading member of the Jaycee Organization, was elected chairman of the new organization, provisionally called the Radio and TV Technicians Association.

Mr Pat Thompson, who was elected secretary, said it may seek union status later.

There is a shortage of technicians in the country," said Mr Perkins. "The manufacturers have done their share by training first-line servicemen for television."

"I believe the manufacturers realize first-line servicemen will eventually have to be upgraded, and the association can help by seeing that this is done."

"TOM, DICK AND HARRY"

A committee member, Mr Peter Barry, said: "Every Tom, Dick and Harry is supplying the public with TV sets at wholesale prices. They cannot possibly maintain and service these sets."

"Most of us are now qualified for TV. We have been on a conversion course that takes six weeks."

"But many people go on a two-day course. They are then regarded as first-line servicemen, and they are taking our bread and butter."

The first of 2 000 cost-price black and white TV sets to be made available to old-age pensioners by one of the country's biggest distributors has been bought by a recently retired Randfontein couple. Mr and Mrs W. V. Edmundson.

The sets have been made available to pensioners throughout the country at R275, a saving of R119. The Edmundsons were the first to take advantage of the offer.

A major row is brewing between two of the most important motor organisations in South Africa — the Automobile Association and the Motor Industries Federation.

Each today issued a particularly heated statement that attacked the other.

The row began when the federation's director, Mr R G Du Plessis, said in its magazine, *Automobile* that the AA and the Coordinating Consumer Council had reverted to "consumer terrorism" in attacks on the motor trade.

Today Mr du Plessis said: "The AA are constantly condemnatory of the motor industry.

"And when it has been proved to them that they are in error, they do not even apologise.

"The Consumer Council has been similarly irresponsible."

The federation was particularly upset, added Mr Du Plessis, over the AA's strong reaction to a report by the National Productivity Institute about productivity in the motor repair trade.

The AA, Mr Du Plessis said, "seized upon the report as a reason for high repair costs."

But, he added, they did not point out that the report made clear that productivity in the motor repair trade was no worse than in many other industries.

The AA has retorted: "This association strongly resents the implication and the allegations made by Mr du Plessis when he accused the AA of consumer terrorism.

"The AA points out that it is the function and duty of the association, as the largest motoring organisation in Southern Africa, to protect and further the interests of its members and to make representations on their behalf.

ABOVE CRITICISM

"To label such action and intervention as terrorism is tantamount to saying that the motor trade is above criticism and that the motorist must be content regardless of any legitimate complaint he may have.

"It would appear that the motor Industries Federation is resentful of the fact that there is such a responsible body as the AA which is fully prepared to take up the cudgels on behalf of the private motorist."

Mr Du Plessis has emphasised that he stands by his charge of consumer terrorism.

He added: "I have every reason to believe that today far greater injustice is being done by skilled consumer terrorists than by dishonest or inefficient repairers."

Consumers accused of 'terrorism'

Cape Times 16/7/75

A CHARGE of "consumer terrorism" has been levelled against consumer movements by Mr R G du Plessis, director of the Motor Industries Federation.

'Motor trade handled with velvet gloves'

A FORMER director of the National Co-ordinating Consumer Council, Mr Eugene Roelofse, said yesterday that the motor trade had been handled with velvet gloves by consumers and the authorities — "but this will not necessarily be the case in the future".

He was commenting on allegations of "consumer terrorism" made by Mr R G du Plessis, director of the Motor Industries Federation.

Mr Roelofse said he would have preferred Mr Du Plessis to have devoted his editorial to the profits being made on motor spares and to explaining the reason for the proliferation of car models "which bring about the proliferation of spares to be carried and to the writing off of millions of rands of obsolete spares which are paid for in the final analysis by the consumer.

"Generally speaking, the motor trade has been handled with velvet gloves by consumers and the authorities, but this will not necessarily be the case in future," Mr Roelofse said.

"CROOKED DEALERS"

He cited a case where a minor repair kit costing about R5 had been "unavailable" and the customer had been forced to buy a complete new unit costing R300.

The fact that some dealers were honest and others not was beside the point. "The crux of the matter is: What are the honest dealers doing about the crooked dealers? Have they, for instance, ever objected to trade licences being granted to those crooked garage dealers?"

Mr W A Oberholzer, assistant director-general of the AA, said he took exception to Mr Du Plessis's remarks on consumer terrorism.

"We are not self-appointed critics of motor traders," he said. "We represent 500 000 private motorists." As a result of years of dealing with complaints by motorists the AA was in a position to speak with authority on the problems of motorists.

The Automobile Association and the Co-ordinating Consumer Council are specifically mentioned in the accusation, printed in the latest edition of "Automobile", an MIF publication.

In a signed editorial, Mr Du Plessis said these organizations and the Press had large audiences "notwithstanding their often irresponsible and ill-founded allegations against the motor trade".

A senior AA spokesman said he took exception to Mr Du Plessis's charge of consumer terrorism and Mr Eugene Roelofse, former director of the Consumer Council, said the charge was laughable.

"So far," said Mr Roelofse, "the consumers and the authorities have handled the motor trade with velvet gloves."

Mr Du Plessis said consumer terrorism had become big business and no sector of the economy had suffered more at the hands of these denigrating crusaders than the motor industry.

He said that Mr Ralph Nader, "the high priest of (American) consumer protectionists", had selected the motor industry as the prime target for his assault but all the safety measures built into vehicles as a result had not reduced road accidents.

"In South Africa, the self-appointed mouthpieces of the motorists and critics of the motor trade have large audiences notwithstanding their often irresponsible and ill-founded allegations against the motor trade."

Mr Du Plessis said there were "a few traders" whose actions would not bear close scrutiny, "but this surely does not warrant the accusations of inefficiency and dishonesty that are consistently levelled at the motor trade."

"We fully recognize the right of the consumer to be protected against any form of exploitation. In those sections of the economy where we have free and unrestricted competition — as in the motor trade — we believe that the opportunities for

Labour plan black list

RDM 17/7/75
Own Correspondent

EAST LONDON. — The Labour Party has decided to bring pressure on shops and other firms practising discrimination against Blacks.

The Coloured Party's public relations officer in the Transkei, Dr L. K.

Sharpley, said a desegregation action committee would be established in all major Eastern Cape towns in the next week or two.

"Shops who discriminate against Coloureds, Indians and Blacks will be black-listed and people will be encouraged not to support them," he said.

SA spends 20pc more on cars — but sales change little

Financial Reporter

ARGUS 17/7/75

ALMOST 20 percent more was spent by motor vehicle buyers on new and used cars during the first four months of 1975 compared with the same period last year — but actual vehicle sales showed little change on a year ago.

Figures released recently by the Department of Statistics in Pretoria reveal that R369,9-million was spent on vehicles by South Africans up to April this year. This compares with last year's R305,1-million.

In April 1975, almost R100-million was spent on vehicles, which is 26 percent more compared with the same period last year.

The department says that estimates exclude motorcycle dealers and

sales of vehicles not classified in the motor trade.

Spending on petrol and lubricants by consumers during April this year rose to almost R24,7-million, an increase of R6-million from April last year.

Vehicles sold in the first four months of 1975 totalled 131 370 an increase of 9 762 over the corresponding period last year. The sale of new vehicles in this period increased by 3 percent while the sale of used vehicles rose 14 percent.

BLEAK PERIOD

Cape car dealers, however, do not believe that a great boom in car sales is at present taking place. They point out that the department's survey was compared to a most bleak period in the industry — the first four months of 1974.

'The increased fuel prices and petrol restrictions which hit the country towards the end of 1973, had a marked effect on car sales during the early part of 1974,' said Mr R. J. Norman, a director of Holmes.

He added that the position improved afterwards and has since maintained a steady pattern.

Finance I

Mr Jossel Lipshitz, managing director of Schus, said the survey was not a true reflection of the situation. There had been a substantial increase in the sale of good used cars, but the demand for new cars was constant.

He forecast that this trend would continue, but that there would soon be a greater demand for new cars in the R4 000 price range.

HARDENING

In Durban, the joint managing director of the NMI group, Mr M. I. H. McIntosh, said there had been a perceptible hardening of the car market and it looked as if this trend might improve as the year progresses.

Factors favourably influencing the motor market included the general liquidity improvement coupled with an awareness by the man in the street that prices were likely to rise quite sharply.

Acting in NMI's favour, however, had been the ultra-low West German inflation rate which had resulted in Mercedes vehicles increasing their price competitiveness, and in the current year an increased market penetration is aiding profitability.

Motor man sticks to his guns

Cape Times 17/7/75

THE DIRECTOR of the Motor Industries Federation, Mr R G du Plessis, said yesterday that "consumer terrorism" occurred when organizations representing the consumer used pressure on private firms.

He was not prepared to retract one word of his attack this week on the consumer movement in which he accused the Automobile Association and, in some cases, the National Co-ordinating Consumer Council of "terrorism."

Most of the complaints against motor traders, he said, came from people who could not afford to pay their bills. Asked to explain what he meant by consumer terrorism, Mr Du Plessis said there was consumer terrorism "when you have an organization that speaks on behalf of the consumer and uses pressure on private firms."

"When people cannot afford to pay their bills they threaten firms that they are going to report them to the Consumer Council or the consumer services of newspapers."

"NO MONOPOLY"

He said he did not wish to fight with Mr Eugene Roelofse, former director of the Consumer Council, but "I don't think he knows the first thing about the motor trade."

Mr. Roelofse has been made chairman of the Specialized Shop-keepers' Association, a consumer organization, model.

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ZULU LIMIT ON BOTTLE STORES

African Affairs Correspondent

NONGOMA — Chief Gatsha Buthelezi announced yesterday that Zulu businessmen would in future be allowed a maximum of only one bottle store licence each.

The KwaZulu Cabinet had also decided that if anyone owns more than 25 percent of the shares in a company running a bottle store he should not be granted another bottle store licence in his name.

Chief Buthelezi explained that the Cabinet was trying to prevent monopolies and was hoping to distribute business opportunities as widely as possible among Zulus.

The Chief has invited three members of the Associated Chambers of Commerce of South Africa to sit on his liaison committee.

5 TAR
29/7/75

A call for butchers to reduce retail prices of red meat to fit the 10 percent drop in auction prices was made today on behalf of the cattle and sheep farmers of the country.

But butchers say their profit margin has been cut to the bone.

Mr David Coetzee, public relations officer of the South African Agricultural Union, said today:

"The time has come for the distribution trade to make lower price adjustments. They owe it to the consumer as well as the producer who is also affected by it."

He pointed out that there had been "an alarming slump in market prices of cattle and sheep" since the beginning of the year. The stimulus high prices had given to cattle and sheep farmers since the middle of 1974 was in danger of weakening "which the country cannot afford."

Accepted

Speaking in a radio programme to farmers, Mr Coetzee said farmers accepted that the distribution trade went through difficult times during the time of high prices. Butchers did not pass on the full price increases to the consumer but had absorbed some of it themselves.

But in the past six months, since market prices came down, they had been able to make up those losses.

While the auction prices to the farmers fell by about 10 percent since December 1974, the price to the consumer remained about the same.

Giving the point of view of meat distributors, Mr Fred Lategan, general manager of the Asokor group, after quoting figures said: "If anybody says he can do it (meat distribution) cheaper, he must come and show us how to do it."

Mr Lategan said the wholesale trade charged five percent on auction prices to the retailer. For that he must finance the retailer for 60 days, pay salaries, delivery to the retailers, rental for coldstorage "which leaves him with a net profit of 0.9 percent before tax."

Cape Times 25/7/75

JOHANNESBURG. — Compared with eight advanced Western economies, South Africa ranks second highest in terms of food price inflation over the period 1970-1973.

This was stated in a study published here yesterday entitled "Implications of subsidizing foodstuffs in South Africa", undertaken by the economics department of Natal University at the request of the Associated Chambers of Commerce.

The study states that food price inflation varied from 0,30 percent a year in West Germany to 11,51 percent in the United Kingdom. In terms of food price inflation relative to

consumer price inflation, South Africa ranked fourth highest.

In France, the United States and the United Kingdom the relative rate of food prices inflation was higher.

The study found that unless the prices of basic foods were lowered by bigger State subsidies there would be "serious social and political implications". It suggested that the subsidy on butter be removed and used to cheapen the high price of

fresh milk, and that the bread subsidy be raised.

According to the study the consumer price index had risen more rapidly for Blacks and food price rises had contributed more to overall inflation for them than for other groups. This reflected the inverse relation between income level and the importance of food in the budget. The lower the income the higher the food price inflation.

This had important implications regarding income disparities in this country and meant that Black income was being eroded at a greater rate than White income and this should be taken into consideration in any programme aimed at reducing the income gap.

Urgent priority should be given by the Government to the rerouting of funds into the agricultural development of the homelands and the short-term needs of White farmers should not have exclusive State attention.

Assocom stated that although they had commissioned the study "as a positive contribution to the general debate on economic policy", they did not necessarily subscribe to the views it expressed.

PRIORITY

Referring to the importance of agricultural development in underdeveloped countries, the study said that this applied to the homelands where "the past record has been dismal". The very viability of the policy of separate development was dependent on the development of these areas, making the rerouting of Government funds for this purpose a matter of top priority.

Lack of concerted consumer action was one of the reasons for food price inflation. In the USA and Britain consumer pressure had forced the lowering of prices. Such consumer action did not occur in South Africa where there was, in addition, a statutory producer majority on the control boards. Among the other reasons for food price inflation, the study cited "structural defects" in South African agriculture.

Among these were the fragmentation of the system, many boards controlling related products and the marketing of these separately. — Own Correspondent and Sapa

STR 26/7/75

'Bring shady dealers to heel'

An appeal for price control on furniture was made today by the former director of the South African Coordinating Consumer Council, Mr Eugene Roelofse.

Addressing a meeting of the Business and Professional Women's Association in Soweto, he said that the furniture trade had had things their own way far too long.

"I know when I say this I am up against multi-million rand enterprises which wield much influence but it's time that they were brought to heel," he added.

"Every businessman is entitled to profits but some furniture dealers are going too far. Their wealth stems from the poverty and ignorance of others.

These mark-ups were only possible because of the unrealistic amount of credit the dealers offered.

The solution was simple—the authorities need only restrict credit or impose price control. "I would like to see both," Mr Roelofse said.

SEVEN POINTS

He laid down a seven-point plan for the furniture trade:

- ① Price control.
- ② Pegging of credit in relation to the breadwinner's income.
- ③ Imprisonment for anyone removing partially paid-for goods from a debtor's home without court authority or a voluntary repossession form signed by the debtor in front of a commissioner of oaths.
- ④ Harsh penalties for employers instructing staff to remove furniture illegally.
- ⑤ Confiscation of a vehicle used for illegal removal of furniture.
- ⑥ Publication in the Government Gazette of the names of dealers guilty of illegal repossession.
- ⑦ Abolition of admission of guilt for price-control offences.

Mr Roelofse added: "My solutions might sound drastic but I don't think them unfair. They will protect the consumer and the honest dealer."

Woolworths earns more, pays more

By PAUL DOLD, Financial Editor

Cape Times

26/7/75

IN SPITE OF trimmed margins Woolworths showed solid growth in the past year, notching a 22-percent pre-tax profit rise and dividends for the year at 13c are 3c higher than last year.

Turnover rose by 24,3 percent from R86,8m to R108,4m and was translated into pre-tax profits of R16,2m as against R13,3m.

Reflecting the keener trading climate, the return on sales was shaved slightly from 15,84 to 14,98 percent. Net attributable profits were R9,5m compared with R7,7m which, after a transfer to reserves of R5,8m (R4,8m), gave earnings per share of 33,1c (27c) — a 22,6 percent increase in the latter.

Shareholders are bound to be pleased by the 30 percent rise in total dividends for the year (an 8c final is being paid) which shows the board is optimistic on the outlook.

A full report on the year will be given in the chairman's review early next month but from the

latest figures it appears that Woolworths had a 'buoyant final six months' trading.

Sales at the half way stage at the end of November were R48,1m (38,2m) with pre-tax profits of R6,4 (R5,4m) giving earnings per share of 12,9c (10,9c).

This means that sales in the last half (which included the peak Christmas season) totalled R60,3m generating profits of R9,8m.

In all, Woolworths has shown its class during what must have been a difficult trading period with costs in the retail trade generally rising.

Marks and Spencer chief joins Woolworths

MR MICHAEL D SIEFF (above) a vice-chairman and joint managing director of Marks and Spencer Ltd, has been appointed to the board of Woolworths Holdings Ltd as a non-executive director.

A company announcement yesterday said that Mr Sieff had close ties with Woolworths going back to 1953, and had since been a frequent visitor to South Africa.

He is active in the field of British exports in his capacity as chairman of the British overseas trade group for Israel and also as a member of the European trade committee with special responsibilities for exports to Switzerland. Both these bodies act as area advisory groups to the British Overseas Trade Board.

— Sapa

FRAGILE PEACE

By CHRISTOPHER MORRIS

Sun Trib (Fin) 27/7/75
THE bombshell dropped by Assocom this week in the shape of a Natal University survey done for the association indicating that Blacks are losing out hand over fist in the fight against a rocketing Consumer Price Index highlights the fragility of industrial peace.

For it showed to what extent Black real incomes are being eaten away by inflation — and especially the soaring cost of food.

Raymond Parsons, executive director of Assocom, said the results of the survey were being carefully studied as “they have important implications for wage policy as well as general economic policy”.

“Efforts to close the wage gap through increased wages or bigger food subsidies can now be analysed objectively within the framework of the university’s study.

“This survey has shown that the challenge to provide cheap food is a formidable one and there is no simple solution.”

See Page 4.

THE STORY of Ellerine Holdings' success would, if it were not based on hard, solid fact, have a storybook tinge to it, starting as it does with a schoolboy looking through a classroom door and seeing the need for a large new specialist retail operation.

The boy was Eric Ellerine, founder, managing director and chairman of Ellerine Holdings, who was a 16-year-old at Athlone High School in Johannesburg at the time.

He saw vast numbers of Africans moving out of the shanty towns that then ringed South Africa's main centres into new townships with modest, but substantial homes.

He saw too that they would need furniture they could afford in those homes, and that as their earning power and their standard of living improved — which he was sure would happen — their demand for furniture would grow, and with it the quality of furniture they could afford.

What was needed to supply that demand was a string of specialist furniture shops catering almost exclusively for the African.

He felt he was the man to fill that need, so left school, took his entire savings, which amounted to £108 (R216) — which was the £100 he had received as barmitzvah presents and the £8 it had earned in interest in three years — and opened Eric's Furnishers in Germiston.

That was on July 27, 1950. Exactly 25 years ago today.

Why did he choose the furniture trade, and why did he choose to open a shop in Germiston, not in Johannesburg? The answers, and the rest of the story in his words, are:

"Well, my father had a small furniture shop in Johannesburg, so I knew something about furniture, and the shop in Germiston was the only one I could find where the rental was £12.10 a month.

"I also had some experience selling furniture on the hire-purchase system, as that was the way my father sold furniture, and in collecting instalments.

"I was my father's instalment collector. Every Saturday I used to cycle around Braamfontein — it was still a residential area in those days — collecting instalments.

"Another reason for my

choosing Germiston was that it had been announced that the Natalspruit Township was to be built, but at the time I opened not a single house had been built there.

"I immediately started catering for Africans, and must say I was lucky. As I said before, there wasn't a house then in Natalspruit, and Africans were earning extremely low wages. A wage of R6 a week was considered princely.

"My turnover, from July 27 to August 31, in 1950, was £256.

"Two years later my brother Sidney joined me when he turned 16. We have been together ever since, and it is our proud boast that in all that time we haven't had one argument."

The policy of the two brothers was to learn the business thoroughly, build up capital, and then expand.

Eric's salary was R2.50 a week, and Sid's was R1.50.

"I came out on that salary," Eric told me. "I didn't drink, and am still a teetotaler, so I was even able to save about 50c of my salary.

"The shop became a complete family affair in

1956 when my father joined us and he, incidentally, worked in this business until the day he died last year."

The three Ellerines did everything themselves. They bought, sold, loaded, unloaded, and delivered everything that they sold. Eric kept the books, and still has his first ledger, which he keeps in a drawer on the right of his desk and looks at whenever he feels in need of some light reading.

In that way they kept their overheads as low as possible, and built up capital.

They employed their first outsider, a woman to do clerical work and answer the telephone, only in 1957.

"We stayed in that shop for eight years, by when we thought we had built up enough capital, and knew enough about the business to expand by opening a second shop, also in Germiston," Eric told me.

"The next really significant step we took as far as staff was concerned was when we employed Pieter Lombard in 1964. He played a dominant role in the building up of this business, and still does.

Sun Times (B.T.) Spec Surv 27/7/75

Group will stick to the game it knows

28

THE ELLERINE organisation plans to expand its operation, but not to diversify in any way, according to the chairman and managing director, Eric Ellerine.

"We believe we should stick at what we know best, which is the retail furniture trade and to be more specific, that part of it which caters largely for the African," he said.

"As far as I am concerned there would be no point in diversifying, because in the beginning we had to make things happen.

"We had to sell furniture, load it and deliver it, but now things happen in spite of us. We have grown that big.

"We pioneered the mass sale of furniture to Africans in the days when R6 a week was a princely wage for an African. There would be no point in us not concentrating all our efforts on that market now that their salaries and wages have risen to much more than that — and they are still rising."

Mr Ellerine quoted the enormous increase in the buying power of non-Whites in this country to underscore this point.

"In 1970 Africans accounted for about 24 per cent of the retail furniture market, Coloureds for about 6 per cent, and Asians for about 3 per cent — in other words, about a third of the market, which was worth about R800-million then.

"With their tremendous increase in earnings, I believe this market will expand faster than the gross national product.

"I predict that it will expand at a rate of about 7 per cent a year after the rate of inflation has been accounted for, and that by 1990 the African will buy about half of the furniture sold in South Africa."

To illustrate the point further, he said: "In 1970 non-Whites bought about 33 per cent of all the furniture sold in South Africa. I believe that right now they buy about 37 per cent.

"The important thing to

remember is that Africans comprise about two-thirds of the population of South Africa. Add Coloureds and Indians to that and you find that non-Whites comprise about 82 per cent of the population of South Africa. In other words, only one person in every six in South Africa is White.

"If you have your wagon hitched to a star like that it would be silly to do anything that would weaken the traces."

Mr Ellerine said too that apart from the fact that Africans are able to buy more furniture, their taste in furniture is also becoming more expensive.

"There has been a tremendous change in their buying habits," he said. "They are becoming much more sophisticated, and are now buying the type and styles of furniture that Whites in this country bought immediately after World War II.

"Most of the hi-fi sets

sold in this country now find their way into Black homes, as does a large proportion of the radios sold."

Going on a different tack, he said: "One of the most important tasks facing the Government now is the electrification of the townships. It must do that to reduce the crime rate, and to bolster sales of television sets.

"Until it does that the African won't be a significant buyer of television sets.

"I will go as far as saying that until the townships are electrified, sales of television sets will not go at all — they will be a damp squib — but once the townships are electrified Non-Whites will not only buy television sets in significant numbers, but they will also become significant buyers of electrical appliances.

"They will push up the sales of electrical appliances enormously, and we will start catering for their tastes and requirements."

See also PRICES - Controls.

STAR 28/7/75

John Patten,

Political Correspondent

There is strong speculation that the Government will impose price control on various garage items to end the constant flood of complaints from the motoring public.

It may do so when the Cabinet meets on Tuesday of next week for the first time since the end of the Parliamentary session.

In line for Government action are said to be the price of spare parts and the labour charges made by garages for repairs and servicing.

Thousands of complaints by motorists have been made to the Price Control Commission and through the Press in several years, resulting in a departmental committee investigating the complaints.

A warning?

The Government is known to be reluctant to extend price freezes into the private sector of the economy, but has done so in situations where the public is being exploited.

If the departmental inquiry shows the motor industry up in a bad light in this respect — as some influential sources believe — the Government could decide to step in, to show its hand against inflation and as a warning to other sectors where repeated complaints are being made.

MIP in dark



WHOLESALE TRADE IS IN DECLINE

STAR
28/7/75

Michael Chester,
Financial Editor

Estimates released today by the Department of Statistics show that business in the wholesale trade — a sound barometer on prospects for the retail trade — has toppled into decline.

The main blame for the reversal appears to fall on a sharp slowdown in sales of clothing and textiles which tumbled from R41,8 m in April to only R31,4 m in May.

Making concern all the more pointed is that the May sales were even lower than the R33,2 m total in May a year ago — even though inflation has eroded the real volume of business so much.

Even by value, sales for the entire wholesale trade slipped between April and May from R645,6 m to R624,8 m. This alone amounts to a fall of 3,3 percent. Add the inflation factor and the fall is more severe.

The figures are bound to jolt the wholesale trade. Taking the five-month period January to May as a whole, its total sales by value show a rise of 19,3 percent compared with a year earlier — enough to keep ahead of the inflation rate.

But with the pace of inflation now at around 14,8 percent, the sales index by value in May, at only 12,8 percent higher than in May 1974, mean that by volume the sales run has slowed down.

OUTPACE

Concern is broadened by the fact that official statistics show that the retail trade too is making no headway in sales when measured by volume.

Figures released last week put the index of sales by value of the retail trade at 387,5 in May, compared with 339,3 a year ago. In cash it amounted to R485 m.

The increase amounted to 14,2 percent — but still not enough to outpace the rise in the consumer price index.

In theory, the start of television sales should have added a new boost to retail business. But as widely known, TV sets have been moving much slower than anticipated.

The track records of both the wholesale and retail trades — at least as far as the Department of Statistics carry them — inspire little confidence in spending patterns so far into 1975.

The economic recovery is still looking for a launching pad.

New deal urged for Black shoppers

STAR
28/7/75

The time has come for the establishment of supermarkets in or within easy reach of Black townships, the former director of the South African Co-ordinating Consumer Council, Mr Eugene Roelofse, said today.

Mr Roelofse told the National Council of Women that the housewife is learning to become a wise consumer and would expect better service more and more.

"Next time you complain about the prices you are charged at supermarkets, spare a thought for those tens of thousands of housewives who, with very small household budgets and no means of getting to and from supermarkets must buy from the shop on the corner," he said.

"There may be many reasons why prices are what they are in Soweto, but there are no reasons which I know of which could justify the continuance of this."

Mr Roelofse said it was illogical that people with lower incomes had to pay higher prices than those with high incomes.

CATCHING ON

"I say the day of the pliant consumer is past. There is a new generation of buyers coming on the market place. To manufacturers they say 'Back up all the things you say.' They demand that commerce backs up what the salesmen say."

Mr Roelofse, who was speaking at a meeting in Johannesburg, added: "Perhaps this is what is being mistaken for consumer terrorism. To me it is something different — a mere initial manifestation of rising educational standards and increasing market maturity on the part of our housewives and other consumers.

"Our consumers are catching on," he said.

Shopping boost for Blacks?

STAR 29/7/75

A large chain store has begun negotiations to get permission to open stores in African homelands.

Reacting to a call for supermarkets in Black areas made yesterday by Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council, the vice president of Checkers, Mr Bob Harvey, said negotiations had been underway.

"We would very much like to help these people in townships and the homelands, but it also depends on their reaction.

"Some Black businessmen fear they will be put out of business and we don't want that to happen," he said.

He could give no further information about negotiations taking place, he said.

A director of the Pick'n Pay group, Mr Richard Cohen, said that because his was a young group, it had been concentrating on White areas. The new Hypermarket had absorbed a lot of the group's energies.

"I believe Raymond Ackerman (the chairman) has given some thought to this question, but along the lines of going into a form of partnership with

Black businessmen," Mr Cohen said.

If anything developed along those lines it would most likely be as a completely separate venture possibly even under a different name.

Mr A Fabig, personnel director of the OK Bazaars, said his company was in the forefront of the Black market, with thousands of shoppers making use of the computer system to shop at the store's Johannesburg branches.

He pointed out that, at present, only Black entrepreneurs were allowed to run businesses in the townships.

"It is doubtful whether any of them have the capital or knowledge to open supermarkets which could compete in price with the existing big chains," he said.

Mr Fabig could give no indication of OK Bazaars' policy on other Black areas such as homelands.

Business Systems & Equipment

AUGUST 1975

Volume 6 No. 8

Blacks are to service equipment

Much of the sophisticated equipment for the growing South African business equipment industry is to be serviced and maintained by Black technicians qualifying under a new government approved training scheme. The scheme is being undertaken by the Business Equipment Association of South Africa which represents an industry employing more than 15 000 people engaged in the manufacture, marketing and maintenance of equipment ranging from adding machines and typewriters to computers.

Mr Val Andries, president of the Business Equipment Association said: "The pilot scheme is designed to provide Black employees with the basic skills and knowledge which will enable them, after further incompany training, to service the sophisticated equipment marketed by our members. We are dedicated to the programme not only because we think it worthwhile to provide meaningful training and career opportunities for Blacks, but also because we know they can become a pool from which we, as an industry can satisfy our ever growing needs for trained manpower." Mr Andries said the recent initiatives of the Government through the Department of Bantu Education to promote Black training had encouraged the Association to start the scheme.

The training programme was aimed at those candidates who had the necessary education and aptitude and the Association's director of training, Mr R. I. Marsden, is presently evaluating current selection and aptitude testing methods with a view to establishing a composite battery of modern tests.

Mr Andries pointed out that

industry's technical staff operated in customer's premises where good service and sound customer relations were vital and therefore it was necessary to have sound selection.

Initial training in the scheme offers courses in basic mechanics and electrics, technical drawing and the development of manual skills. The duration of the course will be 15 weeks.

Permanent training premises are under construction at Chamdor, Krugersdorp, where the first government sponsored training centre for Johannesburg and the West Rand is to be established. To speed up its plans the Association obtained special approval from the Department of Bantu Education and the West Rand Bantu Administration Board to move temporarily into one of two training centres built and equipped in Soweto for industrial training of Black schoolchildren.

Since the training scheme falls under the Government's provision for private industrial training, approved training costs such as the trainee's pay, will entitle employers sponsoring students to special tax con-

28
MINDOER

Board to probe Natal Mercury 1/8/55 medicine firms

PRETORIA — The Minister of Economic Affairs, Mr. J. C. Heunis, has ordered an investigation into the existence of monopolistic conditions in the supply and distribution of pharmaceutical products.

In a statement issued here yesterday, the Minister said this step has been taken as a result of a considerable number of complaints.

They alleged that there were restrictions on competition in respect of the supply and distribution of pharmaceutical products.

The Minister said: "I have on various occasions in the past emphasised that the Government attaches great importance to the maintenance of healthy competitive conditions in the national economy as a means of keeping prices to the consumer as low as possible.

"The Government will not hesitate to take the necessary steps to achieve this.

"As a result of a considerable number of complaints, I have now instructed the Board of Trade and Industries to undertake an investigation, in terms of the Regulation of Monopolistic Conditions Act of 1955, into the existence of monopolistic conditions in the supply and distribution of products of the pharmaceutical industry as a whole."

He said a notice will be published in the Government Gazette today.

Interested parties are invited to submit representations and information to the Secretary of the Board of Trade and Industries in Pretoria. — (Sapa.)

28

Govt to probe pharmacy trade

Natal Mercury 1/18/75

The Minister of Economic Affairs, Mr. Heunis, has ordered an investigation into the existence of monopolistic conditions in the supply and distribution of pharmaceutical products.

In a statement issued in Pretoria yesterday, the Minister said this step had been taken as a result of a considerable number of complaints in connection with alleged restrictions on competition in the supply and distribution of pharmaceutical products.

The Minister said:

"I have on various occasions in the past emphasised that the Government attaches great importance to the maintenance of healthy competitive conditions in the national economy as a means of keeping prices to the consumer as low as possible and that the Government will not hesitate to take the necessary steps to achieve this objective.

"As a result of a considerable number of complaints which have been recorded in connection with alleged restrictions on competition in respect of the supply and distribution of pharmaceutical products, I have now instructed the Board of Trade and Industries to undertake an investigation, in terms of the Regulation of Monopolistic Conditions Act of 1955, into the existence of monopolistic conditions in the supply and distribution of products of the pharmaceutical industry as a whole.

"A notice in regard to the investigation by the board will be published tomorrow in the Government Gazette for general information and interested parties are invited to submit representations and information in this connection to the Secretary of the Board of Trade and Industries, Private Bag X342, Pretoria." — Sapa.

Pharmacy
monopoly
inquiry
ordered

1/8/75

The Argus Correspondent
JOHANNESBURG. The
Minister of Economic
Affairs, Mr J. C. Heunis,
has instituted a monopo-
lies inquiry into the sup-
ply and distribution of
pharmaceutical products.

In a statement yesterday
afternoon, the Minister
said he had instituted the
inquiry 'as a result of a
considerable number of
complaints.' He had in-
structed the Board of
Trade and Industries to
carry out the inquiry.

Complaints were over
alleged restrictions on
competition in the supply
and distribution of phar-
maceutical products.

The inquiry is being
made in terms of Section
111 (1) (a) of the Regula-
tion of Monopolistic Con-
ditions Act. A notice con-
cerning the investigation
is due to appear in today's
Government Gazette.

Interested parties were
invited to submit repre-
sentations and information
on the subject to the
secretary of the Board of
Trade and Industries, Pri-
vate Bag X342, Pretoria.

KWAZULU CHECKMATE

A MAJOR ROW is threatening to split the economic and political leaders of KwaZulu. And at the centre of the controversy is the multi-million Checkers supermarket chain.

The chain has submitted proposals that, if accepted by KwaZulu, would lead to the setting up of a Checkers chain throughout the homeland. The proposals have been approved in principle by the Minister of Bantu Administration and Development, Mr M. C. Botha.

All that remains for Checkers, or any other chain that is decided upon, is for Inyanda Chamber of Commerce to agree. From comments made at the recent National African Chambers of Commerce meeting at Witsieshoek, it seems likely the go-ahead could be given at a meeting to be held on August 15.

But the stumbling block is the objections raised by African traders in Natal and Zululand. Led by millionaire Zazi Khuzwayo, who claims he has the support of all the Zulu traders, the Checkers proposals could be rejected.

And this would bring the traders into disagreement with Chief Gatsha Butshulezi, who has expressed his approval of the proposals.

Homeland trading is the obvious plum for the large chains, particularly Checkers, which is having to seek new trading areas in the face of the Pick 'n Pay and OK hypermarket developments.

Moving quickly in the supermarket

Sun Trib (Fri) 3/8/75

Traders vs Government row looms over huge supermarket deal



VIC HANNA
FINANCIAL EDITOR

Zazi Khuzwayo:
We must build

race for the homelands, Checkers submitted a series of proposals to KwaZulu which suggested:

- That a non-quoted public company — Checkers KwaZulu — be formed to operate a chain with outlets in towns.
- That the shares of the company be divided between Greatermans and a company to be formed, KwaZulu African Traders. Initially Greatermans would hold 50 percent of the shares and the traders the balance.
- That Checkers KwaZulu capital be increased in the first 10 years at same ratio as the initial issue. After that any increases in share capital would be issued only to KwaZulu African Traders, until the percentage held by Greatermans

decreased to 25 percent.

• That no other similar ventures unless wholly owned by Africans, be allowed to operate near a Checkers KwaZulu outlet for 10 years.

Zazi Khuzwayo is opposed to the project.

"It is the feeling of the African traders in Natal and Zululand that in terms of the Government's separate development policy they must be allowed to develop progressively on their own. And Checkers, with all the financial and buying power that it has, will definitely destroy all the small African traders.

"We must build our own retail organisations and while this is being done — it could take 20 years to have fully developed African trading — the African consumer must suffer.

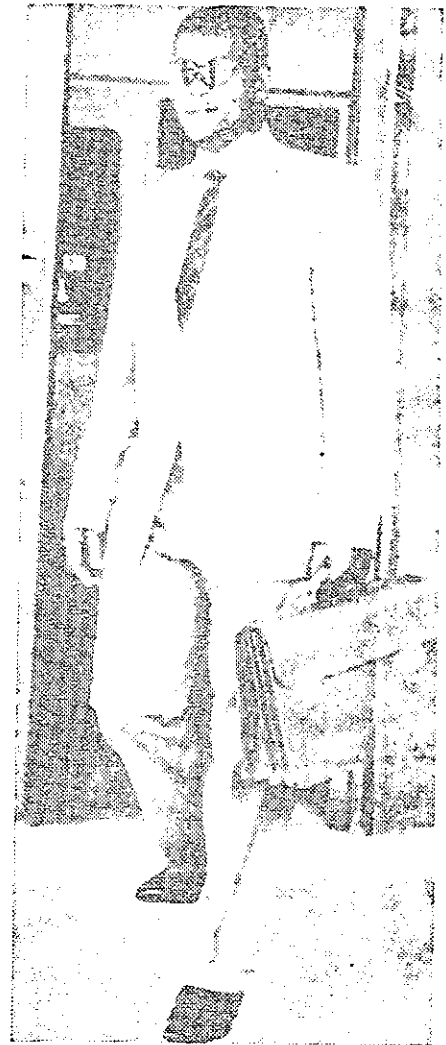
"The Checkers proposal includes the offer to train African staff at all levels but I feel that, at head office level where training is most important, White staff would not be prepared to work alongside Africans.

"And I am not happy that the traders offered shares of the Checkers operation after the initial 10-year period would be in a position to take up their shares, because of a lack of cash."

He said a memorandum has been submitted to the KwaZulu Government which is at variance with the statement Mr P. G. Gumede, chamber president of Inyanda, made at Witsieshoek endorsing the joint venture by Africans and a White chain.

The memorandum, submitted by Inyanda, says its executive fails to see anything of benefit to the African traders in the Checkers proposals.

"The only party to benefit," it says, "will be Checkers. We must emphasise that if this proposal is allowed to materialise then we may as well forget about Black entrepreneurs.



"None of the South African chains had the know-how of running chain stores. They all acquired the skill overseas, where entrepreneurs did not suggest to them to enter into partnerships at a 50 percent basis before they impart their know-how, managerial skill, etc. Why must they in turn insist on partnership in our case.

"If our Government (KwaZulu) wants to assure accelerated development, may we suggest that some funds from the KwaZulu Development Corporation be utilised in sponsoring Zulu entrepreneurs for specialised training locally and abroad, as is the case with independent Black states. In the event, and with no restrictions as far as the acquisition of capital is concerned, then we cannot see ourselves failing in running our own companies."

Scotts buys Up and Coming chain for R170 000 in cash

See Trib (Fin.)
3/8/75

28

Financial Editor

SCOTT SHOES has bought the spectacularly successful children's clothing chain Up and Coming for R170 000 in cash. Turnover of the chain of five outlets is currently running at R1 million a year but Des Scott, chairman of Scotts, believes this could reach R3 million by the end of next year's first quarter.

Up and Coming was started by Jack Rapeport in 1972. In three years he opened four branches in Durban and one in Pietermaritzburg. The operation had such a powerful impact on the Natal retail scene that Des Scott approached Jack Rapeport with a view to taking it over and incorporating it in his Off the Peg chain.

"Durban is probably the most competitive clothing retailing area in the country," said Des Scott this week, "and we felt that if the Up and Coming concept was successful here then it should be acceptable in other centres."

"We now plan to use Up



Jack Rapeport (left) and Des Scott ... business on the up and up

and Coming in 46 of our 86 Off the Peg outlets. This should take us about three months to complete. Jack Rapeport will stay on as managing director of Up and Coming and will be responsible for the development and operation of the chain."

Jack Rapeport was also behind Off the Peg. After

selling a retail operation in Rustenburg some years ago he started Off the Peg in 1966 with the first outlet in the Lonsdale Hotel on the Durban beachfront.

In 1970 he sold two thirds of the business to Scotts for R80 000. Then, a year later he sold the remaining third for another R40 000.

**KIDDIES
CLOTHES
CHAIN
TO
MOVE
INTO
46
OFF
THE
PEG
OUTLETS**

A restraint clause in the agreement prevented him from re-entering ladieswear but, after consultation with the Scotts board, it was agreed that he would be given the go-ahead to start up a children's clothing operation.

"Recently there has been a growing awareness by parents, and their children, of a pre-teen fashion market and it was on this area that I wanted to concentrate," Jack Rapeport said.

He found a retail market gap and Up and Coming filled it. Now, with the five outlets, the chain is at the point where full-scale distributing facilities and centralised control are necessary. Scotts, for its shoe and clothing chain of 106 stores has a streamlined back-up operation which will now be applied to Up and Coming.

Des Scott believes that between now and the end of his group's financial year—February—Up and Coming will generate around R1 million in turnover. For the following financial year he expects it to contribute R3 million.

Private capital

'discouraged'

ARGUS
4/8/8

THE construction industry is becoming increasingly dependent on public sector spending because inflation and higher interest rates have discouraged private investment in construction, Dr Zac de Beer, chairman of LTA, says in the annual report.

He says demand fluctuations in the industry are dependent on the short-term fiscal budgeting methods followed in South Africa and suggests that the industry and the public would benefit from more careful long-term planning to utilise the industry's capacity to the full.

LTA had an after-tax profit of R3 916 000 for the nine months ended March, compared with R3 470 000 for the previous 12 months.

Highveld Steel and Vanadium Corporation has raised its annual dividend for the year ended June from the previous year's 7,5c to 10c a share, on register August 22.

Net taxed profit for the year rose from R9 906 000 to R11 843 000. Deferred taxation amounted to R8 336 000 compared with the previous year's R1 260 000.

In a joint statement in Johannesburg on Saturday it was announced that Barlow Rand has purchased 253 900 shares in Northern Lime from the Industrial Development Corporation of South Africa (IDC) and its subsidiary companies. The price paid by Barlow was 530 cents a share, ex dividend. The effect of this transaction is that Barlow Rand will hold approximately 30 percent of Northern Lime.

Brendan Ryan

Probe

Read Daily Mail
4/8/75
has us

in dark

Staff Reporter

MEMBERS OF the Pharmaceutical Society of South Africa say they are still in the dark as to the purpose behind the proposed Government investigation into the supply and distribution of pharmaceutical products.

The Minister of Economic Affairs, Mr Chris Heunis, called last week for the probe into possible monopolies in the drugs industry and into high prices.

The president of the Pharmaceutical Society, Mr William Bannatyne, said from Cape Town yesterday: "I have had discussions with several members of my executive and we are still mystified about the investigation.

"The terms of reference of the inquiry are very wide and general and we don't know what it is aimed at.

SIMILAR

"We are expecting to receive a questionnaire within the next month and will then know whether the investigation is general or specific. At this stage it looks like an inquiry into the whole distribution of medicines."

Mr Bannatyne added that in all previous investigations of a similar nature the pharmaceuticals industry had "come out very well."

The announcement of the investigation was welcomed by the Minister of Health, Dr Schalk van der Merwe.

And yesterday the national president of the Housewives League, Mrs Hope Hughes, said: "We are absolutely delighted about the investigation. We hope that when firms are caught overcharging, strict steps will be taken by the courts so they are found guilty and fined heavily.

"People are frightened to consult doctors these days because they cannot afford the high prices charged for medicines."

TV set sales at 24 000 so far

The Argus TV Reporter

5/8/75

THE latest market research figures show that by mid-May only 24 000 television sets had been sold in South Africa.

This was the figure quoted yesterday by Mr Olive Corder, managing director of a market research company, at the one-day television symposium in the city.

It confirms earlier estimates that TV set sales had got off to a disappointingly sluggish start and that sales projections for the first year before the full service starts in January were highly optimistic.

It was hoped that up to 200 000 sets would be sold this year, but considerable consumer resistance, mainly because of the high price of sets, has kept scales down.

Another reason is that people are waiting for the

full five hours a day service to begin before acquiring sets.

Mr Corder said it was now estimated that about 70 000 sets would have been sold by the end of the year.

The survey also showed that among Whites interviewed 22 percent said that they would have a TV set, 48 percent would not and 29 percent were undecided.

He said the survey was carried out every month and was based on 600 White homes, 1 400 African homes, 500 Asiatic homes and 800 Coloured homes.

Four percent of Coloured people said they had decided to have TV sets, 9 percent of Asiatics also

said 'yes' to sets, but only 1 percent of the Africans in the survey intended to get sets.

Among the Whites 14 percent of those who had decided to get sets said they would buy them before the full service started.

Twenty-seven percent of this group would rent.

The survey showed that the main preference was for the big, 66cm colour set (46 percent), followed by 16 percent for the smaller colour set and 11 percent for black and white.

Mr Corder said that younger age groups and higher income brackets showed the greatest bias towards acquiring TV sets.

Black tycoon checks in

African Affairs Correspondent

Mercury 6/8/75

MR. ZAZI Kuzwayo, the Clermont tycoon, who is at odds with Chief Gatsha Buthelezi over the tri-company White partnership concept, claimed yesterday that he knew that "African traders and the Zulu public would like me to lead them in all spheres, not just in business."

He said, however, that he would not challenge Chief Buthelezi, the head of the KwaZulu Government, "because my involvement in business does not permit me time for politics."

Mr. Kuzwayo was commenting on Chief Buthelezi's defence yesterday of a tripartite concept which might see the Checkers supermarket chain enter into partnership with Zulu traders.

Chief Buthelezi replied: "I will not insult the intelligence of the Zulus by trying to add to my past explanations. But, I want Mr. Kuzwayo to understand one thing: I do not believe there will ever be an all-Black KwaZulu. People all over the world are interdependent, and there will always be people of different race groups in KwaZulu."

The tri-company scheme has become part of KwaZulu development policy and also found instant acceptance with the Zulu liberation movement, Inkatha, at its conference in Nongoma recently.

Mr. Kuzwayo, however, claims that the "majority of traders" oppose the project.

AMUSING

Later yesterday, Mr. Winnington Sabelo, the Umlazi supermarket owner, said he found Mr. Kuzwayo's leadership claims "very amusing," and he doubted that there would be "anyone who will agree with him."

Mr. Kuzwayo said yesterday that the African Chamber of Commerce, Inyanda, had never agreed to the Checkers proposal as

claimed by the Chief. The chamber had only signified that it would reconsider the proposals.

Claiming the support of the majority of the traders, he believed that Zulus would never be able to buy Checkers' interest in the homeland.

"I don't believe, either, that Checkers will phase themselves out gradually as they have proposed. At the end they will wipe out all the Black traders.

"The traders will borrow money to buy the 50 percent shareholding offered initially by Checkers from the Bantu Investment Corporation, but they will not be able to repay the loans with dividends because Checkers might not even declare dividends.

"The profits made by Checkers in KwaZulu will be invested in White areas, and the BIC will take the African traders' dividends as repayment on the loans."

Mr. Sabelo said Mr.

Kuzwayo could not speak for Inyanda and he disputed that he was "leading Zulu traders."

As an Umlazi town councillor for the past three years he had been a member of the committee screening businessmen. "Sometimes we advertise three business sites and get more than 100 applications. I have been made sharply aware that there are many Zulus with quite enough money to invest in businesses.

"At this moment there are no companies in KwaZulu offering shares to the people.

"If Checkers signed a contract with the KwaZulu Government, and Chief Buthelezi has said this will be one of the conditions of agreement, the company will be bound by contract to fulfil all its obligations which will force it to phase itself out if it has promised to do so, and it will also force it to declare dividends."

Car firm to fight rising costs

Cape Times 7/8/75

By BRIAN GROBBLER, Motoring Editor

RECOMMENDATIONS by the National Productivity Institute on how to cut motoring costs will be implemented by Volkswagen South Africa and its more than 200 dealers throughout the Republic.

Announcing this at a motoring press conference in Cape Town, Mr Noel Phillips, managing director of Volkswagen, one of the country's major manufacturers of motor vehicles, said his company had accepted in full the 112-page report of the National Productivity Institute. It intended implementing the recommendations for greater workshop efficiency as part of a programme to combat increasing costs.

Mr Phillips said: "Improvement in management procedures and systems can considerably boost the efficiency and productivity of our dealer workshops and thereby arrest the increasing costs of service with obvious benefits to the customer."

Mr Phillips said the first step would be to extend the warranty on all new VW vehicles from six to 12 months, irrespective of distance covered.

PARTS

VW's sales director, Mr Peter Searle said the programme will also see the introduction early next year of a less expensive line of replacement parts. "Indications are that these parts will be on average 15 percent less than those currently obtained from Germany."

Volkswagen also operates a reconditioned parts exchange system and Mr Searle said this operation will be stepped up.

More important will be the stepping up of workshop productivity on the lines recommended by the NPI. "At the VW dealership where the NPI's recommendations have been on trial over the past nine months, both productivity and customer satisfaction have increased measurably."

Experts in their field will diagnose the fault and no job will start till everything is available to the mechanic," he said.

RDM 7/8/75

Unethical for ethical

Against the background of a Government decision to investigate "possible monopolistic conditions in the supply and distribution of pharmaceutical products" in South Africa, JOHN IMRIE looks at some of the drug price scandals in other countries.

Indian pharmaceutical prices (dollars per kg)

	India	Europe
Chloramphenicol	47,62	20,50
Prednisolone	1 593,00	555,00
Chloroquine phosphate	39,96	17,50
Streptomycin	39,35	26,00
Tetracycline	113,39	29,00
Vitamin C	9,70	2,40
Vitamin A (price per 1 000-m units)	52,16	23,00

Indian regulated pharmaceutical prices were found to be on average 357 per cent higher than European prices.

Multinational and "Other" Firms

Chemical Name	Trade Name	Price per kg in US \$	
		"Other"	Multinational
Chlordiazepoxide	Librium	\$ 18.90 - 20.00	\$ 1 250.00
Diazepam	Valium	30.00 - 45.55	2 500.00
Nitrazepan	Nogadon	108.70	2 088.00
Ampicilina	Pentrexil	162.50 - 200.00	420.00
Prometacina	Deinal	17.75 - 21.00	140.00
Indometacina	Indocid	72.50 - 110.00	320.00
Metrendiazol	Flagil	11.15 - 14.80	38.00
Acetazolamida	Diamoz	13.50 - 16.85	53.00
Furosemida	Lasix	77.00 - 100.00	1 177.00
Cloranfenicol	Chloromycetin	13.00 - 15.95	80.00

Colombian comparisons show the vast difference in that country between the prices of drugs marketed by big multinational companies and other companies.

BEFORE reading any further, have a glance at the two tables (left) of drug price comparisons.

And now, if you care to do so, breathe a silent prayer for India, and a whole lot of other countries where sickly little health budgets cannot even begin to help millions of diseased and dying people — countries around the world which are being taken for a ride, possibly and even probably including South Africa.

Controversy over high drug prices has erupted periodically over the past decade or so, especially in the United States and Europe, and because human life and suffering is involved together with allegations of exorbitant profits made by powerful companies, the issue has become particularly emotive

To what extent are the big drug companies culpable of unethical profiteering out of the life-saving ethical drugs which they develop and collectively monopolise?

The companies' stock reply to accusations that they are over-charging is that they are a special case: their research programmes are so costly that they have to charge high prices merely to recoup their outlay.

But if indeed they are a special case, then in the opinion of their number one critic, Charles Levinson, secretary-general of the Geneva-based International Federation of Chemical and General Workers' Unions (ICF) they also "certainly justify special diagnosis".

And this is what he has done in a booklet entitled "The Multinational Pharmaceutical Industry" from

which the two tables published here have been taken.

Levinson gives numerous examples of excessive profit-making, two of the best known cases involving the important antibiotic tetracycline in the United States, and the tranquillisers Librium and Valium in Britain.

Under American anti-monopolies legislation Pfizer, American Cyanamid and three other companies were accused of making "enormous" profits on tetracycline — with 100 capsules costing the manufacturers between \$1.59 and \$3.87 to produce but selling to druggists for \$30.80 and to the public for \$51.

The manufacturers denied price collusion but eventually all five companies offered to repay \$120-million to customers whom they had over-charged.

Librium and Valium are the brand names of the Swiss company Hoffman-LaRoche or chlordiazepoxide and diazepam. In June, 1971, The Guardian newspaper in Britain drew attention to a case in Canada in which Roche Products, a subsidiary of the Swiss firm, admitted that although Valium sold in Canada for \$4870 a kilo, the cost to Roche of manufacturing the raw material was only \$35 a kilo.

"So that the end product is sold for nearly 140 times the basic cost," commented The Guardian writer, Peter Durisch.

Denial

"Even when the raw material is made into tablets, packaged and labelled, the total cost to Roche is still less than \$200 a kilo, less than a 25th of the selling price."

In September that year the British Monopolies Commission was asked to investigate Librium and Valium. It found that on these two tranquillisers a £24-million profit had been made in six years, ordered the company to reduce prices by 75 and 60 per cent and repay to the Government some £11-million, which it was claimed was the amount overcharged.

Prices drugs?

According to Levinson the estimated cost of manufacturing, packaging and selling Librium was \$1.70 for 1 000 tablets while the selling price to the chemist was \$10.

"This does not allow for research costs, but even allowing 10 per cent for this the mark-up is huge."

There was also the suspicion that Roche imported Librium and Valium from its parent in bulk at inflated prices — so that in fact the bulk of the profit from the British market accrued outside that country.

Levinson describes Hoffman-LaRoche as "one of the most secretive and autocratic enterprises in existence" which grew to become the biggest pharmaceutical company in the world entirely out of its own profits.

"It has never gone to the private money market for a single franc of new capital since its original creation by a small family group. This is why a share of stock... now sells for the astoundingly high price of \$53 000."

Turnover

To give some idea of Hoffman-LaRoche's size: its 1971 turnover in pharmaceuticals was \$1 250-million, and it employs more than 30 000 people in 60 companies in 32 countries, operating six large research centres, 42 pharmaceutical factories and 26 chemical plants.

Other examples of excessive profit-making given by Levinson:

● In the United States in 1970 the Schering Company sold chlortemeton anti-histamine tablets to druggists for \$20.59 a 1 000 whereas the same quantity of the drug could be bought under its generic (chemical) name for \$1.40.

● For 1 000 Serpasil pills, Ciba demanded \$39.50 from druggists, though under the name Reserpine it was available for 89 cents.

● Tetracycline again: this had been marketed for years by the Bristol, Pfizer and Cyanamid companies at 30c a capsule, yet the firms were producing it at only about 1c a capsule — a difference of

about 3 000 per cent.

"They were forced to cut the price when some small firms began offering tetracycline to druggists for less than 4c for the same capsule that Bristol call Tetrex. Pfizer offers as Tetracylin and American Cyanamid sells as Achromycin."

● Tranquillisers such as Miltown and Equanil sold to druggists for more than \$61 a 1 000 tablets, but the same tablets under the generic name Meproamate could be obtained for \$20.

Harsh

Levinson is particularly harsh about the practice of prescribing the often vastly more expensive brand name drugs rather than the generic versions.

"In the United States nine out of every 10 doctors persist in writing prescriptions under the brand name. A Department of Health, Education and Welfare estimate showed a possible \$41.5-million saving on drugs purchased for the elderly in 1966 if doctors had prescribed by generic rather than brand names."

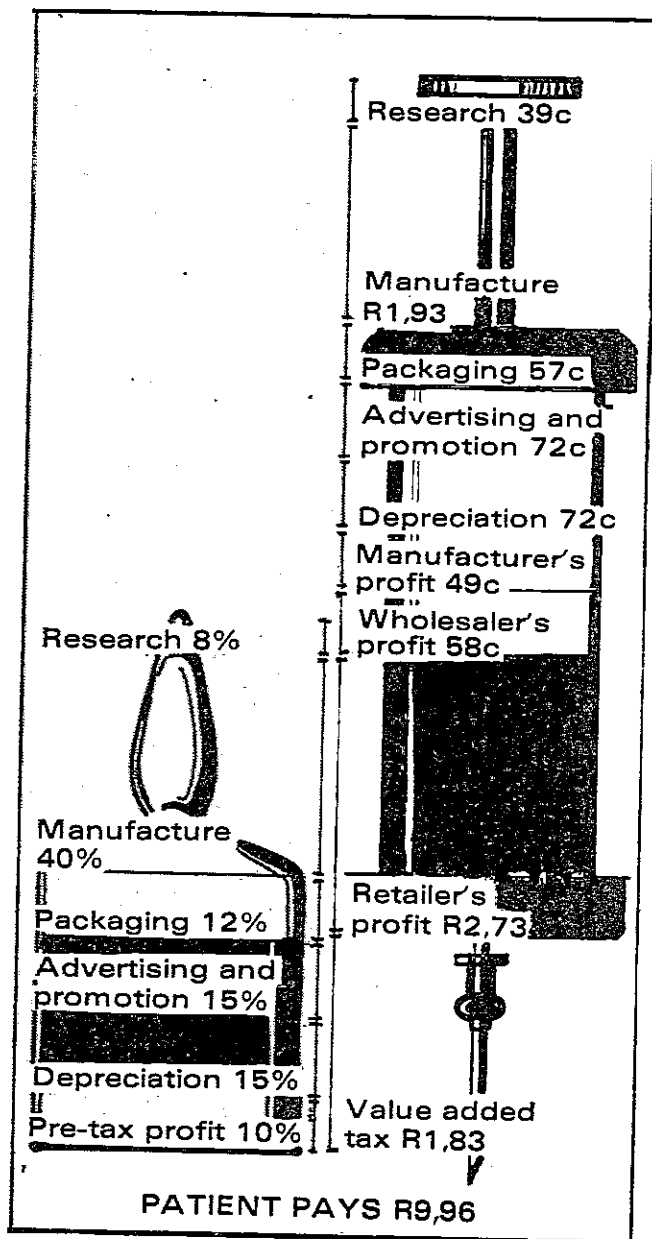
One obvious reason for this is that doctors are deluged by costly promotional literature. It is estimated that in America the industry spends about \$3 000 a doctor a year on brand name promotion.

Another charge against branded drugs is that companies attempt to extend the use of their products by training doctors to prescribe in response to symptoms rather than to diagnose fully and by an over-generous definition of the diseases for which each product is said to be effective.

Misleading

How much better are the brand name drugs? Levinson believes that many of the claims made on their behalf in expensive promotional literature are tendentious and often even deliberately misleading.

He cites a review undertaken for the US Food and Drug Administration of 4 300 versions of 2 800 drugs: 11 per cent of the



The drug manufacturer's cost structure (left panel) showing 8 per cent for research and 27 per cent for packaging and promotion. Right panel: where your money goes in a typical ethical (sold by prescription) drug. The mark-ups are based on French margins.

4 300 products were judged ineffective, 15 per cent effective, 47 per cent possibly effective and 27 per cent probably effective.

Of 2 000 brand name drugs in the sample, 8.8 per cent were judged ineffective compared with 7.7 per cent for the generic ones, and this Levinson sees as giving the lie to claims that the more expensive brand name drugs are safer and more effective.

He says it is little wonder that chemists favour

the proprietary or brand names — many chemists stock only these versions — because they work on mark-ups as high as 75 per cent on the wholesale price, and the higher the price the higher their mark-up.

To the pharmaceutical industry's claims that high prices are justified by the long time-scales and the heavy costs of research, Levinson counters:

● The major part of so-called research expenditure does not go into anything like basic re-

search which produces the medical breakthrough to justify the industry's economics, but is spent instead on development.

The latter he deems to be "little more than tinkering with dosages, formulations and production processes to get round patents and to come up with a new marketable proposition".

● Research is not paid out of profits but is treated as a normal business expense, with the "high" profits being achieved after research costs are deducted.

The growing tendency to take no risks in searching the unknown but to concentrate on development now that the easy problems have mostly been solved is, he says, causing disaffection among young researchers who are limited to conducting repetitive tests and making valueless modifications to existing formulae.

Disaffection

"The human cost of drugs that might not now be developed because of go, no-go decisions made at an early stage on a philosophy of no risk can only be guessed at."

All this said, I feel it necessary to make some personal observations. Although there has been evidence of serious price-racketeering in the ethical drug trade it is difficult to agree with Levinson that the industry's profits in general are anything more than healthy — in Europe they averaged in 1970 about 20 to 25 per cent gross before depreciation and seven to nine per cent net.

Furthermore, pioneering research is risky and a firm which takes the plunge and succeeds, deserves financial reward for producing a product of great benefit to mankind, although not a licence to make fat profits indefinitely.

Socialism

In the climate of socialism sweeping through much of the world today virtually any kind of profit is being frowned on, if not even denied, and it seems to me no wonder that international companies are tempted to resort to dubious transfer-pricing techniques, tax havens and other methods to secure their profits.

Hoffman-LaRoche and the other big companies have produced life-saving medicines, and if the incentive is in large measure money it should nevertheless not be killed off — even though some might consider it a distasteful paradox that public health should depend so largely on private profit.

UNITING IN BID TO BEAT BIG BOOZE BUYERS

28

8/8/75 Mercury Reporter

INDEPENDENT bottle-store and hotel off-sales owners in Natal are rallying to join the newly formed group-buying consortium which promises to become a regional and possibly national body.

The group, which was formed as a defensive measure against wholesale-owned retail chains, now has members in Glencoe and Botha's Hill and inquiries from the North and South Coast.

"We also had four applications from Durban itself today. Two have already joined and

the others are obtaining board approval.

"There is no reason why the group cannot become a national body. Chemists had to do it and it's the only way we can see of protecting independent free enterprise from the domination of the wholesale-owned retail chains," said the chairman of the group, Mr. Tony Berman, yesterday.

He said that under present conditions the small business couldn't offer competitive prices and survive.

Die Tekstiel-chaos kry kleremense van Vervagting

Dit tyd dat die Suid-Afrikaanse tekstielbedryf deur 'n onafhanklike instansie van A tot Z ondersoek word. Daar is 'n hele paar dinge wat baie verkeerd is in dié bedryf. Boonop kry hulle tot so 'n mate tariefbeskerming dat dit soms lyk asof die staat besig is om ondoeltreffendheid te subsidieer.

Mr. Willem van Zyl, heersende direkteur van die Vervoer van maatskappij, is een van die manne in die kleredryf en handiel wat baie sterk op dié zaak woon. En sy kollegas is die hele tyd met hom.

Mr. Van Zyl het vaardesboek aan SakeRAPPORT gesê dat daar baie lank reeds ernstige ongemakke tussen die SA tekstielvervaardigers aan die een kant en die klerevervaardigers en handelaars aan die ander kant bestaan. Sê hy het dit al geword dat van verskeie kante gepoog word om hier betrekkinge te bewerkstellig.

Maar tot dusver was die pogings sonder veel sukses.

Misbruik

Die rede vir die ongemak is geleë in frustrasie wat ontstaan by klerefabrikante en sierhandelaars oor dinge wat in die tekstielbedryf onder die dekmaantel van beskerming bly voortbestaan. Die vraag wat dié manne hulleself vra, is: In hoeverre sien die Raad van Handel en Nourheid en sy adviseurs die geweldige tariefmure as beskerming, en tot welke mate word dié gebruik net om die koffers van die staat te vul en ondoeltreffendheid deur beskerming net nog

meer ondoeltreffend te maak?

Mr. Van Zyl sê wanneer daar maar twee of hoogstens drie vervaardigers van hemd materiaal in Suid-Afrika bestaan en hulle nie in staat is om in die vraag te voldoen nie, maar beskerming gegee van tot soveel as 100 persent van die vry aan boord, waarde van beter materiaal van oorsese, kan 'n mens verwag dat die posisie misbruik sal word.

Foute

Hy meen dat in sulke omstandighede 'n basiese voorvereiste om sekere standarde (verkleinik gelykstaande aan internasionale standarde) te stel ten einde beskerming te verleen aan die eindverbruikers of die sekondêre nywerheid.

Op die oomblik steek die SA tekstielvervaardigers se produkte bra vrot af by soortgelyke materiaal van oorsese. In Voka se fabriek op Newcastle het mr. Van Zyl die kleredryf se probleem met die SA materiaal aan SakeRAPPORT se man gewys. (Sien foto hierby.)

In die rakke was rolle en rolle SA materiaal wat vrot was van die foute. Die kleinpie ingevoerde rolle materiaal was so te sê foutloos.

Ter illustrasie het die fabrieksbestuurder, mnr. Dawid van der Merwe, twee onopgemaakte rolle, die een Suid-Afrikaans en die ander

van Japan, op 'n tafel opgevol.

Die SA rol was besmeerd van die wit stukkies gare wat die vervaardiger aan die kante van die rol aanbring om 'n fout aan te dui. Dit was só vol foute dat daar kwalik in die rol 'n ongestorde meter aaneen geleë het.

En nie eens alle foute was aangedui nie. Dié manne langs die tafel het met hul kenneerog nog 'n hele paar ander ook gekry.

Grondstof

Daarteenoor had die stuk Japanees stof net een fout.

Om met so 'n stuk vrot materiaal te werk, steek vervaardiger die koste op. Mr. van Zyl sê so 'n stuk stof baie moeilik omdat stukke onbruikbare stof elke keer kort-kort weggesny moet word.

Tyd gaan dus verlore en produksie word gekortwiek — en nie eens te praat van die geld wat gemors word deurdat meters en meters soms weggesny moet word nie.

Vervaardigers laat weliswaar 'n ekstremitie by die rol toe vir elke fout wat daarin voorkom. Maar dit vergoed nie naastenby die vermorete stukke nie — veral nie as die hele rol vrot van die foutdrade is nie.

Mr. Van der Merwe sê hy het al van die vervaardigers se manne by sy fabriek gehad om hulle te wys hoe die

rolle daar aankom en hoe dit lyk. En al wat die manne kon antwoord was om met die ophaal van die skroefers te sa hulle net toe te wys om toe te sien dat foute in die rolle word en materialer die fabriek foute los verleen nie.

Hulle blameer ook die gehalte van die grondstowwe

Meer

Boonop sê mnr. Van Zyl baie keer dat die nou alles baie goed en goed is om jou probleme met die ophaal van die skroefers op te praat. Maar dit help nie 'n snars om sy kant by sy blandite skoon te hou nie.

Hy ken nie aan te winker nie sê sy hende of fabriekers is vol foute en dat die materiaal vol foute is nie.

Die huiwendien nie al probleme met die materiaalmakers nie. Met wit, blou, rooi, geel of groen stowwe het jou wesklerpartijer in dieselfde rol verskillende kwaliteit. En hoe nou gemak in so 'n geval?

As dié klerfabrikant nie baie van oplos nie, vind hy maklik dat 'n klergemakke hemp in onder kleur blou of wat ook al op die agterkant het as voor. En dan is dié kler nie net kler, en is so 'n hemp uitsoek d.w.s. 'n verlies vir die fabriek.

Die dié soort ding wat die manne nou nie meer kan vat nie. En, sê hulle dit aan die mense (wat sulke vrot produkte maak) wat steeds regstaan om na die staat te hul om beskerming teen oorsese mededinging.

En hoor net bietjie water soort beskerming kry die plaaslike produk. Grys stof vir hemde en tabberds kan

ingeweer word. Daar is baie mense wat daarvoor is. Die tekstielbedryf is baie sterk en die regering wil dit beskerm. (Ander mense sê dat dit ingevoer is.) (R140) teen 20 trevira wol (belasting R11 meer as R5 per lkg) suwer wering 60c) ten R520 plaaslik. (You sê dat hulle kan die op die manier, die, wat op dit blyft om 'n paar val, klerblyfs fard is, op of b en nom daan. En nou 'n nie hnd heid subidies. En Public rook. Dit is 'n soos op mnr. Van der Merwe se sê die oopende van die dach.

Sien

Hy sê veral 'n reël sal so 'n oer getik wees. In 'n handel se se geses om tot dié 'n diepgevoerde dte, want dis 'n dat daar nou word aan die handeling in die tekstiel. (You sê dat vervaardigers dte moet volne hoo makers oorsese. Hierof maak 'n runf. Van Zyl sê 'n doodlike appo. Is dit dan die ly kla jy het 'n onflier te lae o

MERCURY 11/18/75

Inyanda rejects concept

107
22

African Affairs

Reporter

THE NATAL and Zululand African Chamber of Commerce (Inyanda) yesterday rejected the tri-company partnership concept in KwaZulu as suggested by the KwaZulu Government.

The decision was taken at a stormy meeting of the traders in KwaMashu yesterday where the executive committee of the Chamber was briefed to call a special meeting should the KwaZulu Government oppose the resolution.

Chief Gatsha Buthelezi, said last night his Government would not be deterred by Inyanda's decision and would implement its policy.

Duties will double prices

ARGENT
12/18/75

CHILDREN'S knitted
clothes from overseas
will practically double
in price in the shops as
a result of new import
duties, says Mr. Asron
managing

Finance

director of a leading
Cape Town clothing
importer and whole-
saler.

The higher duties,
which apply to imports
from all overseas countries,
will be trebled in many
cases and because of a
weight factor will hit child-
ren's wear harder than
adult clothing.

The Government an-
nounced the heavier
duties at the weekend.

They are designed to
protect South African
knitting manufacturers
from cheaper imports and
try to reverse the indus-
try's downturn and unem-
ployment.

An extra 20 percent
'dumping duty' will also
hit women's knitted
clothes from Hong Kong
making so-called
'dumped' or low-price
clothing dearer in South
Africa than higher-priced
clothing from Hong Kong.

Fifteen months ago
higher import duties
raised landed prices here
by between 40 and 50 per-
cent.

The new duties are at
two rates: below 200
grams it is 35 percent or
R100 a 100 gram net, less
65 percent of the free on
board price.

Over 200 grams the duty
is 35 percent or R120 a
100 gram net, less 65 per-
cent of the free price.

The old duty was 35
percent or 70c a 100 gram

Clothing imports

less 65 percent of the free
price.

Mr Schuman said the
landed price of a man's
cardigan would rise from
R325 to R516c because of
the new duty.

A cardigan for a child
aged from four to six
years will now have a
landed price of R338.
Last week before the new
duty, the price was R28c.

The cardigan for child-
ren aged between seven
and 14 now has a landed
price of R326. A week
ago the price was R1

A man's heavy cardigan
priced R12.95 in the shops
would now cost R19.95,
forecast Mr Schuman.

This will push up
cost of living tremendo-
usly. There will be price re-
verses and a sharp fall
in exports.

The shops are not
of merchandise. The
shopkeeper is going to
ahead with the increas-
ing shops but of 100
cancel their orders or
reduce the quantities.

On a small consignment
of 2400 children's ca-
rdigans from Hong Kong
Schuman is being asked
to pay R2351.62 duty. A
week ago he would have
only R1476.52.

Their original price
R2087. Before shipping
freight, insurance and
charges.

① 18/2
② 18/4
③ 28

Put your house in order says Heunis

17/8/75
Tribune Reporter

MR EUGENE ROELOFSE, former director of the Consumer Council who resigned this year, last night cheered a weekend ultimatum by the Minister of Economic Affairs, warning furniture traders to put their house in order.

He added: "I am completely flabbergasted by Mr Chris Heunis' statement that the price controller, Mr Joep Steyn is to investigate what he calls 'practices totally inconsistent with normally accepted codes of business ethics'.

"The Government has for so long denied that there is something pretty rotten in commerce in South Africa, and that large-scale exploitation of unsophisticated consumers is taking place — and now they have admitted it, and decided the time has come to do something about it."

Mr Steyn's "put-your-house - in - order - or - we - will-do-it-for-you" ultimatus was announced by Mr Chris Heunis.

Steyn to meet Bethal Indians

SUN EXPRESS REPORTER 17/8/75

THE MINISTER of Indian Affairs, Mr Marais Steyn, has agreed to meet representatives of the Indian business community of Bethal in the Eastern Transvaal to discuss the proposed move of their businesses to a "wasteland" three km from town.

The leader of the Indian community in the town, who is also a member of the South African Indian Council and a commissioner of oaths, Mr M. D. Coovadia, said Mr Steyn had agreed to a meeting to discuss their objections to the move.

Last weekend the Express published a report about the despair of the 450-strong Indian community since hearing details of a Department of Community Development plan to move their businesses — some of which have been established for more than 100 years.

They received the re-zoning plans about 10 days ago and were given 30 days to object.

"Our lawyers are drawing up memoranda which we will put before the Department of Indian Affairs and Community Development," said Mr Coovadia.

The 35 Indian businessmen in the town depend largely on the White trade for their existence. There is little or no White trade at the proposed new site.

Chain-store giants 28 in hypermarket feud

SUNDAY TIMES REPORTERS *7/8/75*

A SIMMERING feud between two retail giants erupted into the open this week when the Pick 'n Pay chairman, Mr Raymond Ackerman, accused OK Bazaars executives of "below-the-belt" business tactics.

Mr Ackerman's accusation came after OK Bazaars representatives had lodged official objections to the siting of a proposed new Pick 'n Pay hypermarket at Milnerton, Cape.

"I always thought it was OK Bazaars policy to play it hard but clean in the market-place," he said yesterday. "But their latest moves have forced me to change my mind."

The row started three weeks ago when Pick 'n Pay outbid OK Bazaars by R100 000 for a site put up for auction by the Department of Community Development.

Thin ice

Then, Mr Ackerman claimed, OK Bazaars offered the department R1-million more than the R2.73 million Pick 'n Pay had bid. "Their offer was rightly refused — so they promptly lodged objections against the deal with Goodwood Town Council, saying we were creating a traffic hazard.

"If these are 'hard and clean' tactics, I would like to know what are not."

OK Bazaars managing director, Mr Cyril Atkinson, said he did not want to enter into an "undignified" slanging match.

"All I can say is that Mr Ackerman is skating on thin ice. Either deliberately or otherwise, he has chosen to misinterpret certain facts.

"The strange thing about it all is that I have not been in touch with Mr Ackerman. Why doesn't he arrange a meeting so we can sort it out?"

Mr Dick Goss, chairman of the OK Bazaars holding company, SA Breweries, said he was satisfied that the steps taken by Mr Atkinson fell within the scope of accepted business tactics. "After discussions with my executives, I can see no reason for Pick 'n Pay squealing."

The row has been further exacerbated by the



Raymond Ackerman
. . . accuses rivals.

fact that OK Bazaars is now negotiating to buy an alternative site a stone's throw from Pick 'n Pay's.

Neither Mr Goss nor Mr Atkinson were willing to comment on this development.

Price-fixing —companies to be tried

SEVERAL leading wholesale companies are soon to be charged and summarily tried in the Supreme Court in connection with alleged price-fixing.

The Acting Deputy Attorney-General in Cape Town, Mr Braam Lategan, told the Cape Times yesterday that the police Commercial Branch were finalizing investigations against the companies and that charges would be drawn up against them for a summary trial soon.

The action was part of a stepped-up campaign launched by the Attorney-General's office recently against price-fixing and other price control offences. Mr Lategan said that prosecutors had been briefed to ask for more severe sentences in all cases of price control infringements.

The companies which are due to be charged before the Supreme Court in Cape Town could not be identified at present, "but we are going to make an example of them," Mr Lategan said. His department was going to use the case to seek a ruling which could be applied to future cases.

FINES

In the past similar offences were punishable by minor fines ranging from R10 to R20.

"We are no longer going to give these offenders the option of a fine," Mr Lategan said. They would be charged and brought to court. His department had had consultations with the Commercial Branch of the South African Police in this connection.

A spokesman for the Commercial Branch yesterday confirmed that investigations were being finalized against a number of companies. Evidence was extremely difficult to obtain in these cases and investigations had to be very secretive and extensive before sufficient evidence could be obtained for a prosecution. In most cases the investigations had been independently instituted without complaints from the public.

Supermarket barometer of race harmony

Cape Times Reporter

IN MANY ways the supermarkets and other large stores have become the laboratories and barometers of racial harmony in South Africa, especially in the Western Cape.

This is the opinion of many supermarket and shop managers who were asked to comment yesterday on the observation of Mr Raymond Ackerman, managing director of a national supermarket chain in the Cape. Whites and Coloured shoppers mixed in perfect harmony.

Mr Ackerman was addressing a "Change Orientation and Planning" seminar held by the University of Stellenbosch Graduate School of Business.

Asked to enlarge on this yesterday Mr Ackerman said that for purely sociological reasons White

and African shoppers in the Transvaal did not mix too well in food stores.

The reason was definitely not racial. In fact, he was convinced that as the income level of the Afrikaners rose, the manifestation would disappear.

NO PROBLEMS

In the Cape there were no problems. Both motorized White shoppers and motorized Coloured shoppers got on "terrifically well". Over the years there had never been any problems.

This did not mean that there should not be supermarkets in the Coloured

areas where many of the people had no cars and spent a fortune on bus fares to do their shopping.

Supermarkets in these areas would help these people in the fight against the cost of living.

A spokesman for another country-wide supermarket said that in their own way these stores had become the laboratories and barometers of racial harmony, especially in the Cape.

RIB SHOULDERS

Heavy concentrations of shoppers of all races rubbed shoulders and did their shopping together and there had never been a single unpleasant incident.

In the Eastern Cape, near the homelands there was a certain edginess among Whites but this was motivated by a certain insecurity and was never reduced to a personal level. This was also the case in the Transvaal.

In contrast the easy and friendly familiarity between shoppers in the Western Cape was striking and significant.

In the dense shopping areas of the Peninsula, southern suburbs the same atmosphere of harmony prevailed. He saw this when he went to Wynberg and Saturday morning and saw full racial integration. All with thousands of people of all races and creeds.

store
Cape Times
char
dism

Chain store charging Blacks more than Whites

Cape Times 21/8/75

BUSINESS circles are angry over a report that one of the credit chain stores in the country is discriminating against Black customers by charging them more for their purchases than White customers. The UCT Graduate School of Business Association seminar on retailing was told yesterday.

By PAUL DOLD
Financial Editor

ONE OF THE LARGEST credit chain stores in the country is discriminating against Black customers by charging them more for their purchases than White customers, the UCT Graduate School of Business Association seminar on retailing was told yesterday.

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One of the speakers, Mr Harris Gordon, a director of the Bergers group, alleged that the chain (which he did not name) had allowed its staff to classify by race each and every customer on its sales docket.

"All non-Europeans are

Whites

subject to a ledger fee, which is effectively an additional charge of 19 per cent per annum on the cost of the goods. It is said that this charge is made because non-Whites are a bad credit risk.

on the basis of the customers credit worthiness. For heaven's sake do not make additional charges on the basis of the colour of the skin of the customer."

Mr Gordon who spoke on "The African market and the retailer" said the first step retailers had to take to promote trade with Africans was to abolish the blatantly unfair discriminatory practices which were still being applied on a fairly wide-spread basis.

Africans should have the same facilities within stores as White customers. They needed fitting rooms, rest rooms and restaurants.

"In this respect those

ELLERINE'S VIEW

"On the other hand, Eric Ellerine whose company has had a great deal of experience over many years in the African market, said recently that the bad debts of the African market are only marginally higher than those in the White market — and he was talking about furniture, which is notorious for its bad payers.

"If bad debts are so high then make a charge

They said that if the allegation could be substantiated, it should be brought out into the open as it could bring the name of every other chain store into disrepute, as well as chain stores generally.

The allegation was made by Mr Harris Gordon, a director of the Bergers group, when he addressed the UCT Graduate School of Business Association seminar on Wednesday.

Mr Gordon was not available yesterday and a spokesman for the Bergers group said he was unable to disclose the name of the firm.

Mr Brian MacLeod, secretary of the Cape Town Chamber of Commerce, said: "I haven't any idea which firm could have done such a thing. It surprises me and I can't imagine any business engaging in this type of discrimination."

Indian traders' move in Grahamstown confirmed

GRAHAMSTOWN — The controversial plan to move Indian businessmen out of the white trading part of Grahamstown is to go ahead

The news was broken here yesterday after weeks of suspense following strong opposition from individuals and organisations in Grahamstown to the announcement a few months ago that Indian traders operating in the white business area would be moved out to a site off the National Road linking Grahamstown with East London — in the black area.

The Department of Community Development has already planned the site where a shopping centre for Indian businessmen is to be built.

When the proposals were first made known, Indian traders immediately opposed the plans. They expressed the fear that their livelihood, which depended largely on white customers, would be seriously endangered.

They sent a deputation to senior Community Development officials and were joined in their opposition by the City Council and the Chamber of Commerce. A petition against the move was signed by several thousand residents of Grahamstown.

This week, the City Council, Mr W. Deacon, MP for Albany, and Indian traders were officially notified by the Minister of Community Development, Mr J. H. du Plessis, that the move was on.

He discounted fears that trading would suffer. He said representations made by traders on June 3 indicated that they feared the resettlement would have a negative effect on their livelihood, as they would for instance only be able to serve their own community and there would be an exhaustion of business potential with a concentration of

many similar businesses in a small area.

The Minister said the planned complex of shops and other businesses would be alongside the National Road to East London; visible from any part of the city, only 1,6 km from the white area; adjacent to the Coloured areas and within walking distance of the black residential township.

He did not expect a saturation of business potential because the traders and services offered were already divergent by their nature and those holding contracts would not be affected by the move.

Care would be taken that the move would be carried out with the minimum of discomfort. The possibilities of trade at the new site were good.

It was expected that business would flourish after a short period of adjustment. This has been proved in other centres where resettlement took place to less promising sites.

Twenty-two Indian businesses were affected by the Minister's announcement.

Of these, five would have to move in terms of the Urban Renewal Scheme, while five owners of laundry works should be moved to sites for service industry.

Mr Du Plessis said his department planned the development of a highly modern attractive business centre for the resettlement of these businesses. Planning would be done in consultation with the traders.

They would be able to purchase or hire premises.

If their present premises were purchased by the Community Development Council, it would be done at market value. — DDC.

Chain store discriminating against blacks claim

DAILY DISPATCH

22/8/75

28

CAPE TOWN — One of the largest credit chain stores in the country is discriminating against black customers by charging them more for their purchases than white customers, the UCT graduate school of business association seminar on retailing was told here.

One of the speakers, Mr Harris Gordon, a director of that the chain (which he did the Bergers Group, alleged not name) had allowed its staff to classify by race each and every customer on its sales docket.

"All non-Europeans are subject to a ledger fee which is effectively an additional charge of 19 per cent per annum on the cost of the goods. It is said that this charge is made because non-whites are a bad credit risk.

"On the other hand, Eric Ellerine, whose company has had a great deal of experience over many years in the African market, said recently that the bad debts of the

African market are only marginally higher than those in the white market and he was talking about furniture which is notorious for its bad payers.

"If bad debts are so high then make a charge on the basis of the customer's credit-worthiness. For heavens sake do not make additional charges on the basis of the colour of the skin of the customer."

Mr Gordon, who spoke on The African Market and the Retailer, said the first step retailers had to take to promote trade with blacks was to abolish the blatantly unfair discriminatory practices which were still being applied on a fairly wide-spread basis.

Blacks should have the same facilities within stores as white customers. They needed fitting rooms, rest rooms and restaurants.

"In this respect those stores in Cape Town that have made these facilities

available on equal basis have served to lead the way for all retailers."

Retailers could encourage their white staff to change their attitude to black customers.

"This need not be done directly but can be accomplished through say the promoting the learning of a black language.

"At least ensure that white staff do not treat black customers as thieves when they enter the stores. I know of one case where a store which is part of a national chain group charged Africans five cents a head to enter the store. If the customer did not make a purchase the five cents were forfeited.

"I am sure that the head office of this chain was not aware of what its staff were doing, but it should have been aware of it if it was interested in promoting trade with this market." — DDC.

ACCEPTANCE by the KwaZulu Government of the Greatermans proposals which will lead to a chain of Checkers supermarkets in the homeland opens the way for joint development by White and Black business to tap the vast potential of KwaZulu.

Other large White-controlled South African companies are now understood to be negotiating with Chief Buthelezi with a view to joining with Black interests to develop in the homeland.

At this stage, says Mr E. S. Ngubane, Chief Buthelezi's secretary, the chief is not prepared to comment, but it is understood that the giant McCarthy group, together with Toyota South Africa, is holding negotiations with the KwaZulu Government and the Bantu Investment Corporation to develop a car distributorship in KwaZulu.

Brian McCarthy would not divulge details of the plan but merely confirmed his group is involved in discussions with the BIC and KwaZulu.

McCarthy

group in talks to follow

the Checkers breakthrough

It is understood that the first of the McCarthy-Toyota outlets will be established at Umlazi with other outlets to follow in high-density population areas.

The negotiations follow the decision by the executive committee of KwaZulu that it is prepared to have tripartite companies in the homelands.

The tripartite company concept, developed by the BIC, has benefits for the

White entrepreneur, the African people and the homeland development corporation.

In most cases it is understood that initially capital of the companies will be divided equally between White and Black ownership. The White company undertakes to set up the business and to train Africans, who later assume senior managerial responsibility.

And, it is understood, the White share will gra-

dually diminish, after a possible initial 10-year period.

At present the commercial and industrial infrastructure of KwaZulu is almost non-existent. The introduction of the tripartite companies could see a rapid change in development as the homelands generate their own business community.

Chief Buthelezi has had to face a barrage of opposition against the concept, particularly from the

African traders (see *hune Finance*, August) but appears to have the majority view in it is the Zulu people whole who will benefit from White involvement in the homeland.

Zazi Khuswayo, a trading mogul, says he is still opposed to the concept and says that the African Chamber of Commerce (Inyanda) will now have to consider the matter. Inyanda made representations to Chief Buthelezi not to proceed with Checkers proposals.

But it appears that the tripartite concept will have the force that could bring about the essential commercial change in KwaZulu despite certain elements of opposition.

Already Holiday Inn are probably to build a hotel in KwaZulu and other announcements of tripartite agreements are expected to be announced soon. — See Page 3.

African commerce

25/8/75

rejects plan

African Affairs Reporter

THE KWAZULU Cabinet's decision to accept a proposal for partnership with the Greatermans group, has been rejected by the National African Federated Chamber of Commerce.

The scheme was for the establishment of three Checker's supermarkets in the homeland.

Nafcoc rejected the decision in Umtata last week and it is binding on all other homeland branches of the Chamber.

A member of the executive of Nafcoc told the Mercury at the weekend that it was clear that the partnership would not go any further than KwaZulu.

Last week the KwaZulu Government announced its acceptance of the proposals made by the Greatermans group.

Traders warned on move

25/8/75

EAST LONDON — The regional representative of the Department of Community Development, Mr J. H. du Preez, yesterday said premises in the North End here were being demolished under the Slum Clearance Act.

Commenting on the plight of the North End traders who received notices to vacate their properties on or before December 31, Mr Du Preez said any application from these traders for extension would be dealt with according to merit.

He was not prepared to say for what period of time his Department was prepared to allow the traders to carry on with their businesses in the North End should they be granted an extension.

Mr Du Preez was adamant that the section stretching from between Milner, Factory, St Johns and Kimberley Roads will have to be cleared to make way for the proposed shopping complex his Department would build.

"It will probably take us another 18 months to clear the area and a similar number of months to have the shops ready for occupation.

"All the residents in the North End must first be cleared and resettled before any replanning of the area could be done," Mr Du Preez said.

He admitted that he received an application from one shop keeper who asked for an extension of one month to wind up his business.

He did not name the shopkeeper but said although he did not have the time to go into the matter, he was positive the extension would be granted. The Deputy Town Clerk, Mr G. S. Fisk, said it was envisaged work on the north-west expressway to run through Buffalo Street from Fleet Street and then through Braeside Road, North End, would commence either late next year or early in 1977.

The estimated cost for the project would be in the vicinity of R5 million.

Nothing has been finalised about the replanning of the North End. This will be done by the Department of Community Development and the State Committee. —

DDR

① 28

② 85

DAILY DISPATCH

26/8/75

Black market growing fast

The growing power of the black market is emphasised in a report just published.

In South Africa blacks are spending nearly R2 000 million a year.

In fact, by 1985 the figure could be R4 500 million a year.

The facts were given at a conference organised by the National Development and Management Foundation.

The conference was told the growth will dictate changes in the approach by retailers.

Today's stores for African market cannot possibly cope with a doubling of turnover. By the Eighties, there will have to be more stores..... bigger stores..... better stores.

At that conference one speaker spoke of the importance of a store's winning the confidence of its customers.

He also said that the shop counters and the managerial and executive posts in stores must be filled by African personnel in increasing numbers.

The trading pattern by 1970 was summarised in a set of survey results completed and released by the

Bureau of Market Research of the University of South Africa in mid '73; the analysis covered the shopping activities of 4.2 million non-whites domiciled about the Republic's five main metropolitan areas.

The figures show that about half of their spending power (about R600 million) went on clothing, furniture and appliances bought from

white owned stores, while a similar amount was spent in shops of their own population group, particularly on convenience goods food, cigarettes, fuel.

This survey and others conducted at about the same time, showed that increasing attention was being paid to the shopping environment, which raised a number of questions in the mind of the alert retailer.

What conditions and services did the African con-

sumer desire? The surveys pointed conclusively to a desire for clean, well-designed shops.

Having little to spend individually, the shoppers had to "shop around" for the best buys, and naturally would prefer to do their browsing in comfort.

This desire, plus the search for quality and "value for money", was reckoned to be a main factor in the pattern of shopp-

ing in white owned stores for durable goods.

One chain has now opened the first fully integrated department store - designed specifically for the African shopper, staffed with African personnel, and run by African managers.

This will be the country's first fully integrated African department store and heralds yet another milestone in "first" for the group.

The new store will be the forerunner of an expanding chain of African-orientated quality department stores.

The stake could be a market share of the R4 000 million plus spending power that will be in the hands of African shoppers by the mid-Eighties - and a surging market in the following decades.

Before 1990 the African population is likely to be boosted by one million births each year. These children will go into the natural cycle : baby clothes and toys; school uniforms and toys; adolescent clothing and leisure goods; then; after 18 or 20 years, they will qualify as retail customers in their own right, and will start families of their own.

(1) 28

~~(2) 128~~

STAR 26/8/75

Liquor war breaks out

28

~~167~~

Some liquor prices are to drop by up to half in Johannesburg tomorrow.

The managing director of a discount liquor store chain, Mr S Linz, said today: "Our policy has always been to give Mr Average a square deal."

He claimed that price cuts by another chain of stores had been done only to "copy us."

"But we are going to do better. From 9 am tomorrow we're going to slash all liquor prices. There will be a price drop of up to half less than the recommended retail price and beer prices drop by nine percent."

Mr Linz said the average overall price decrease would be 15 percent.

He hopes to keep to the new prices until the end of the year.

Mr Ian Muil, public relations consultant of a competitor, said: "We will match any beer prices. Our spirit and wine prices have always been competitive. We don't have to lower these prices to compete."

He said brandy will be R3,35 a bottle, whisky R4,99 and quarts of beer R5,49 a dozen.

(1) 167
(2) 28

Playing with fire chief

Mercury
27/8/75

African Affairs
Correspondent

CHIEF Gatsha Buthelezi yesterday warned "certain people," Black and White, who were attempting to use the King, Paramount Chief Goodwill, for their own ends that they "were playing with fire."

The head of the Kwa-Zulu Government told a large crowd at Hlabisa that it had been reported to him that several African businessmen, opposed to his White commercial partnership policy, were trying to enlist the king in their cause.

It would be tragic, he said, if the king was to be seen standing for the interests of a few against those of the mass of his people.

Several Africans this week told the Mercury that some African traders had met the king at the weekend in Kwa Mashu.

Chief Buthelezi told his audience yesterday that the king had been made patron-in-chief of the movement, and not president, so he could stand above the "heat and dust and controversy of politics."

In spite of this safeguard, certain trouble-makers, including Whites, were trying to create friction again "between us the people and our king."

218
'6

JANSON WARNS OF BLACK PRESENCE

The Argus Political Correspondent

PRETORIA. — Transvaal Nationalists were given a blunt warning yesterday to face the realities of Blacks being present in White areas for many years to come.

Speaking near the end of the congress during which the opinions of conservative delegates seemed to predominate during discussions on race relations, Mr T. N. H. Janson, Deputy Minister of Bantu Administration, said that the sharing of facilities such as theatres would continue to be strictly regulated by the permit system.

One of the motions on the agenda asked the congress to oppose the possible opening of theatres and similar cultural facilities in the Transvaal and asked that steps to provide separate facilities for other race groups should be hastened.

While giving the assurance that separate development would be maintained, Mr Janson warned that the presence of non-Whites in White areas could not be thrown away.

SIDE BY SIDE

It was a fact that Whites and Blacks were side by side in the cities for many hours each day.

He could not foresee Blacks moving out of these areas completely for the next 50 years.

We must be realistic. Where else are they going to go to earn their bread? We cannot get away from this and we must not run away from the realities.

He said some Whites were complaining about the presence of Blacks on Church Square in Pretoria but these people had nowhere else to go.

MEALS

This was why his department had made arrangements for premises near the centre of the city where Blacks could have meals at lunch time. Unfortunately some people, egged on by the Herstigte Nasionale Party, had protested about this, too.

Referring to requests that Blacks should be moved further away from White areas, Mr Janson said the irony of the situation was that Black and White areas in fact were nearer to each other and the gap became bigger.



Mr T. N. H. Janson

These matters would be regulated in terms of Government policy and separate facilities would be created for each race group.

SHOPPING

It was important that proper shopping facilities should be created for urban Blacks in their own areas to ensure that they were not exploited. He mentioned the example of Soweto where milk had been sold at 19c a pint when it cost 9c elsewhere. The necessity of having

Black labour on the plateau also had to be faced.

There, as in the cities, it was necessary to provide schools and recreational facilities because the Whites regarded themselves as the guardians of the Blacks.

The ambitions of Black parents had to be recognised and many Black parents were prepared to make sacrifices to educate their children.

NOT ENEMIES

The Africans are not our enemies and they must not be turned into our enemies. In the past there were never better relationships than those between the Afrikaner and the African.

Mr Janson said the Government would regulate matters in ways to prevent any move towards integration.

Speaking before the Deputy Minister, Mr A. E. Nothnagel, MP for Innesdal, expressed the feelings of conservative Nationalists.

He said he was worried that the ideal of separate development was in some cases far removed from reality. There seemed to be a widening gap between the ideal and

reality and he felt it was necessary to give greater and more dynamic content to the policy.

Mr A. J. Raubachheimer, Deputy Minister of Bantu Development, assured delegates that everything possible was being done to speed up the consolidation of the homelands. Up to now R25 000 000 had been spent to buy land for this purpose and more money was being sought from the Treasury.

One delegate said that it was clear there were differences in Nationalist ranks on questions such as sport and separate facilities.

BIG MOVE

The Minister of Bantu Administration and Development (Mr M. C. Botha) said the Transkei was already preparing for independence.

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Whites acting for blacks warned

DAILY DISPATCH 29/8/75

PRETORIA — The government will take action against any white person acting on behalf of black businessmen who bypass the Group Areas Act to operate commercial enterprises in white areas.

This assurance was given to delegates to the Transvaal Nationalist congress by the Minister of Community De-

velopment, Mr A. H. du Plessis, after complaints of widespread "irregularity" had been made by delegates.

They had complained that some white people acted as fronts for black — mainly Indian — businessmen in contravention of the Group Areas Act.

Replying, Mr Du Plessis, said that his department investigated every complaint on this nature. If necessary, the matter was handed to the police for further action.

Most of these cases involved Indian businessmen who paid white nominees to act on their behalf so that their businesses would not be disqualified in terms of the Act.

Mr Du Plessis said he was satisfied that the law covered all loopholes, but the department faced a major problem in acting against these people because it was often difficult to prove in court that the white people were acting as nominees.

However, he wanted to assure delegates that his department was aware of the problem and that it would investigate all complaints to prevent this sort of irregularity. — PC

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KwaZulu on the go

MERCURY

30/8/75

IF KwaZulu is to grow it needs capital for development, and in spite of criticism from some African traders the KwaZulu Government will have substantial public support for its efforts to attract private investment through its tripartite companies scheme.

This provides for a partnership between Black and White businessmen, the KwaZulu Development Corporation and homeland citizens. Already the KwaZulu Government has approved the establishment of a chain of Checkers stores.

In this venture the shares of Checkers KwaZulu will be divided equally between Greatermans and a company to be formed — KwaZulu African Traders. The capital of the new company will be increased when necessary with equal contributions from both partners for the first 10 years. After that shares will be issued only to KwaZulu African Traders until Great-

ermans interest is reduced from 50 to 25 per cent.

It is understandable that some African traders fear they may not be able to compete, but it would be unrealistic to allow KwaZulu to develop for the benefit of a few. For the majority the scheme offers many advantages, including opportunities for good jobs and training from counterhands to managers and company directors.

Chief Gatsha Buthelezi and his Cabinet are now negotiating with other large White-controlled companies for similar agreements, which if they are successfully completed, will mark the beginning of an exciting and promising experiment in economic development.

While many believe that the homelands can never become viable, independent States, no one doubts that they should be developed as quickly as possible for the betterment of their people. Chief Buthelezi and his Cabinet are setting a fine example in co-operation.

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400 pc gap in car spares price list

STAR 10/17/75

Don Knowler

The Star has discovered staggering differences of up to 400 percent between prices charged for motor spares by franchise garages and independent firms.

The price-list of a city car spares firm was compared with the prices being charged by franchise-holders for seven makes of motor vehicles.

In the random investigation The Star was

quoted R4,32 for a voltage regulator for a Chevrolet 3800.

A franchise holder for General Motors, who make the Chevrolet, quoted R20,34.

NOT INFERIOR

The spares firm — labelled "pirates" by the motor manufacturers — stressed the parts they sold were not inferior to those sold by garages.

A spokesman for the National Association of Automobile Manufacturers

in Port Elizabeth declined to say anything on what he described as a "sensitive issue at this stage."

The Government is believed to be already considering introducing price control on car spares.

In many cases the makers of car components sell their products to both the motor manufacturers and the car spares outlets. The quality is identical, but the parts are marketed and boxed differently.

There are, however, in
To Page 3, Col 10

spares price gulf

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From Page 1

ferior parts on the market.

Even allowing for these, the price differences between the "genuine" and "pirate" suppliers call for comment.

For example, a clutch plate for a Volkswagen 1600 costs R21,14 from the franchise-holder.

The car spares firm quoted R6,50, although when a reporter went along to buy one he was charged R8,00.

A director of the spares firm said: "We are competitive so our prices have to be realistic. But although we are called "pirates" it would not be in our interests to sell inferior parts because we deal mainly with garages."

A spokesman for the motor industry in the southern Transvaal — who asked not to be identified — pointed out that the sparesmen only stocked quick-selling or high turnover items.

VARIATIONS

The franchise-holder was bound by a contract with the manufacturer that said he must offer a complete range of that company's parts, many of which might never be sold.

In the investigation The Star came across the following price variations:

Chevrolet 3800 — the official price quoted for a clutch plate was R28,65, the car spares firm's price being R18,52; universal joint, R10,07 (R2,02). Ford Escort — voltage regulator, R10 (R8,10); universal joint, R8,01 (R2,88).

Volkswagen 1600 — brake (bonded) linings, R14,94 (R9).

Toyota Corona 2000 — clutch plate, R24,70 (R11,41); voltage regulator, R26,54 (R6,20); universal joint, R20,71 (R3,55).

Datsun 1200 — clutch plate, R14,78 (R9,14); universal joint, R11,32 (R2,30).

Leyland Apache — voltage regulator, R10,58 (R7,20); clutch plate, R9,53 (R7,08); universal joint, R17,48 (R3,60).

Valiant Rebel — universal joint, R17,75 (R3,15).

Because of the permutations of prices and

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Minister acts on spares

John Patten.

Political Correspondent

A final bid at negotiations to prevent the Government imposing price control on motor spares is probable as the Minister of Economic Affairs, Mr Heunis, considers an official report.

Mr Heunis confirmed today that he had received the report drawn up by the Price Controller's office on the position in the motor spares industry.

The investigation is known to have been instituted by the Price Controller after a wave of complaints from the motoring public.

As long ago as late July, The Star published reports that the government was considering taking drastic action to rectify the position.

Mr. Heunis said today he would not be taking any decision on the report until he had discussed the recommendations with the National Association of Automobile Manufacturers of South Africa (Naamsa) and a large group of other interested parties.

The fact that the Minister will seek discussions with these interests strongly suggests the report has found some of the public complaints have substance.

The Government is known to be strongly against the use of price control as a measure to fight inflation.

Black Jaycees join in

Staff Reporter *RDM 15/9/75*

DELEGATIONS from Soweto and Bosmont voted at the annual convention of the Transvaal Jaycees on Saturday — the first time Black members have been admitted as full delegates.

Soweto alone contributed 25 of the 300 delegates who attended the Pretoria conference. They took part in discussions on the work of the organisation during the last year.

"As a leadership development organisation we're pleased that the growth in the Jaycees over the last year has come mainly in the non-White areas", a spokesman said yesterday.

28

Inyanda lifts bar on tri-company plan

Natal Mercury 20/9/75.

African Affairs Reporter

THE NATAL and Zululand African Chamber of Commerce, Inyanda, has decided to withdraw its opposition to the KwaZulu Government's tri-company policy, according to Mr. Patrick Gumede, Inyanda's president.

The decision was taken at a meeting at Edendale this week. Inyanda felt that Chief Gatsha Buthelezi viewed the tri-company concept as a political issue.

Mr. Gumede said: "We withdraw unreservedly all statements and pronouncements by the Inyanda or individuals regarding the introduction of a tri-company in KwaZulu."

A motion of confidence in the KwaZulu Government was adopted and seconded by Mr. Zazi Kuzwayo, the Clermont businessman who until this week led the opposition to the Checkers supermarket deal.

Mr. Gumede was instructed to plead for an appointment to submit constructive criticisms and recommendations based on the draft proposals as the Government had originally asked Inyanda to do.

It was placed on record that Inyanda had not solicited the help of the opponents of the KwaZulu Government.

Price levy on Blacks attacked

Cape Times Reporter

IT WAS abhorrent that certain chain store groups discriminated against Black customers by charging them more for purchases than Whites, leading Cape Town business men said this week.

They were commenting on allegations that "one of the largest credit chain store groups in the country" classified its customers by race, and "all on-Europeans are subject to a ledger fee which is effectively an additional charge of 19 percent per annum on the goods".

The allegations were made by a director of the Bergers Group, Mr Harris Gordon, at a business seminar in Cape Town.

Mr Raymond Ackerman, chairman of Pick 'n Pay, said such a practice was "totally abhorrent".

"Our credit system doesn't extend beyond the credit card, but if it did, we would never tolerate an operation like that."

Mr Gordon, who has also condemned the practice as "blatantly unfair", has consistently refused to

divulge the name of the chain store group involved.

"I was attempting to put across examples at a retail business seminar. I don't want to point fingers."

"The matter has already had sufficient publicity. It has become a political issue."

"I suggest you follow the matter up with consumers."

A spokesman for the Lewis group — one of the largest in the Cape — said the practice was "reprehensible", but it was probably confined to a minority of businesses.

"A Black customer's money is as good as a White customer's. In our stores everyone is treated equally."

The Black Sash condemned the practice as "totally unfair".

"One can't possibly hope to promote goodwill when this sort of thing is going on," the acting chairman, Mrs Ann Schuurmans-Stekhoven said.

A former branch manager of a large retail furniture group in the Cape said it was common practice for retailers to load prices against Blacks to offset any possible loss.

"It has been going on for years. I know that at least one nation-wide furniture and clothing retailer keeps a separate ledger for White and Black customers. Dealers load prices against Blacks because they fear they are a credit risk."

He asked that his name be withheld for fear of reprisals.

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Profit up 24pc for Truworth

Argus 2/10/75

TRUWORTHS profit after tax for the year ended June rose to R4,7-million (R3,8-million), an increase of 24 percent. Earnings a share rose 460c (369c).

Mr L. Shawzin, chairman, says in the annual report the company is increasing the proportion of South African-made textiles used in factories. He is confident that as the local industry further improves the quality of its products, the proportion will rise even higher.

The group's turnover shows a satisfactory increase of 24 percent over the previous year, but devaluation and the uncertainty in the world economy makes it difficult to predict whether this improvement will be maintained.

Twenty-seven new stores are scheduled for opening in the coming year and more are under consideration.

● Another successful year for African and Overseas Enterprises is forecast by Mr Stewart C. Shub, chairman, provided consumer demand maintains normal growth.

Profit after tax for the year ended June was R1,5-million (R1,2-million) and earnings a share rose to 58,24 (48,93c), up 19 percent.

The main operating subsidiary Rex Trueform, achieved a profit before tax of R4,1-million (R3,5-million). An increase of 26 percent in turnover over the previous year has been achieved mainly through a greater volume of production and sales, says Mr Shub.



Much of the trading that goes on in South Africa's shadow city, Soweto, is in the hands of the Black business-woman. SUE GARBETT reports.

The hardest life of all

STAR 4/9/75

Drive through the vast sprawling city that is Soweto, past row upon row of uniform little houses, and the monotony will be broken every so often by a cluster of modest looking shops.

Many of these, ranging from dry cleaners to butcheries, are owned or managed by Black business-women.

Life for anyone is pretty tough in the world of business. For the Black man it's particularly hard, bound as he is by restrictions and laws that circumscribe the limits of his dealings.

But for the Black businesswoman, it's hardest of all. It's a strange sensation meeting a highly competent, hardworking woman who has built up a business from nothing, and realising that by law

she is regarded as a minor.

The fact that so many of them press on doggedly, hoping that each day will see some of their restrictions lifted, is testimony to the great strength and determination these women possess.

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Former schoolteacher Mrs Esther Nyembezi has been running her smart shopping centre in Dube village for 21 years. She

gave up teaching when her general practitioner husband realised he could not run the store and manage his practice.

"I feel there's a tremendous potential for business expansion in Soweto, but the frustrations we have to put up with sometimes make me feel like giving everything up.

"Because I can't buy on bulk from the factories my profit margin is limited. If I sell eggs at 30c a dozen I'll only make one cent profit, that doesn't cover my expenses.

"I'd like to buy blankets and winter clothing, but I can't because I haven't the capital. So I have to stick to groceries."

Mr Nyembezi added that to be a business-woman in Soweto is difficult.

With rising land rents, water and electricity that must be paid before the seventh day of each month, she feels it's really a hand to mouth existence they lead.

"When you see the potential and know what we could do, you will understand our frustration," said the woman who works from 7 am to 7.30 pm in her store.

Fulfilling a need . . .

A Soweto branch of the Business and Professional Women's club came into being at the beginning of this year. It was formed because the women of Soweto felt they needed to belong to such an organisation.

"They want to have contact with other business and professional women throughout the country. It will lead us all to an understanding of each

other's problems," said Miss Marion Hughes, president of the Hill-brow club.

It is her club which has provided the link between Soweto and the Business and Professional Women's Club.

The Soweto branch which is called the Renaissance Club, also has Indian and Coloured members.

"The two African delegates who came to

our national convention in Pretoria at the beginning of May, were the first Africans to attend one of our meetings.

"The Renaissance Club is now registered with our association in the same way as any other of the clubs throughout the country," said Miss Hughes.

President of the club is Mrs H D Ndlovu, a matron.

There are at present about 25 members.

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Pick 'n Pay now in sweet manufacture

Cape Times 4/9/75

RAYMOND ACKERMAN'S Pick 'n Pay is moving into top-line sweet manufacture and has taken a 50 percent stake in Dr Terry Berkow's Luvit Candies, which trades as Swissmiss.

Pick 'n Pay's Cape general manager, Mr David Watkins, announced last night that the company would operate both within Pick 'n Pay branches and through its own stores. The first outside Swissmiss branch opens in Regent Road, Sea Point, today and Swissmiss sweet counters will be in Pick 'n Pay stores within days.

Dr Berkow, who was formerly with the Tongaat group, has established a sweet factory in Southfield, Cape Town, and imported a leading continental confectioner.

Not only will the quality of sweets be comparable with the best in Europe (Pick 'n Pay is convinced it will be unequalled in South Africa) but they will be sold at discount prices.

Pick 'n Pay will sell fresh cream truffles, made daily and fruit specialities during the season. A key line will be presentation chocolate packs where customers can choose their centres. Imported sweets will also be sold at low prices.

The Gardens and Kenilworth Swissmiss counters

open tomorrow and this will be followed by Retreat, Milnerton, Plumstead and Rondebosch. If the venture is a success, Pick 'n Pay will go national.

Pick 'n Pay regards the deal as a major diversification. Talks first began with Dr Berkow last September and were finalized some two months ago.

The project has been one of the best kept secrets in retailing. Swissmiss teaser advertisements appearing in the press have sparked widespread interest with consumers and business men guessing what product would be launched. The campaign has been handled by Hedley Byrne.

The diversification is in line with Pick 'n Pay's programme of improving its stores appeal. The group opens its first Cape instore bakery at Kenilworth soon. The bakery will produce around five types of rolls as well as pies and pizzas.

The fruit and vegetable operation has been re-organized with turnover

rising some 50 percent. The group is now working closely with the Control Boards and the current Cape orange promotion in collaboration with Citrus board is going well.

Pick 'n Pay expects to sell 50 000 pockets within four weeks.

A new voice

"Capitalism will die simply because there is no one left to defend it." — Joseph Schumpeter, the celebrated economist.

Not in SA, it won't. Right now capitalism has defenders aplenty. A group of businessmen this week announced they intend forming a Free Market Foundation (FMF) and Assocom is also working on ways to brighten its tarnished face.

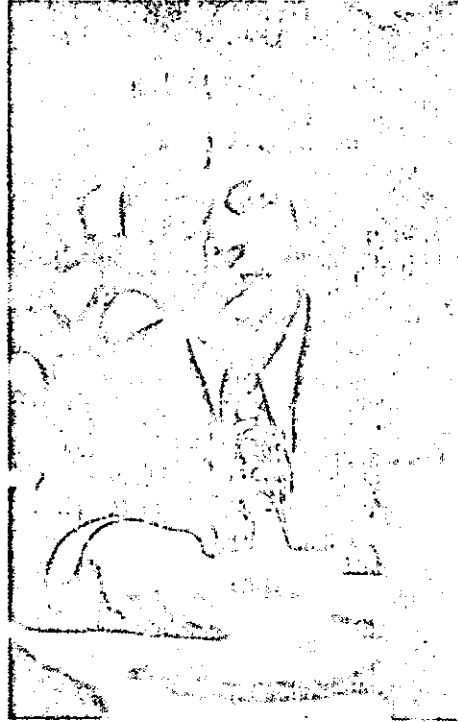
The stated aim of the Foundation is "to ensure that business has a voice at its own trial. The FMF will provide businessmen with the intellectual ammunition they need to protect themselves from unwarranted public pressure for interven-

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tion against business — and the confidence to sell SA to foreign investors, buyers and the world at large as a bastion against creeping socialism and ultimately totalitarian control".

Amongst tactics the FMF intends using to convince the public that not all business is bad business are a consulting and advice service on the functioning of the free market and courses, lectures and seminars on such subjects as the rôle of profits in a sound economy.

and functions of high profits and rising prices. Whether SA needs the FMF is less certain. After all, one of the basic functions of Assocom, FCI and other employer bodies is to put the case of private business to government and the public (though admittedly that isn't always the same as espousing free market principles). In fact, the case for enlightened capitalism was put last Monday by Assocom Executive Director Raymond Parsons when he spoke at length on the social responsibility of business. These bodies have the resources, organisation and influence which the FMF will take many years to build up. The fact that it has been established therefore suggests a lack of initiative and insight on their part. Rather remedy that than fragment their efforts further.



Raymond Parsons . . . enough already?

It would not be a bad thing if it kicked off taking a line on government's price and wage restraint proposals. If these are really necessary, then the market mechanism plainly does not work.

The FMF also plans to investigate consumer complaints and "to hammer home to business that it is in its own best interests to maintain a constant control over the quality of its products and practices".

The five men behind the FMF claim the support of several well-known businessmen and it's hoped the organisation will be formally set up before the end of the year. Its backers are already discussing with Assocom possible areas of co-operation and the FMF will possibly have some representatives on the Assocom committee which has been working on the same theme for a year.

According to investment consultant Fred Macaskill, one of FMF's backers, a separate identity will be maintained since Assocom "has many vested interests and doesn't consider those of consumers".

It's certainly high time business explained to a sceptical public the causes

F.M. 12/9/75
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③ 186

Mercury 27/19/75
Prices feud

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Mercury Correspondent

CAPE TOWN—Suppliers of certain foodstuffs have already tried to take advantage of devaluation by raising the price of their products but the supermarkets have refused point blank to go along with them.

This was disclosed yesterday by Mr. Raymond Ackerman, chairman of Pick n' Pay.

Mr. Ackerman warned that the strictest watch should be kept on suppliers and retailers who were trying to sell old and existing stocks at new prices, using devaluation as an excuse.

He said: "We have already had certain suppliers telephoning us to say that their prices were going up and we have refused point blank to have anything to do with them or take any orders from them."

He said that, legitimately, the prices of locally produced foodstuffs should not go up until shortly before or after Christmas.

This would happen because of the increasing price of equipment and raw materials.

Move after urgent
meeting of Cabinet

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Govt acts on car prices

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25/9/75

Cape Times Correspondent

JOHANNESBURG. — The Minister of Economic Affairs, Mr Chris Heunis, yesterday effectively froze the prices of motor vehicles and spares to pre-devaluation levels.

Those manufacturers who have already increased their prices to compensate for the 17.9 percent rand/dollar adjustment were told they must revert to the price levels ruling on September 19, pending clearance of higher prices by the Price Controller.

It is not yet clear whether the authorities intend to extend this price-freeze to other products.

The price freeze decision was apparently made at an urgently-convened Cabinet meeting.

In his statement yesterday, Mr Heunis said: "In view of the statements made by various motor manufacturers on price increases of motor vehicles and spare parts after the devaluation of the Rand, and in the light of numerous complaints and inquiries received by the Price Controller, the Government has requested motor manufacturers not to raise any price before they have been fully motivated and cleared with the Price Controller."

"Those undertakings which have already increased their prices after devaluation have been requested to restore their prices to the levels ruling before September 19, and to clear the increases with the Price Controller first."

'Direct order'

Motor manufacturers approached for comment yesterday see this "request" as a direct order

Greatermans going great, says Herber

Sun Times (Business) 28/9/75 (28)

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By COLIN CAMPBELL

GREATERMANS Stores is budgeting for a "solid improvement" in each of its trading divisions, chairman and chief executive officer Norman Herber says in his 1975 annual statement.

Last year's profit advance — net earnings up from 95.4c to 106.5c, and pre-tax profit at a record level of R10.35-million — should improve further, despite the doubts now overhanging the economy.

The only patch of doubt is that the department stores will take a little longer than expected to move into the profit stage, and a small loss has been anticipated in the group's budget for this division.

Mr Herber says the Checkers arm of the group plans three large stores, which will also act as retail laboratories in KwaZulu to be set up in partnership with the Government and private KwaZulu citizens.

This is the first Checker development aimed exclusively at serving the Black market.

Because of the spread of trading areas, customer income levels and different merchandise groups, Mr Herber feels that the Greatermans group will sail through the uncertain economic waters that lie ahead.

"I feel the recovery will be slow and that we will only see the Western world enjoying a return to full economic prosperity in 1977-78.

"It follows that I have in the short-term limited hopes for the local



Norman Herber . . . "A well-balanced group."

scene," Mr Herber forecasts.

Mr Herber adds that even if the cost of television licences can be justified those of the sets seems unreasonable — and because the price is as high as it is there could be, at retail level aggressive competition, and prices of television sets could be driven to sub-

economic levels for those retailers who provide a responsible service organisation.

In a report on the group's trading divisions the chairman makes the following points:

- Ackermans: In 1974-75 Ackermans' profits handsomely exceeded both budget and previous year's level.

- Rave: Progress in the first four months of the year was spoiled by softening of consumer demand in the balance of the year, and net profit was only R242 000 compared with R728 000 in 1974. But, assuming an orderly and profitable television campaign, Rave should greatly improve its profits this year.

- Clicks: One new store will definitely be opened this year, and there are plans for additional stores in the future. There is every reason to expect further growth in sales and profits this year.

- Prudential Shipping: The balance sheet of Prudential has strengthened considerably with a R7.9-million reduction in contingent and other liabilities. In his review on the economy Mr Herber agrees that South African industry needs protection, but asks whether it is economically sensible to provide long established South African industries with tariff protections of between 100 per cent and 200 per cent. "Protection, South African industry needs and deserves, but this can not and must not be granted indiscriminately, and without concern for its inflationary and the social implications," Norman Herber says. In 1975 dividends were raised from 25c to a record 32.5c a share, covered 3.3 times.

Food for thought from Half Price

By GORDON KLING

HALF PRICE Stores, the 106-shop national clothing chain, is diversifying into food, hardware and appliances.

This was disclosed

partnership with Coloured business men, would open the first of a new breed of stores in June next year to handle the extended range.

Two premises in Athlone, a Coloured group area with a population of 125 000 about 10 km from the centre of Cape Town, are under final considera-

area of 2 500 sq m (about half the size of a hyper's trading area).

The premises will be leased. One of the landlords included in the negotiations is George Petersen, reputed to be the richest Coloured man in South Africa.

Pilot store

Mr Stuppel says the investment in the pilot store will be about R200 000. It will be financed internally by Half Price and by Randolph Baartzes, a director of Athlone Clothing, the largest subsidiary in the group, and another Coloured entrepreneur associated with Half Price, Enleigh Thomas.

Superstores planned for Retreat, Grassy Park and two other areas in the Cape Peninsula will follow the Athlone venture at intervals dictated by the success of the pilot store.

Mr Stuppel says the food, hardware and appliance lines will be confined to the new stores. "The superstores will still concentrate on low-price clothing, with basic products in the new lines being used as virtually no-profit drawing cards.

Compete

"This will also allow us to compete with prices offered by the big food supermarkets. The store will be located in high density Coloured areas of the Cape to keep customer transport costs at a minimum.

"There are no plans to go national with the new lines in existing outlets. We believe specialisation is the best policy for the smaller outlets and it isn't intended to change them or curtail their growth.

"Four new stores will be added before the end of the year and turnover is currently in excess of R1-



Sam Stuppel . . . Business is booming.

million a month, an increase of 50 per cent on last year.

"The investment for each superstore should drop to about R100 000 as we win the confidence of new creditors. It will cost more to set up the first venture because we expect less advantageous terms from suppliers of the new lines than we are used to, but this will improve as we become established in the diversifications."

Mr Stuppel says it was decided to diversify after an experiment with cut-price basic foods at one of the Cape Town outlets resulted in tripled turnover on the clothing side.

Trend

Ninety per cent of Half Price customers are African and Coloured, but more Whites are shopping at the stores and Mr Stuppel says this trend can only increase with every rise in the cost of living.

In addition to local suppliers, the company relies heavily on producers in Taiwan and in South Korea where a permanent buying office is maintained.

The Half Price management team includes Michael Aronson, who specialises in merchandising; Frank Stuppel (property); Solomon Joffe (sales head), Roy Burchell (operations) and Hugh Ashby (administration). Finansbank holds 17 per cent of the equity.

The company was founded by Nickie Stuppel, who arrived in South Africa from Lithuania in the 1930s and opened a general dealer's store at Riviersonderend. In 1940 the business was moved to Salt River and it was here that Sam Stuppel, now only 32, began serving behind the counter.

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Pick 'n Pay profits leap

Hyper helps
to cut
food costs

77pc on 2½pc margin

PICK 'n PAY is using the profits and vast turnover of the hypermarket to reduce the gross profit margins on food in its supermarkets.

The hyper is expected to surge ahead in the last six months and this will allow Pick 'n Pay to shave further the margins on food.

"The hypermarket is the most important anti-inflation instrument in these pressing and crucial times and I certainly hope that councils and Government will do everything in their power to see that the zonings for hypers are passed to give effect to the Government's anti-inflation policy."

Pick 'n Pay's goal is to keep its profit margins between 2.5 and 3 percent.

By PAUL DOLD
Financial Editor

UNDERLINING that it is the country's most efficient supermarket chain Pick 'n Pay lifted its profits 77 percent in the half year to R2 530 000 on a 58 percent turnover rise to R102.8m while profit margins were wafer-thin.

The group harnessed the tremendous volume potential of the hypermarket (sales are running at more than R3m monthly) to achieve record results. Including a R67 500 dividend from the

45 percent owned Blue Ribbon meat group (R45 000) total pre-tax profits were 76 percent higher at R2 597 500 (R1 473 000) and R1 560 000 (R873 000) after tax.

The interim dividend is being increased by only 3c to 16c in line with the Government's appeal for corporate dividends to be limited as part of the anti-inflation package.

The chairman, Mr Raymond Ackerman, made it clear last night at a press conference that the group's financial position

was strong with R3.5m-R4m cash in the bank and the decision to limit the dividend to 16c instead of 18c or 19c had been based purely on the Government's appeal.

The board reached consensus after a one and a half hour meeting which ended late yesterday afternoon.

A feature of the results is that net profit to sales was a slim 2.46 percent as against 2.53 percent for the whole of last year. Expenses were down percentage wise through the impact of the hypermarket.

Brimful of confidence, Mr Ackerman told me that he expects the last six months to be almost as buoyant with a 40 percent profit hike likely, for the year as a whole. The group's forecasts are traditionally conservative.

The results were overshadowed by the incredible performance of the Boksburg hypermarket — the country's first — which achieved a R15.5m turnover and had an excellent mix of relatively high profit margin hardware and clothing to low margin foods.

DURBAN. The new president of Assocom, Mr Hymie Wolffe of Cape Town, believes one of his major tasks during his coming year of office will be to defend the free enterprise system.

Mr Wolffe was elected during the association's annual congress in Margate.

A staunch believer in the principles of the free market economy, Mr Wolffe said in an interview he hoped to oversee the launching of Assocom's campaign of education about the advantages of free enterprise.

He wants to collaborate with the Federated Chamber of Industries and the Afrikaans Handelsinstituut in the programme.

Mr Wolffe said one of the lessons of the recent meeting of the International Chamber of Commerce in Madrid, which he attended, was that free enterprise was no longer a popular concept.

LIBERTY

'Yet it has accounted for most of the capital formation, most of the production, most of the trade and most of the consumption of our world,' he said. 'It has produced the highest and largest measure of personal liberty in the history of mankind and it has raised civilisation to its highest levels.'

Members of the public had an 'abysmal ignorance' about the role of profits in the economy, he said.

Surveys in Britain, for example, have shown that 68 percent of people questioned believed profits were solely for the benefit of company directors. Only six percent believed companies paid any taxes at all.

'There has been no real attempt to bridge the education gap,' Mr Wolffe said. 'This demands a major effort to demonstrate the direct relationship between higher profits, higher investment, higher productivity and higher wages.'

INFLATION

'This ignorance is entirely the fault of business, which has buried its pride in the profit motive, suppressed discussion about profits and turned profit into a dirty word.'

Mr Wolffe's other big thrust during the year will be to persuade members that it is in their interests to do what they can to carry out the social contract entered into with the Government.

① 28
② 88

Confrontation with Indian ^{Star} traders feared

1/10/75

A plea was made last night for a round table conference of all concerned to avoid force being used at the end of this year against Indian shopkeepers in Pageview.

The plea was made by Mr Winston Herzenberg, the Progressive Reform Party councillor for the area, at the monthly Johannesburg City Council meeting.

The meeting approved a new urban renewal scheme for the adjacent Vrededorp area.

Pageview, a traditional Indian suburb, has been declared White and will be subject to urban re-

newal. Indian traders in the popular Fourteenth-st shopping area have been told to vacate their shops before December 31.

RUIN

Alternate shops have been provided at the new Oriental Plaza in nearby Fordsburg. Many traders fear economic ruin if they are not allowed to phase out of their Pageview shops over two years.

Mr Herzenberg warned there could be a confrontation at the end of the year.

He asked for a round table conference to form a consensus and to avoid a confrontation.

The Pageview Chamber of Commerce, the city

council and the Government's Department of Community Development should be among those participating, he said.

Mr Carel Venter, NP leader in the council said: "The Oriental Plaza will be the biggest money-spinner in this country" and any trader worthy of the name would make a success there.

Mr J F Oberholzer, MPC, chairman of the management committee, warned that if Indians refused to move to the Plaza, there might not be shops available when they had to move out of Pageview because of urban renewal.

INCOMPLETE

He said the Plaza was "half cocked" at the moment because it was incomplete, but this would be remedied when the complex was completed later this year.

He told the meeting the council had already given Indian traders being forced out of Pageview more than R1-million in gifts to compensate them.

This was after the Government expropriated the land owned by the city council and leased to the Indians.

He said the traders gave no thanks. Several Pageview traders were in the public gallery.

Black market beckons

weekend's statement by Deputy Minister of Bantu Affairs, Willem Cruy- en, that White business may be moved into the townships, has set the property industry fluttering hopefully. The hope is that more can be gleaned from Pretoria at this stage, though the *FM* understands government is meeting with at least one large retailer to thrash out details.

It will certainly be a good thing, if it opens, for Black consumers. Not only do White stores are necessarily more scrupulous than others, but because of the competition is better than less. Prices in Black township shops are usually high, partly because of the restrictions on the Black trader and the size of his store, and partly because the Black trader cannot make use of the economies of scale available to a large

retailer. The big White retailers are, in the township, delighted. It will open up big new markets, although some argue it will at the same time take away trade from Black stores. But retailer policy is usually based on where the shoppers are, and there is plenty of shoppers in the townships.

John Pay's Raymond Ackerman says he is "thrilled" about it, with one proviso — that however it is implemented it must be done with consultation for the African businessmen already there. There must be some form of partnership.

John Matus, executive director of the Chamber of Commerce, says his organisation is already trying to assist a few Black traders, but has run into red tape. He feels Black business should be free to develop in a free enterprise situation. To allow Whites in, he says, without lifting the restrictions the Black trader has to contend with, would be grossly unfair.

Mr Cyril Atkinson says before he can make a decision about setting up in a township he would have to know on what terms and under what conditions he would have to operate. But he agrees the possibility holds out "some prospects for expansion of trading" and as such he welcomes it.

Greatertraders has already made provisional agreements with the Bantu Investment Corporation to open three Greatertraders stores in KwaZulu. Greatertraders President, Lawrence Herber, feels that going into the townships would be a vital step.

Property developers are more cautious. Because of rising interest rates and rising costs they are having a hard time at the moment, and some are committed to developing sites they have held for a long time. One developer feels that



Black shopper ... closer to home

if Whites are merely to be allowed to go in as caretakers, government should provide financial safeguards regarding rent.

Institutional developers, who would in practice put up most of the cash, seem open minded. Sanlam says it hasn't really investigated the situation as it has always regarded the townships as out of bounds. But, it says, it is a property investor, and if the return and potential of a proposition look good, it would be "carefully considered".

Legal & General tells the *FM* a township shopping centre project would "stand in line with the rest". It would have no objection in principle.

Clearly, there is a lot of enthusiasm. Over to government.



The more efficiently he works the less damage to your pocket

• Better utilisation of workshop facilities through better planning.

Since the system started, Lindsay Saker has kept labour charges constant, despite wage increases of 27%. It will shortly introduce an incentive pay scheme related to output.

Kenneth Glassby of the NPI explains that the productivity rise is due mainly to improving the way parts are supplied to the mechanic. The new system provides all parts which may be required before work is begun.

The NPI investigation was made at the request of the Motor Industries Federation, which represents most of the country's dealers and workshops. (*FM* April 4 1975).

The standards and procedures issued by Volkswagen in West Germany are described by one dealer as "excellent but not necessarily geared to local conditions". The problem of motivating the work force to achieve world-wide standards falls squarely on local management.

PRODUCTIVITY

VW sets the pace

F.M. 3/10/75

28

VW's 16 largest Volkswagen dealers are to introduce the National Productivity Institute's programme for increased productivity in their workshops.

The programme is based on the experience of the pilot project at Volkswagen dealer Lindsay Sakers, Johannesburg, which claims to have achieved a productivity increase of 25% during the past year. In the most advanced workshop operation, the increase has been as high as 50%.

Lindsay Saker MD Kurt Hipper attributes success to:

- Improved repair quality through better fault diagnosis;
- Increased productivity of the labour force at all levels;

Daily Disp. 4/10/75
Steyn says he can't

① 28
② 85

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help Indian traders

GRAHAMSTOWN — What seemed like a last hope for Grahamstown's 22 Indian businessmen who are to be moved out of the white business area by the government, collapsed yesterday when the Minister of Indian Affairs, Mr Marais Steyn, said he could do nothing about the decision of the Department of Community Development.

Mr Steyn's letter was in reply to an urgent appeal by the MP for Albany, Mr B. Deacon, who asked Mr Steyn to come to Grahamstown and hopefully intervene.

Recently the Department of Community Development indicated its intentions to move the Grahamstown Indian traders to an area alongside the Grahamstown-

East London road, in between the black and Coloured areas.

Mr Steyn said Community Development concluded the move to a new business site would be in the interests of the Indian traders as well as good race relations in Grahamstown.

"Community Development always faces resistance from Indian traders when they are to be moved but once the move is accomplished and the traders have had a chance to settle, we are not aware of a single instance where the traders regretted the change or wished to return to their former premises," he said.

Commenting last night, Mr Deacon said he was extremely disappointed with the decision of the Department of Community Development.

"I would have expected that in times of detente abroad, the Government would have considered the feelings, not only of Indians, but of the whole Grahamstown community in this matter.—DDC

'I SOLD FURNITURE TO BLACKS AT HIKED PRICES'

By NORMAN WEST

FORMER furniture salesman, Mr Vincent Ernstzen, said this week that he had resigned as a furniture salesman three months ago because he could not face himself any longer when he discovered that he was selling furniture to Black customers at higher mark-ups than the same furniture was being sold to Whites at the firm's main branches in Cape Town.

Mr Ernstzen's disclosures are the latest in the furniture trade controversy which started when the SUNDAY TIMES published allegations by salesmen, who preferred to be anonymous, that they were "forced" to sell furniture to Blacks at higher mark-ups than the furniture was sold to Whites.

Last week, the allegations by salesmen were revealed by Mr Sydney Iseman, chairman of the Western Cape branch of the Furniture Traders Association.

He said that his association was not aware of such practices and that it would welcome complaints in writing from members of the public who have such complaints.

He said that since he had never heard of such higher mark-ups based on colour, he was forced to conclude that the allegations were "malicious and intended at harming the credibility of furniture traders."

However, salesmen have not stopped persisting to the SUNDAY TIMES in their claims that, in fact, such practice does exist.

Mr Ernstzen said this week he left the insurance company he worked for because of the racial loadings slapped on to Black clients and decided to join a subsidiary company of one of the country's biggest furniture stores.

This company's shops in Coloured areas trade under a different name, like many others do.

Mr Ernstzen claims that almost all the companies which operate in this fashion, have different mark-ups in the Coloured areas for the same article you could buy at the main outlets in the city which deal mostly with Whites and upper-income Coloured people.

"I am prepared to stick my neck out and once and for all take the lid off this discriminatory higher

Ex-salesman reveals how it was done

mark-ups for the same commodities coming from the same warehouses." Mr Ernstzen said this week.

"I have heard from other salesmen that the same practice is carried on in their stores, but since they do not want to be identified, I am speaking for myself and of my own experience which

must not be seen as an isolated case.

"The furniture store I was salesman for — and I am prepared to be challenged by the company concerned on what I say about them for they know who they are — slaps up a 33 1/3 percent mark-up on all goods sold at this particular outlet which deals

mainly with the Coloured community.

"We were told that it is company policy, by the area manager, and these higher mark-ups do not only apply to customers in the lower income group, but even to shop customers.

"It had nothing to do with higher administrative costs or the commission paid to collector-salesmen, because whether you pay cash or on terms, you pay more if you shop at the outlet in the Coloured area.

"I discovered this when I carried the catalogue of my particular outlet as well as that of the main stores operating under a different trade name in the city.

"Once a customer orders an item of furniture from the catalogue which is not obtainable from my store but available at the main

store — the price is not indicated — and I agree to supply him with it, the item is ordered from the warehouse and my area manager would slap on a further 33 1/3 percent.

Unsuspecting

"You cannot query it and you quote the price to your unsuspecting customer who does not know he can buy the same item for less one third at the main outlet," said Mr Ernstzen.

"This is what Coloured salesmen mean when they say that they are being 'forced' to 'exploit' their own community.

"Another practice is to give customers furniture without deposit. The hire purchase forms are completed in such a way the customer pays off the deposit over a period of 12 or 24 months.

"This is done by simply increasing the monthly payments and the hard-up

and gullible customer is not going to complain.

"He is not 'taken-in' directly by this practice, but the store can afford this, what with the extra mark-up and hire purchase charges," Mr Ernstzen said.

Course

He said that he had resigned as salesman after he had taken a course in executive motivation.

"This course brought me face to face with my conscience and I found out that I could not reconcile my moral and ethical outlook with the type of work I was doing, selling furniture to unsuspecting people at these inflated prices.

"My conscience could not take it any more, so I decided to quit," Mr Ernstzen said.

Mr Ernstzen is a well-known soccer administrator and chairman of St Athenians.

End curbs on African trade, chamber urges

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P.D.M. 9/10/75 2319
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By PATRICK LAURENCE

MR Richard Maponya, vice-president of the Johannesburg African Chamber of Commerce, yesterday urged the authorities to speed up the planned easing of restrictions on urban African traders to help fight against inflation.

Lifting restrictions would enable African traders to form companies and pave the way to the establishment of supermarkets able to sell at lower prices, said the Soweto businessman.

Many African consumers were still forced to buy household necessities from small township retail shops at higher prices than supermarkets in the city centres.

Bearing in mind that many Africans lived and shopped in urban town-

ships, it was of vital importance to strike a blow against rising prices by giving African businessmen the opportunity to buy in bulk and get appropriate discounts, Mr Maponya added.

"I would call on the Government to treat it as a matter of urgency," he said.

"The sooner we establish supermarkets, the better for the anti-inflation campaign — and the better for township people who are among the poorest in the country."

Several restrictions operate against urban African traders under the regulations of 1963 and 1968. Among them are:

- The one-man, one-business only ruling.

- Limitation of businesses to those providing for the "day-to-day" needs of the township people.

- Prohibition of the formation of companies and partnerships.

The president of the National African Federation of Chambers of Commerce, Mr Samuel Motsu-eyane, was not available for comment yesterday, but he has repeatedly called for abolition of "harsh restrictions".

At the meeting between the Prime Minister and homeland leaders in January, Mr Vorster said the points raised on behalf of urban traders were valid and the situation would be reconsidered.

Later, in Parliament, the Minister of Bantu Administration and Development, Mr M. C. Botha, announced that at least some of the restrictions would be eased.

A spokesman for the Department of Bantu Administration said yesterday departmental proposals for revision of the regulations had already been passed by Deputy Bantu Administration Minister, Mr W. A. Cruywagen.

"There will be a statement quite soon," he added.

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Stop exporting food we need-Ackerman

Cape Times 14/10/75

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② Agai - Gavi
③ 207

MR RAYMOND ACKERMAN, chairman of Pick 'n Pay last night appealed to the Government to step-in and curb the export of food which is needed in South Africa.

Although devaluation is meant to improve the country's export situation he hoped that the authorities would move quickly to prevent local scarcities and the price rises which would inevitably follow.

He told a pres. conference in Cape Town: "In other words we should only export food that is not required in South Africa, otherwise we will have a huge bout of inflation which no-one will be able to stop."

JAIL THEM

Pick 'n Pay was "completely behind the Government's anti-inflation drive" but would like to see the Government put teeth into its manifesto.

"Resale Price Maintenance is still being abused and is causing terrible inflation." He hoped that the Government would jail some of the offenders.

"There are still firms who refuse to supply us because we are price-cutters."

A R9 000 consignment of kitchenware had been embargoed in Durban by the agents for this brand as it had not been ordered through them but via a third party.

KITCHENWARE

"We would have sold this kitchenware at 20 percent below normal retail mark-ups."

Price rises from suppliers due to higher raw material import costs were expected to be felt in the months ahead. On the whole suppliers were taking a responsible attitude following the anti-inflation manifesto and prices were not being raised willy-nilly.

Turning to the higher fuel prices which South Africa is facing through the Opec increase and devaluation of the rand, he called on the Government to force the oil companies to allow garages that wanted to cut petrol and oil prices to do so. This was allowed in most European countries, Australasia and the United States.

Other points he made were:

● Shopping hours must be extended nationally to curb inflation but firms would have to provide transport and security for staff

● The introduction of a sales tax at the retail level would be the most disastrous inflationary step and would cost tens of millions of rands in new equipment.

Training is the key

to success

Private enterprise should spend the equivalent of two weeks' salary for every employee on training and development, says Mr Dave Jackson, of the Institute of Personnel Management.

The IPM's executive director, speaking to the Assoc. com annual congress in Margate on "The Outlook for Labour," said the three key words for labour in the years ahead were inflation, productivity and communication.

Outlining a blueprint for better labour management, he spelled out five steps to be taken by an employer body such as Assoc. com.

These were:

- ① To develop objectives and an action plan to achieve them;

- ② To get Government backing for the plan;

- ③ To arrange financial incentives for the programmer;

- ④ To promote and publicise the plan among members;

- ⑤ To undertake manpower planning within the economic sector with a view to setting up sector-based training facilities.

SMART SCMS

Top management's role within the blueprint would be to define company objectives, develop a company plan of action, create a structure and define responsibilities to make the plan work, to budget for it, to gain an appreciation of the training programme

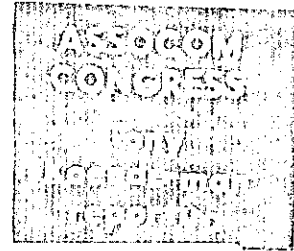
and to maintain a control system so that the programme is kept moving forward.

Mr Jackson said enormous organisations employing thousands of people sometimes allocate paltry sums to training, and then wonder why the programme failed.

"Training and development of people is never cheap," he said. "There is only one thing which is more expensive, and that is to neglect them."

If it was not worth setting aside the equivalent of between 2 and 5 percent of a person's salary (one to two weeks' pay) for his development, the organisation should question whether the employment of the individual was necessary at all.

He said he believed the only way to beat inflation would be to analyse the expectations and potential contributions of workers, and institute an intelligent and sincere campaign to increase their vested interest in successful commercial enterprise.



It needed a combination of short-term strategies to buy breathing space, and long-term strategies to tackle the deeper problems of an imbalanced and inequitable distribution of wealth, power and opportunity."

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Natal Mercury

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Curb price rises says economist

Mercury Correspondent

THE MOST urgent challenge facing commerce and all other sectors of S.A.'s economic community in coming months was to contain price rises to the absolute minimum, Dr. P. J. Riekert, Economic Adviser to the Prime Minister said here yesterday, addressing the 3rd annual congress of the Association of Chambers of Commerce (Assacom).

Dr. Riekert said only in this way could the disadvantages of devaluation be checked and the advantages exploited. Unbridled price increases would simply froth away the benefits of devaluation into the inflation gap.

The rate of price increases has decreased considerably since the third quarter of 1974 and this downward momentum will still exert pressure for some months.

He said the stimulating effect of devaluation on the demand for local products could easily be absorbed by the idle capacity in secondary industry.

"I am convinced that although sectors such as the oil and motor industries have been hard hit by recent overseas price increases and devaluation and that compensating price increases will have to be granted to them, our rate of price rises can be kept on a lower level than those of our trading partners without depressing unduly our development rate."

GOLD PRICE

Dr. Riekert said he was confident that the dramatic drop in the gold price a few weeks ago was no indication of future trends.

Another speaker Mr. F. R. Dolling managing director of Barclays National Bank, said South Africa's financial institutions should operate

proportion of the community's savings was taking place through financial institutions.

Efficient use of available capital resources would therefore depend on the effectiveness and foresight with which banks and other financial institutions allocated those resources.

A call for better labour management in the current period of change in Southern Africa was made by Mr. D. A. Jackson, executive director of the Institute of Personnel Management of Southern Africa.

Mr. Jackson said the outlook for labour and South Africa were synonymous.

Attention should be paid to improving communications and industrial relations management.

He said a drama was being enacted on the world stage which would almost certainly see the end of capitalism "as we have known it."

The worker management conflicts so apparent in numerous countries were signs which at times had led to "the collapse of national and international economic systems."



ASSOCOM FEARS

Hard yardstick

F.M. 17/19/75

28

The anti-inflation pact was endorsed by delegates at Assocom's congress in Margate this week. But they expressed some reservations and made it clear they'll be keeping a close watch on government to see that it keeps its side of the bargain.

Assocom past president Lou Sher, for instance, feared the restraint on firms earning more than 15% on capital — though only a guideline for the next six months — could become a permanent government yardstick which could send some firms into bankruptcy overnight and would be useless in attracting long-term risk capital.

Durban's Gordon Bond criticised devaluation as smelling of panic, called on government to be more frank and lay facts, however unpleasant, before the public instead of trying to gloss over them. The lack of information about the need for devaluation could only create uncertainty and so strike at the heart of the economy.

What was needed was sober assessment instead of Finance Minister Owen Horwood's complacency and even optimism. Cracked Bond: if Horwood was right that devaluation was such a good thing then "we can expect it regularly."

Secretary for Finance Gerald Browne denied devaluation was either a panic move or one of weakness, and said there was still every reason for confidence in gold. While it could be argued that instead of devaluation there could have been intensified import control or drastic deflation, neither was reckoned the right course.

As for inflation, he noted that though the rate of increase had come down markedly since the second half of last year, it was still unacceptably high. Government, he assured, would be sticking to its undertakings to reduce it further.

Assocom executive director Raymond Parsons pointed out government's commitment was to consult wherever possible in advance with the private sector. What was needed, he said, was "more use of the radar and far less of the rear view mirror" in running the economy.

F.M. 17/10/75 (28)

Blow to free trade



Maize for Taiwan . . . the Board's got it in the bag

Grain traders are furious at the export contract signed last week between the Maize Board and a visiting Taiwan trade mission. "They've pinched our customers again," complains a well-known exporter.

The new 1,35 Mt deal follows on the government-to-government contract signed two years ago and due to expire next May. The earlier contract also raised a lot of dust but the Maize Board has not heeded exporters' protests. In fact, says GM Hendrik Hickley, the Board's negotiations with Taiwan were begun at the specific request of the Taiwan authorities.

But private exporters remain adamant. They say such deals, which bypass the tender system used to sell the balance of our maize exports, are unacceptable because:

- Private traders pioneered the market in Taiwan only to have it snatched away from them in January 1973. Prior to that 27 cargoes had been sold through the tender system to Taiwan buyers. Says one trader: "If the Board had found themselves a new market, I would take my hat off to them. But they've merely taken ours";

- Farmers (and thus the balance of payments) benefit more from tender sales than inter-government deals. Traders claim that, before 1973, Taiwan buyers always paid higher-than-average prices for our maize, thereby forcing Japanese, European and other bidders to raise their offers. Now, with a large buyer out of the free market, they reckon tender prices are lower than they might otherwise have been and that Taiwan is getting its maize at a lower price.

But Hickley reckons he can't find any evidence that prices realised by the Board after conclusion of the agreement are lower than before. However, he refuses to disclose the price formula on which the agreement is based.

Taiwan seems to think it is getting a bargain. So much so that Taipei has banned all maize imports from SA other than those coming in under government contract. Hickley claims not to be aware of any such ban but, in any case, points out that the Taiwan government has sole control over grain purchases and prefers to buy direct from the Board. But the traders counter by pointing out that purchases from the US are made from private companies.

Ironically, farmers support the Maize Board's direct deals with foreign governments. They have been pressing for years for private traders to be cut out of the selling process, believing the traders are unnecessary middlemen. But with their expertise and wide international contacts through the world's giant grain trading companies (Bunge, Tradax, Continental and others), the traders are selling our maize far more efficiently than the Board could ever hope to do without setting up a huge costly intelligence and trading operation. They also point out that they have never failed to take up everything offered for export by the Board.

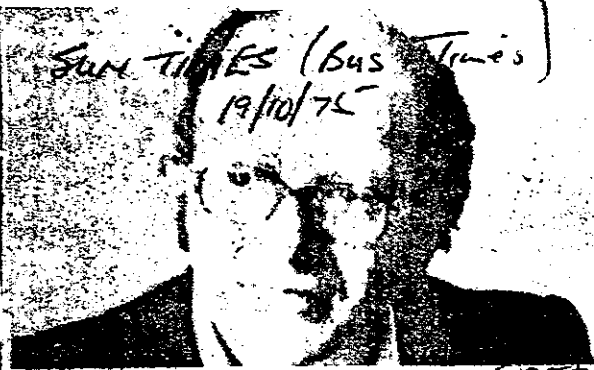
Hickley stresses, however, that the Board would never sell such large quantities outside the system to endanger its existence, and that it would only sell direct where efforts by exporters to sell abroad would not have borne fruit. That's an assurance exporters won't

easily forget.

In the meantime, all who are worried by the rising power of the control boards and their steady encroachment onto the terrain of private enterprise will give the grain traders their full backing.

28

SUN-TIMES (Bus Times)
19/10/75



Ivor Green.....A matter of efficiency. ^{125T}
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Profit—it's as simple as ABC

By GORDON KLING

ABC SHOE Corporation this week reported a 31 per cent rise in estimated after-tax profit to R157 000 for the six months ended July. The interim dividend has been raised 0,25c to 2c on earnings per share up 1,1c to 4,8c.

Managing Director, Ivor Green, attributes this stylish performance to an increase in turnover ahead of the inflation rate, more tightly planned buying and greater efficiency in the re-distribution of merchandise.

"We have read trends reasonably well in certain areas," he adds.

ABC's first half generally produces the lesser earnings, so the results indicate a substantial improvement on the previous financial year's after-tax profit rise of 16 per cent for the full 12 months.

Looking ahead, Mr Green says he expects consumer expenditure on durables such as cars to be active to the end of the year as buyers attempt to bear coming price rises.

"This implies that expenditure on smaller consumer items will be dampened. Next year the reverse should hold and we expect the credit squeeze and price hikes to affect us less than others. But in the light of a negative economic front, a lot will depend on how excitingly we can interpret fashion," he says.

The opening of a new store in Rosebank, Johannesburg, later this year will give ABC 59 outlets. Mr Green says plans call for the opening of further stores in 1977 rather than next year.

Pre-tax profit was R265 000 (R203 000 in the similar period last year). Tax is R109 000 (R83 000).

SUN. TRIB (FINANCE) 19/10/75

28

R1 000 MILLION IS OK'S TARGET

368
170
901
346
395
339

THE OK is poised for a R100-million hypermarket investment programme which will see turnover increasing by 60 percent in the next five years, from R400 million to R1 000 million.

Disclosing this yesterday, OK Bazaars managing director Cyril Atkinson said that by 1980 OK hypermarkets will be contributing around R350 million a year to the group's total turnover. This is almost as much as OK's total turnover today.

The investment programme also provides for expansion of the group's

By PETER MASON

countrywide conventional store operation, which is expected to generate a turnover of R650 million by 1980.

Mr Atkinson, who becomes chairman of OK Hypermarkets Ltd, a new company formed to handle the R350 million-a-year hyper operation, describes OK's move as "a logical extension of our retailing activities to cater for the changing needs of cost conscious, inflation-hit consumers."

He says the continuing development of its conventional stores to serve the comparison shopping market is not in conflict with hypermarket development. Hypers, he adds, serve the bulk, low cost convenience market and will "ideally complement the group's existing base".

Work on the group's first hypermarket — a 30 000 square metre unit in Germiston, on the outskirts of Johannesburg — is already under way, and is scheduled for completion by the third quarter of next year.

Equipped and geared up

The first hyper, which will cost R13 million, is expected to turn over around R30 million a year. The group expects it to be a net cash generator within a year of opening.

Mr Atkinson said the group was equipped and geared-up to meet the challenges of modern retailing.

He said while the hyper programme pushed ahead, providing a major impetus for OK's overall growth during the next five years, the conventional store programme will not be neglected.

Addition "dominant" stores are currently being planned, including one just two kilometres from the Germiston

hyper at the new Eastgate regional shopping centre. An up-grading programme of existing stores will also be tackled, he added.

OK Hypermarkets managing director Iain Munro says the Germiston hyper will serve as a basic model for all future hypes. And he adds: "Although each hyper will have to be individually planned, we believe we have done our homework sufficiently well to be able to follow the same general pattern."

International consultants

The OK — second only to the Greatermans group in South Africa — has brought in leading international hyper consultants — Peter Bloch and Associates of Britain, in association with Bureau D'etudes et de Gestion of France — to handle design and planning.

Says Munro: "We'll be pitching price and value as our main benefits to the consumer. We'll be operating on the kind of margins which, while giving acceptable profits through mass turnover, will also enable us to give consumers value like they've never had before," he says.

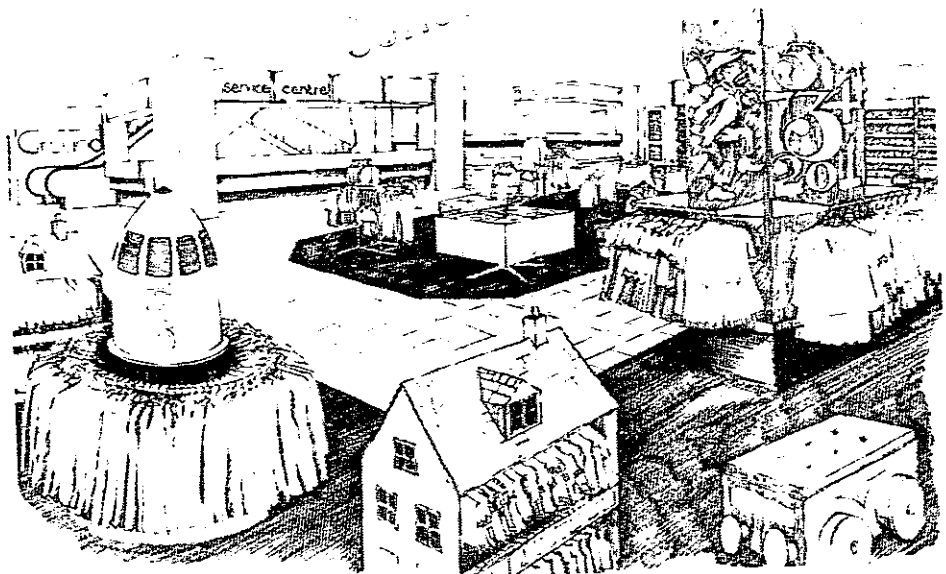
A vital fact of the consumer service made available throughout the planned OK hypermarket network will be the computerised point of sale check-out system. The system uses an optical character recognition "wand" to "read" price tag data, and will cut waiting time at check-out points significantly.

An on-site computer will also maintain stock control programmes.

"Considering each hyper will receive and offload six trucks every 20 minutes on an 18-hour a day basis, this kind of sophisticated system is going to be necessary."



Cyril Atkinson... R350 million a year from hypers by 1980



Researched for children too

BLACK MARKETING F.M. 22/8/75
Emphasis on service
728 2 128

"The Black consumer is becoming increasingly sophisticated and quality conscious," says Sales House GM Ed Deyzel. "He's growing richer, and on average spends a higher proportion of his income on clothing. We believe that justifies a special emphasis on service."

This is the philosophy underlying the ambitious new venture in retailing to Blacks that Sales House, a division of Edgars, will open on August 25 in the Damelin Centre on the corner of Johannesburg's Plein and Hoek Streets. For Sales House it's the latest commitment in a trend towards larger and more comprehensive stores. For Blacks it looks like a new era in retail shopping.

The 2 000 m², three-floor department store is air-conditioned, equipped with wall-to-wall carpeting, escalators for all floors, closed-circuit TV, a sophisticated built-in music system and a bar serving free coffee.

The merchandise is mostly locally produced clothing and footwear, designed for African tastes, adequately displayed and of high quality. A new line in cosmetics for Blacks is being imported from the US, and there's a separate department for children.

Credit is available with up to six months to pay. Says Deyzel: "We find Blacks honour their credit obligations as well as any other members of the community."

Apart from the emphasis on Black participation throughout (from sales staff to management level), what particularly distinguishes this latest Sales House venture is the research that has gone into it — going back over four or five years, according to Deyzel.

Part has been done from Sales House itself, part by Market Research Africa. In addition, valuable tips on US experience with Black consumers come from consultants with Sears Roebuck and J C Penney.

Useful discoveries are that Blacks indulge in less impulse buying than Whites, and are normally more quality conscious. In clothing, men prefer narrower trousers with turn-ups, while women avoid plunging necklines. Buying for children is usually after birth and not in anticipation, and there's a heavy concentration around Christmas.

Sales House is planning future stores in the light of experience gained from this one. Currently it has 13 in the Johannesburg area. Concentration into fewer units with increasing emphasis on service is the pattern for the future.

128 (2) 287

Motor trade making record profits

Cape Times 20/10/75

Cape Times Correspondent
DURBAN. — The South African motor trade is making record profits at a time when other manufacturers and retailers are struggling to attain last year's figures.

Newly released figures have countered gloomy predictions made by motor-men that 1975 would be a difficult year.

According to information released by the Department of Statistics in Pretoria, the motor trade's profits for the first three months of the year were R2 million higher than for the corresponding period last year — a 36 per cent increase.

Meanwhile, the profits of the retail trade over the same period have dropped from R24.5m. to R19.9m. in spite of increased sales.

The wholesale trade shows a similar picture. Sales increased in the first three months of this year but profits dropped by R10m.

Indications are that the motor trade is continuing with a growth pattern.

PROFITS JUMP

The annual report of the McCarthy group, which was sent to shareholders this month, showed that the company's profits had increased in profitability as a financial year by 26 per cent, an increase of more than R500 000.

Mr John Roberts, public affairs manager for Ford, said this month that September had proved to be an exceptionally good month for sales.

The annual report of Capital-Cartoria Motor Holdings shows that the group increased its profits by 19.7 per cent during the year ending in June. This was achieved on a turnover increase of 13 per cent.

The chairman, Mr A M Joss, explains this increase in profitability as a reflection of "efficiencies and cost controls in a year in which inflationary pressures were strong."

COMMERCIALS

According to the latest figures available new saloon car sales have kept pace with last year's figures while there was a marked improvement in the sales of commercial vehicles which reached a record of more than 12 000 units in July — 3 000 more than July last year.

Meanwhile, representatives have approached the Government to obtain the green light for another rise in car prices.

They claim this is necessary after the recent devaluation of the rand.

However, motor men believe that the effects of the devaluation of the rand will not become apparent until next year.

In a supplementary statement to the Capital-Cartoria Motor Holdings group, Mr Joss said that it was impossible to forecast the effects of the devaluation.

"Because it appears probable the unit sales by the motor industry will be marginally below pre-devaluation estimates," he said.

"WHIPPING BOY"

Mr Brian McCarthy, head of the McCarthy Group, said in Port Elizabeth, the motor industry was often unfairly singled out as a whipping boy in these times of rising prices.

"This is certainly not because the industry is making or has made exceptional profits," he said.

"An analysis of the eight leading retail motor companies and the eight leading furniture and stores companies show that the return on shareholders' funds for the motor companies and six percent, while the return for the furniture retailing companies is 23 percent and retail stores 21 percent.

"The ratio of taxed profits to turnover is two percent in the case of motor companies and six percent in the case of both furniture and stores companies," he added.

The Department of Statistics' profits figures for the motor trade are based on about 395 firms, profit figures for the retail trade 1900 firms and the wholesale trade about 500 firms.

STAR 22/10/75

Tucsa warning on profits

Labour Reporter
 Assocom and other business interests have been warned that free enterprise will not be served by spending vast sums of money in merely defending the profit motive. Nor would it be served by attempts to denigrate

the consumer movement, Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa, said in a statement today. "If they supported free enterprise then they should support the outlawing of practices such as resale price maintenance and assist in elimi-

nating all other forms of monopolistic practices. "Any attempts to infer that consumer orientated interests have socialistic or communistic tendencies are not only deplorable but will backfire," Mr Grobbelaar said. He warned the business sector that the mass of the South African population

believed, rightly or wrongly, that exorbitant profit structures were more the rule than the exception. The consumer public would measure the success or failure of the collective programme against inflation by the sole yardstick of prices, and the ball was in the business court.

Mr Grobbelaar also asked business interests to recognise that the face of capitalism in South Africa was White. "Any attempts to provide this face with an acceptable image should be aimed at ensuring it does not stay White," he said.

① 254
 ② 28
 ③ 135

24/10/75

(1) 133
(2) 28
(3) 47
(4) 150A

Plan to bolster private enterprise

By CLIVE EMDON

THE subject will be the merits of capitalism and the free enterprise system, and the pupils will be the Government, consumers, businessmen and even school children.

These are the ingredients of a long-term research and education project to be launched by the Association of Chambers of Commerce (Assocom) within the next few months.

The executive director of Assocom, Mr Raymond Parsons, said yesterday the project, already termed commerce's "counter attack" in the Press, was no such thing. It did not relate directly to the Gov-

ernment's programme to combat inflation, but to a world problem — increasing lack of confidence in private enterprise.

He said it was the duty of the business community through organised commerce and industry to present a long view of the future of the competitive system.

"The benefits of competition must be positively demonstrated and not left to the vagaries of ill-informed opinion.

Bound up with the need to inform and educate government at all levels, consumers and businessmen themselves, and school children, was the need to promote economic liberal-

ism as a key to the survival of the capitalist system.

Mr Parsons said discussions at the recent International Chamber of Commerce Congress in Madrid related closely to the relationships and balance of power between governments, private enterprise, trade unions and the general public.

The talks centered on how private enterprise could come to terms with the mixed economy of today and still retain a positive role in the economic system.

It was established that there had been no satisfactory alternative to the market economy and

emphasised that profits were fundamental to social progress.

Mr Parsons said acute inflation had led people to question the system. The result has been that the case for capitalism had largely gone by default. Hence the need for a long-term educative project for all.

Mr Parsons is to spend the next two weeks addressing Chambers of Commerce round the country on the Government's plan to fight inflation. He will also gauge the effectiveness of the campaign so far.

He declined yesterday to list the proposals he will be outlining during his tour.

PETROL GOES UP 3.1c A LITRE

24/10/75 1246
Cape Times (2) 6/27
Correspondent (3) 28

PRETORIA. — The price of petrol has been increased from today by 3.1c a litre — the fifth increase since October 1973.

Announcing this in Pretoria last night the Minister of Economic Affairs, Mr Chris Heunis, said he had rejected representations from filling stations for increased margins after an investigation by the Price Controller failed to show justification.

Price rises in gas and lubricants would be

higher than the petrol price increase.

The Minister appealed to motorists to continue to conserve fuel to relieve pressure on the country's balance of payments.

The Minister said he was fully aware of the impact the "unavoidable" increase in the petrol price would inevitably have on the costs of motor transport.

He was also concerned about the implications of the latest increase in the landed cost of crude oil for the country's balance of payments.

This will be the third

petrol and oil price increase in less than a year. In October last year motorists were paying 13.1c and 13.8c a litre for 93 and 98 octane respectively.

November last year saw a rise of 0.3c a litre.

By April this year motorists were paying more than 16c a litre for 98 octane.

None of the previous increases has been as severe as this one.

Part of the statement released by the Minister said: "An agreement exists between the Government and the oil companies in terms of which the prices of petroleum

products are adjusted from time to time according to a formula which is based on the calculated landed cost of petrol imported from the Middle East from which South Africa obtains its crude oil.

"However, such price adjustments are intended only to take account of periodic fluctuations in the landed cost of crude oil supplies, and do not provide for the recovery of other cost increases or for any increase in the unit profit margin which the Government allows the oil companies to realize on the local sales of their products."

Supermarkets in big price war

After 25/10/75

Own Correspondent

CAPE TOWN — South Africa is on the brink of an all-out price war between supermarkets that will ensure a cheap Christmas for millions of families.

Yesterday the Checkers chain announced that, from Monday, they would be selling nearly 100 lines at cost in an effort to help the consumer.

Mr Raymond Ackerman, managing director of Pick 'n Pay, reacted today by announcing the start of "an all-out, blistering, hard-hitting price war."

He said that virtually all lines would be slashed, including meat, fruit and vegetables. And Pick 'n Pay would be able to keep it up until Christmas and possibly into the New Year.

"That will ensure a cheap Christmas for the

housewife," he said, "And help to bring the cost of living tumbling down."

Mr Ackerman said that his company had already planned a minor price war aimed mainly at preventing any further increases before Christmas.

They had been fighting their suppliers not to increase prices until then. "It was really a holding operation," he said.

But in reply to Checkers' announcement, they were now launching an anti-inflation campaign that would be a major price war with no holds

barred.

"They were still working out price details, but it had been agreed during a late last night session that they would take a wide range of products and cut prices to the bone.

"Some of our stock is already almost on the cost level," he said. "Our margarine profit is only 2.43 percent.

"But we are going to shade a whole range of prices including biscuits, frozen foods, canned meat, canned fruit, meat and fresh fruit.

SA 'puts
up with
second ^{rdm}
best' 25/10/75

Staff Reporter
A VISITING American,
Professor Morris Matson
said yesterday the South
African consumer was ap-
parently satisfied with
second-rate products and
services.

He linked this with the
country's standard of pro-
ductivity and general
welfare.

Addressing the annual
meeting of Unisa's Bureau
of Market Research, Pro-
fessor Matson said his
comments were intended
to be friendly and helpful.

One of the country's
flaws was low productivi-
ty. The market place was
less competitive than it
should be.

This had led to an ap-
parent adjustment on the
part of the consumer to
poor service, meaningless
guarantees and misleading
advertising.

If a clever marketer
produced superior pro-
ducts and services, others
would imitate him, and the
consumer would learn to
appreciate real quality, he
said.

South Africans enjoyed
the finest life style he had
seen anywhere in the
world. However, he believ-
ed it could not continue
without an increase in
productivity.

The South African eco-
nomy had been built
around gold and diamonds,
but the country had the
potential to be a major
exporter of agricultural
products. South Africa
could swap food for petrol.

The Black labour force
must be trained and put
into the production pro-
cess. The Whites, who set
the example, must be more
productive.

Plan to educate the public

SUN. TIMES (EXTRA) 26/10/75

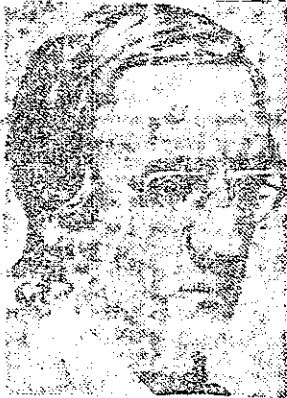
on HP contracts

By NORMAN WEST

MR PETER BROWN, an instructional technologist in educational audio-vision videotapes, has offered to produce videotapes for showing in church halls and community centres to help educate people in the do's and don'ts of buying on hire-purchase.

This was made in response to the series of articles published in the SUNDAY TIMES over the last few weeks on alleged malpractices in the furniture trade — particularly with regard to buying on hire-purchase agreements.

Professor W H Thomas, director of the Institute for Social Development at



Mr Tim Jenkins, a research associate attached to the Institute for Social Development at UWC, will help with the script of the videotapes.

The University of the Western Cape, has embarked on a project on research into consumer finance problems by sending out hundreds of questionnaires to households on the Cape Flats to study problems related to consumer finance and the Hire Purchase Act.

First

This is not the first project of its kind and several guidelines to assist the uninitiated or unsuspecting consumer in the do's and don'ts of buying on hire purchase have been drawn up by such organizations as the Institute of Race Relations and the Legal Aid Clinic of the University of Natal, according to Mr Tim Jenkins, a research associate at the UWC Institute for Social Development.

"Our problem has always been how to reach the masses effectively because this (buying on hire-purchase) has become a national social problem. That is why I pledge myself to work with Mr Brown on his mass education project by using videotapes," Mr Jenkins said.

He has agreed to help draw up the script for the videotape with the help of Professor Thomas and the facilities of the Institute for Social Development at UWC.

Mr Brown, who is a church warden of the All Saints Church, Muizenberg, said that he first hit on the idea when he read the series on hire purchase pitfalls in the SUNDAY TIMES.

"My idea is to make available my services to

the broad community by manufacturing these tapes about the pitfalls that go with signing HP forms they do not understand.

Message

"I intend bringing the message home plainly and simply and possibly with the help I hope of the furniture trade.

"The programmes will be educational in the sense that they will graphically illustrate on the screen, for instance, a

TV tapes to explain 'fine print'

genuine HP form, how it should be filled in, what it means at face value and what the fine print means.

"I'll start by making my videotape machines and the tapes available to churches free of charge and have somebody well-known in the community, perhaps the priest or minister, to help explain the contents of the pamphlets we shall distribute afterwards.

"With the help of people genuinely concerned with the problem, like social workers, community workers, church ministers, individuals, the Furniture Traders' As-

sociation and individuals belonging to other organizations, we can start with it this coming week and have the show on the road in no time at all," Mr Brown said.

Following our exposé of these alleged malpractices, we have been inundated with calls and visits from individuals, furniture store managers and salesmen, each with his own story about his personal experience in the matter.

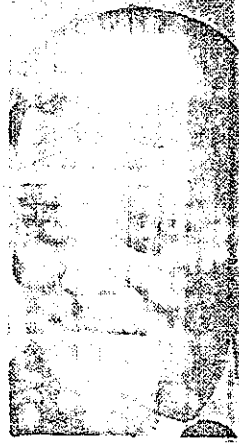
We have only received one refutation of the examples of alleged malpractices we quoted.

The managing director of a long-established city furniture store, Mr B Lees, said this week that the claim of Mrs Violet Davids, of Thames Walk, Manenberg, that she had never signed a hire-purchase agreement with his firm for the purchase of a fridge and a second-hand kitchen dresser and that the firm had traded in a fictitious second-hand fridge worth a fictitious sum of R55 "was not true".

When Mrs Davids requested the firm to send her a copy of her hire-purchase agreement, the firm sent her a handwritten copy of the original agreement.

Mrs Davids made this handwritten copy available to the SUNDAY TIMES and remained adamant about two points on which our story on October 12 was based —

- She had "never signed any such agreement."
- She had never owned a second-hand fridge, which made "a mystery" of the R55 "trade-in" value allowed her.



Mr Peter Brown "Let's educate masses with vit tapes."

One of the two allegations made by Mrs Davids has been cleared up by Mr Lees to the satisfaction of the SUNDAY TIMES.

We are satisfied Mrs Davids did, in sign the original purchase agreement, her own handwriting proved to us by Mr

Mrs Davids could have been referring to the written copy when spoke to us.

The firm also stated that they have traded in a second-fridge in the case of Davids — we have seen any record of it but neither could we obtain any clarification the matter from Davids whom we fail find home this week.

However, she made statement to the SUNDAY TIMES for publication the time, to the effect she had "never" owned a fridge to trade-in even posed for a picture with the new fridge firm had sold her.

Handwritten notes: DCC 228

First shots fired in price war

27/10/75

Cape Times Reporter

WHAT promises to be one of the fiercest price-slashing wars in South African supermarket history starts today.

While the supermarket barons line up their guns for the coming battle at least one of the smaller chains intends firing a few telling shots as well.

Mr M Khan, owner of Kaybees and Junction Supermarket and Motor Spares, Bonteheuwel, one of the leading chains in the township, said yesterday: "I will freeze prices until Christmas — and that's a promise."

One of the better deals for housewives which Mr Khan announced to the Cape Times was the price of sliced bread. "I know the big supermarkets are cutting the price of bread to 14½ cents a loaf. We in-

tend selling sliced loaves at the same price."

Mr Khan did not believe it would do the inflation-hit families any good if only luxury lines were cut. "The battlefield will be the bread and butter lines, the daily lines, the things the housewife has got to buy. this is where we'll wage our war."

On the national front the war is bidding to be a furious if not vicious one. Mr Raymond Ackerman, managing director of Pick 'n Pay said, all lines would be slashed in a hard-hitting price war. "This is to be a war with no holds barred," he said.

Last week, Checkers, who fired the first shots in the price war, announced they would be selling 100 lines at cost. Grand Bazaars has also announced they would join the battle.

(1) 28
~~2-156A~~
28

A 'vicious' price war predicted

27/10/75

Mercury Reporter

PICK-N-PAY chief in Natal Mr. Alan Gardiner predicted yesterday that supermarkets were about to embark on the most "vicious" price war yet between now and Christmas.

He said his chain had decided to cut prices on hundreds of general supermarket lines and had also frozen prices on all red meat in their stores.

To do this the group had decided to cut its nett profits by 25 per cent.

"We are fully aware of the effects this action will have on other chains and hope a price war results," he said.

He said he had also decided to introduce a special meat pack for pensioners — something Mrs. Dorothy Perkins of the Natal Consumer Association had appealed for last week.

The new packs, containing 600 grams of meat for 89c, would be available on Wednesdays and Thursdays. The first packets contained a piece of tenderised steak, one pork chop, one lamb chop and two sausages.

Mr. Gardiner said he also intended introducing a "pensioners' vegetable pack." It would contain a few potatoes and some green vegetables.

"I am very conscious of the plight of pensioners and I insist in my stores that there is nothing too small to sell. If someone wants to buy one chicken drumstick we will break a pack.

"I think Natal is going to witness a most vicious price war between the supermarkets between now and Christmas. And I assure you, we will be the last to pull out of it."

Yesterday, Mr. Lawrence Herber, president of Checkers, reacted to Mr. Gardiner's statement by saying he was delighted the group had also decided to cut prices.

ARGUS

28/10/75

CITY PRICE-FREEZE FRENZY

FRANTIC activity was taking place behind the scenes today as supermarket heads worked out the details of their price war.

Some shoppers were disappointed on Monday to find goods still on sale at the old prices at branches of Pick 'n Pay and Grand Bazaars.

This was because there had been no time to

change them since the heads of these chains decided to accept the challenge of Checkers -- the group which started the price war.

Cuts are now being made daily at Pick 'n Pay branches and Grand Bazaars announce that although they have made some already, the main price cuts would come later this week.

Meanwhile, Checkers have announced they are freezing the prices of their 'own brand' canned

goods for at least six months, however much production costs go up.

And Checkers, Grand Bazaars and Pick 'n Pay have all succeeded in lowering the price of frozen chicken, although there were forecasts of a rise still before Christmas.

A spokesman for Pick 'n Pay said today they were cutting more prices as they went along.

A spokesman for Grand Bazaars said the public would have even more to

gain if manufacturers joined in the price war.

'Many of them have no competition,' he said, 'and if their costs go up, because of increased petrol prices for instance, they pass it all merrily on to the public.'

Mr Larry Olivier, provincial general manager of Checkers in the Western Cape, said his firm had decided to freeze prices of their 'own brand' tinned jams, fruit and vegetables for at least six months.

① 28
~~② 246~~
~~③ 150A~~

Roelofse questions R2-m consumer plan

ARGUS 29/10/75

KEMPTON PARK. — The Government's plan to spend R2-million on a publicity campaign to educate the consumer raised many questions, Mr Eugene Roelofse, the former chairman of the Consumers' Council, said last night.

Judging from Press reports we ordinary consumers are indeed an un-informed, ignorant bunch of wastrels. Presumably few of us think before we spend money, few of us try to live within our means, few of us try to buy the best quality and few of us compare prices.'

He said Dr Lawrence McCrystal, the Chairman of the Government's Inflation Committee, should be well placed to broaden the consumers' minds.

CONSUMER LEADER

Dr McCrystal, an economist who is also director of the Grocery Manufacturers' Association, had an expert knowledge of the marketing policies of grocery manufacturers, he said.

However, he asked,

'Why did the powers-that-be not appoint a consumer leader as chairman of the committee which is going to educate us consumers?'

Mr Roelofse said it was nonsense for the Association of Chambers of Commerce (Assocom) to suggest that there was a 'rising tide of anti-business sentiment.'

'The sentiment which is rising is an anti-exploitation sentiment, an anti-price-juggling sentiment and an anti-fiddle sentiment,' he said.

Referring to Assocom's plans to spend R100 000 per annum to educate the consumer on the free-enterprise system, Mr Roelofse said the consumer already knew its advantages and appreciated its benefits. — Sapa.

① 28
② 150A
③ 247
④ 248

28

Ackerman hits at 'sarcasm'

128

~~126~~

Staff Reporter

Cape Times
31/10/75

SUPERMARKET chairman Mr Raymond Ackerman yesterday attacked the "sarcasm" of price-war critics such as Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council. "My involvement in the price war is the most genuine thing I have ever done," Mr Ackerman said.

Commenting on a statement by Mr Roelofse that consumers should "think twice before you buy" in the light of the present price war, Mr Ackerman said: "The sarcasm that is flowing round the country took the entire guts out of us. There is no gimmick about this.

"It is a sincere aggressive attempt to lower profit margins. We have cut our 2.5 percent net profit (before taxation) to 2.43 percent and are now operating on the lowest profit margin for a profitable company in the country.

"If we generate a bigger volume, it will help pay for a portion of it but it would be a much better year for us if we had not involved ourselves in the price war."

HARMONY

Mr Ackerman said his involvement in the price war was an "honest attempt to help the country's anti-inflation campaign".

"South Africa needs racial harmony and peace. Inflation — the rising cost of bread and butter — is as important in this respect as politics.

"But when we really do something to fight it then people like Mr Roelofse

turn around and be sarcastic.

"I find it so disheartening. I am not a man who usually uses that word — I am a positive retailer — but there is nothing we do which is not 100 percent honest. My whole reputation stands by my sincerity in this price war."

ABHORRENT

Speaking of Mr Roelofse, Mr Ackerman said: "When he was in his position (as director of the Consumer Council) I went to him endless times about manufacturers and monopoly collusions. Yet he never lifted a finger to help us. All I got was sarcasm. I found it abhorrent that a statement from a man like that should be put on the front page."

Mr Roelofse retaliated later yesterday with the following statement: "Mr Ackerman will recall that I refused to take up the cudgels against manufacturers unless the supermarkets concerned could give a categorical assurance that all instances of marking of old stocks have had been stamped out.

"On the very day following an attack by Mr Ackerman on manufacturers

the press photographed me holding two items bought from one of his supermarkets. One had three prices and the other almost a dozen."

He said: "Pick 'n Pay has certainly done a lot of things that are good but Mr Ackerman cannot deny that instances of re-marking of old stocks has been reported in the press time and again."

Mr Roelofse's warning to consumers also aroused criticism from the Cape Town Chamber of Commerce, which in a statement reported in yesterday's Cape Times, said it "was nonsense" to suggest, as Mr Roelofse had, that supermarkets would have to "lift commodities".

"JUSTIFIABLE"

Mr Roelofse replied yesterday: "Part of the make-up of a business is to cover overheads which is completely justifiable. If there is no mark-up on certain goods, even if turnovers increase a hundred times, your overheads still won't be covered. This is a truth which the Cape Town Chamber of Commerce should know better than anybody else.

"I accept the sincerity of the supermarkets that they are cutting prices to combat inflation. But this poses two questions: Firstly, if they had made this gesture six months ago, would we have had the rate of inflation that we now have or not?"

CHALLENGE

"Secondly, I challenge the Chamber to say that none of the firms at present involved in the price-cutting war has in the past remarked the prices of old stocks upwards.

"The Chamber is looking at trading operations through rose-coloured spectacles when they claim consumers would see to it that no price-juggling takes place.

"A new term has apparently now joined the vocabulary of organized that is

'anti-business sentiment'. There is no such thing. There is an anti-profiteering sentiment and an 'anti-fiddle' sentiment". Mr Roelofse said.

Meanwhile another Johannesburg critic has also slammed the supermarket price war. This time it is Dr L. McCrystal, executive director of the Grocery Manufacturers' Association, who says "it benefits no one and a dangerous side effect could be that manufacturers, who might have to pay by means of discounts, would suffer the most".

Garagemen

criticise

MIF over

petrol price

The Weekend Argus Correspondent

1/11/75

JOHANNESBURG. — Garage owners and managers have criticised the Motor Industries Federation for delays in presenting their case for a petrol price increase.

Last week, Mr R. G. du Plessis, director of the MIF, said the federation would ask the Government 'within six to eight weeks' for an increase in the retail profit margin on petrol to 10 percent.

But yesterday it was announced that an in-depth report by an economist into all aspects of petrol selling would not be ready much before the end of the first quarter of next year.

Hitting back

But service station operators said the delay would be crippling. Mr Errol Loubser, manager of a garage in the Johannesburg central area, said: 'It's time all the garages got together and refused to sell petrol. But if we did that, we would be ousted by the petrol companies in double quick time.'

Mr Loubser said it was time the MIF did more for garage owners.

Relief call

He believed the oil companies should grant temporary relief to petrol resellers by lowering the price to them.

'The MIF should concentrate on this instead of trying to press the Government for an increase,' he added. 'When you are carrying a large number of account customers, as we are, you are paying 14 percent on your overdraft and getting only five percent profit when they eventually pay.'

THE "GENERALS" of Cape Town's price war — managers of supermarkets and departmental stores — are in an embattled state after accusations by consumer spokesmen that the campaign to reduce prices has been a "phoney war." *SUN. TIMES 7/11/70*

One consumer spokesman described the price "war" — which will continue until the end of the year — as a "damp squib," and Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council, warned the public to be selective in its buying.

Indignant Mr Raymond Ackerman, of Pick 'n Pay, protested: "My involvement in the price war is the most genuine thing I have done."

The heads of Checkers, Grand Bazaars, OK Bazaars and Pick 'n Pay all reacted to the comments of consumer protection officials who had advised consumers not to buy too hastily.

The officials emphasised that none of the companies fighting price wars could afford to run at a loss. They advised consumers to check prices carefully before parting with their money.

Mr Roelofse's remarks drew fire from the Cape Town Chamber of Com-

merce, which supported the claims of the supermarkets.

Favourable buying and extended credit terms, combined with increased turnovers and a willingness to cut after-tax net profits marginally, are given by the stores as the reasons for their reduced prices.

Mr Roelofse, replying to attacks by Mr Ackerman and the Chamber, said: "I accept the sincerity of the supermarkets that they are cutting prices to combat inflation. But this poses two questions — first, if they had made this gesture six months ago, would we have had the rate of inflation we have now?"

"Second, I challenge the Chamber to say that none of the firms at present involved in the price-cutting war has in the past marked the prices of old stocks upwards.

"A new term has apparently now come into the vocabulary of organised commerce, and that is 'anti-business sentiment.' There is no such thing. There is an anti-profit-

By GEOFF DEKENAH

earing sentiment and an 'anti-riddle' sentiment."

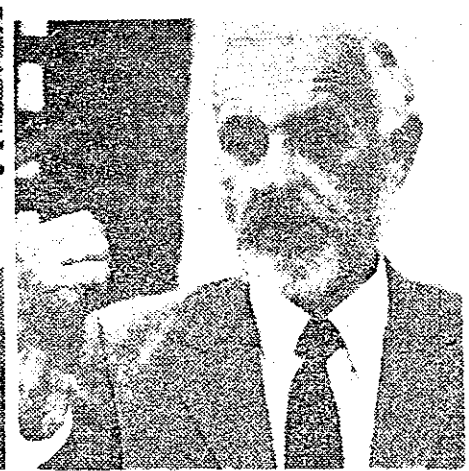
Four Cape Town butchers claimed this week that, according to the latest comparative prices for red meat, one supermarket was charging an average of between 23 and 36 per cent more for meat than they were — after claiming that it was cutting its profits by as much as 25 per cent on meat.

"If that is so," said Mr Raymond Ackerman when informed of this, "heads will roll. If they are selling the same quality of meat, cut to the same standard cheaper, then I will want to know why."

The SUNDAY TIMES obtained a broad cross-section of red meat prices from Pick 'n Pay's Rondebosch showroom, and comparison prices were obtained from four retail butchers in Cape Town from which the percentage differences were drawn. All four showed a lower aver-



Mr Raymond Ackerman... "It's the most genuine thing I have done."



Mr Eugene Roelofse... "be selective" warning to the public.

age price, which included their cost of credit selling and delivery services.

"Show me the meat and the prices," said Mr Guy Hawthorne, Pick 'n Pay's meat general manager.

A survey covering a variety of meat gave results which were sufficiently in line with Mr Hawthorne's claims to deny the price difference claims.

Only one butcher, Freshers, supplied only super and prime beef, although all four claimed to stock nothing else. Two supplied only first and second grades, which are two and

three grades lower than the best.

None of the prices paid in the snap survey coincided with those given to the SUNDAY TIMES by the butcheries over the telephone.

"It bears out what I said," Mr Hawthorne said. "Where the prices are lower, the grade of meat is several levels lower. Where the prices coincide, the grades of meat do not."

Freshers' prices, although higher than those quoted over the telephone, were below those of Pick 'n Pay by a considerable margin.

while the market cost price has fluctuated considerably during that time.

"We try to give a constant quality at a constant price."

A SUNDAY TIMES reporter accompanied Pick 'n Pay men on the rounds of the four butchers, and then returned to a Pick 'n Pay store to compare the quality and packaging and took random samples from the store shelves. He then compared the products.

Pick 'n Pay's meat came out top, closely followed by Freshers, the other three trailing a fair distance behind.

It all added to the confusion of claims and counter-claims which have been raging between consumers and the chains of supermarkets in Cape Town this week.

Mrs Peggy Borckenhagen, chairman of the Cape Town branch of the South African Housewives' League, said after a day of checking prices: "It is wise to look very carefully at what you buy and check prices before you do."

Varied

The other three, Farbers, Rietmanns and Higgins, either varied in quality of meat or in price to a sufficient extent to reject their telephone prices.

"Then there are our permanent specials," said Mr Hawthorne. "On these our prices are way below those given to you by these butchers. They are permanent lines and are a part of our marketing techniques.

"We sell only the best quality meat at the most competitive constant price. Our price list has not changed since July — and that includes our specials —

Licenseses pursuing price fix

Mercury Reporter

INDEPENDENT licensees in the liquor trade are continuing with moves to fix minimum liquor prices, in spite of the Government's frosty reception to their pleas to impose retail price maintenance.

Although liquor trade officials are tight-lipped about the latest moves, I learn that the traders are confident that some form of price fixing will be introduced.

At a meeting of the Federated Hotel Associa-

tions of Southern Africa, which was held in Durban recently, delegates were assured that developments were in the pipeline and that a favourable result was expected.

Further details of the

associations' plans were not given at the meeting — which was closed to the Press — although representatives of the liquor trade's own publications were present.

Liquor traders have given some remarkable reasons to justify their plea for the introduction of retail price maintenance, which include statistics that South Africans consume twice as much alcohol a head today than they did in 1963.

Other reasons are given by David Magid, chairman of the Hotel and Liquor Traders' of the Transvaal.

In the latest issue of *Hotelier*, Mr. Magid says that he "firmly believes" that alcoholism and the abuse of alcohol were directly linked to price-cuttings, loss leaders and to generally low prices to the consumer.

ABUSE

Hotelier, which is the official journal of the Federated Hotel Associations of Southern Africa, further quotes Mr. Magid as saying that liquor abuse was mainly caused by lack of education in its use, easy accessibility, top gear marketing, and uneconomical and unrealistic prices.

Mr. Magid referred to a report by the S.A. National Council on Alcoholism, which revealed that the number of Whites treated at its clinics in the five years ended March, 1975 had increased by 111.8 per cent.

"These figures are only for those Whites who were treated. What are the actual figures?" Mr. Magid asked.

He claimed that the trade was told

Administration Boards that the present cut price situation was also directly responsible for large quantities of liquor being illegally transported from White into non-White areas, encouraging shebeening and alcoholism.

"Non-Whites claim that the Government discriminating against them, because prices in controlled outlets in non-White area are higher than in White areas.

"This, together with the increasing rate of alcoholism, creates a very serious situation and the Government, I believe, will not allow these conditions to continue indefinitely.

"The general interests of the Bantu, and their development, cannot be adversely affected by White licensees."

28
5/11/75

Black service station workers to get pay rises

JOHANNESBURG — Negotiations between the Motor Industries Federation and the Trade Unions and Bantu Wage Board will bring wage increases for 100 000 black workers in service stations,

the component and body-building industries by January.

It is expected that the increases will range from 20 per cent down, with lowest paid workers, now getting R16.10 a week put-

ting an extra R3.22 in their pay packets.

The president of the MIF, Mr Frank Hackney, said the increases, still being worked out, were "an interim measure for immediate relief" to workers on lower scales.

Though a new agreement is due in the industry, this has been shelved till April, allowing for the Prime Minister's six-month period inflation austerity to run its course.

Mr Hackney said employers in the industry, which does not include assembly plants, were satisfied there had to be an uprating of the lower paid workers because of the rising costs of living.

The decision for the rise has still to be ratified by a full council of the MIF, he said.

Dr H. Ringrose, the MIF's national secretary, gave a breakdown of the racial constitution of the industry's 155 000 workers.

There are 48 000 whites, 81 000 blacks, 17 500 Coloureds and 5 200 Asians. He said an estimated 100 000 workers would get increases.

Mr R. Webb, general secretary of the Motor Industry Combined Workers' Union said the employers had agreed to raise the lowest current rate of R16.10 to R19.32, an increase of nearly 20 per cent.

The two lowest rates in the industry, which include labourers in garage petrol stations, were raised in September from R14.00 to R16.10 and from R14.72 to R16.84.

Operation in the component industry had a starting rate of R16.10 a week rising to R19.32 in one year.

Mr Webb said that how the increases would be applied depended on the lowest rate in the industry during the period of the decision.

The period of the wage increase was the first time that the rate had been raised in the industry since the start of the year.

The Board of Motor Industry Workers' Unions has to ensure that the rate is applied to all workers in the industry.

① 326
 ② 227
 ③ 20
 ④ 197

ANYBODY WHO believes that the price war now raging in the supermarkets of the country is simply the result of the Prime Minister's anti-inflation appeal is sadly mistaken.

Even the Cape Town Chamber of Commerce is not entirely convinced. They would only "prefer to believe" that the price cutting is in the spirit of the recent manifesto on inflation.

And I'm sure Mr Vorster would like to believe it, too. But the fact of the matter is that prime ministers with this kind of appeal power are about as rare as successful King Canutes. No, there's more to it than simply an appeal which launched a thousand price cuts.

Two of the reasons emerged last week in the many statements issued by the price war generals and others. Mr Ken Coote, marketing director for OK Bazaars, revealed the obvious one when he gave as the second reason for his firm's involvement the need to stay in the competition after Checkers had started the war and Pick 'n Pay and Grand Bazaar had appeared on the battlefield.

There were signs that

the warring supermarkets would draw customers away so OK had to shave prices to hold on to their faithful. And, of course, for the sake of their public image they have to be seen to be doing more than merely holding their own.

The second reason is more interesting and the clue was dropped by the Chamber of Commerce when they spoke of "the irresponsible anti-business sentiment with which the business community is being confronted today".

This of course is all about consumer resistance. In fact it's not too far removed from the more hysterical charge of "consumer terrorism" which was recently levelled at motorists and motoring organisations by the director of the Motor Industries Federation, Mr R G du Plessis.

Who is the consumer? The Motor Industries Federation and even the Chamber of Commerce might be surprised to learn that he is none other than the customer who was always right yesterday. The only difference is that he is better informed and more belligerent.

One of the people who has not forgotten this is Raymond ("I'm on your side") Ackerman. And it's paid off. The astonishing growth of the Pick 'n Pay chain of stores is due in no small measure to the excellent public image Mr Ackerman enjoys.

To many people he is

the man who has taken a stand for the consumer, made official complaints about price collusion and even handed over evidence of this to the police. And when the price of cooking oil rocketed earlier this year there were notices in his stores declaring "This is an unjustified price increase".

Moves like this make an impression on customers. In today's materialistic world they are probably worth every bit as much as the charm and courtesy of the old-world family grocer. And worth in both cases is measured in strictly business terms.

So this new approach plus the aggressive price cutting has set the tone for the supermarket competition. In it lies the modern grocer's best chance of creating customer loyalty.

There are, however, two aspects to the current price war that have sown seeds of confusion and scepticism. One is the brandishing of profit margin figures and the other is the "selling at cost" claim.

One of the chains let slip the qualifying phrase "after tax profits". In doing so they revealed for anybody who had not already suspected as much that "profit margin" could not simply be equated with "mark-up" as the man in the street believed.

So the question arises—are allowances for tax, overheads and the actual

cost of selling and advertising taken into account when profit margins are calculated?

And what exactly do Checkers mean when they say they are selling items at cost? The one explanation offered so far is that there is no mark-up on the actual amounts for which the chain is invoiced, but does it take into account discounts for prompt payment of the manufacturer's bill?

I have no way of knowing what system of discounts applies or even if there is one but it is not an unlikely possibility.

On the other hand, if the chains get reasonable credit terms and no discounts, then they will often sell goods before they have paid for them. The interest on the daily balance of this money alone could amount to a tidy sum when annual turnovers run to many millions.

And there is another reason why the public has not been bowled over by the price war. In relation to the way the prices have been rising during the last two years the actual price cuts seem small.

Let's go back to cooking oil for an example. Earlier this year the cost of an ordinary bottle rose by about 10c. Now the supermarkets have "slashed" the price from 65c to 63c. Big deal!

But the supermarkets are not entirely to blame for this anticlimax. They really do operate on very

tight margins and there is a limit to what they can do.

All this may shed some light on the price war as it is being waged at present, but it does not explain completely why Checkers started it.

The reason, I suspect, is the spectacular success of the Pick 'n Pay Hypermarket in Boksburg. Checkers know very well that if Mr Ackerman succeeds in establishing similar hypermarkets in Cape Town, Durban and possibly Port Elizabeth, his buying and bargaining power will increase considerably and they will be hard pressed indeed to stay in the competition with him.

At the moment Checkers are the biggest so now is the time for them to fight. And with predictions of a further increase in the rate of inflation next year and the Government appeals to absorb cost increases still ringing in the ears of the public the climate is right for a price war. Yes, it's genuine.

And it might be worth remembering that there have been riots when bus fares have gone up, but so far nothing like this has happened when the price of bread or milk has risen. Is it because people are prepared to eat less or because the supermarkets have taken some of the sting out of rising prices. I think we have reason to be grateful to the supermarket chains.

① 28
~~240~~

New company to handle coal in Cape

ARGUS
12/11/75

28.

THE wholesale distribution of coal in the Cape, Free State and Lesotho had been simplified and improved, Mr N. A. Stott, Cape Town manager of the Transvaal Coal Owners' Association, said today.

A new company, Southern Coal Traders (Pty) will undertake the sale and distribution of coal at the wholesale level throughout these three areas.

Its chairman is Mr S. R. Baker, assistant managing director of both the TCOA and Natal Associated Collieries, and its general manager is Mr N. Kets, previously general manager of J. K. Coal Syndicate (Cape). Mr Stott is the Cape director.

The company will be based in Port Elizabeth but have field representatives.

AS AGENT

It will act as agent for the Transvaal Coal Owners' Association, the Anthracite Producers' Association and Natal Associated Collieries.

Southern Coal has been formed by merging J. K. Coal Syndicate (Cape) (Pty), Freight Services (Pty) (Cape Coal Division) and Coal Wholesale OFS (Pty).

The Transvaal Coal Owners' Association and the Anthracite Producers' Association will participate in the company.

This merger should provide an improved service to coal consumers throughout the territories, Mr Stott said.

BIC fails, ^{Newsday} 14/11/75 says Majola

African Affairs Reporter

PIETERMARITZBURG—The Bantu Investment Corporation had failed to achieve what the central Government initially sent it out to do for the Africans, Mr. Majola, an executive member of the African Chamber of Commerce, Inyanda, said yesterday.

Speaking at a stormy meeting of Inyanda at the Lay Ecumenical Centre, Edendale, Mr. Majola asked the BIC to

admit to the central Government that it lacked know-how.

The meeting had been called to discuss the tri-company market introduction in KwaZulu and was attended by Mr. H. Kruger, territorial administration manager for the BIC.

Inyanda resolved to reject the introduction of the tri-companies in the Bantu homelands and Mr. Kruger was asked to convey the feelings of the traders to the KwaZulu Government.

Mr. Majola said it was clear from the Act which constituted the BIC that it was never the intention of the central Government to bring White trade into the Black areas.

"What is the BIC going to do with its clients in the townships who are heavily indebted to it when now it invites tough opposition to compete with them?" he asked.

128
2-107

PETROL

By NIGEL BRUCE

PICK 'n Pay, the nationwide supermarket chain, is to sell petrol at cut-rate prices. Sun. Times.

On Tuesday the chain, run by Raymond Ackerman, will begin selling petrol at 0,5c below the normal price from 18 Trek pump outlets at its massive Boksburg Hypermarket.

The cut promises to spark the biggest motor industry row this country has seen and will bring Mr Ackerman — and most likely Trek — into direct confrontation with both the oil giants and garage owners.

Mr Ackerman will sell top grade petrol at 20,6c a litre, against the current 21,1c price, and regular at 20c, against 20,5c — a 2,4 per cent cut in both lines.

These prices are not in any way dependent on purchases from the Hypermarket itself. Just drive up," says Mr Ackerman.

In addition, the joint Pick 'n Pay and Treknowned service station at the Hypermarket will sell cut price tyres, batteries, exhaust systems and oil and other lubricants.

Normal lubrication services will also cost less and customers will be offered free mechanical checks for their cars.

Labour, one of the biggest single motoring cost items,

Pick 'n Pay takes on oil giants

will be charged at below normal rates, despite the fact that expert staff have been engaged to run the garage.

Similar cut price petrol outlets are planned at seven other Pick 'n Pay hypermarkets. The first two are to open at Johannesburg and Cape Town. Later others are planned for Port Elizabeth, the West Rand, the Vaal Triangle, Pretoria and Durban.

Mr Ackerman and his Boksburg Hypermarket manager, Ig Ferreira, have provided for the sale of between 50 000 and 75 000

gallons of petrol from their outlets over the next month. This is about half the average monthly petrol sale at the largest retail petrol outlet in the country.

By so cutting petrol prices, the Pick 'n Pay Trek service station will be giving away 42 per cent of the normal 6,8 per cent retail margin on petrol sales.

Coming only weeks after the powerful Motor Industries Federation's unsuccessful plea to the Price Controller for an increase to 10 per cent in this retail margin, the Pick 'n Pay price cut is bound to provoke angry and strong retaliation.

Although a veteran pricing buster, Mr Ackerman has never faced opponents as large, influential and tough as the oil companies, who enforce informally among themselves a tight retail petrol price cartel in this country simply by cutting off supplies to any errant price cutter.

Object

The object of this is to protect the 6 000 franchised and non-franchised garages which collectively provide the big petrol distributors with a large and profitable petrol sales turnover.

Mr Ackerman claims that the consequent lack of competition at retail level has led inevitably to inefficiencies in many of these outlets and to plaintive cries that a 6,8 per cent margin on petrol sales provides them with an



Raymond Ackerman ..

inadequate return.

Mr Ackerman's petrol price cuts are unlikely to hurt the large distributors in the long run as petrol sales are more likely to rise in consequence than fall. But they will most certainly hit small garages hitherto protected from the cold winds of competition.

Mr Ackerman is therefore expecting two likely forms of attack:

- The oil distributors pressuring Trek to cut off supplies to Pick 'n Pay. This they can legally do as the Retail Price Maintenance Act, which outlaws most price fixings, specifically excludes petrol from its provisions.

- The MIF requesting the Controller of Petroleum Products and the Minister of Economic Affairs to impose a fixed legal minimum petrol price (currently only a maximum price has been officially stipulated) to prevent the irresponsible marketing of a vitally strategic commodity.

Stake

Whether Trek will be intimidated by its bigger brothers remains to be seen. For, after all, it has for many years broken the cartel by supplying Pick 'n Pay with oil and other lubricants to sell at lower than normal prices.

Trek also has a R100 000 stake in the Hypermarket service situation and has ex-

• Continued on Back Page

Petrol war

• Continued

from Page 1
pressed its wish to secure other hypermarket outlets.

Mr Ackerman is gambling also on the fact that Pretoria cannot afford to step in and stop retail petrol price cuts. This would clearly fly directly in the face of its own much advertised anti-inflationary campaign.

Mr Ackerman says: "Dr Lawrence McCrystal appealed on television to us all to save 10c and up to 20c a day, which he claimed would go a long way to countering inflation. Pick 'n Pay's cut price petrol will mean a saving of 1c on every 20 litres of petrol bought. This will contribute significantly to that saving."

Another ace up Ackerman's sleeve is the fact that consumer opinion is likely to be squarely behind him and that the consumer pressure groups, which he has assiduously courted in the past, are likely to back him.

"Up till now, the consumer hasn't stood a chance against vested interests. For instance, large companies have been able to get substantial discounts for large petrol purchases. But not the man-in-the-street," he says.

Mr Ackerman is adamant on two points. First, he is not selling petrol as a loss leader. His service station must be a self-contained profit centre — a vital requirement if he is to gain official support. And, second, he is not taking on the giants as any publicity stunt.

"The marketing of food and fuel goes together like



Ig Ferreira ... selling until his tanks run dry.

meat and mustard," he quips. "We have proved also that low margin sales can make profits and help the consumer. We are experts at this in a number of other low margin commodities and we intend bringing these skills to petrol marketing too."

He points out that that petrol is similarly sold at hypermarkets and other outlets in the United States, Britain and France where the principle that food and fuel marketing is complementary has long been accepted.

Meanwhile, hypermarket chief Ig Ferreira has filled his petrol tanks and from Tuesday will sell at the lower prices until they run dry.

Tri-companies face problems

Monday 18/11/75

African Affairs Correspondent

THE confrontation between the KwaZulu Cabinet and the African Chamber of Commerce, Inyanda, over the introduction of tri-companies, now involves Zulu consumers who have bought R186 000 worth of shares in the scheme.

The tri-company project, now known as KwaZulu Chain Stores Ltd., has been joined by six companies including Checkers.

Both the Cabinet and Inkatha, the Black liberation movement, have approved the tri-partite concept, but last week two new developments occurred that could seriously disrupt Chief Gatsha Buthelezi's economic policy of partnership between Blacks and Whites.

It was learned that the KwaZulu Development Corporation (KDC) may not be promulgated until late next year because of Zulu Government objections to certain Pretoria proposals.

The South African Government has made it clear that the Bantu Investment Corporation in Pretoria will retain control over industrial development on an agency basis.

Later in the week Inyanda angrily rejected the tripartite concept at a meeting at Edendale because it feared the competition of chain stores.

Thus two of the three props for the scheme have, at least for the foreseeable future, fallen away. The tri-company plan demands the involvement of a White company, the KwaZulu Development Corporation and an association of Zulu traders as shareholders.

① 107
② 28

Black areas trade boost urged

Mercury Reporter

PIETERMARITZBURG — Pietermaritzburg City Council is to press for the establishment of business and industrial complexes in the non-White areas near the capital.

The Housing and Town Planning Committee has recommended that the council ask the Government town planners responsible

for the African township of Edendale to provide for an industrial complex near the railway line.

In a minute tabled at a meeting of the committee the Town Clerk, Mr. Des White, said the establishment of industry in Edendale would mean that many Africans would live closer to their work, and the present enormous problem of transport into the

capital would be eased.

The committee also recommended that the council press for the establishment of decentralised shopping complexes in Northdale, the Indian area, and Edendale.

The committee advised that the council should actively encourage the larger super market chains to move into Northdale and Edendale to establish complexes.

1. 262 - Natal
2. 28
3. 327
4. 86

Trade 'must be shared'

2/11/75

28

Own Correspondent
MARITZBURG—South Africa's security depended on the White man's willingness to share resources with the Black man, the chairman of the African Bank of SA, Mr S M Motsuenyane, said here yesterday.

"If the Black man must remain poor, the security of the country is at stake," he told White businessmen at a luncheon. Mr Motsuenyane said the Black man should be allowed to join the White mainstream of South Africa's business life.

All negative laws restricting his development should be repealed. "Unless there is a change there, I can't see us going forward happily."

He said the Black businessman was a victim of vicious restrictions. He had arrived as a product

of chance, "a graduate of the school of hard knocks" and was hamstrung out of fear of competition.

All he symbolised was something on the periphery of South African commerce and industry, kept small by a policy which said his function was to meet the daily needs of his people.

The Black businessman in his Black area had little chance to grow because he dealt with the poorest section of the community, Mr Motsuenyane said.

It was wrong that Bantu Affairs Commissioners — officials with no business experience — should have the sole right to determine who should be businessmen in the homelands.

The Black man wanted to become a positive contributor to the development of the country and South Africa had to conquer its problem of the Black man in the urban area.

Agency.

HP for the *Mercury 28/11/75* homelands

African Affairs Reporter
AFRICAN businessmen
will now be able to sell
durable articles in the
homelands on hire pur-
chase, a facility they did
not have before.

The Bantu Investment
Corporation has an-
nounced a scheme
whereby it will discount

hire purchase contracts
to help African business-
men.

Approved businessmen
may sell goods such as
stoves, radios and fridges
on hire purchase and the
BIC will finance them so
that stocks can be re-
plenished and turnover
increased.

101
28
3 227

Non-racial solution to the O.D. 29/11/75 Coloured enterprise problems

CAPE TOWN — A non-racial solution might have to be found to the problem of whom should serve the Coloured consumer, according to a special article included in the latest Consumer Survey Report of the Bureau for Economic Research at the University of Stellenbosch.

The article, by the Institute for Social Development at the University of the Western Cape, said the pattern of retail outlets inside and outside Coloured group areas revealed a conflict between two different issues

and strategies — that of fostering the Coloured entrepreneur and of serving the Coloured consumer.

Most large-scale outlets and shopping centre developers in urban areas sought to attract Coloured consumers as part of their clientele.

It was almost inevitable that the bulk of the "Coloured" purchasing power would be channelled to the "white sector".

The situation conflicted with the goal of fostering Coloured entrepreneurship, as long as this was limited to operation inside Coloured group areas. Neither the present entrepreneurs nor the Coloured Development Corporation could possibly furnish the facilities required. It would also not be in the interest of Coloured consumers.

There was of course, one way out of the impasse — a non-racial solution, with positive assistance to those enterprises which needed such interim assistance.

"This would imply opening the non-Coloured areas

to Coloured enterprises, since the bulk of the Coloured purchasing power is channelled to that area in any case, and to allow and encourage a competitive co-operation between white and Coloured capital and entrepreneurship inside the Coloured areas.

"The aim in the latter case would have to be the rapid development of such types of facilities as are desired by the consumers — and are, in fact, sought outside these areas."

The article noted that probably these ideas were still unacceptable at this stage of the evolution of policies. "Yet the problems undoubtedly warrant serious study and research." — SAPA

Warning to Inyanda by Buthelezi

Mercury 5/12/75
African Affairs Reporter

NONGOMA — Chief Gatsha Buthelezi of KwaZulu yesterday warned the Natal and Zululand Chamber of Commerce (Inyanda) that if it wanted to make a political issue of the introduction of a tri-company in KwaZulu he would be compelled to ask the Zulu nation to make a decision.

The chief issued a statement after a meeting of the KwaZulu liaison committee in Nongoma and emphasised that the KwaZulu Government would go ahead with the tri-company scheme in spite of the Inyanda's disapproval.

He said he could not change the policy of his Government because of certain members of Inyanda. "I cannot degrade the dignity of my office."

Last month Inyanda passed a resolution rejecting the tri-company scheme because it

felt it would compete against Zulu traders.

The Inyanda was yesterday represented at the liaison committee meeting by its president, Mr. P. G. Gumede, who presented a memorandum.

Chief Buthelezi said the memorandum made alternative proposals to counter the policy of his Government. "If Inyanda wants to play political football with me, I will be compelled to ask the Zulu nation to make its decision. We are moving in different orbits to Inyanda."

~~1/10/75~~
12.28

New code to aid furniture buyers

John Patten, Political Correspondent The Furniture Traders' Association has adopted a code of business ethics after a warning by the Minister of Economic Affairs, Mr Heunis, that the Government might act against exploitation.

Mr Heunis announced details of the new code in a statement released last night.

The association has given the Minister firm un-

dertakings on behalf of all its members to apply the code and has undertaken to work for co-operation from non-members, who handle only 10 percent of the furniture retail trade.

In terms of the code, the traders have agreed to indicate the cash price on every article. Once an order has been received, the price will not be increased.

A buyer on terms will have the right to cancel the sale within 48 hours of the order, or before delivery — whichever is later.

Within this period tra-

ders will refund all money and accept the return of all goods.

Details of cash price and description of the article will be furnished to lay-by customers.

PERIOD

Traders must also state clearly the period over which lay-by instalments are to be paid and the date on which payments must be made.

Before final acceptance of an order, traders will make every effort to establish whether a prospective buyer can comply with the hire purchase act.

Repossession of goods

will be resorted to only as a last resort.

Mr Heunis said, in addition to the code, the Price Controller had entered into an arrangement with the association which would reduce prices on many household appliances and furniture.

AGREEMENT

If these agreements were implemented, the Minister was confident malpractices would be eliminated.

Mr Heunis reiterated that the Government would not hesitate to act against traders not abiding by the principles.

'Fair deal' furniture pact

Mercury. 9/12/75.

Mercury Correspondent

PRETORIA — The organised furniture trade in South Africa has assured the Minister of Economic Affairs, Mr. Heunis, that it will in future closely follow a well-delineated "code of ethics."

This assurance follows an investigation by the Price Controller in which it was found that many furniture dealers were guilty of unethical business dealings.

Mr. Heunis said that the Price Controller had fully discussed the exploitation of the public by unscrupulous dealers with the Furniture Traders' Association.

As a result the Association had now given firm undertakings on behalf of all its members that they would in future faithfully apply certain principles embodied in a comprehensive code of business ethics which had been adopted by the body.

The Association had also undertaken to solicit the co-operation and support of non-members, who handle only about 10 percent of the volume of retail furniture sales in the country, for the implementation of the code of business ethics, Mr. Heunis said yesterday.

Among the principles to be followed was that furniture traders would, at all times, indicate on every article offered for sale, and also in every

advertisement, catalogue or publication, the cash price of the article — the price upon which finance charges could be levied in terms of the Limitation and Disclosure of Finance Charges Act of 1968.

They also agreed that once an order for an article had been received, the price of the article on the order would not be increased by the trader for any reason whatsoever.

(1) 28
~~(2) 247~~

Spares prices down 'in months'

for 11/11/75.

(1) 28
(2) 207
(3) 192

you feel should be added to the course?

Harvey Thomas, Motor Editor

The Government has set the motor industry a time limit to adjust its profit margin on spare parts. This means that in the next few months the price of some parts will come down.

The Minister of Economic Affairs, Mr Chris Heunis, announced last night that the Government had clamped down on motor spares prices and car repair costs. This followed meetings with the motor manufacturers and an investigation by the Price Controller, Mr Joep Steyn, into the profit margins on motor repair parts.

I understand that Mr Steyn told manufacturers that he knew of instances where certain manufacturers were making profits of about 400 percent on what the trade calls "captive parts" — parts that only a manufacturer can supply for his vehicle.

Included in this category are items such as body panels.

Today's spokesman for the Price Controller's Office in Pretoria said that the Government's plan to clamp down on motor spares prices and car repair costs was a complicated exercise that would be difficult to explain to the public. He said that he was unable to elaborate on how the plan was to be implemented as it would involve a vast amount of detail.

"The Minister did not wish to burden the public with all the details but the end result will be a reduc-

4 satisfied with your present tutor? Yes/no

5. your opinion should the aim of

feel these goals were achieved during the

(1) 28
(2) 42

Jonson, The Alchemist (Revels Plays, Methuen)
Webster, The Duchess of Malfi (Revels Plays, Methuen)

Twelfth Night

Motor men will not cut prices

Mercury 12/12/75

Mercury Correspondent

JOHANNESBURG—Few, if any, motor spares prices will be reduced. In fact, most prices will be increased early next year, South Africa's major motor manufacturers said yesterday.

Their comments follow this week's announcement by the Minister of Economic Affairs, Mr. Chris Heunis, that agreement had been reached with the industry on a motor spares price clamp-down.

But spokesman for the four major manufacturers, Volkswagen, Ford, General Motors and Leyland, said yesterday it would be wrong for the public to expect general price reductions. They agreed that, in fact, prices would have to be increased early next year but admitted that the increase would be less than they had planned in view of the agreement with Mr. Heunis.

Volkswagen said the existing prices for motor spares fell within the guidelines laid down in the agreement and there would be no price reductions.

According to Leyland the prices of pistons and liners had been found to be outside the agreement and would be reduced next month. Most other items were within the guidelines.

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tutorials

J.P.)

Wordsworth, Works

A.M. Eastman (Ed.), The Norton Anthology (W.W. Norton, New York)

Poetry

J.A. Burrow (Ed.), Sir Gawain and the Green Knight

English Literature
Boris Ford (Ed.), The Age of Chaucer

A.L. & J.E. Spearing (Eds.), Poetry of the Middle Ages (Arnold, 1964)

Chaucer, Works of Geoffrey Chaucer, Ed. Works of Geoffrey Chaucer

Middle English

ENGLISH II

1976

PRESCRIBED BOOKS

DEPARTMENT OF ENGLISH

(3)

(2)

(1)

Man with no boss told: Boss must sign

By MIKE NDLAZI

SOWETO businessman Solomon Moema complained yesterday that a labour official had cancelled the self-employed endorsement in his pass although he was entirely his own boss.

"Who is my employer to sign my pass every month?" he asked. "These are the reference-book pinpricks we have hated for so long."

Mr Moema, who is vice-president of the Johannesburg African Chamber of Commerce and a former Urban Bantu Council official, runs a hairdresser and general dealer's shop in Nancefield hostel.

He said he went to Orlando West labour office to register two employees whom he last engaged in Tzaneen.

He felt they were covered for registration because they had a job and accommodation as required by the labour regulations.

He spoke to an official, Mr McCarthy, who demanded to see his pass. Mr McCarthy asked why the "compulsory endorsement by employer" column had not been signed since February.

Mr Moema told him it was not necessary for his pass to be signed every month because he was self-employed. He pointed out that the column clearly stated that an employer had to sign. "Who is my employer?" he asked.

MISTAKE

He further explained that he had paid in advance the daily labour fee for the whole year.

But, said Mr Moema, Mr McCarthy cancelled the pass to save petrol is adopted pieces if a new suggestion may become museum national traffic stop signs SOUTH AFRICA'S tradi- Staff Reporter

Stop may

BUENOS AIRES. — Six bullet-riddled bodies, including those of two women, were found near Buenos Aires yesterday in Argentina's latest political massacre. Police said they

Bullets ridd

204
206
3 323
4 28

Mercury 13/1/75
Petrol price cut

Mercury 13/1/75
Petrol price cuts in re of S.A. like

FROM PAGE 1

3 M.I.F., which represents filling station owners, was: "Our petrol sales at the hypermarket brought us a very solid profit. If we can do it, why can't they?"

But Mr. Ray Taverner, the M.I.F. president, said he would do his utmost to keep the many thousands of small operators in business. "We will not allow their living to be undermined and we will take every step open to us to insure they stay in business."

Mr. Steyn of Trek said he had been most upset by the judgment but had ordered the immediate resumption of petrol supplies to the Boksburg hypermarket.

4 He said his company still had more than nine years to run on their supply agreement with the hypermarket and they would honour that.

"But I believe that if discount petrol sales become widespread the country will suffer. Petrol is a strategic commodity and if the price goes down, then of course, the demand goes up," Mr. Steyn said.

The Automobile Association said yesterday the judgment could only benefit the motorist.

5 A spokesman said the hypermarket had proved that it was possible to achieve profitability on a product with a large turnover even if the product was being sold at a reduced price.

year.

Mercury Correspondent

JOHANNESBURG - A Court decision to allow Pick 'n Pay to continue discount petrol sales at their Boksburg hypermarket could herald the breakthrough for cheaper petrol throughout the country.

The company's chairman, Mr. Raymond Ackerman, said yesterday he believed the judgment had set a precedent for future negotiations with oil companies and was a boost for his plans to set up discount petrol sales in all major centres.

A rival supermarket chain, OK Bazaars, said the court's decision had reinforced their plans for future petrol discount sales—but the Motor Industries Federation (M.I.F.) vowed to take every possible step to stop what it called "the further erosion of the stability of the industry."

6 Mr. Sarel Steyn, general manager of Trek Petroleum, whose company lost yesterday's battle to stop Pick 'n Pay's cheap petrol sales, said widespread discount petrol would harm the country.

Trek Petroleum was ordered to continue supplies of petrol to Pick 'n Pay's Boksburg hypermarket in a judgment by Mr. Justice G. A. Coetzee in the Johannesburg Court yesterday. He also ordered Trek to pay the cost of the action.

Cut off

The dispute arose when Trek cut off supplies of petrol after it learned that the hypermarket was selling it at half-a-cent a litre less than other stations.

In his judgment, Mr. Justice Coetzee said Pick 'n Pay had sold petrol "in conformity with its general policy."

Consequently, almost overnight goodwill had built up, and the hypermarket had become one of South Africa's largest single sellers of petrol. However, supplies had been cut off on December 2.

The Judge said the relevant regulation in the National Supplies Procurement Act stated that at no time could petrol

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B. January*

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be sold at any other than the "customary price."
Prices varied greatly in South Africa, and there was no customs price as such, he said.

Failed

(1) (25)
(2) 192

PRESS STATEMENT ISSUED BY THE MINISTER OF ECONOMIC AFFAIRS

RESTRUCTURING OF THE PRICES OF MOTOR VEHICLE SPARE PARTS

As a result of numerous and consistent complaints received by the Price Controller from motorists about allegedly excessive prices of motor vehicle spare parts, an extensive investigation was instituted by him into the costs and prices of such spares.

The Price Controller's report clearly revealed that, whereas the motor manufacturing companies were not realising excessive profits on their total operations or in respect of the manufacture of new vehicles, the profit margins taken by them in the case of motor vehicle spares were, in many instances, excessive.

This, in fact, meant that the owners of used vehicles who normally are the largest buyers of spares for repair work on their vehicles were to an important extent subsidising the prices of new vehicles and, therefore, also the buyers of these vehicles which was a situation that could no longer be condoned by the Government.

It was obvious, therefore, that a restructuring of the spare parts prices of the different motor vehicle manufacturers was essential in order to ensure that spare part prices would be reduced and maintained at reasonable levels.

In considering the matter the Price Controller inevitably has/...

has had to take due cognisance of the fact that it is generally expected of motor manufacturers that they should keep in stock adequate supplies of a full range of spare parts for a variety of models of the different motor vehicles available on the local market for a period of at least 10 years, (i.e. the normal life of vehicles) and that ^{their} obligation to do so greatly contributes towards the relatively high costs of inventories and of obsolescence in respect of spare parts.

The Price Controller has accordingly been confronted with the difficult task of striking a reasonable balance between what would normally be acceptable to the motorist as fair prices for vehicles spare parts, and the actual cost to the motor manufacturers of stocking and supplying such spares, including the allowance of a reasonable profit margin to them on this sector of their operations which would enable the motor manufacturers to maintain the supply of spare parts on an economical basis.

With a view to achieving the objective of such a reasonable balance between the aforementioned considerations the Price Controller has had extensive negotiations with the motor manufacturers and has now entered into a firm arrangement with them which would eventually have the effect of reducing the prices of certain spare parts and keeping such prices at reasonable levels. The position will henceforth be reviewed by the Price Controller on an annual basis in order to ensure that the principles and requirements of the arrangement he has concluded with the motor manufacturers are being fully implemented by them.

The/...

conjunction with the aforementioned private sector organisation, was using all the most important communication media to assist it in the implementation of its particular part of the programme.

Representatives of the Committee had visited various parts of the country to explain the objectives of the Programme and had set up a number of regional committees to assist it with the execution of the educational, publicity and information campaign.

As far as the second main component of the Programme was concerned, namely, the expansion of production and the improvement of productivity, with particular reference to the more effective training and utilisation of labour, Mr. Heunis said that action under this heading involved the introduction of various short term, medium term and long term measures. The public and private sector organisations concerned were actively engaged in the implementation of the specific commitments in these particular fields which they had assumed in terms of the Programme.

Sections C and D of the Programme refer to Government action in connection with fiscal, financial and other fields of policy, as well as legislation and regulations which have, or may have an inflationary effect. Mr. Heunis said that, as far as the matters referred to under these sections of the Programme were concerned, letters had been addressed by the Secretary for Commerce to all the Government Departments involved and that assurances had been received from them that effect would be given to the relevant provisions of the Programme.

The/...

The Minister added that the last principal component of the Programme provided for the application of the utmost restraint in increases in wages, salaries and prices. In this connection Mr. Heunis pointed out that reports which the Continuation Committee had received from the private sector, had indicated that employer and employee organisations were adhering faithfully to the commitments which they had undertaken in this respect. No increases in salaries and wages in the public sector were, of course, being considered for the time being.

In conclusion the Minister stated that all the public and private sector organisations participating in the Programme had recently been requested by the Secretary for Commerce to prepare individual press statements giving full details of how they were progressing with the implementation of their particular commitments under the Programme. These press statements would be released for general information as they become available, and a further meeting of the Continuation Committee would be held early in February to review the progress made with the implementation of the Programme.

The Minister added that, quite apart from the press statements released from ^{to time} time/by the individual participants in the Programme to advise the public of the action they were taking in terms of the Programme, he himself would also issue covering press statements on this subject at regular intervals.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST
OF THE MINISTRY OF ECONOMIC AFFAIRS

For release: 19K00

PRESS STATEMENT ISSUED BY THE HONOURABLE
THE MINISTER OF ECONOMIC AFFAIRS

MALPRACTICES IN THE SALE OF FURNITURE
AND HOUSEHOLD APPLIANCES

(2) 28
247

In a press statement issued by me on 13 August 1975, I indicated that the Price Controller's investigation into the operations of our furniture dealers which was instituted as a result of numerous and consistent complaints by individual consumers and consumer organisations throughout the country that the public was being seriously exploited by many of these dealers, had revealed that a large number of them were adopting practices which were totally inconsistent with normally accepted codes of business ethics.

I also stated at the time that the Price Controller had discussed this matter fully with representatives of the Furniture Traders' Association and had requested them to submit to him urgently constructive and acceptable proposals for the immediate removal of the aforementioned malpractices.

In response to the aforementioned request, the Furniture Traders' Association has now given firm undertakings on behalf of all its members that they will henceforth faithfully apply the following principles embodied in a comprehensive Code of Business Ethics which has been adopted by the Association. The Association has also undertaken to solicit the co-operation and support of its members, who handle only approximately 10 per cent of the volume of retail furniture sales in the country, for the implementation of the Code of Business Ethics.

1. Furniture traders will, at all times, indicate on every article offered for sale, and also in every advertisement, catalogue or publication, the cash price of such article, that is the price upon which finance charges may be levied in terms of the Limitation and Disclosure of Finance Charges Act of 1968.
2. Once an order for an article has been received, the price of that article in respect of that order will not be increased by the trader for any reason whatsoever.
3. A buyer who has offered to purchase an article in a manner other than on a cash sale basis, shall have the right to cancel such an order within 48 hours after placing such order, or before delivery of the article to the buyer has taken place, whichever is the latest. Traders undertake to refund all monies and/or return all goods received from the prospective purchaser provided that floor coverings, soft furnishings or any other goods, cut or made to order or specially ordered on the specific instance and request of the purchaser shall be excluded from this undertaking, if the order is not cancelled within 48 hours of placing such order, or before such goods were made or cut to order, whichever is the soonest.
4. In the case of articles sold on a lay-by principle the cash price of the article and its description will be furnished to the buyer in writing and such cash price will not be increased by the seller before delivery is made to the buyer. Traders will also state clearly to lay-by purchasers the period over which the lay-by instalments are to be paid and the date on which payment of such instalments are to be made. Should

the lay-bye purchaser, at any time during the duration of the agreement wish to cancel the lay-bye agreement, traders will refund all monies received from such purchaser without deducting any costs or administration fee. However, this undertaking is subject to the condition that floor coverings, soft furnishings, or any other goods cut or made to the specific order of the purchaser are excluded from this undertaking if cancellation of such an order does not take place within 48 hours of placing the order or before such goods are cut or made to order, whichever is the soonest.

5. Traders will, before the final acceptance of an order, make all possible endeavours to establish whether a prospective buyer will be able to fulfil his obligations in terms of the order and they also undertake to comply with the requirements of the Hire Purchase Act 1942. Traders also undertake to make available to special customers only who have current and/or paid up accounts with them, the concessions in respect of the ~~minimum~~ prescribed deposits, and to exercise diligent control on the extension of these concessions to buyers, but in no instance will the maximum period of repayment of 24 months be exceeded.
6. Traders will inform all their employees of the disciplines and ethical standards embodied in the aforementioned Code of Business Ethics and will exercise strict control to enforce the conditions as set out therein.
7. Voluntary repossession as a remedy will only be exercised by traders as a measure of last resort. If a voluntary repossession is made, the goods will be retained by the trader for a period of at least 21 days from the date of the repossession in order to grant an opportunity to the buyer to meet his obligations

and to comply with the terms of the existing agreement. On cancellation of the agreement, and after being convinced by the purchaser that he is unable to meet his obligations, traders will not take any further action against such purchaser.

8. The Furniture Traders' Association will be informed by its members of all branches of their individual business premises where the emblem, which signifies adherence to the Code, is being exhibited.
9. An official of the Furniture Traders' Association will have the right to inspect all the business activities of emblem holders in order to investigate any complaints that may be received from the public.
10. A Review Committee, consisting of members of the Association, will consider steps against emblem holders who are found not to have complied with the provisions of the Code.

In addition to this Code of Business Ethics, the Price Controller has also entered into a firm arrangement with the Furniture Traders' Association which would have the effect of ensuring that the prices of furniture and household appliances would in many instances be substantially reduced and would in future be kept at reasonable levels.

I am confident that, provided these arrangements between the Price Controller and the Furniture Traders' Association are faithfully implemented by all furniture dealers, the malpractices referred to above will be eliminated in the country. However, I wish to emphasise that the Government will not hesitate

to take very strong measures against any trader who is not abiding by the principles embodied in the abovementioned arrangements.

The issue by the Furniture Traders' Association of the emblem referred to above, and the display of the emblem by furniture dealers who have committed themselves to the aforementioned Code of Business Ethics, will enable the buying public to identify those dealers who have undertaken to abide by the Code.

Whilst dealers who are not emblem holders need not necessarily be exploiters of the buying public, it would be virtually impossible for the potential buyer to establish the bona fides of non-emblem holders before a transaction has been concluded.

It would, therefore, be in their own interest for members of the public who wish to purchase furniture and other household appliances to give preference to those dealers who are holders and exhibitors of the emblems which will be issued by the Furniture Traders' Association only to those dealers who comply in all respects with the Code of Business Ethics.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE
MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

8 December 1975

28

128
2/107

Natal Mercury
18/12/75

Inyanda to take up 'challenge'

African Affairs Correspondent

MR. P. G. GUMEDE, president of the African Chamber of Commerce, Inyanda, said yesterday that his organisation had decided to accept Chief Gatsha Buthelezi's challenge publicly to debate the tri-company project which is so unpopular among Zulu business men.

He emphasised that Inyanda did not see the controversy as a "political issue."

Chief Buthelezi denied issuing any such challenge. "I said I would take the issue, to the

nation if necessary, through Inkatha and by testing public opinion during my public appearances which, in fact, I have done.

"I would not engage in a debate with people whose minds are closed. I feel utter contempt for Inyanda, particularly because of the manner in which they somersaulted while I was away in Canada.

"They are challenging the government of Kwa-Zulu on a policy decision -- of course, this is a political issue.

"It further becomes a political issue through the involvement of businessmen in this new opposition party."

The unnamed party was founded last week and involves King Goodwill of the Zulus.

"A high ranking member of Inyanda, the Hammarsdale trader Mr. Coqo, is a member of this party and his membership implicates the organisation. We also know that several Inyanda members were at the meeting on Friday night.

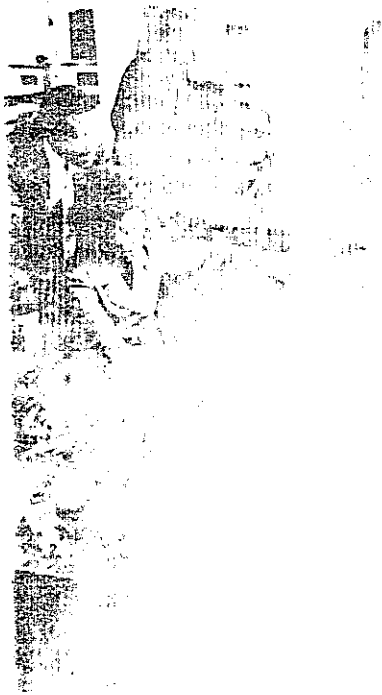
"The activities indulged in by Mr. Gumede recently also convinces me that he is involved in the party," he said.

All you have to do is give the "baas" a small cash deposit, or in some cases a trade-in in addition to the cash deposit, and within a very short time you are the proud owner of a radio or a beautiful piece of furniture ... Muriel at Metro

politan, a novel by M. Tali. It all sounds so easy. To the Black man, earning possibly no more than a labourer's R30 a month, the credit offered by sellers of furniture must appear a blank cheque to prosperity.

Possibly a salesman has called at his township bar, armed with colour brochures and high pressure sales patter. Many furniture deals with Blacks are settled in the home. Indeed this is one of the reasons dealers have for the high mark ups on goods for Blacks. The door-to-door routine, it is argued, is part of the "service" over and over again in selling to the "coloured".

Black buyers: how sharp are the terms?



Armchair FINANCIAL MAIL

robbery

21/4/75

28

Blacks have long been victimised by unscrupulous furniture retailers. Now the traders propose to outlaw bad practices. Will it work?

By the name service, the debt is more or less paid. The rest of Blacks' money will be for the retailer's own use. In the case of the contract, the retailer's profit is paid to the bank, so that the bank can use the money to advertise its services. The bank will also be able to use the money to pay for the interest on the loan.

It is often pointed out that the bank would not be able to do this if the bank were to be allowed to use the money to pay for the interest on the loan. This is because the bank would not be able to do this if the bank were to be allowed to use the money to pay for the interest on the loan.

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Prices would also drop if the percentage of business done outside shops dropped, and there would be "to see" for Blacks. This is because the type of business done outside shops is an important part of the work done by Blacks. It is often pointed out that the bank would not be able to do this if the bank were to be allowed to use the money to pay for the interest on the loan.

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ing unethical trading.

In reply to these allegations the FTA says that it had already set up machinery to deal with complaints — in liaison with the CC. And it has subsequently publicly admitted malpractices, and gone on record as wishing to eliminate them.

Though much of the credit for exposing dubious practices in the furniture business must go to Roelofse, the consumer watchdogs of the daily Press followed through on many occasions with their own investigations. And in August this year government finally got the message. Economic Affairs Minister Chris Heunis then threatened he would take direct action against furniture dealers if they didn't soon come up with "constructive and acceptable proposals for the immediate removal of malpractices".

This came nearly three years after Roelofse's first attempt to draw government's attention to the situation revealed by his *Probe*, and after he had resigned from the government-backed CC because he was unable to get enough done for the Black consumer. Still, better late than never.

For their part, the executive of the FTA had been making contact with dealers around the country in an effort to "put our house in order" before Heunis made his attack. Over the past few months concrete proposals have been thrashed out, and they were put to Heunis last week.

Once Heunis has given his approval, the measures will come into force "with immediate effect", according to Danie Gräbe, director of the FTA.

FTA members will subscribe to a Code of Conduct. Unlike a previous code drawn up by the Better Furnishing Council (BFC), which included some manufacturers as well as the retailers, the Code will be "very concrete". For example, in the case of a "voluntary repossession" (ie without a court order and with the consent of the buyer) the goods will be stored for 21 days in case the customer has second thoughts and wants to resume payments. If he still can't pay, says Gräbe, "we will write off the balance of the account. And there will be no suit for the difference between the balance and the value of the repossessed goods."

The code will also lay down that all goods must carry a cash price. And there will be a "cooling-off" period on outdoor business. Gräbe explains: "We do not agree that someone can be forced to buy something he doesn't want. But at the same time we can't keep hammering away at this as an excuse. In terms of the new Code a buyer can cancel — even if he's signed an HP agreement — within 24 hours of the sale, or before delivery, whichever comes later."

However, be it noted, the cooling-off period does not apply to deals done in a

The Furniture Traders Association will take upon itself the duty of exposing the black sheep in its flock. It will do so knowing that waiting in the wings will be the Minister, who could change the HP Act to make repossession without a court order or a properly witnessed voluntary agreement a criminal offence . . .

shop, or to goods made to a customer's specification. And is enough time really being allowed for reconsideration?

Importantly, the "lay-by" system — whereby a customer puts money aside with a dealer as instalments on a purchase — is to be streamlined. The price to be paid must be that at the beginning of the contract, and if payments are not completed the money will be refunded. (*Sans* interest, since retailers are not banking institutions.)



Roelofse . . . better late than never

As for credit to Blacks, the FTA is sinking R500 000 into a computerised Credit Bureau, designed to become operational in the PWV area next January. The programme will run for an initial five years, gradually spreading throughout the country. Blacks (including Indians and Coloureds) will be processed for creditworthiness on the basis of their income, outstanding debts, and repayment record. Overall, the intention is to restrict and reduce credit.

Furniture retailers have a turnover of some R750m a year, 37% of it in sales to Blacks. Restricting credit (88% of all furniture sales on the Reef involve credit) will cramp turnover. Let's hope that Black consumers who *can* obtain credit won't have to shoulder bigger credit costs as a result of attempts by dealers to protect gross revenues.

Let's hope, too, that other costs drop, as less sophisticated buyers are weeded out and defaults decline, more than they

rise as a result of higher overheads per unit, and that consumers will benefit as a result.

And of course the whole exercise could be jeopardised unless there is a high-powered publicity campaign directed at Blacks to inform them of their rights.

It was precisely the grievances enumerated by Roelofse, and subsequent Press publicity, which led to the creation of the ineffective BFC some two years ago (the idea had been on the cards since 1971).

Last December the advertising agency handling the BFC account, Admark, pulled out after R135 000 had been sunk into a promotional campaign. Nothing, really, had happened.

Admark MD Len Gullan explains that "the budget was wholly inadequate. Retailers had to put in R10 a month per store, manufacturers 0.5% of their turnover."

The cost of simply producing identifying labels for the sponsors (labels for goods, "good housekeeping"-style badges for stores) ate up half the budget. "We only had R60 000 left for advertising and promotion."

The FTA proposals to Heunis last week are much more ambitious: they are directly related to malpractices, and binding on members of the Association.

But can they be made to work? The FTA is adamant that they can. Members who subscribe to the Code (only a few dealers are outside the FTA) will be entitled to display an emblem.

This, in Gräbe's words, "will be the property of the FTA. If complaints about a dealer continue to reach us from the Consumer Council, the Department of Commerce, or directly, we will first discuss the matter with the offender. If he persists we will remove the badge and give publicity to this fact. And he will be expelled from the FTA."

In short the FTA will take upon itself the duty of exposing the black sheep in its flock. It will do so knowing that waiting in the wings will be the Minister, who could change the HP Act to make repossession without a court order or a properly witnessed voluntary agreement a criminal offence; and who could impose price control on at least some standard lines, like smokeless stoves.

Mere gestures at regulating bad practice in the furniture trade, as the FTA has belatedly recognised, can no longer be tolerated.

① 28
② 31A

'Free enterprise' STAR and the law

26/4/66
Restrictive legislation, according to Black businessmen, makes it impossible for them to enjoy the fruits of free enterprise. Restrictions on business activity such as one which stipulates that: No building may be allocated for business purposes:

● To Bantu who under (the influx control Act) do not qualify to be the prescribed area, unless authorised thereto by the Chief Bantu Affairs Commissioner.

● Unless the business enterprise is established and operated to supply the daily essential domestic requirements of Bantu.

● To companies, partnerships, financial institutions, wholesalers or industrial enterprises, even though Bantu have the controlling share in them.

● To Bantu operating more than one business enterprise in Bantu townships, irrespective of whether they are different types of enterprises.

● To Bantu with enterprises or business interests outside Bantu townships.

(1) 28
(2) ~~844~~

Indian 2/5/76. plea for all-race trading areas

Tribune Reporter

TRADING areas in all towns and cities should be open to all race groups, and a strong plea to halt the relocation of traders is to be made when the SAIC meets the Prime Minister later this month.

The executive of the council is at present on a tour of Indian areas of the Eastern and Western Cape, collecting information in preparations for a scheduled meeting with Cabinet Ministers.

"At our meeting with the Prime Minister we are going to make a further plea for freedom of trade for Indian businessmen," the chairman, Mr J. N. Reddy, said in Cape Town yesterday.

New era

"In all the smaller towns we have visited we have had meetings with town councillors, and they have all told us they have no desire to see Indian tra-

in- announcement that h
could now only see
the military solution
Rhodesia and was takin
steps in collaboration with
Mozambique and Fanzani
to co-ordinate efforts
training and operations t
ing achieve this aim, was br
in the latest of a long list o
most unfavorable con
sequences.

① 28
② 8/2

Fair cost 21/5/76 8 AM plea on medicine

Retail pharmacists have called for a fair cost price structure for medicines to enable them to compete against supermarkets and dispensing doctors.

This was resolved yesterday at the annual conference of the Pharmaceutical Society of South Africa.

It was decided the incoming executive should

investigate the prices paid for all medicines bought from pharmaceutical manufacturers by "trading" doctors and the State by tender.

There was a disparity between these prices and those paid by the various levels of the private sector pharmacy industry.

The general council also decided immediate steps should be taken to alleviate the plight of pharmacists of races other than White.

Delegates said these pharmacists were deprived of almost the entire source of their income because they had to practise in "restricted areas" and compete with dispensing doctors.

Consideration should be given to the possible limitation of medicine licences in areas where there were existing pharmacies, it was said.

Other resolutions taken:

- Certain painkillers, including preparations containing aspirin, should be more strictly controlled. This is to be considered by the Medical Control Council;

- It was proposed that paracetamol and salicylates (such as aspirin) should be scheduled medicines;

- The general council recommended that the Pill should be available without prescription to women over 16.

The resolution now has to be considered by the Medicines Control Council.

Petrol men could get better deal

22/5/76 NY.

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — The Government is to consider a new scheme which will give service station operators an increase in profits from their petrol sales, Mr. Chris Heunis, Minister of Economic Affairs, said yesterday.

He said that new representations had been submitted to him by the Motor Industries Federation who want a fixed profit margin on the cost of the petrol service stations buy, instead of the fixed margin in cents a litre on petrol they sell.

A comprehensive report by Professor P. Niewenhuizen, of the department of economics at Wits, on the profitability of service stations had been submitted.

Mr. Heunis said that he had informed the federation that he could not take a decision until the report had been studied and that it was "essential that all factors influencing the cost of petroleum products had to be considered collectively by the Government."

He said that there were other aspects to be considered as well.

However, I undertook that the Government would consider the representations as soon as possible and would inform the federation of its decision," said Mr. Heunis.

Declined

The national chairman of the federation, Mr. Jessel Celine, who has just returned to Durban from Cape Town, said last night that he could not comment on the representations as the matter was "sub judice."

"We have submitted the memoranda to the Minister who is going to study it and issue a statement. Until then the matter cannot be discussed."

Mr. Celine said he would issue a statement once the Minister had commented. He said he had no idea how long it would take for the Minister to issue a statement.

Huge rent rise means ruin for 500

STrib 1/2/76

328

By BILL KRIGE

A STORM of protest has burst over the Durban City Council's bid to slap a huge rent increase on stallholders at the Indian market — a move which could force its closure and ruin more than 500 people.

Last week the council's Trading Undertakings Committee discussed rent hikes of between 100 and 300 percent for stalls in Victoria Street, described as "smaller than boxes" by the secretary of the Durban Indian Market Stallholders Association,

Mr R. J. Naran.

If approved by the council the traders at this, one of Durban's foremost tourist attractions, will be obliged to pay a phenomenal R12,27 a sq metre — among the highest rents in the country.

Among those determined to quash the move are the chairman of the South African Indian Council's executive, Mr J.

N. Reddy, a Nationalist city councillor, Mr C. A. Haupt, and Senator Eric Winchester of the Progressive Reform Party, who has agreed to try and plead the stallholder's case before a meeting of the full council.

All warn that the move could damage race relations in Durban, and Mr Reddy said: "The SAIC will not accept this. We will go to the highest authority in the land to see that it is put right."

Better deal needed for Black shoppers

DEREK SMITH: Property Editor

THE health of the property investment market in South Africa's central city areas is passing into the care of the Black man.

It is impossible to put a figure on it, but many big name traders in Johannesburg, for example, readily admit that the Black shopper is the key to staying in business.

And it's not only specialised and comparative shopping at issue. While White housewives now rely mainly on suburban shopping centres to fill the weekly shopping basket, their Soweto, Lenasia and Bosmont counterparts still look to the CBD to provide the same service.

The shopping component of the central property market is, of course, a major one. But indirectly, the success or failure of the trading core must inevitably rub off on the offices as well.

Healthy commerce goes hand in hand with a healthy office market.

Somewhat ironically, the concept of providing high residential concentrations for lower income groups several kilometres outside the city limits and then linking them with a rapid-transit transportation system to the metro-core is considered by many, particularly in America, to be a stroke of genius.

The US is grappling with the pros and cons of decentralised shopping at the moment. In some parts of that country, suburban developments are being penalised by tough endowment provisions while city centre projects are being subsidised.

Quick and easy access for all kinds of shopping to the central area has much to commend it. The city centre after all provides the bulk of municipal rating income, and de-

velopment of the inner area could drastically affect this income to the detriment of the suburban homeowner.

With ever more "White" money now being spent outside the major central areas, the continuing viability of the inner core is coming to depend more and more on Black custom. Soweto is probably the best case in point. Even convenience shopping is sparse in these sprawling townships and the city centre remains the main neighbourhood grocery as well as the mecca of convenience and comparative purchasing.

Racial issues are always touchy ones in South Africa and it is difficult in this case to draw the line between good business practice and political ideology.

The developer, however, is fully aware of how much he depends today on Black spending power for his contracts.

In this context, is the system slowly destroying the goose which lays the golden egg? True, the influx of Black shoppers to central Johannesburg is growing, but facilities for this important part of the market are woefully inadequate.

And, quite apart from basic facilities, is it wise or fair to preclude Black traders from an area where so many customers come from the same group?

Presumably, Soweto Africans could, on flimsy tenure, obtain permits to operate large department stores and supermarkets in Soweto itself. The idea would be attractive to many African housewives whose present alternative is often an arduous two-way trip on overcrowded trains.

But the truth of the matter is that Africans have neither the money

nor the knowledge.

Also, there is no proper transport system within the townships.

The magnet remains the CBD where smaller traders are able to operate and benefit from the weight of custom which the department stores pull in.

As far as the central core is concerned, none of those traders are Black and, as things stand, not likely to be either.

A Licensing Board spokesman points out that under section 12 of the provincial Licensing Ordinance any person who wants a licence to trade in an area set aside for another group requires as a pre-condition, a permit from the Department of Community Development.

In the case of Africans, the Department of Bantu Administration also comes into the picture. But, says the spokesman, it is doubtful in terms of the Urban Areas Act (probably Section 33) whether Africans would qualify for a permit at all.

Even in Soweto, he pointed out, the number of traders was limited while Coloureds and Indians were granted licences selectively.

The natural interpretation is clearly that Blacks will not be allowed to trade in the hard core even though the core itself is relying more and more on the very same groups.

Even accepting that Blacks under these conditions will continue to favour only White licencees with their custom, from a purely business point of view, is enough being done to meet shopper requirements?

A look at just two important facilities — toilets and restaurants — shows clearly that the answer is no.

The old complaint that Black city workers have to

eat their lunches on kerbsides still holds good, even though there are a growing number of eating spots where sit-down meals are served. Invariably these dingy eateries are held by White licencees with Black personnel in the front shop.

Again, unless we are talking about the outer fringe where some Indians operate, the concept of Black trader and Black customer does not exist.

It was something of a breakthrough for Carlton Centre to receive a "multi-racial" permit for the Wimpey Bar it lets on top of the tower block.

A recent lunch with GM Nigel Mandy showed clearly that the idea is working. A beaming lessee reported that business was booming and that no trouble had been experienced during the few months the service had been in use.

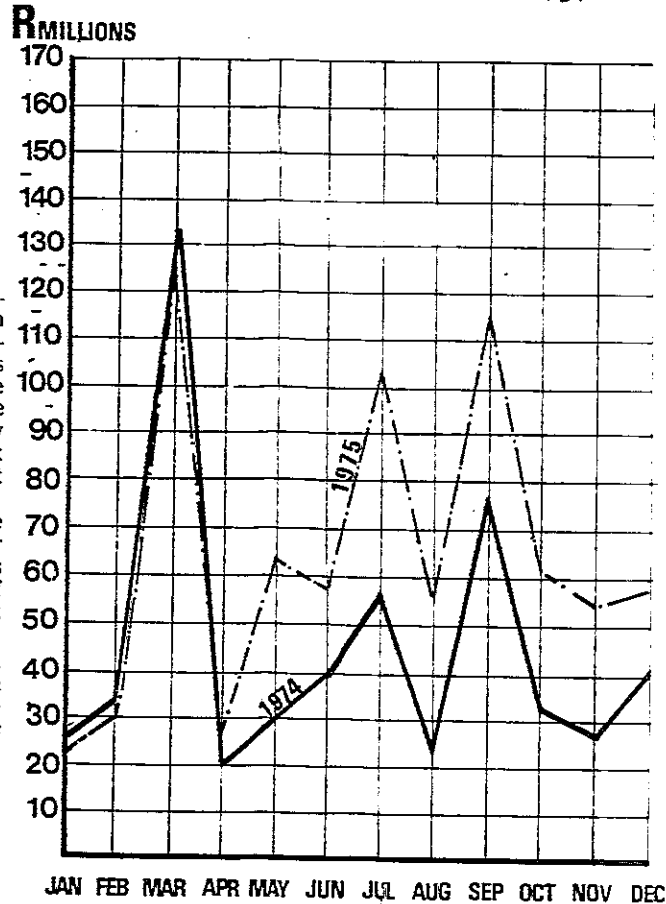
But to date that is the only official all-race restaurant in the country. Fifty storeys down, of course, there is the more publicised "connection" between Kine Centre and Carlton where Blacks and Whites rub shoulders over take-away pies and hamburgers. But the service is not officially multi-racial and is by no means a fully fledged restaurant.

So the refreshment facilities for CBD Black shoppers remain pretty thin. A home-packed hamper and a makeshift pavement eating spot remains the lot of the visiting Black housewife.

The City Council is working on the provision of better toilet facilities for the general Black public in the central area but as things stand the public conveniences are concentrated round the inner area rather than within it — presumably to cater for in-city workers.

In the area bounded by Smal, Loveday, Com-

As property Mail predicted early last month, the building society movement shattered all income records for 1975. The release this week of the December figures shows a revised total of about R784-million in investment gains for the calendar year compared with the next best of about R742-million in 1973 — a year of high liquidity. The societies' year ends only in March, however, when the performance for the financial year will be evaluated. The graph shows the general investment trend in 1974 and 1975.



missioner and Plein streets, for example, there are no public toilets for Blacks at all. This central shopping precinct has several toilets round the edges — like Carlton, the New Street bus terminal, City Hall and Von Brandis parking garage.

The rapid transport facility itself also leaves much to be desired but this problem has been aired many times and nothing further can be added here.

The general picture, however, does not add up to the kind of service the

central area should be offering to a group which now dominates the in-town customer market. Constant objections to plans for new public toilets downtown do not help either.

The stakes are high and the time has come for bodies like the council, the Chamber of Commerce, Sapo and Jodig (Johannesburg Downtown Improvement Group) to step up the pressure for improvements — even if a few ideological arms have to be twisted in the process.

Sleepless nights for the traders

Natal Mercury Reporter 6/2/76

STALLHOLDERS in Durban's Squatters' Market are worried, following Councillor Stanley Lange's disclosure this week that the market may be reduced in size to make way for road and railway development.

They told the Mercury yesterday that they were having sleepless nights since hearing the shock announcement by Councillor Lange, chairman of the City Council's Trading and Undertakings Committee.

Mrs. Manormani Raman, mother of three, who has been selling fresh produce in the market for more than 20 years, said her family's livelihood would be at stake if her stall was displaced.

She said her unemployed husband was in hospital recovering from car accident injuries.

Another stallholder, Ms. Govindamma Padayachee, a widow, said she had become so conditioned to life in the market that it would be very difficult for her to do any other job.

She took over the stall after her husband died nearly 10 years ago. She said her business in the market was the main source of income for her family. She supports her son who is unfit for work. Mrs. Padayachee lives in a council-built home in Unit 7, Chatsworth.

Mr. K. L. Maharaj, chairman of the market's Stallholders' Association,

said it would be a "heartless" move by the City Council to uproot any trader from the market.

Mr. Maharaj, who has been trading in the market for nearly 50 years, said hundreds of stallholders, their employees and their families would be harmed.

He said some people had been selling fresh produce in the market for many generations. Mr. Maharaj took over the stall from his father in 1923. He explained that before the market was built in Warwick Avenue, people used to sell fresh produce on the pavement in Victoria Street.

"The market was built in Warwick Avenue to relieve Victoria Street of congestion," he said.

He said that if any part of the market was going to be demolished, his association would press the City Council for another site for a new market in the Wills Road - Old Dutch Road complex.

The association will be meeting next week to decide how to oppose the uprooting of any stallholder from the market.



MRS. GOVINDAMMA PADAYACHEE . . . "unable to do any other job to earn a living."

Cost of cars likely to soar

By MIKE DUTFIELD

CAR manufacturers moved towards a major showdown with the Government yesterday after the Price Controller authorised price increases of up to 16 per cent for tyres supplied to the industry.

Car price increases will now probably soar far beyond the 25 per cent jump forecast for the second half of 1976.

Some manufacturers are considering asking the Government to allow car prices to rise immediately.

The storm began with the announcement yesterday by the South African Tyre Manufacturers Conference that the Price Controller had approved a 9,8 per cent increase in the retail price of tyres, effective from January 1.

The conference also said increases in the price of tyres bought by car manufacturers for fitting to new cars had been approved but refused to say what the increases were.

But the Rand Daily Mail learnt that the manufacturers would have to pay an extra 16,14 per cent for tyres.

With profit margins on some popular car models already less than R100 a car, many manufacturers agreed the situation was now desperate.

Industry sources said that, in line with the anti-inflation campaign, the industry had agreed to hold car prices until June next year in spite of rising costs.

Clamped

Last month, the Government clamped down on motor spares prices which

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F.M. 14/5/76

① 28
~~② 319~~

From BAD to worse

Even by the standards of the Department of Bantu Administration and Development (BAD), last Friday's ruling on African township trading is a major breach of faith.

African businessmen in townships in the common area are so manacled by legal restrictions that they are unable to expand beyond small-scale one-man-one shop type operations. This has been a continuing cause of frustration.

It has also led to prices in the townships being higher than they need be, since traders are not allowed to expand their cafes-on-the-corner into large supermarkets and thus pass on to consumers the advantages of economies of scale.

Objections to the restrictions were voiced two years ago in a memorandum which the National African Federated Chambers of Commerce (Nafcoc) submitted to BAD Minister M C Botha.

Objections were also raised by the Bantustan leaders at their summit meetings with the Prime Minister in March 1974 and January last year. Hopes that the manacles would be loosened were raised when, at last year's meeting, John Vorster expressed "sympathy" and promised that the restrictive regulations would be "reconsidered".

Vorster's sympathy has amounted to little more than crocodile tears. The regulations have indeed been reconsidered. Nafcoc and the Bantustan leaders have got a lot more than they bargained for.

The new regulations gazetted by Deputy BAD Minister Willem Cruywagen do remove a few of the shackles — for example, traders will now be permit-

ted to form partnerships, prohibited up to now.

But, as it did when it tied 30-year home leasehold for Africans to Bantustan citizenship, government is once again taking away with one hand what it purports to give with the other. For, as the *FM* predicted last year (December 19), the new regulations will in effect force traders to take out Bantustan citizenship if they want to continue their operations. Their partners must also become Bantustanians and, if a company is formed, each and every shareholder must also become a Bantustan citizen.

So it is a case of new manacles for old. How on earth can any businessman have any feeling of security if he is forced to sign away his birthright and become a foreigner?

The citizenship requirement also applies to professional people like doctors and lawyers.



Cruywagen . . . one manacle off, another on

Group area traders face crisis time

STAR 30/1/76

A crisis has developed over the forced removal of Indian traders in Pageview, Johannesburg. The Government has given them a five-month extension while the traders want at least a year.

Nearly 200 shopkeepers from Pageview were due to be evicted on Sunday from the traditional Indian area which has been declared a White group area.

They were to move to the new Oriental Plaza in Fordsburg.

Traders demanded at least 12 months in which to phase their businesses to the plaza.

In his first decision as Minister of Community Development, Mr Marais Steyn, who is also Minister of Indian Affairs, gave them only five months. The Pageview Chamber of Commerce is expected to reject this.

The traders have been told they must pay rent at the plaza from January 1, even though they have not yet moved into the shops.

MUST MOVE

They have been told they must move into the plaza on March 1 and move out of Pageview by June 30.

Mr I F H Mayet, an executive member of the South African Indian Council and spokesman on group areas, said today a Pageview leader had told him the Government's terms were unacceptable.

In terms of the Government's extension, traders must sign leases for the plaza and sign a consent to judgment that they have no right to remain in Pageview after June 30.

As traders may refuse to do this, the five month extension may not take effect and they will have

(1) 28
(2) 38

HELP

Mr J N Reddy, chairman of the SAIC said in Durban today that he had done all he could to help the Pageview traders.

Traders in Pageview said today that they could not afford to pay two leases and would move to the plaza eventually.

The City Council stands to lose R25 000 a month in lost rentals if the traders do not move to the plaza.

However 60 traders have signed leases and have not yet moved. They will have to pay rent in terms of the leases.

Mr R Jada, chairman of the Pageview Chamber of Commerce, said a meeting of all traders will be called on Monday to discuss the Government's decision.

1) 28
2) 86
3) 262 Katak

RENT RISE WILL FORCE US OUT

say stallholders

NM 31/1/76

Mercury Reporter

ANGRY stallholders at Durban's Victoria Street market, whose rents are expected to increase by more than 200 per cent, yesterday expressed fears that they would be forced to quit.

And Mr. R. J. Naran, secretary of the Indian Stallholders' Association, said the Prime Minister, Mr. Vorster, and the Minister of Indian Affairs, Mr. Steyn, would be approached in order to prevent the rise in rents.

Mr. Naran accused the Durban City Council of blatant discrimination. He said the Council was bent on moving out the stallholders from the centre of Durban.

"And to do this they have very subtly planned to squeeze them out by an exorbitant hike in rents."

The increase in rents for the 72 stallholders was recommended by the City Treasurer and the Director of Markets. It has still to be passed by the City Trading and Undertakings Committee.

The rise would mean that stallholders, who are at present paying R95, would have to pay

R291, and those paying R57 would pay R149.

Mr. V. M. Govender, a stallholder and treasurer of the Stallholders' Association, said there was panic at the market.

"Most of us are still in the red after losing thousands of rands when the market was gutted by fire two years ago. We just can't afford the increase. It is ridiculous to recommend such a huge hike," he said.

Mr. Naran said the market premises would become the most expensive throughout South Africa. "We would be paying almost R1,50 a square foot. Even the White businessmen in West Street in Durban and Eloff Street in Johannesburg won't be paying as much as the Victoria Street stallholders."

Tenants in the nearby

Nufield complex in Field Street now being occupied mostly by Indians, are paying 45 cents a square metre.

Mr. J. N. Reddy, chairman of the South African Indian Council said yesterday that he was amazed at the increases.

"If it is passed by the Council then it is a matter for the Government," he declared.

He said, however, that since it was the Van Eyssen Committee that was responsible for helping in the reconstruction of the Indian market, he would refer the matter to it.

Meanwhile stallholders at the new fish and meat market in the old bulk sales hall in Warwick Avenue have also expressed fears that their rents would go up as well

We're putting on the bite, says price controller

R.D.M.
3/11/76

(1) 247
(2) 28

Staff Reporter

THE Department of Commerce has put the bite on traders suspected of contravening the price control regulations during the past few months.

And as the anti-inflation campaign intensifies an even tougher approach is certain.

Although the department is silent on the number of recent prosecutions, a statement is expected soon from the Minister of Economic Affairs, Mr Chris Heunis.

In the middle of last year attorneys general told prosecutors and magistrates to take a hard line with price control dodgers. This instruction has been followed.

Meanwhile, the price controller, Mr Joep Steyn, said in Pretoria yesterday the Department of Commerce was ensuring that the manufacturers of price-controlled products were making their anti-inflation sacrifice.

Mr Steyn said there was no doubt production costs

in most industries were continuing to rise, and there was justification for some price increases.

"But we see to it that the application for a price rise has taken into account the 30 per cent of costs sacrifice demanded by the anti-inflation programme."

The price control administration was also doing its utmost to ensure that the prices of uncontrolled products were kept to a minimum. Complaints from the public about unjustified price rises were investigated by price control inspectors.

But the variety of products made and sold in South Africa made 100 per cent surveillance impossible and the department relied on the public for information.

The recent increase in the number of prosecutions for contraventions of price control regulations indicated the ceaseless watch on prices being maintained by the price control administration.

Move could cost Indians 'millions'

R.D.M.
2/27/6

Staff Reporter

INDIAN Traders in Vrededorp, Johannesburg, fear they will lose "millions of rands" because of the "mere five months' grace" they have been given by the Minister of Community Development to move out of their old shops into the new Oriental Plaza.

"We are worried and dissatisfied. Who will pay our losses? The Government?"

Mr R. A. M. Jada, chairman of the Pageview (Vrededorp) Chamber of Commerce asked yesterday.

On Friday, the 170 tradesmen were told by the Department of Community Development that their deadline to evacuate their premises on February 1 (yesterday) had been extended to June 30.

"The conditions are that we pay rent at the Plaza from January 1, and open

our new shops there by March 1. We have to agree in writing to lose all trading rights in Pageview (Vrededorp) after June 30.

However, we will press to be granted an extension to the end of the year — or even 1980 — which is when the Indian residents of Vrededorp will be resettled in Lenasia according to Johannesburg City Council.

"Although the Oriental

Plaza is an attractive place, our economic problems must be realised. If we go bankrupt through the sudden move and lose our trading licences, we lose our livelihood. The Group Areas Act does not allow an Indian to trade where he pleases and we will have nowhere else to go. "We hope the public and the Department of Community Development will take another look."

1 (28)
2 88

1 28
2 256

Assocom move on army pay

Defence Correspondent

Assocom has asked all members to pay workers while they are on three months' Citizen Force service, but has warned that it is not prepared to shoulder the burden indefinitely.

In a separate development building industry workers called up for military service, who stood to suffer heavy financial losses, will now have their pay made up.

Assocom's manpower committee yesterday called on businessmen to ensure that "whenever possible, workers called up for military service have their pay made up and their fringe benefits and leave entitlement maintained during absence."

While Assocom recommended this course of action, said the committee, it did not believe it was the responsibility of employers to shoulder the burden too long.

"Assocom will be approaching the authorities to see that the burden is spread more evenly," said a statement.

BUILDING MEN

The Building Industries Federation has decided in principle to establish a fund to relieve the plight of building workers.

Two of the industry's biggest employers will not make up the difference between artisans' pay and army pay. Men in the industry said individual employers could not be expected to help artisans because they often changed jobs at short notice.

Now the industry as a whole will take action.

The Chief of the Defence Force, Admiral H H Pierrmann, has invited dependants of Citizen Force men in financial difficulties to inform the Defence Force.

A spokesman said army dependants should approach local command headquarters — Witwatersrand Command in the case of Johannesburg and the Reef — and dependants of air force men should get in touch with the nearest SAAF unit.

Inside Mail

Colourful plan turns a R12-m white elephant

A CITY COUNCIL plan to save the city's most colourful and incorrigible businessmen — the Indian traders—has turned into a gleaming and ornate R12-million white elephant astride the slums of Fordsburg.

The Oriental Plaza, complete with concrete minaret, has 200 never-been-used shops and a fading hope of ever filling them.

The bulk of its prospective tenants are still clinging, with gritted teeth, to their tiny, shabby, fascinating shops in nationally famous 14th Street, Vrededorp.

In a city which is always being rebuilt before it has reached completion, any move to destroy its short-lived heritage is distressing.

It is fun to shop in 14th Street. It's a relief from glass-eyed shop assistants behind steel counters with their take-it-or-leave-it attitude.

Fourteenth Street is a bazaar where you can haggle without embarrassment and buy things cheap even if you are overpaid them.

But its days are numbered and nothing can stop it.

Attempts by the City Council to have Vrededorp proclaimed an Indian area have failed and the suburb's characterful shops are not included, anyway, in the redevelopment plans.

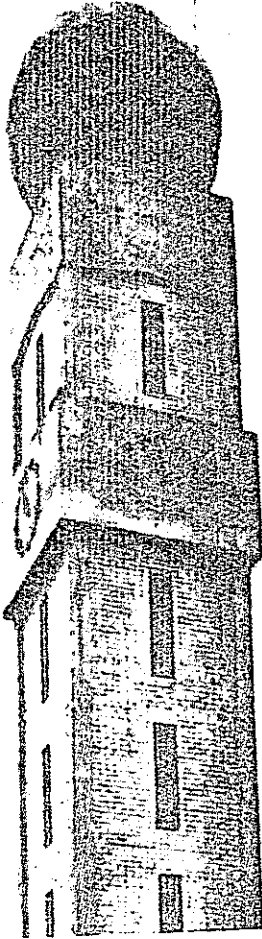
So, 18 months ago, to a brassband fanfare, the first 60 shops in Fordsburg's Oriental Plaza were opened.

Many of the new tenants were from 14th Street. They were prepared to wait for the rest of the Plaza to open and serve the droves of White shoppers they hoped would come.

Now the other 200 shops have been built — but they're empty.

The remaining 14th Street Traders, united under the militant Pa-

ALTHOUGH the Government, in the person of Mr Marais Steyn, Minister of Indian Affairs and Community Development, has said its last word on the future of Johannesburg's Vrededorp Indian traders, the traders are as determined as ever to stay where they are. Meanwhile the Oriental Plaza turns into a R12-million white elephant. MIKE DUTFIELD reports.



Street and the Plaza are now selling less.

In the meantime, the City Council is feeding its white elephant.

The intention, say city officials, was never to make a profit, merely to cover costs.

To do that, original rentals in the Plaza were calculated at R4,30 a square metre. When the

ed what it is now. The sympathy for those still clinging to 14th Street is great. They have traded there for 50 years, have built up businesses and reputations. Many own their shops and expect short shrift from the Department of Community Development when it comes to financial compensation.

They are, they claim, victims of the hated Group Areas Act, about to have their livelihoods smashed by a bureaucratic whim.

In the Plaza, that same Group Areas Act allows them only to rent their shops on a five-year lease. Gone is their security of tenure.

But not all the traders in 14th Street own their shops.

Many paid rent to Indian landlords and many of them were only too anxious to move to the Plaza.

"No race treats itself more brutally than the Indians," one Plaza trader said this week.

"My landlord in 14th Street exploited me for years. When I built up my shop, he saw what lines I was carrying and stock-ed the same lines in his shop.

"Then he hired a man to stand outside my shop to direct my customers to him.

"When I moved to the Plaza, he ripped down my sign saying where I'd moved and told all my customers I had gone to India."

For many Indians, the struggle has become one between landlords and tenants.

ment of Community Development ordered that the last traders were to move to the Plaza by the end of October.

The chamber protested and won a two-month extension.

When the deadline approached a second time, the chamber sent a delegation, with representa-

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confusion

Staff Reporter

STANDERTON'S Indian traders, hard hit by floods in recent years, are gradually moving to a new trading centre, but confusion exists about when they must be out of the old area.

The confusion, some traders claim, has led those already in the new complex, Stanwest, to suffer trading losses because not many people visit the area.

At present only about a third of the 46 traders have moved. The rest are at the old site, which attracts most customers to that area.

The Town Clerk, Mr Hardus Heunis, said yesterday he had been told, apparently as a result of a decision by the Minister of Community Development, that trading licences in the old area were not to be extended after last December 31.

A letter to the chairman of the Indian Consultative Committee, Mr David Wazar, says the traders should have moved to Stanwest by January 31.

Mr Wazar said yesterday many of the shops still needed painting. Burglar alarms and shelving also had to be installed.

He estimated it would take until the end of this month before the remaining traders could move to Stanwest.

Mr Wazar said he was not aware of any traders having lower turnovers in the new complex.

One trader reported that since moving to Stanwest at the beginning of the year his turnover had dropped to a quarter of what it had been in the old section, mainly because few people visited Stanwest.

Mr Heunis said the position now existed that people who had obeyed the law were being penalised.

The town council had viewed favourably an earlier application by the traders for an extension and had supported them.

However, at present they were trading without occupancy permits to be in the White area and without trading licences.

Deadline near for traders' lease decision

STAR

19/2/76

(1) 28
2 88

About 130 Indian traders in Pageview, Johannesburg, will be ejected from their shops unless they sign leases for the Oriental Plaza this week.

Traders say they fear ruin if they move to the Plaza without a long period

to phase out their old businesses.

Several shopkeepers say they will use passive resistance rather than quit voluntarily.

Pageview traders were told recently by the Government they could remain in their shops until June 30 if they observed certain conditions.

One of these is that those who have not yet signed leases for the Plaza must do so before February 15. "Should they fail to do this, steps will be taken for their ejection from their Pageview businesses," the Government's warning stated.

Traders were told they would receive no further extensions of time.

They have already been granted four extensions. Traders were due to vacate last July. This was extended to October 31, December 31, January 31 and now June 30.

VOTE ON LEASES

Mr Rashid Jada, chairman of the Pageview Chamber of Commerce, said a general meeting of all traders would be held tomorrow night.

Traders would be asked to vote on whether to sign leases.

Interviews with traders revealed that most would abide by the decision of the majority. However, some say they are adamant they will use "passive resistance."

Dr Emile Jammine, director of the city council's Coloured and Asian Affairs Department, has pleaded with traders not to create a confrontation.

Roelofse challenge under attack

Cape Times 11/2/76

A SPEECH challenging British chain store king Sir Isaac Wolfson to say whether his South African companies charged Blacks more for their furniture than Whites, was yesterday attacked by the chairman of Lewis Stores Ltd.

Mr A M Harris, chairman and joint managing director of Lewis Stores, said yesterday in reply to a speech by Mr Eugene Roelofse, former director of the South African Coordinating Consumer Council: "... We feel it a mark of hubris that any speaker should imagine that compassion is his own monopoly."

On Friday, Mr Roelofse challenged Sir Isaac to "state categorically whether his South African subsidiary, Great Universal Stores Africa (Pty) Ltd, charges higher mark-ups on goods sold to Blacks and Coloureds via Dan Hands (Pty) Ltd than the mark-ups it charges to Whites who buy goods through Lewis Stores."

REGISTRAR

And in a letter to the Registrar of the University of Cape Town, Mr Harris said yesterday: "During 30 years of trading we have served all communities at the same prices and terms as is the normal custom in the retail trade in South Africa. In fact, our non-European business is a highly valued and substantial part of our activities."

"During those years the business grew from small beginnings to a large-scale operation giving employment to many persons of all communities, both working for the company and supplying it. For some 17 years no ordinary dividend was paid to our parent company, who were happy for us to retail profits in this country for the purpose of creative activity."

"In 1972 we purchased the salesman/collector

business of Dan Hands, supplying customers who in many cases did not find it possible to shop personally. We serve these customers in their homes, provide transport where required and collect payments a costly but necessary activity in order to carry on the business."

AGREEMENT

"Because of these factors the realized gross profit is lower in this business than in Lewis Stores. A valid agreement on price control by all our groups has been lodged with the Price Controller and the Furniture Trades Association."

"No part of the dividends paid by our parent Company emanated from Dan Hands from 1969 to date. As if self-evident the business was not acquired until 1972 and it has not earned a distributable profit since."

"The policies that we inherited from the original Dan Hands business have been steadily improved and will continue on these lines. Our objective is to create another prosperous organization. Pricing policies are based on market conditions and as you know the market in South Africa is highly competitive."

"In conclusion, we feel it a mark of hubris that any speaker should imagine that compassion is his own monopoly. Our parent company has subsidiaries trading in many countries and all started from small beginnings. These companies have always carried out policies based on fair trading and competitive values, for any other policy would be quite uncommercial and short-term"

(1) 28
2) 66
3) 248

100 PERCENT

By JEFF HENDERSON

A 48-HOUR "CHANGE-YOUR-MIND" clause for furniture buyers is written into a new code of ethics introduced quietly into the furniture trade to cut down on exorbitant profiteering and to prevent hire-purchase malpractices.

And new price controls restrict the mark-up of furniture to 100 percent for the first six months of this year and 80 percent from July 1.

The code enables buyers to return furniture to dealers within 48 hours if they change their minds — but this will not apply to items such as specially cut carpets.

It also proposes to end malpractices such as giving unjustifiable credit facilities to buyers without taking into consideration their ability to meet financial obligations.

HP malpractices mentioned in the code include:

- Repossessing furniture without court orders and using strong-arm tactics to break into defaulters' homes;

- Advancing deposits to customers unable to afford them or accepting

That's all the furniture men want as they announce their new charter

trade-ins of worthless objects instead:

- Intimidation of buyers with bogus summonses; and

- Failure to disclose total purchase prices in catalogues in which only deposits and weekly prices are listed.

The price curbs and the code of ethics were agreed to some months ago between the Government and the Furniture Traders' Association, but have only just been confirmed to newspapers by the Department of Commerce in Pretoria.

The FTA is believed to have put its own proposals forward after the stern "Put-your-house-in-order" war-

ning last August by the Price Controller, Mr Joep Steyn.

He threatened Government action after a departmental investigation spotlighted a number of malpractices in the trade.

All members of the FTA are believed to have signed the agreement and the association is urging non-members to follow suit. The new controls have not been gazetted, but legal action is likely to be taken against defaulters.

Durban furniture dealers this week told me the controls were aimed mainly at businesses doing door-to-door trade in Black areas. These firms claim

they charge higher prices — with mark-ups varying between 125 and 250 percent — because of overheads through employing salesmen, collectors, trading agents and repossessioners.

A suggestion from Cape Town that the code will put "thousands" of salesmen and collectors out of work as stores switch from fieldwork to shop trade was refuted by Durban dealers.

Mr Ken Simons, Natal regional manager of Ellerines, which has 126 branches and employs 4500 people, told me: "Far from getting rid of staff we are looking for staff — both Black and White.

"We welcome the new code of ethics. Our whole system of granting credit is based on ensuring our customers are buying within their means. Our trade-in policy was dropped four years ago — about one

82
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D. Seers and L. Joy (eds.) : DEVELOPMENT IN A DIVIDED WORLD - Penguin (paperback) (DEVELOPMENT)

J.G. Stigler : THE THEORY OF PRICE - Macmillan, 3rd edition (PRICE THEORY) in 200 wants to trade-in and we still insist on a cash deposit as well."

R. Dorfman : THE PRICE SYSTEM , 2nd edition (paperback) (PRICE THEORY)

Prices

H.G. Johnson : FURTHER ESSAYS IN MONETARY ECONOMICS - Allen & Unwin, 1972 (paperback)

R.A. Musgrave : FISCAL SYSTEMS (PUBLIC FINANCE) paperback)

R. Freedman (ed.) : MARX AND CAPITALISM in (paperback) (POLITICAL ECONOMY)

R. Blackburn (ed.) : IDEALS AND REALITIES - Fontana, 1973 (paperback) (POLITICAL ECONOMY)

W.E.G. Salter : PRODUCTIVITY INGE - Cambridge, 2nd edition (paperback) (LABOUR)

J.R. Hicks : THE THEORY OF WELFARE 2nd edition (paperback) (LABOUR)

A.C. Chiang : FUNDAMENTALS OF ECONOMIC ANALYSIS - McGraw-Hill (Paperback) (MATHEMATICAL ECONOMICS)

A. Kontsoyiannis : THEORY OF ECONOMIC GROWTH millan, 1973 (ECONOMETRICS)

SCHOOL OF ECONOMICS
UNIVERSITY OF CAPE TOWN
4th December 1974

He said the stores' catalogues would be carrying all the retail prices. "In the past this was not always possible as the prices could change while the catalogues were still at the printers."

Mr Bill Allen, marketing director of the giant Beares Group, said: "We welcome the code wholeheartedly not just because it protects the public to a large degree but it protects the reputable dealers from the abuses that have been going on."

"Our own managing director, Mr Alec Rogoff, was one of the architects of the new code and we are delighted with the controls it introduces."

Other dealers said the abuses were mainly by Transvaal dealers in the non-White trade and the code would have the effect of bringing them into line with honest dealers.

Tricks

One told me: "I'm not being racialistic but it is an absolute fact that one of our ethnic groups lacks the sense to shop around when it comes to furniture buying. They fall for salesman's tricks and get landed with stuff they can't afford. The new controls are really to protect them but they are being applied to the whole trade."

Another said: "We all welcome the code — only a few culprits who have given all of us a bad name will be the losers."

Acts on men who charge you double

SUN EXPRESS 15/2/76

By DIANA POWELL

Facts of dossier on manufacturers aimed—are South African a multi-ide annually to the Sun his week. as been com-Sam Stuppel,

managing director of the cut-price clothing chain, Half-Price Stores, and the man responsible for bringing the great jeans wrangle to court.

Mr Stuppel's refusal to mark-up Wrangler denim jeans by 100 per cent to the recommended retail price led to the conviction under the retail price maintenance regulations of the manufacturers, Blue Bell Wrangler, and their agents, Nathan Shapiro Agencies, in the Cape

Town Supreme Court this week.

The firms were fined R11 000 after it was found that they had tried to force Half Price Stores to sell the jeans for twice what they paid for them.

Mr Stuppel said the charge against Wrangler was a test case and only an isolated incident of retail price maintenance which was being practised daily by scores of manufacturers in South Africa daily.

"It might surprise you to know that because we cut our prices, the only branded goods we are able to sell are a range of pantyhose and a range of blankets. Not another single branded line have we been able to obtain from the manufacturers."

There are dozens of clothing labels we would like to offer our customers — a top-class range of men's suits and a shirt line are just two we would dearly love to get.

"But when we try to obtain supplies, our telephone

calls are not returned, we are told the goods are sold out — or that we will have to wait ten years for delivery. And this is the clever way of doing it because it is difficult to prove the manufacturers are deliberately putting obstacles in our way," said Mr Stuppel.

"I would like to make an urgent plea to Mr Chris Heunis, the Minister of Economic Affairs, to step in and stop these malpractices.

"He should act on complaints from retailers by sending out inspectors to check manufacturers' order books."

"This is supposed to be a free-enterprise society but how much free enterprise is there when a man is not allowed to offer the public goods at competitive prices?" asked Mr Stuppel.

"In our business we cater for Black and Coloured workers, most of whom earn about R25 a week.

"Our customers do not want air conditioning, carpets and credit — and because we do not have to sup-

ply these services, we do not need a 100 per cent mark-up.

"Why should a poor man have to pay R11,99 for an item when someone is prepared to sell it to him for R5,99?"

Mr Stuppel referred to the jeans trial.

"The Deputy Attorney-General of the Cape, Mr Bram Lategan, said that Wrangler had 'fleeced' the public. What amazes me most is that this is an American company which tried to ride on the backs of lesser-privileged non-Whites.

"The South African public is being taken for a multi-million-rand ride annually through the practice of retail price maintenance."

Had all the jeans ordered from Wrangler been delivered, their sale at R5,99 a pair would alone have represented a saving to the consumer of R180 000.

Sentencing Blue Bell Wrangler and Nathan Shapiro Agencies this week, Mr Justice Watermeyer said the legislature regarded the offence as serious.

The fine would serve as a warning to others.

28

Chain reaction to

① 28
② 88
③ 271

Star 16/1/76
a loo

Pretoria Bureau

Pretoria's Indian traders are planning top-level protests over plans to take up a parking area with a toilet complex for Blacks.

They object to the "unsavoury" atmosphere, and the possibility that shoppers could face a mugging danger from the crowds it is feared may gather.

If appeals to the Department of Community Development fail to shift the project to "a more suitable site," an application to the Supreme Court for an interdict is planned.

Traders will also park

their cars all over the site to prevent work from starting.

About 150 traders were moved to the Oriental Shopping Centre, off Boom Street and adjoining the Indian vegetable market, from Prinsloo Street, a year ago under the Group Areas Act.

They told The Star yesterday that the loss of business which the move caused them had not nearly been recouped, despite the establishment of an African bus terminus near the complex.

The plan by the Department of Community Development to convert one of the car parks — at the south-eastern entrance to the centre and adjoining a mosque — to a Black toilet complex, would hit the struggling traders hard and represent a serious setback, they said.

Apart from making parking more difficult, traders fear it could attract crowds of "the wrong sort," with the danger of shoppers being mugged. And they also fear that the unsavoury atmosphere which often surrounds such a complex would drive away custom, make the nearby eating houses unhealthy, and adversely affect the mosque.

F.M. 6/2/76

Makro's careful optimist

Tall, unwrinkled, blond and very Dutch, Utrecht-based Tjalling Ament (36) is the international marketing manager of Dutch-controlled cash-and-carry wholesaler Makro. He is on a three-week visit to SA, his third in four months, to assist in standardising Makro SA marketing approach within the framework of the group's international marketing philosophy.

It boils down to including areas of business which Makro SA had neglected in the past. Prime target is increasing the spread of passport holders eligible to shop in Makro.

Makro wholesale merchandise is marketed to retailers, and others, under a "passport system". Passports are extended only to *bona fide* professional firms and business houses. Top priority, claims Makro, will in 1976 be given to increasing the 60 000 passport-holders by 15 000 in Makro's three branches in Johannesburg, Cape Town and Durban. Passport facilities, says Makro, will not be extended to the public.

To achieve Makro's target, aggressive marketing and advertising campaigns are under way. The 35 000-item food and non-food range will be expanded to include office furniture, calculators and stationery, to name a few. And Ament declares himself "carefully optimistic as long as disposable incomes don't decrease."

Makro SA (two-thirds owned by the Dutch Steenkolen Handels Vereeniging and one-third by Rennie's Consolidated) was R3m off its turnover target of R56m for 1975. But the R53m still represents a 13% hike over 1974. Profits are not disclosed, but the 1975 profit was "higher than was anticipated during the year. And we're fairly bullish about 1976". The reason given for the turnover shortfall is "reduced business activity in the second half of the year".

Ament is a man of many parts. A law and business school graduate, he speaks seven languages. His interests range from gipsy music (he played in a gipsy band for six years while a student) to classics, sailing, skiing and tennis. And he loves travelling.

Just as well. He jets world-wide on business for five months of the year and 30% of his time's taken up with basic research into potential new Makro territories, ways and means of improving promotions and streamlining operations. He's very conscious of profit erosion caused by bad presentation and inefficient handling: "It can cost you up to 20% of your profits."

Rampant inflation is a problem, but more for the retailer than the wholesaler. "In these times, wholesalers tend to prosper. The small retailer needs a wholesaler from whom he can buy regularly in small amounts. He doesn't want to carry huge stocks. And for us the name of the game is rapid stock turnover rather than big profit margins."

This philosophy has paid off. Makro, with its 27 branches in Holland, the UK, Belgium, Spain, Brazil and SA, had a 1975 turnover which topped R1 250m; 1976 target is R1 500m. Despite the economic downturn, the UK operation, for example, showed 40% growth in 1975.

(1) (28)
(2) 70

Dealers 'stick to 100 pc mark-up'

Mercury Reporter

16/2/76 W/M

NATAL furniture dealers had agreed on a maximum profit level and were trading to it, Mr. Malcolm Werner, chairman of the Natal division of the Furniture Traders' Association, said yesterday.

And he said the mark-up was within the framework of an agreement recently reached by the association.

This follows a newspaper report which said that new price controls restricted the mark-up of furniture to 100 percent for the first six months of the year and 80 percent from July 1.

Mr. Werner said that if the 100 percent mark-up ceiling figure could be reduced by mid-year . . . "we will reduce it and show the part we are playing in the anti-inflation drive."

He said the ceiling would be adhered to by all traders and that anyone who did not do so would be dealt with by a tribunal set up by the association.

Mr. Werner added that the trade had recently got together on the anti-inflation drive following criticism for malpractices.

"Most of these were unfounded but we got adverse publicity." He said the Government had stepped in and told furniture dealers to "play their part" in the campaign.

"Consequently we got together and set up a code of ethics for furniture dealers," he said.

This, he said, included a clause giving purchasers 48 hours in which to change their minds about furniture

they might have bought and then had second thoughts.

But Mr. Werner emphasised that the public should support stores who are accredited members of the association.

He warned buyers against visiting the "little backroom" traders. "These are the people who have given us a bad name."

(1) 28
(2) 247

1-88
2-28

11/2/76

Pageview Indians now face eviction

STAR.

Indian traders in Pageview, Johannesburg, have been refused further concessions by Government officials. Many face instant eviction for defying an ultimatum that they signed leases for the Oriental Plaza by last Sunday.

Members of the Pageview Chamber of Commerce met Government officials yesterday. The requests which were turned down were that:

- ⊗ Rent at the Plaza should be lower.
- ⊗ Rent should be waived for six months.
- ⊗ Tenants should be

allowed to transfer their businesses by selling them if they prove unsuccessful.

⊗ Tenants should be able to terminate leases on three months' notice, instead of being held to a five-year lease.

Government and municipal officials feel traders are producing red herrings and playing for time.

Traders say that without concessions they face ruin by moving their businesses to the Plaza without a substantial phasing-out period of at least a year.

They have been told they must place notices outside their Pageview shops by March 1 saying that they are moving to the Plaza. They must quit Pageview, which has been declared a White group area, by June 30.

Mr. Richard Jada, chairman of the Pageview Chamber of Commerce, said a further request for deadline extension was refused.

Many traders have "sale" notices at their shops but say these are normal end-of-summer sales and have no bearing on the threatened removal.

So far 11 Pageview traders also have shops in the Oriental Plaza. The Plaza has 130 shops in total but many have not yet moved in and 130 have not signed leases.

Blacks bitter over proposed coal price rise

RDM 21/2/76

1 28
2 246
3 323
4 216

Staff Reporter

BITTER Soweto leaders yesterday called for a big increase in African wages after a recommendation that coal prices be increased substantially.

The recommendation was described as shocking by Mr T. J. Makhaya, the "mayor" of Soweto, and "disgraceful" by Mrs Sally Motlana, president of the Black Housewives' League.

The recommendation, made in the Petrick Commission of Inquiry's report tabled in Parliament this week, called for the price of coal to be substantially increased to allow expansion in coal-mining productive capacity.

Mr Makhaya said: "If the price is going to be increased, it is going to make our people suffer. I find it shocking that it is always the Black people who suffer most when prices are increased.

"After all, we have no

electricity. The Soweto people have to rely on candles, wood and paraffin to get by, and coal is a vital commodity," he added.

"If the coal price is to be increased, there must be a corresponding increase in Black wages."

His feelings were shared by Mrs Motlana.

"The cost of food is going up all the time. If coal goes up, it will mean even more difficulty for the average family to make ends meet. If I can help it, I will organise protests to keep coal prices down," she said.

Officials of the Federated Chambers of Industry, the Chamber of Mines and the Chamber of Commerce declined to comment until they have studied the commission's report.

However, an industrial spokesman said the recommendation was expected, because it would

encourage expansion of the mining industry.

He refuted a claim that prices of industrial commodities would be further increased if coal prices rose.

"On average, industry relies on electricity, which, in any case, makes up only a fraction of overhead costs," he said.

But Mr Eugene Roelofse, former director of the Co-ordinating Consumer Council warned that a substantial coal price increase would "reverberate through our entire economy."

"It is going to hit the poorer classes who use coal directly, but it is also going to hit every consumer's pocket indirectly," he said.

The price hike, he added, could be seized upon by sections of industry and commerce "as an excuse" for a further increase in the price of consumer goods.

Indian bid for new deal at Plaza

STAR 23/2/76

The problems of Indian shopkeepers in Johannesburg have been presented to the Minister of Community Development, Mr Marais Steyn, in Cape Town.

A delegation consisting of Mrs Hawa Habib, Mr S E Surtee and Mrs M S Nana flew to the Cape in a bid to obtain concessions for Pageview traders.

They argued on behalf of 130 Pageview shopkeepers who have so far defied an order to move and refuse to sign leases for the new Plaza shopping zone.

The delegation, with the support of the Indian Council, sought:

- The phasing out period for moving from Pageview to be extended for six months to January 1977 instead of June 30 this year;
- That traders be allowed to sell their businesses at the Oriental Plaza to anyone and not only to displaced persons (The Johannesburg City Council has provisionally agreed to this);
- That traders be allowed to give three month's notice at the Plaza.
- That traders' rents at the Plaza be waived for six months. (The city council has provisionally agreed to two months).
- Lower rent.
- Shorter leases.
- That cafes, butcheries, dairies and other convenience shops be allowed to remain in Pageview while people still live there.

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2-88

CURB PRICE FIDDLERS SAYS HEUNIS

NIM 27/2/76

Mercury Correspondent

CAPE TOWN—The Minister of Economic Affairs, Mr. J. C. Heunis, said yesterday that the commercial community should discipline traders who behaved in an irresponsible manner, and who indulged in undesirable practices at the expense of the consumer.

At a Cape Town Chamber of Commerce lunch he said such action would, he believed, be in the interest of healthy business / consumer relationships, because retailers generally tended to be condemned for the behaviour of a relatively small minority of traders.

"I am aware that cer-

tain sections of organised commerce have already adopted codes of business ethics, and I would commend the introduction of similar codes throughout the commercial community."

Mr. Heunis said he attached the greatest importance to the absorption of higher costs by entrepreneurs wherever possible, instead of these increases being merely passed on by them to the consumer in the form of higher prices.

By absorbing higher costs, firms would not prevail fairly generally among consumers and is apparently based on those cases of alleged or actual exploitation of the consumer which are regularly reported on in the news media."

But Judge Kenneth Hollings rejected 78-year-old Mr. Wigmores claim that this was ground for divorce from his 59-year-old wife. The judge also rejected complaints by Mr. Wigmores.

(1) 28
(2) 247

WITCH-HUNT

Traders 'black

balled'

because

they are

Indians

By Rashid Seria

THE Athlone Management Committee has been accused of starting a 'witch-hunt' against Indian traders in Coloured areas.

The witch-hunt charge has been levelled at the Athlone committee by several Indian and CRC leaders following the committee's decision to come out strongly against 'disqualified' businessmen, mainly Indians, opening businesses in Athlone, a Coloured area.

R Gopie Munsook: 'It's despicable.'

In addition, the committee has asked for a meeting with the Department of Community Development's Regional Representative, to object against people with 'obviously Indian-sounding names' being granted licences to run businesses in Athlone.

The committee has also recently refused to support the licence applications of at least two Coloured people believed to be 'fronting' for Indians and questioned the application of several people with Indian-sounding names.

The Athlone committee's decision has unleashed an angry backlash from the Labour Party, the South African Indian Council and from the Rylands Indian Management Committee.

● The matter will be raised at the Labour Party's national executive committee meeting in Worcester next month where possible disciplinary action will be considered against the Labour Party members on the committee. They are Mr Babs Essop, Mr Reggie Webb and Mr E. J. Hendricks;

● The Rylands Indian Management Committee is to ask the Association of Management Committee at its conference in June to take action against any committee advocating a witch-hunt against any race group;

South African Indian Council executive member



MR REGGIE WEBB. Labour Party member on the Athlone Management Committee.



MR BABS ESSOP. 'I'm not a party to the witch-hunt.'

Mr Gopi Munsook has labelled any witch-hunt as 'despicable; and

● Mr David Curry, the Labour Party's deputy leader, has said the party believed all people should be allowed to trade freely.

Mr Babs Essop, CRC member and Labour Party man on the Athlone committee, made it clear this week that he was not a party to a witch-hunt. Mr Reggie Webb, another Labour Party man, refused to comment.

The other management committee men were not available for comment.

In terms of the Group Areas Act, Indians are 'disqualified' from opening businesses in Coloured areas.

Mr Mansfield's manager is Indian.

However, the council refused to turn down the application as Mr Mansfield had satisfied the Department of Community Development and the council's utilities and works committee.

'Violations of fair trading' attacked

CAPE TIMES 10/3/76

MR EUGENE ROELOFSE, former chairman of the South African Co-ordinating Consumer Council, yesterday called on the Government to "investigate the entire repossession system" in South Africa.

Addressing the Graduate School of Business Association in Cape Town, Mr Roelofse said no rhetoric or defence of the free-enterprise system could explain away the disillusionment of some consumers in this country.

These consumers, he said, had to "bear the financial wounds" inflicted by "establishments who almost as a matter of policy violate the laws of fair trading, day in and day out".

The country's "economic aristocracy", he said, together with some civil servants and political leaders, had failed to identify the causes of a rising hostility towards malpractices.

"An underestimated hostility is a doubly dangerous one and if we fail to establish meaningful criteria of fair trading, we will by our inaction fuel the ever-present fires of radicalism.

LAST THING

"And this is the very last thing we could afford in a multi-national country being as it is, one of the few remaining outposts of Western traditions on this huge continent."

A large proportion of South Africa's trading troubles, Mr Roelofse said, arose from the wording of contracts and forms consumers were prevailed on to sign. An example, he said, was the form entitled "Voluntary Release - Rondalia Bank Limited" used by Rondalia Bank when people got into arrears on hire-purchase transactions and the bank repossessed their goods.

The firm, he said, included the clause "I am aware of the provisions of

paragraph (b) of sub-section (1) of section 15 of the Hire Purchase Act..."

EVEN LAWYERS

Yet, Mr Roelofse told the lunch meeting, "not even lawyers and lecturers in law could tell me off the cuff what that part of the HP Act says.

"In fact I phoned the offices of Rondalia in Germiston, Krugersdorp and Springs. No one could quote me the wording or would even attempt to do so. I was simply referred to Rondalia Bank in Johannesburg.

"I telephoned the bank in Commissioner Street and spoke to three people who said they dealt with hire-purchase transactions but none could answer my question. I had to phone back when a Mr Coetzee was available."

Either this passage in the form was so obscure, Mr Roelofse said, that it was unfair to expect the average person to sign an undertaking that he was "aware" of it, or the passage was common knowledge and it was time "Rondalia and Rondalia Bank fired some of their staff".

MARKET VALUE

The Trust Bank, Roelofse said, used a which, like Rondalia authorized the bank its discretion" to "sell otherwise dispose of goods by public auction otherwise". And, as in case of Rondalia's for the debtor agreed in advance, in terms of document, that whatever price the bank obtain would be accepted as the actual market value of the article.

"I feel that the time has come for Mr Chris Heun (Minister of Economic Affairs) to call in the Secretary for Commerce and

for that matter the Registrar of Financial Institutions and to instruct them to investigate in depth the entire repossession system," Mr Roelofse added.

He said the Minister should ask these men:

- Whether they approved of the methods and/or documents used in carrying out repossessions.

- How many items of furniture and motor vehicles were repossessed in a given year.

- Whether defaulting customers were aware that the surrender of goods was likely to be followed by court action and possibly a garnishee order for the balance of the account.

- How many vehicles repossessed were in fact sold by public auction, how many by private treaty and how many "otherwise".

- Whether the prices received compared favourably with market values.

TIGHTENING-UP

- Whether it should be

After Mrs Rossonow had asked for food, she was alone at their Millford Road home in Plumstead when a vagrant knocked on the door. Mrs Rossonow, wife of Sergeant E Rossonow, 71, gave him money. Mrs Rossonow, wife of a Wubbers police sergeant, and threatened to cut her throat unless she gave him money. Yesterday attacked Mrs Rossonow, 72, wife of a Wubbers police sergeant, and threatened to cut her throat unless she gave him money.

WOMAN ATTACKS VAGRANT

Manager bank's me

COUNTERING Eugene Roelofse's attack on his organization, the Trust Bank's general manager of instalment credits, Mr S F Gouws, said yesterday that banks did everything possible to avoid repossessing clients' goods. But where a re-

... it was a mistake. I jackle as he

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Indian ratepayers 'victims'

Mercury Reporter

INDIAN traders in Durban's Grey Street complex are paying double the rates of their White counterparts in the area, it was claimed yesterday.

"Yet the services provided by the Corporation are identical," Dr. M. G. Mayet, chairman of the Central Durban Indian Ratepayers' Association, told the commission of inquiry into Durban's municipal finances yesterday.

In its memoranda before the commission, the association said a deputation of property owners and

tenants in the complex had interviewed the Acting City Valuator in January.

He told them it could not be denied the escalation in municipal valuations in the area was such as to give the impression that Indian owners had been unfairly treated.

They were told the valuations were based on market prices, but the association says that because few properties have been put up for sale, extraordinarily high prices have been paid.

The association regarded the valuation escalations as "unfair, unjust and racially discriminatory." It

also claimed Grey Street ratepayers were being victimised.

Dr. Mayet said a comparison of comparable Indian and White properties showed a wide disparity in the current increases in valuations, with the result that Indians were paying higher rates than Whites.

The whole rating system in the Grey Street complex, where no free property market existed, was unfair and inequitable.

"If our rates were similar to Whites', we would have no complaints about services in the area," he said.

The hearing continues today.

(1) 28
(2) 86

28
2-247

TV discounts 'a right'

Staff Reporters

DR D J MOUTON, a member of the Board of Trade and Industries, has said in Pretoria that vulnerable consumers who invest hard-earned savings in luxuries — such as television sets — had a legitimate right to buy at discount prices, and the Government would protect that right "to the hilt".

The Cape Times contacted Dr Mouton for clarification of resale price maintenance regulations after police investigations into alleged price-fixing of television sets in Cape Town by large television distributors.

A docket prepared after investigations into the operation of a certain television manufacturer and distributor, had been compiled by the commercial branch of the CID and forwarded to the Attorney General for his decision.

It was alleged by discount concerns that tactics aimed at forcing discounters to raise their percentage mark-up on certain makes of sets had been employed by certain distributors.

"Especially in these times of galloping inflation, the Government is doing all it can to stop infringements of the resale price maintenance laws," Dr Mouton said.

Top Government officials and members of the Board of Trade and Industry "feel strongly that the retailer should be free to sell to the consumer at whatever percentage mark-up he decides on — as long as it is not more

than the maximum 50 per cent mark up," he said.

If a discounter wished to sell a television set at a low mark-up, he was free to do so — "and if suppliers stop their supplies or in any other way attempt to induce him to raise his mark-up, they are violating the law," Dr Mouton said.

Distributors of television sets who threatened discounters, spied on them or used direct or indirect methods to induce increased mark-ups, were operating illegally and in the final analysis, were "robbing the public", he said.

"What we would like to see is healthy price competition which allows the consumer to benefit, and anyone who infringes the regulations must be stopped."

It could be the legitimate policy of certain distributors not to supply certain concerns, where, for example, the line is not suitable or out of character to the retailer in question.

"But where a store has been supplied in the past, the distributor acts illegally if he stops the supply because he is not satisfied with the resale price," Dr Mouton said.

① 28
② 7/14

He is Black — so he got ousted

A HIGHLY SKILLED clerk with an impeccable record has been moved out of his job by a Bellville motor firm because he is Black.

A year ago, 30-year-old Ben Fredericks answered an advertisement in a daily newspaper that offered a top post in

have knocked me down with a feather when he said that being the only Black on the staff my presence was an embarrassment!

"I asked who I was embarrassing and Mr Geldeman said that some of their White customers

he would provide there would be no foreseeable problem."

Mr Fredericks went on to say that in comparison with the way they treated him their handling of Black customers was completely non-racial. Every Black man who walked in to spend his money was given the red-carpet service, his Black skin was apparently of no consequence.

HEYN'S

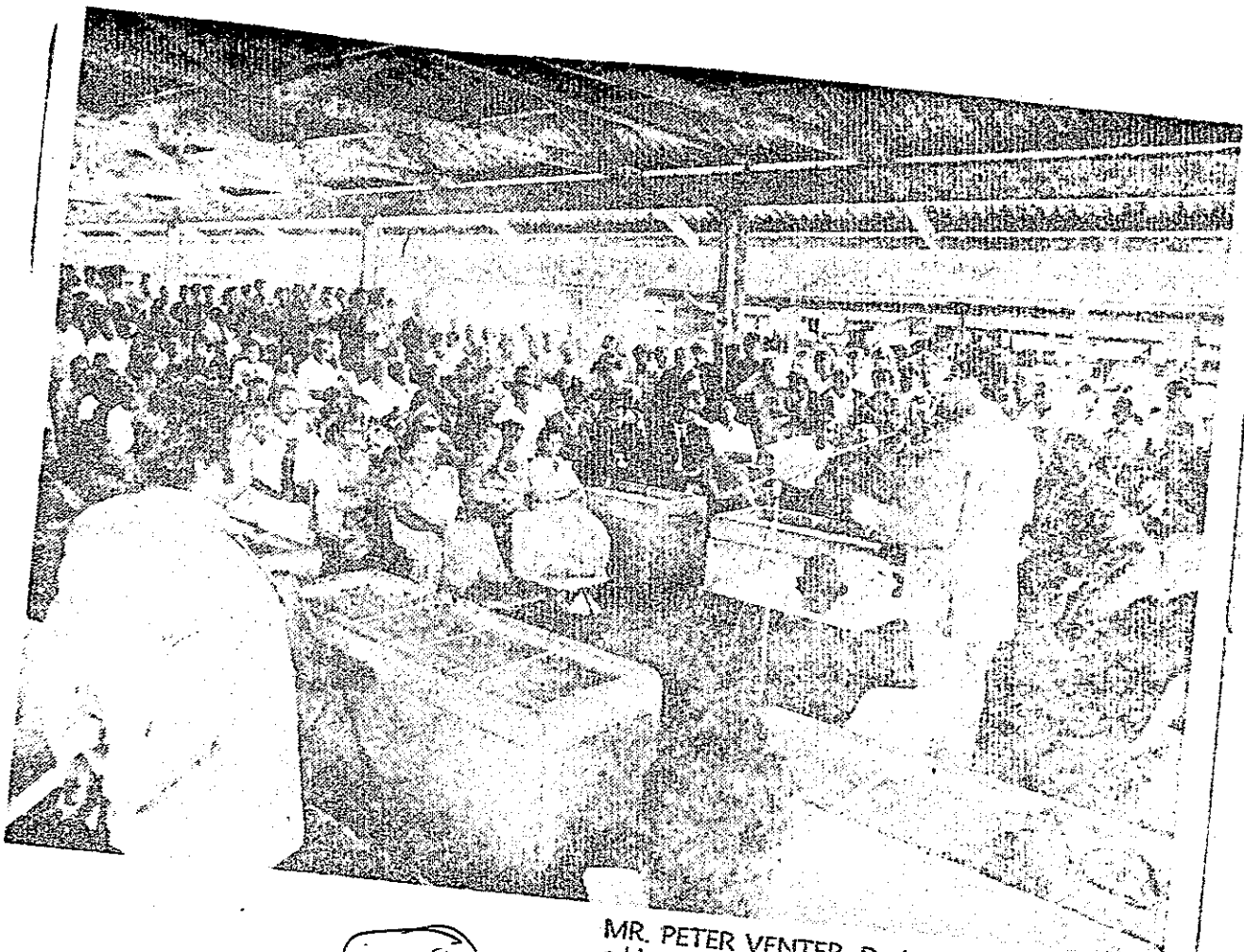


were not pleased. He was very decent about the issue saying that I should understand the way things are in this all-White business area. He also mentioned that some of the staff were unhappy with me among them.

"He assured me that they were more than satisfied with my work and that my personal behaviour was faultless. But I had to go. He would do everything in his power to see that I am placed in alternative employment and what with the references

Mr J Geldeman told the Sunday Times that it was, regrettably, a social problem that led to Mr Fredericks' dismissal. He explained that the office staff of White girls were not comfortable sharing the limited space with a Coloured man. He said that he, personally, had no colour prejudice.

However as works manager he had to see to it that his staff and customers are kept happy.



128
~~2262 Market~~

MR. PETER VENTER, Durban's Markets Director, addressing yesterday's annual general meeting of the Indian Stallholders' Association at the Squatters' Market.

NM 25/2/76

Squatters won't be displaced

Agricultural Correspondent

INDIAN stallholders in Durban's Squatters market were yesterday assured that none would be displaced at present by market alterations.

Addressing the annual meeting of the Indian Stallholders' Association, Mr. Peter Venter, Durban's Markets director, said that the only effect of road and rail developments at this stage would be a moving up of stallholders. But some stalls would have to be demolished to make way for road and rail developments.

Mr. Venter said the City Council had not yet come to a final decision on the position of some of the bigger Indian farmers whose stalls

1 28
2 tot

Blacks plan 27/2/76. to build NM chain stores

African Affairs Reporter

THE National African Federated Chamber of Commerce ((Nafeoc) has launched a campaign to raise R1-million to open its own supermarkets in the homelands.

Nafeoc has supported the Natal and Zululand African Chamber of Commerce (Inyanda) in its fight against the KwaZulu Government's tri-company policy which will allow White stores in the homeland.

The decision was taken at a meeting of the chamber at the University of Turfloop last weekend.

The chamber has already raised R250 000 and its first supermarket will be built within the next four months.

The holding company will be registered under the name The National Black Chain Stores. The shares sell at R250 each and only members of the chamber are eligible to buy them.

(1) 5
(2) 28
(3) Capital

Diamond market 'goes crazy'

R.D.M.
27/2/76

Own Correspondent

DURBAN. — The market for diamonds has "gone crazy" in Durban because of the Angolan crisis, according to jewellers.

One jeweller estimated that stones worth about R10-million are being taken out of the country every month.

GUESSED

"Good quality diamonds are unobtainable in Durban. I never guessed that people had the large sums which they are now prepared to offer for these stones", he said.

Diamonds have been bought in parcels worth R10 000 at a time. People were prepared to pay high premiums in order to get some of their capital out of

South Africa.

Similar patterns have developed in the Johannesburg Stock Exchange. There has been heavy selling of South African shares overseas due to fears that the current lull in Angola will be short-lived.

A broker said he had received an order in Durban to sell more than R500 000 South African gold shares which were held by one investor whose scrip was in an overseas bank.

The stock market has remained surprisingly firm in the face of events in Angola, Rhodesia and South West Africa but the rush to buy diamonds and dump South African share holdings abroad are signs that a shake-out of investments and people is taking place.

(11,28) (2-716)
(2-6-99)

Why the days of cheap coal are coming to an end

The Petrick Report on the coal resources of SA can rightly be called a seminal document. It is a mine of information and its study will justify the burning of much low-cost electric power, while that lasts.

It will certainly be a major influence on official thinking and, as an unashamedly pro-coal document, will be another significant step in the rehabilitation of coal from a Cinderella industry into a dynamic national resource. It is critical of past pricing policies and could well pave the way for further increases to the TCOA producers and better terms for the captive Escom collieries. But on exports, it is lukewarm.

Petrick takes the view that coal has always been made subservient to gold. "Certain of its interests have suffered in consequence," no doubt partly because "all major coal producing areas have come directly under the ownership and control of the large mining houses". And "the emphasis of mining interests on low cost electric power . . . have led to the acceptance of cheap electricity as a matter of ordinary providence".

Pricing policy and "a facile misconception" that SA's coal reserves were inexhaustible are blamed for low extraction rates in the past. Bord and pillar mining, Petrick points out, leads to extraction of 30% 80% of a particular seam, and only 10% 50% of coal *in situ* on a multi-seam property. Yet despite this high rate of wastage, "under the present pricing system, the bord and pillar method still holds a certain cost advantage."

As the main theme of the Report is

the need for conservation of coal, Petrick's conclusions on pricing policy as a means to this end are unequivocal. Higher prices would encourage the application of more sophisticated systems, like mechanical supports instead of leaving pillars, or more emphasis on opencasting, with its big capital costs. The recommendation is that "the whole system of price control for the industry be revised . . . (and) that the price of coal be substantially increased in order to allow much needed expansion in coal mining productive capacity".

Perhaps guessing that the door had been unjammed, the Chamber of Mines produced a two-page memorandum, tabled with the Report, which argues even further along the same lines.

It says that the necessary "technical competence" does not exist at the Department of Commerce "to assess and project the long-term consequences of its policies". The Chamber recommends that "the setting of the coal price should be removed from the ordinary sphere of price control and the exclusive responsibility of the Price Controller". This, it adds, is not out of "disrespect to this officer" but because "our contention is that in the case of the coal industry there are other vital considerations which the Price Controller's office is not equipped to judge".

Instead, the coal price should be reviewed by a committee representing the Departments of Commerce and Mines and the coal industry, retaining "a form of price control". The Chamber also argues strongly for a

revised price formula and against differential treatment for collieries outside the captive sector. Its submission is one of the most interesting parts of the Report.

The theme of conservation running through the Report is partly because resources are now reckoned to be fully known. Petrick estimates 81 000 Mt of known coal occurrences of which 25 000 Mt are extractable under current technology, though the point is made that reserves, as opposed to resources, are "dynamic" because of improved techniques or higher prices.

But against the background that resources are known, demand is rising "much more rapidly than was previously estimated", and SA coal is in demand on the export markets. In the latter, Petrick urges caution, with no large scale exports of high grade or metallurgical coal at all.

One weakness is perhaps that the Report does not argue out the foreign earnings benefits of coal exports. The conservation argument could obviously be carried too far in the case of a small field (in the 30-60 Mt bracket) which was not interesting to Escom, Iscor or Sasol but appropriate to export needs.

Moreover, the Report's social comment is limited: on higher coal prices in this context it merely observes that higher coal prices would extend reserves "without undue hardship to the majority of consumers". Not everyone will agree. But the general conclusion is inescapable: coal prices are going up. Everyone, from marginal gold miners to private households, will have to get used to paying more.

Stores admit 5pc credit tag on a Black face

Sunday Express 21/8/76.

AT LEAST three large South African chain store groups charge their Black credit customers more than Whites.

The three are Edgars, Foschini and Truworths, who together have more than a million Black customers at their "Black" outlets, Sales House, Pages and Top Centre.

This example of sales discrimination was uncovered this week by Mr Eugene Roelofse, the crusading former Consumer Council boss.

He drew attention specifically to the giant Edgars clothing store group which adds a five per cent "ledger fee" to the multi-million Rand credit purchases made every year by its 600 000 Black credit customers.

The group's 300 000 White

By HELEN ZILLE

customers do not automatically pay the fee.

The "ledger fee" practice was confirmed by Edgar's chairman, Mr Sydney Press, who said this week: "On a realistic economic basis, one has to differentiate between Blacks and Whites at this stage."

And Mr Norman Day, head of the Foschini empire, said: "It is a generally accepted practice."

The Minister of Economic Affairs, Mr Chris Heunis, commenting on the situation, said: "Any trade practice that differentiates between people on the basis of colour must be condemned."

And the president of the National African Federated Chambers of Commerce, Mr

Sam Motsuenyane, called the practice "immoral and harmful to human relations."

"Those who can least afford it are being exploited by the prosperous sector of the community. This can only breed bitterness and suspicion," he said.

In an interview with the Sunday Express, Mr Press denied the ledger fee was an example of race discrimination. "It is based on sound economic factors," he said.

"Years of experience and trading figures have shown the costs attached to a Black credit customer are far higher than those for Whites."

Mr Press said the higher costs were due to:

● An eight per cent "bad debt factor" on purchases by Black customers compared with 1,9 per cent for Whites.

● The fact that Blacks usually made a number of small purchases involving higher administrative costs than the larger purchases of Whites.

● The fact that Blacks usually paid smaller instalments over a longer period and often irregularly.

● The high cost of tracing defaulters.

For these reasons, a five per cent surcharge is automatically added when a Black customer buys on credit. Two per cent is refunded if the customer pays the full amount within five months.

Mr Press said he believed the ledger system was fairer and "more honest" than the practice of many other stores who, he claimed, simply inflated prices for Blacks.

Asked whether the Edgars unfair to classify a customer as a credit risk on the basis of his race, Mr Press said: "It is unavoidable. Insurance companies have to inflate premiums because Blacks are such a high risk factor.

"And in motor insurance, they discriminate against

young drivers on the basis of their age regardless of the fact that a particular individual may be highly responsible."

Asked whether the Edgars' group — which made over R7-million after tax profit last year — could not absorb the extra cost of administering credit accounts for Black customers, Mr Press said:

"Seven million may seem a lot to the man on the bus, but it is R7-million on a capital of R50-million, which is only a 14 per cent return.

"We can't expect our shareholders to invest money in a business that serves hundreds of thousands of Blacks and earns nothing at all. If we couldn't charge the ledger fee we would give up the business tomorrow."

Other clothing chain giants agreed with Mr Press and admitted applying the same policy "for the same reasons."

But Mr Roelofse says he will not accept "a price tag on a Black face".

"It is our duty to win the Black man's support for the free enterprise system. We underestimate the influence of unfair trading practices in the struggle between Western and Marxist ideologies in Africa," he said.

28

30

10
Hansard col 685
30/3/76

Stores levying extra credit charges on Black customers

5. Mr. G. H. WADDELL asked the Minister of Economic Affairs:

- (1) Whether his Department has received any complaints concerning stores levying extra credit charges on Black customers; if so,
- (2) whether any steps have been taken in the matter; if so, what steps; if not, why not.

The MINISTER OF TRANSPORT (for the Minister of Economic Affairs):

(1) and (2) No complaints of this nature were received by the Department of Commerce. However, the Price Controller did receive various complaints about certain allegedly unfair trading practices that were being followed by furniture dealers as well as the allegedly excessive profit margins that were being taken by them on furniture sold to the public.

As a result of his investigation of these complaints the Price Controller found, amongst others, that those furniture dealers who concentrated their sales on the non-white market, took substantially higher gross profit margins than dealers who supplied the rest of the market.

The former group of dealers contended that they had to follow this practice in order to protect themselves against the allegedly higher credit risks to which they were exposed as a result of the sale of furniture to non-Whites on instalment terms.

Arising from his findings in this particular respect, the Price Controller subsequently concluded an agreement with the Furniture Traders' Association in terms of which the gross profit margin of furniture dealers was limited to a specific maximum percentage of the purchase costs of furniture sold by them

and which provided, also, that the latter had to reduce this maximum gross profit margin to a lower figure before 30th June, 1976.

ARGUS 8/4/76

TWO dozen policemen with dogs were called to the Kenilworth Centre today to control a crowd of about 3 000 stampeding shoppers who caused an estimated R40 000 damage at the opening of a branch of a chain store.

The crowd smashed through the large glass sliding doors of the shop lifting them out of their railings. Several people were taken to hospital with cuts and bruises.

28

Elderly people were taken to safety. Several of them fainted but did not fall because of the crush.

Shoppers overturned counters and broke railings and turnstiles, lifting them out of their mountings.

The shop, Clicks, was to have opened at 9 am today. From the early hours people gathered on the first floor of the shopping centre to be first for the bargains.

Cut tape

By about 8.30 am the crowd was about 3 000 people. The managing director of Clicks, Mr Jack Goldin, decided to call in more shop assistants and senior men from other branches. When they arrived the ceremonial tape was cut and the staff prepared to open the doors.

They could not be opened as the pressure from the crowd was too great.

The glass of the large sliding door started cracking and then gave way. Mr Golden had organised his staff in a line just inside the shop but they could not hold back the people.

The sliding doors were lifted out of their railings and pushed aside. As the shoppers surged forward it was 'like trying to stop a tidal wave,' according to Mr Golden.

Screams

A shop assistant said afterwards: 'People were screaming in terror but those in front were powerless as the pressure from behind was too great.'

'Most of those in front were covered in blood from the smashed doors.'

The crowds overturned a hardware counter and a paint mixer, spilling paint over other goods on display.

Shop assistants were pushed aside and the railings surrounding the turnstiles, which give entry to the shopping area, were pulled off their mountings.

Danger

Meanwhile the police had arrived with dogs but did not intervene because the dogs might have caused worse panic.

Eventually the police set up a rope barrier. Those in the shopping area were allowed to stay and when they had finished the shop was closed for the day.

Several people, including a small Coloured boy, were badly cut by the glass.

By about 11 am everything was back to normal and shop assistants had started cleaning up. The shop will probably re-open tomorrow.

Assocom chief warns on anti-business sentiment

Cape Times 22/4/76



ASSOCOM's Mr H Wolffe: Growing distrust of business by consumers.

A GROWING disenchantment with the business community by the consumer public is resulting in demands for Government intervention in the market place, says the president of the Association of Chambers of Commerce of South Africa, Mr H Wolffe.

Speaking at the official opening of the Blue Route Centre in Tokai, which starts trading today, Mr Wolffe said this anti-business sentiment could spread rapidly if businessmen did not do something about it.

Questioning of the private enterprise system here, which was giving rise to a consumer revolt, could be attributed to the fact that prices were continually rising but products seemed increasingly slipshod, he said. Repairs were hard to obtain and often cost more than the original item.

Many products failed to live up to the claims made for them, he said, and consumers were often forced

into a pattern of wasteful buying. This had all given rise to consumerism with demands for Government limitation of profits and protection of the consumer.

Mr Wolffe said there could be no justification for Government interference, however, as long as consumers were free to choose for themselves between alternative choices.

"The system is all right," he said, "but confidence in it could be enhanced by insistence on better quality standards, honest and adequate information, and worthwhile after sales service and complaints procedure."

The Blue Route Centre is a Cayzer Property Development. It is 86 per cent let at opening.

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The reasons for growing 'consumerism'

NM 22/4/76

CAPE TOWN — The consumer revolt is being caused not only by rising prices but also by increasingly slipshod workmanship, repairs which cost more than the original article and misleading information, says the president of the Association of Chambers of Commerce of South Africa, Mr. H. Wolffe.

Speaking at the opening of a shopping centre at Tokai, he said disenchantment was growing among the consumer public, "and this anti-business sentiment can spread rather rapidly if we businessmen do not do something about it."

He added: "Much of the questioning of our private enterprise system which has given rise to the consumer revolt can be attributed to the fact that prices are rising."

"But products seem increasingly slipshod. Repairs are hard to obtain, and often cost more than the original item. Many products fail to live up to the claims made for them."

"Ecologists preach, perhaps without regard for the economic benefits, that the consumer is being forced into a pattern of wasteful buying through packaging that would eventually clog the countryside with refuse."

"It is doubts of this kind that have given rise to what we now know as consumerism."

He went on: "These have resulted in demands for Government intervention in the market place to limit what some consider to be the obscene profits of some business firms and to protect the powerless consumer."

"But as long as consumers are free to choose and as long as they have alternative choices — which is the essential benefit of the competitive system — there can be no validity for the demands for such Government interference."

Businessmen could revive the necessary confidence in the system by insisting on better standards, honest and reliable information about goods and services, clean, complete and honest guarantees, and a worthwhile after-sales and complaints procedure. — (Sapa.)

251
2 (28)

Pick 'n Pay profits R3,6m, up 53pc

CAPE TIMES
6/4/76

By PAUL DOLD
Financial Editor

HATS OFF TO Raymond Ackerman's Pick 'n Pay for achieving tremendous results for the year ended February. Turnover zoomed 55 percent to R220m while group pre-tax profit rose 50,4 percent to R5,4m.

Total taxed profit (including Blue Ribbon Meat's contribution) was R3,6m — some 53 percent up on last year.

The past year's results show that the price war was a blessing to both housewife and trader. Profit margins dropped again from 2,72 to 2,64 percent (including the meat operation) but turnovers took off.

Even allowing for inflation — the turnover rise is staggering — and the R80m increase is about equivalent to total group sales only two years ago.

Like a shaft of sunlight gilding the current investor gloom, Pick 'n Pay's dividend is being hiked substantially — a rare event among recent results.

The final is up to 30c from 24c making a total of 52c (37c).

Once again that gilt-edged hypermarket was probably responsible for a major part of the profit advance. Its sales topped R36m, as 2,5m. Shoppers chicked through the turnstiles.

For the time being at least it does not seem as if Pick 'n Pay will be able to duplicate the hyper success in the Cape. Local hyper development seems to have come to a standstill and that goes for the other retail groups as well.

Lie detector 'expert' was a Scientologist

A PRIVATE investigator who was once a Scientologist trained in the use of

By JEAN LE MAY



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... occasions when "it also hap-
pened to White people."
Mr Goss of Shield Secur-
ity who was in Natal on a
business assignment, told
the Express in a telephone
interview that although he
had no academic training in
psychology or criminology,
he had "years of experience
in formal training in the
use of lie detectors".
He refused to say where
he had been trained. The
lie detector used for the
case was a portable Canadian
model, he said.
Later, the Express estab-
lished Mr Goss was once a
Scientologist and had been
trained in the use of "E-
meters". These instruments
are covered in South Africa
by Letters Patent No 68/5348
in the name of Lafayette R.
Hubbard, head of the Scien-
tology organisation.

Documents in the posses-
sion of the Express reveal
that in 1965 a Scientologist
was expelled from the
organisation for "using a
Hubbard Electrometer,
which he has altered, and
has bladed out the name of
the inventor which breaks
the patent rights; also by
using Scientology training
and data to interrogate with-
out giving people interro-
gated... recourse to Scien-
tology... and by not declar-
ing he is a Scientologist, and
not acknowledging that his
data and training come from
Scientology."

Later, the person referred
to above became a partner
of Mr Goss in a Johannes-
burg security firm which no
longer exists.

Mr Goss, Mr J. McBreaty
(managing director of Shield
Security) and other members
of the firm have refused to
discuss Mr Goss's former
association with Scientology
with the Express.

Handwritten notes and signatures at the bottom right of the page, including a circled number '128' and a signature that appears to be 'Goss'.

Clothing price probe plan is 'toothless'

ARGUS 8/4/76

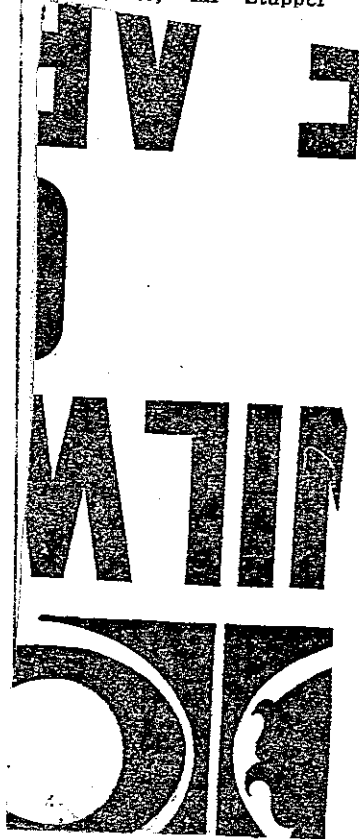
THE Government's planned investigation of the clothing industry has been condemned as unnecessary by representatives of manufacturers and retailers, and one discount retailer has called it a 'toothless' plan which will not get to the root of a major problem.

Mr Sam Stuppel, head of Half Price Stores, said the investigation would take a year or two during which consumers would become used to being 'fleeced.'

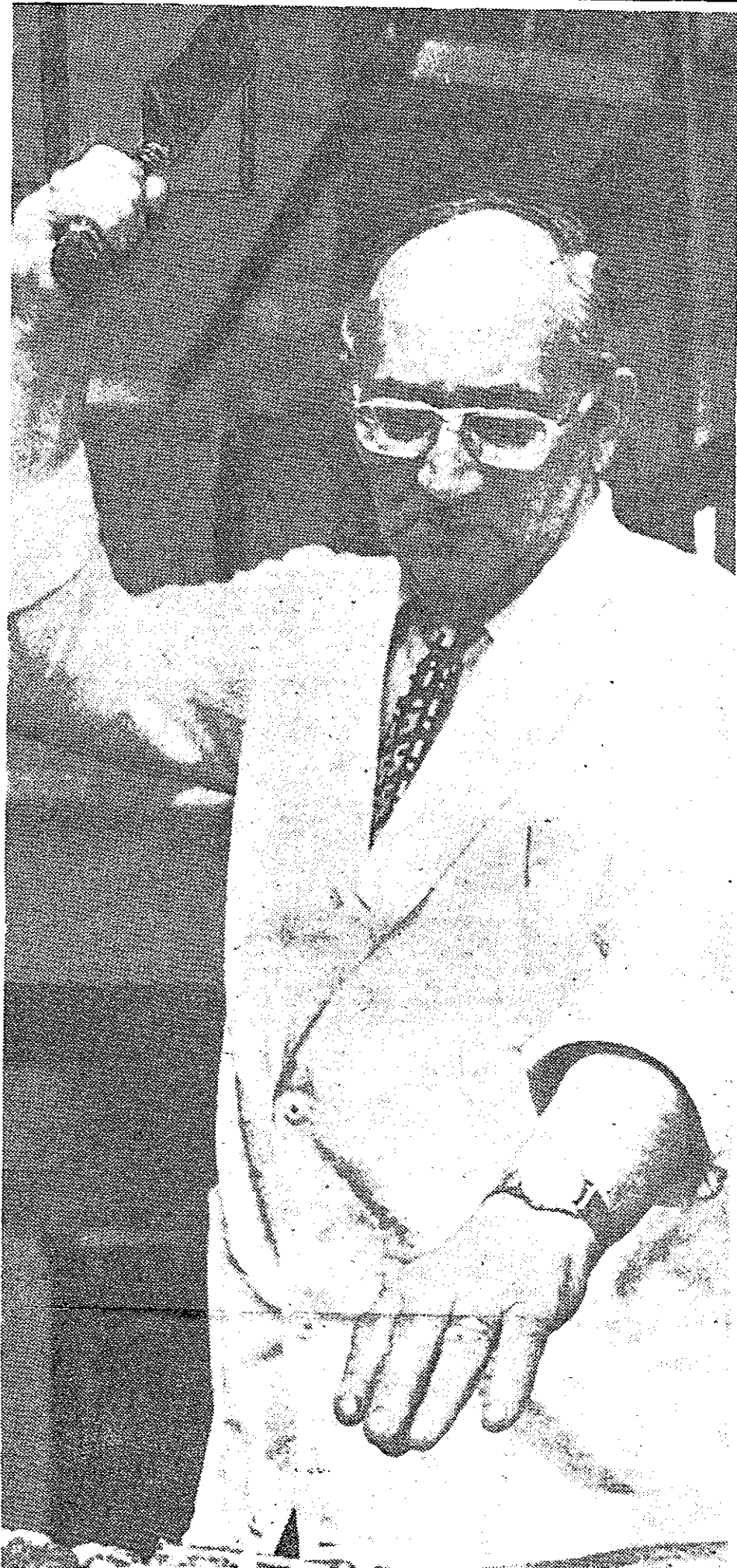
'We have a system of monopolistic collusion between certain manufacturers and certain retailers leading to mark-ups of 200 percent on some clothing lines.

'We have to defend the free enterprise system, but we must also defend the right of any retailer to buy any merchandise he can pay for and to sell it at whatever price he wishes to,' Mr Stuppel

① 28
② 184
③ 247



Housewives get low grad



Mr Gerard Mosterd... let's clean up the meat trade.

STARTLING e meat trade w in an intensive gation.

Test purchases at Rand butcheries revealed:

- ① Widespread selling of inferior meat as supergrade.
- ② The sale of rotten meat which experts believe can only come from an illegal, unregistered "back-yard abattoir".
- ③ Underweighing of meat—in one case by as much as 1,2 kg.
- ④ The wrapping of meat in newspaper in contravention of health regulations.
- ⑤ Selling of inferior cuts of meat as more expensive superior cuts.
- ⑥ The suspected removal of official meat-grading stamps to conceal the true quality of meat from buyers.

Following up information provided by the Sunday Times, the Johannesburg branch of the Meat Board on Friday began an investigation into the activities of certain retailers.

Stamps

Of the 34 test purchases the Sunday Times made in Johannesburg and on the Reef, 18 revealed abuses.

In 14 cases, inferior meat was sold as super grade. Super is the top grade, followed in order by prime A and B, grade one A, B, and C and grades 2, 3 and 4. Grades are recognised by various coloured stamps—super being purple.

All purchases were examined by officials of the Meat Board, the Division of Inspection Services, the chairman of the Retail Master Butchers' Association and an independent meat expert with 40 years' experience.

CASE ONE

Sunday Times representatives asked for half a kilogram of super grade silverside at the Star Butchery, Blairgowrie, Randburg. The butcher agreed to give them super grade. Meat inspectors and experts later identified the meat as grade 2—seventh on the beef grade listings.

The average auction price for a kilogram of super grade beef at the Johannesburg Abattoir this Tuesday was 101,7 c as opposed to 70,6 c for grade 2 beef.

meat at top grade prices

evidence of abuses in the
re exposed this week
Sunday Times investi-

25/4/76 5 TIMES.

**'THANK YOU'
SAYS TOP
BUTCHER**

MR GERARD MOSTERD, chairman of the Retail Master Butchers' Association, who has had 40 years' experience, told the Sunday Times: "You are doing the trade a favour by exposing these abuses. It is in the interests of honest butchers."

The Sunday Times made a sample purchase at Mr Mosterd's own butchery in Melville, Johannesburg, but found no abuses.

"We can't compete with those who act dishonestly," he said. "Nothing as serious as the cases the Sunday Times has brought to my attention has been exposed before."

"Customers can do their part by insisting on seeing the grade stamp before they buy," Mr Mosterd said.

THE GREAT MEAT CARVE-UP

Special inquiry by MARTIN CREAMER

CASE TWO

At Impala Vleis Handelders, Johannesburg, the Sunday Times asked for a silver side which was identified as grade 2.

CASE THREE

ample evidence of this law being broken. Pictures were taken at two butcheries in Johannesburg — West Street Butchery and Westgate Central Butchery — where prices are displayed, but not weights.

Another butcher at Risk Meat Exchange, Braamfontein, admitted display-

ing prices but not weights in the African section of his store.

Eyebrows were raised over many of the prices the Sunday Times paid. But there is no control of retail meat prices.

Although auction prices for beef at the Johannesburg Abattoir dropped

sharply this week, this was not reflected in retail prices.

The average price for a kilogram of super grade this week was 101.7c; for prime A, 94.4c; prime B, 87.5c; for grade 1 A 86.2c; grade 1 B, 78.3; grade 1 C, 75.6; grade 2, 70.6c; grade 3, 67.9c and grade 4, 54.5c.

A half kilogram of "supergrade" silverside was bought at Van Riebeeck Butchery, Turffontein, Johannesburg. This was identified as grade 1 C—sixth on the list of beef-quality listings. The average auction price for grade 1 C at the abattoir on Tuesday was 75,6 c a kilogram, compared with 101,7 c for super.

CASE FOUR

A kilogram of rump steak — purportedly super grade — was bought at Super Muslim Meat Market, Johannesburg. This was identified as grade 2 meat.

A purchase made from a central city butchery was described as rotten and unfit for human consumption. The name of this shop is being withheld at this stage so as not to hinder the Meat Board's investigation.

Experts believe that the animal from which this meat came was slaughtered at a "backyard abattoir".

The penalty for slaughtering on unregistered premises is R200 or six months jail, or both.

A purchase of chuck made at Impala Inn, central Johannesburg, was said to weigh 3,5 kg and to be super grade. With its wrapping it weighed only 2,3 kg on the scales at the offices of the Weights and Measures Department in Johannesburg. It was later identified as grade 2 meat.

The weights of seven other purchases were found to be short by between 30 and 120 grams when checked on official scales and on an electronic scale.

Inferior

In four other cases, the Sunday Times asked for certain cuts of meat, but was given inferior cuts.

At Walters Shopping Centre and Butchery in Soweto, grade 1 bolo was passed off as super grade rump. At the Skyline Butchery in Soweto, filletless T-bone was wrapped in an old newspaper and at ZenZeZe in Soweto, mutton chops were passed off as lamb chops.

Much of the meat bought bore no grade stamp. Although this can happen because of the way in which the meat is cut, it is known that some butchers remove official roller grading stamps.

If prices are displayed on meat, weights have to be displayed, and as prominently. But there was

Differences in HP charges 'not on colour'

A SUGGESTION that Black and Coloured customers are a bad credit risk, and that this justifies charging them more than Whites for goods bought on hire purchase, was dismissed as nonsense by spokesmen for two national firms today.

The regional director of Bradlow's, Mr F. R. Bradlow, and a spokesman for OK Bazaars — both of which sell furniture to all races — said they made no distinction between Black and White and charged the same at all branches.

But Mr Bradlow said that his firm sold mainly to middle-class people, of all races, and it was an obvious fact that firms which dealt mainly with the lower income groups — into which most Black and Coloured people came — were taking a bigger credit risk.

'The distinction is economic, not racial,' he said. 'But it is true that these firms do deliberately seek out the custom of the lower income groups.'

NEW CODE

Mr D. Graeber, executive director of the Furniture Trades Association, confirmed that the association's new code of conduct does not stipulate any standardisation of prices.

Mr. Graeber, a lawyer who is a paid official of the association, said he could not give any opinion on this. 'I do not know if it is right or not, because I am not in the trade,' he said.

CONDUCT

Mr Graeber said it was wrong to suggest, as had been done by a Johannesburg newspaper, that the code of conduct gave no protection to non-White customers.

Among other provisions, a customer who reserved something by the lay-by system would be able to change his or her mind before the purchase was completed and received a full refund of the money.

A cash price must at all times be displayed. And a customer buying on hire purchase would be able to change his or her mind within 48 hours or before delivery.

Mr S. Kriseman, chairman of the Western Cape division of the Furniture Trade Association, said:

'And if that cost structure is interfered with I think the lower classes will have difficulty in getting credit.'

Mrs Peggy Borckenhagen, chairman of the Cape Town branch of the Housewives' League — which has set up a committee to look into complaints that there is exploitation of poor families with too many hire-purchase commitments — said they were waiting to see if

the code of conduct would be followed by the majority of firms.

'I was interested to hear that a high mark-up, of as much as 90 percent, is thought to be justified by the high credit risk,' she said.

'After all, it is a credit risk that some furniture firms deliberately seek. They are so keen to get the business of these poor people that they send salesmen to persuade them to buy on credit.'

28

247

~~267~~
~~2, 184~~
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CAPL TIMES
8/4/76

TRADE HITS AT GOVT 'LOGIC'

Staff Reporter

CLOTHING retailers yesterday expressed bewilderment at the "logic" of the Government's proposed investigation into the clothing industry. There is "no extensive profit-rigging" in the industry, they claimed.

On Wednesday the Minister of Economic Affairs, Mr Chris Heunis, announced that an intensive investigation into the costs, prices and sales practice of both clothing manufacturers and clothing retailers was to be undertaken by the Price Controller.

Commenting on the announcement, the general manager of Hephworths, Mr J G Davidson, said: "There is no extensive profit-rigging in the clothing industry. Some do better than others because they are more efficient."

Mr W Delpont, director of the discount chain Pep Stores, said 90 percent or more of clothing retailers and manufacturers in South Africa would probably fall "well within" any maximum profit margin visualized by the Price Controller.

SMALL FIRM

Mr D von Moyland, joint director of the chain of unisex boutiques, Maggies Farm, said he felt his firm formed such a small section of the clothing industry that it was "hard to pull us into the same sort of category".

● Sapa reports from Johannesburg that organised commerce yesterday condemned the Government's decision to launch an intensive investigation. A statement issued by Mr H Wolffe, president of the Association of Chambers of Commerce, said yesterday...

90pc furniture mark-up limit

Own Correspondent

CAPE TIMES
8/4/76

JOHANNESBURG. — Furniture retailers would still be allowed to charge inflated prices at their Black outlets under the Furniture Traders' Association's new code of conduct, Mr Danie Grabe, executive director of the Association, said yesterday.

"We have put our house in order," he said, reacting to a press report yesterday that the Government would take steps to stamp out alleged malpractices in the furniture industry.

"That report is way out of date," he said. "The Government issued us with an ultimatum in August last year and we adopted our code of conduct in November. In terms of the code, fur-

niture retailers will not be able to mark up prices by more than 90 percent from July 1," he said.

Last year, press investigations showed furniture mark ups ranging from 40 percent to over 200 percent, especially at outlets catering for Black customers.

Mr Grabe said price standardization between Black and White outlets formed no part of the code.

"Many retailers find Blacks a higher credit risk than Whites and therefore have to inflate their prices. But over the past few years Blacks have been proving themselves good credit risks," he said.

Retail prices depended on such factors as rents, and transport and delivery costs, he said.

"Prices may vary from retailer to retailer and at different outlets of the same shop. There is a chaff in Pretoria that charges Blacks less than Whites," he said.

Mr Grabe said a 90 percent mark up on furniture was not excessive.

"That is the maximum. The average is 72 percent and with costs running at 57 percent, the average profit is around 15 percent," he said.

(1) 28

(2) 247

22

Traders tell of 'gangster' tactics

By AMEEN AKHALWAYA

OFFICIALS of the Department of Community Development have been accused of using "gangster tactics" by Vrededorp's Indian traders, who were told to sign within 10 minutes agreements to move or be ejected.

Most of the traders — who have already promised to move by the end of June — threatened never to leave if any of their neighbours were ejected.

Mr Sam Bulbulia, one of the handful who have not signed the agreement, said officials of the Department, accompanied by about a dozen workers, gave him 10 minutes to sign or be ejected immediately.

"They told me the goods would be thrown out into the streets," he said. "When other shopkeepers came to see what was happening and started to phone the Press and television people, the officials went away."

His brother, Mr Jimmy Bulbulia, said officials were using gangster tactics.

"They talk about detente outside. What we want is detente here, for the people who have been born here and helped develop this place."

Mr Sam Bulbulia said the shop was a family concern. "One of my brothers is overseas. We cannot

agree to sign anything if he hasn't agreed. I told the officials we needed time to think it over."

An angry Mr Jada, chairman of the Chamber of Commerce, said he had told Johannesburg officials of the Department that the traders would not sign within the next weeks.

"No, they come this if a single member is ejected. I will refuse to sign the deal," he said.

Mr J. A. M. P. representing the traders, said he had had a letter to make a decision.

"After we were informed that the officials were making arrangements to sign, I decided to hold the election," he said.

Mr I. F. H. M. executive member of the South African Indian Council, said he failed to understand the need for threatening behaviour by the officials — particularly as traders had already undertaken to move.

The Chamber of Commerce has battled for a long time to be allowed a phasing-out period. This was extended to June 30, and only about 1 of the 180 traders have not signed leases to move to the Oriental Plaza.

28
STAR 9/14/76

2 Pageview traders sign after 'threat'

Two more Indian shopkeepers from Pageview, Johannesburg, signed leases for the Oriental Plaza yesterday after receiving threats of eviction.

However, many of the 152 Pageview readers who have signed leases have threatened to boycott the plaza if any trader who has not signed a lease is evicted from his Pageview shop.

Yesterday, four officials of the Department of Community Development, accompanied by labourers warned them to sign leases within 10 minutes or face eviction.

A spokesman for the plaza said today that only 25 leases from Pageview were still outstanding.

UNDERSTANDING

Mr I F H Mayet, an executive member of the South African Indian Council said today: "I cannot understand this threatening attitude in the light of the understanding attitude shown by the Minister at meetings with the traders."

He was referring to the Minister of Community Development, Mr Marais Steyn.

Mr Mayet added: "If such action had been taken against Whites, it would not have been tolerated."

He said many of those who had not signed had personal reasons. In some cases partners were away. Others were considering winding up their businesses.

1/28

2247

Six shopkeepers found guilty

Cape Times
15/4/76

Staff Reporter

SIX Cape Town shopkeepers were found guilty of contravening price control regulations in the Cape Town Magistrate's Court yesterday.

All six pleaded guilty. S Pinto, of the New Wallaby Cafe, Bree Street, was fined R50 (or 25 days) for refunding 5c instead of 10c on an empty cool drink bottle. He claimed that the man asking for the refund only asked for 5c.

C Bigouignon, of Golden Gate Takeaways in Waterkant Street, was fined R50 (or 25 days) for failing to mark the retail prices on packets of cigarettes, cartons of fresh

fruit juices, sugar and yellow margarine.

S Dimitrio, of Quix Snax in Corporation Street, was fined R50 (or 25 days) for selling a packet of 20 cigarettes 1c above the retail selling price.

A de Nobrega, of Continental Cafe, Koeberg Road, Maitland, also trading as J Fernandez, was fined R100 (or 50 days) for selling 2,5 kg of sugar for 42½c instead of 40½c.

J Goncalvez, of Tip Top Cafe, Koeberg Road, Brooklyn was fined R100 (or 50 days) for selling 2,5 kg of sugar for 50c instead of the retail selling price of 40½c.

Mr J A H Johl presided. Mr P D Theron prosecuted.

312
21
67

Banned man in lie test row

By CAROLINE CLARK

JUNE TRIBUNE
28/2/76

LIE-DETECTOR tests have sparked a major row at the Johannesburg head office of a national distributing company following the sacking of former political prisoner, Mr Andres Naidoo.

Mr Naidoo (39) who served a 10-year sentence on Robben Island and is now banned and under house arrest, agreed to submit to a lie detector test — but refused to sign a form indemnifying the company against any emotional side effects he might suffer.

The day after he refused to sign the indemnity, he was fired from his job as chief storeman at Frank and Hirsch, the company which handles the politically sensitive Polaroid account in South Africa.

Lie-detector tests were conducted on a number of employers at the company by Shield Security Services, called in by Frank and Hirsch to investigate losses in a number of departments.

Workers at the firm are angry about the tests, the fact that White employees are not submitted to them, and particularly about the dismissal of Mr Naidoo. They describe him as "popular, hardworking and honest." I understand the works committee is to raise the issue with the management.

Shortly after Mr Naidoo was fired, two other Black workers were also dismissed. Colleagues claim they were sacked because they "talked" about the Naidoo incident to a Johannesburg newspaper reporter.

Mr Helmut Hirsch and Mr Nigel Arbuthnot, managing director and general manager of the company, this week answered questions about the sackings. Among other comments they said that the three men had been fired because "we no longer wanted their services."

Mr Naidoo cannot be quoted because of his restriction orders, but his wife, Saceda, said she believed her husband, who has worked for Frank and Hirsch before his imprisonment and since his release in 1973, had refused to sign the form on a point of principle.

"No Whites were tested and my husband was not even allowed to take the form away to study it. Later on Wednesday, the general manager told him that he would have to sign, resign or be dismissed. He was again refused permission to take the form home."

On Thursday, Mr Naidoo was advised by his lawyer that he could sign the form providing the indemnity clause was deleted. The general manager, Mr Arbuthnot, was informed of this and also that Mr Naidoo would refuse to resign. Mr Naidoo was then told he was fired and could collect his notice pay and leave pay the next day.

Mrs Naidoo and her husband visited the labour inspector and told him about the incident. It was then discovered that he had been given a grade three category on his unemployment insurance card.

Theft

"We discovered that number three means dismissed for theft, drunkenness or insulting behaviour. The labour inspector telephoned Frank and Hirsch and the category was changed to number two, which means retrenchment."

Mrs Naidoo said that her husband would have some difficulty finding new work because of his restriction orders. The couple have a son, Bram, aged one year.

Referring to the grade three category given to Mr Naidoo when he left the company, Mr Hirsch told me: "This was a misunderstanding on our part. As soon as we were informed what the category meant, we changed it."

"We didn't mean to put a blemish on Mr Naidoo's character or to jeopardise his future in any way," he said.

Referring to Mr Naidoo's long association with the company, Mr Hirsch said: "We would have expected him, in view of his standing in the organisation, to co-operate, thereby helping the agency in its investigations and to arrive at just deserts."

"As far as I'm concerned he can come and talk to me about this. My door is still open to him."

STAR 1/24/73

'It's not fair' — OWNER

Leon Bakker

The latest casualty of the Group Areas Act is likely to be a Pretoria wholesale organisation with an annual turnover of R3-million.

Mr Solly Jacobs had been doing business in Pretoria's Prinsloo Street when he decided that he needed larger premises for his expanding organisation, J and E Wholesalers.

Showrooms and warehouses in another White area, Du Toit Street, were available and in 1972, after getting permission from the Department of Community Development, he moved in.

Mr B. M. Cohen, who leased the premises to Mr Jacobs, insisted that a clause be inserted in the lease which would make Mr Jacobs responsible for the rent of R2 500 a month until the expiry of the lease in 1982 should he have to move in terms of the Group Areas Act and another not be available.

he employed 86 Blacks, 35 Indians and 10 Whites.

Then along came the Department of Community Development.

Mr Jacobs was told he must move to the Asiatic Bazaar, as have just about all of the Indian traders who once had businesses in the White areas of Pretoria.

After negotiations, the department agreed to build a structure for J and E Wholesalers in the Bazaar.

The problem? Mr Jacobs said:

① The size of the proposed building is less than a third of the present premises. It means he will have to stop business in bulk as he doesn't have the storage space. His profits will be reduced and he will be paying about 10 per cent more.

② The area where the building is located is notorious for pickpockets and petty crime, which is driving customers away.

③ The area is not suitable for business.

SA's Black buyers distrust White products

South Africa's Black consumers buy imported goods because — rightly or wrongly — they tend to consider that such merchandise is more reliable and of a higher quality than "home grown" products. Furthermore, being cheated by some has made them suspicious of what motivates the all-White business sector of the Republic's free enterprise system.

These are but two of the interesting and provocative observations from respected local businessmen now published in a book following a series of nation-wide teach-ins on the economy — held under the auspices of the National Marketing Council of the NDMF.

Hundreds of businessmen — of all races — attended the seminars, now becoming a normal part of extra-curriculum business activity in South Africa.

Against the backdrop of the fact that the Black population of SA will top 62m by 2020, one delegate

must have rumbled the mind of the often self-conscious business community when he said: "Black consumers have moved perhaps through four stages since contact with the Whites. Amazement, emulation, criticism and the identity stage."

The third stage, he said, was the most common at present, but the identity stage tended to include the opinions of leaders who promoted a separate Black identity.

At other gatherings this year, notably the one held by the Business Graduate School at Stellenbosch University — top businessmen and political heads

Is there a credibility gap dividing the White producer and the Black consumer in South Africa? It looks that way, reports **TREVOR GRUNDY**.

stressed two things essential to the survival of the free enterprise system.

● The need for businessmen to draw up — and then live by — a code of ethics. Discussion about this has so far been nebulous, and there is a deep cynicism that economic sharks (who have alienated Black shoppers) cannot be caught without the aid of Government nets.

● The need to make urban Blacks "part of the system" by fully involving them in free enterprise.

CONCERNED

At the moment this is impossible because of restrictive legislation (see box).

The new book is required reading for anyone deeply concerned with the survival of free enterprise and reflects a growing concern in South Africa that the have-nots of yesterday should become the haves of tomorrow.

In the words of one delegate, Dr D P P Marolien: . . . tomorrow has already dawned and there is not much time left in a revolutionary world.

SELLING RULE

"Current social circumstances force Africans to view anything that is aimed at or specifically planned for them with considerable suspicion," said Mrs E Khuzwayo.

"Marketers might be guided by the rule not to

sell anything to anyone that they would not buy themselves," said Dr Anton Rupert.

Underneath a series of quotes, however, is a reflection of the growing concern in South Africa that the free enterprise system will not function on all engines unless there is a radical re-appraisal of the Black consumer and Black entrepreneur.

The new booklet is a mine of information for local businessmen and will probably be eagerly read by foreign investors.

But, apart from the political interest which the seminar findings are sure to generate here and elsewhere, there are a number of facts worth highlighting, purely on the Black economic front.

In 1974 Africans commanded a disposable income of about R3 500m, of which R480m would be spent on clothing, footwear and household textiles: 31 percent of total consumer expenditure on these items. About 80-85 percent of the total expenditure on clothing, footwear and household textiles was spent in the White areas and, therefore, in White shops.

The timing of African expenditure is radically different from that of the

Degrees:-

Guide-lines for B.A., B.Sc. Candidates

It is not necessary at the time of first registration in the University or on re-registration to declare yourself as a candidate for a B.A. followed by B.Sc. or vice-versa. If you have a B.A. degree you may do supplementary courses in the Science Faculty so that your total course complement satisfies the requirements laid down by the Regulations for candidates proceeding to the ~~the~~ Degrees B.A. and B.Sc. on p. 11 of the Science Prospectus, and vice-versa:

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Black shoppers look hard before they buy. They are well informed about products and tend to scrutinise shops closely — window shoppers without rival in South Africa.

2/5/76 STIMES.

SWOOP ON BUTCHERS

MEAT BOARD inspectors swooped on 11 Rand butcheries this week as a result of the startling meat exposé in last week's Sunday Times.

During the board's follow-up investigation, inspectors found evidence of official grade stamps being removed from meat — an illegal practice subject to a fine of up to R400 or 12 months' jail.

This confirmed the allegation made in last week's exposé that some butchers were removing official grade stamps to enable them to sell low-grade meat as higher-grade.

A thin strip of fat, bearing the black grade three grading stamp, was confiscated in the presence of Sunday Times representatives who accompanied the inspectors on surprise visits to butchers.

Meat on display in the shop, from which the grade marks had allegedly been removed, was also confiscated.

As a prosecution is under way, full details may not be disclosed.

Much of the meat bought in 34 test purchases by the Sunday Times last week bore no grade stamps and it was suspected at the time that some butchers had removed the official markings.

In this week's swoop by Meat Board men, state-

We sold lower grade meat as super, they admit

By **MARTIN CREAMER**

ments were taken from 11 butchers who sold us meat.

The Meat Board investigation was based on clause 12(f) of the conditions of registration of butchers. This says that a butcher's registration may be withdrawn if he indulges in any practice which, in the board's opinion, "is calculated to mislead consumers"

It is the board's policy to warn first offenders. Previous offenders are likely to be asked why their registration should not be withdrawn.

All butchers confronted this week admitted in the presence of inspectors that the meat bought from them by the Sunday Times was of a grade lower than

the super grade it was understood we were obtaining.

Mr M. J. H. Stoltz, of Impala Vleis Handelaars, Mayfair, Johannesburg, who sold Sunday Times test purchasers grade two silverside when they understood they were receiving super, said he was partly deaf in one ear.

A spokesman for Star Butchery, Blairgowrie, Randburg, who sold the Sunday Times grade two meat after verbally agreeing to sell us super, said: "It was purely a mistake. If I was really trying to cheat, I could have cut the meat in such a way that the grade stamp was not visible."

Mr Sydney Abader, of Super Muslim Meat Market, Johannesburg, remembered selling grade two rump steak to Sunday

Times test purchasers, but said he did not hear them ask for super.

Mr Duro Valjalo, of Van Riebeeck Butchery, Turffontein, Johannesburg, admitted selling the test purchasers grade one C meat instead of super. He said this had happened because he had "not looked at the grade mark."

Mr Ho Ping, of Adriatic Butchery, Mayfair, Johannesburg, admitted the meat the Sunday Times had bought from him was Prime B and not super.

Mr Jack Sing Lai, of Marshall Extension Butchery, Linden, Johannesburg, said he could remember selling the test purchasers prime B and not super silverside.

Mr Manuel Canha, of Impala Inn, central Johannesburg, admitted the meat sold to test purchasers was grade two, but he could not remember selling it to them.

Mrs Lai Pei Fong, of Melrose Butchery, central Johannesburg, said she had mentioned to the test purchasers that she did not have super when she sold them grade one lamb chops, but the Sunday Times representatives deny this.

Mr Moses Molambo, of ZenZeze Butchery, Soweto, said he had made a mistake when he gave test purchasers mutton chops after they asked for lamb.

Mr Michael Mofokeng,

of Skyline Butchery, Soweto, said he had made a mistake when he gave test purchasers grade one T-

bone when they had asked for and understood they were receiving super grade. Mr P. Moroane, of Wal-

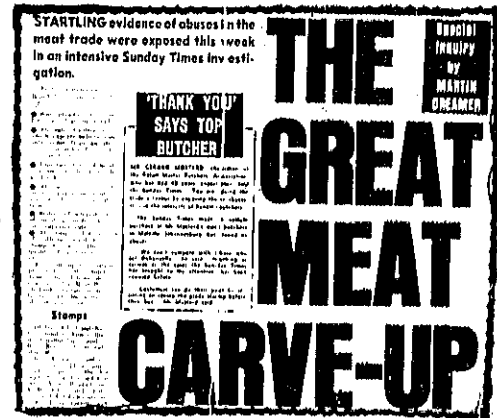
ters Butchery, Soweto, said he did not know the difference between bolo and rump steak.

This is why he had sold test purchasers grade one bolo instead of rump.

Several small retail butchers have complained to the Sunday Times that the meat trade is in the grip of a near monopoly which is threatening them.

They complain of price manipulation by big wholesalers and irregularities at abattoir auctions. They say the wholesale section of the trade is so powerful it could put them out of business if they complained about prices or the present marketing system.

After last week's exposure...



Hitting out at inflation

3/5/76 NM.

DISCOUNTING is a carefully planned operation to give the public in times of inflation an opportunity of buying quality merchandise at realistic prices. It is neither new nor revolutionary. "It is, in fact," says Tony Factor a militant proponent of discounting, "plain commonsense."

Discounting in the furniture business is, however, new to Durban and in bringing his successful operation to Durban he has accepted the challenge of meeting the needs of a section of the public who are possibly the hardest hit by inflation — the middle and lower-upper income groups, people who have taste for well-designed furniture and who have pride in their homes.

Discounting is a delicately balanced exercise. Overheads must be kept to a minimum, staff dedication must be at maximum levels and profit margins pitched to satisfy both buyer and seller.

It also means having merchandise that cannot be faulted for quality to suit and satisfy a wide range of customers and, at the same time, meet the most rigid quality control requirements.

When Downtown eight

years ago cut profit margins ruthlessly — sometimes to as low as a five percent mark up the powerful merchandising groups with their huge selling machinery and administration not only forecast disaster for the young man who had dared to challenge them but said that discounting and price-wars would lead to furniture stores becoming as drab as those in countries behind the Iron Curtain.

The progress of the Downtown group has belied these forecasts of doom and disaster and the brilliant and attractive display of furniture in the Smith Street showroom can hold its own with any furniture store in the Western world.

Lower profit margins mean, of course, a higher turnover and to achieve this Tony Factor believes there are four essentials — "service, environment, attention and courtesy." The group

has also set as its turnover target the sum of R20 million — a sure vindication of the faith Tony Factor has in discounting.

This is the way the customer sees discounting but behind the scene, the success of discounting depends not only on hard bargaining with manufacturers but in the establishment of mutual confidence and rigid insistence that quality is paramount.

The discounting operation in Durban will, for the present, be confined to furniture and electrical appliances and TV.

"But," says Tony Factor, "the Durban public is more selective and a more discriminating buyer than on the Reef. We will be catering for this demand, and if, later on, we feel that there is a demand for soft furnishings for example, we will introduce them."



TONY FACTOR — the discount dynamo — last November brought his philosophy of better quality furniture at cheaper prices to Durban when the first Downtown store in Natal was opened in Smith Street.

Traders

28

8/5/76 STAR.

fix new

rules

Strict penalties are to be imposed by the Furniture Traders' Association on any of its 2 000 members who breach the association's new code of conduct.

Nearly all the FTA's members have agreed to sign the code — only three members refused. The FTA comprises about 80 percent of the country's furniture traders.

The code is designed to protect consumers against exploitation, but does not include a clause on the maximum mark-up allowed on goods.

The FTA entered into an agreement with the Minister of Economic Affairs at the beginning of this year — an agreement which was signed by almost all FTA members — restricting the mark-up on all furniture items until June this year to 100 percent and thereafter fixing the mark-up at 90 percent.

Points included in the code are:

- Every item must display a cash price.
- Once an order has been placed, the goods cannot go up in price.
- Customers have the right to cancel orders, other than cash orders, within 48 hours of the order being placed or before delivery, and be fully refunded.
- Customers buying on the lay-by system will be entitled to a written confirmation of all particulars relating to the purchase. If cancellation takes place before delivery, the customer will be fully refunded.
- Goods repossessed in

The big shrink

JOHN IMRIE

IN South African supermarkets "shrinkage" — loss due mainly to theft — can represent up to three per cent of total sales. In the case of one group it is more than the annual profit and nearly as much as the total wage bill.

Of every R1 of Pick 'n Pay's R220-million turnover last year, 2,7c went to wages, 1,5c to profit and 2c "disappeared" — mainly to shoplifters and dishonest staff.

Pick 'n Pay, however, includes wastage, such as vegetables going bad, in its shrinkage figure. Most other groups do not, making their loss figures appear to be somewhat lower. The OK Bazaars, for example, sets theirs at about 1,25 per cent of turnover last year.

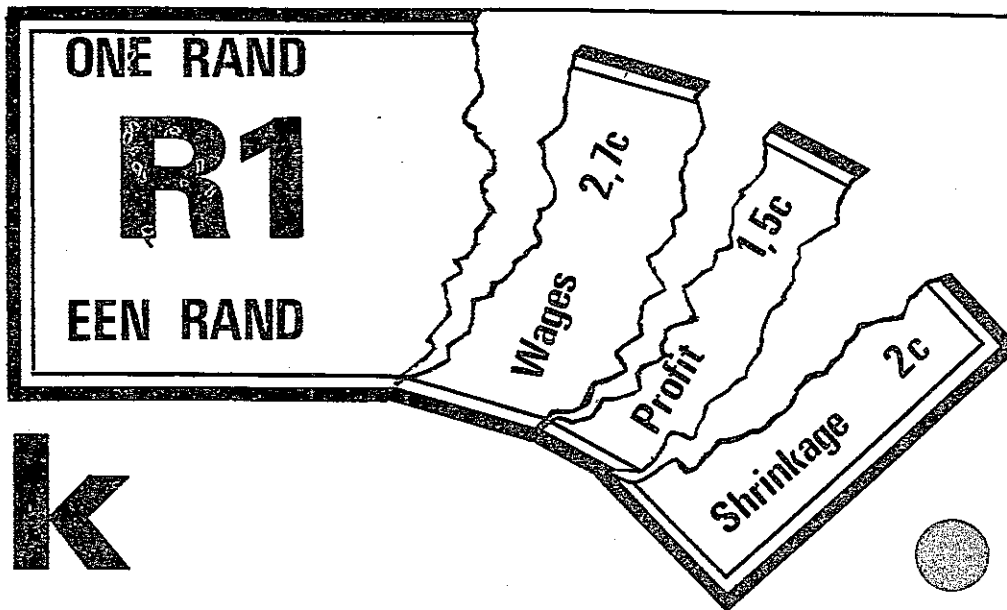
Nevertheless, it is clear that losses from theft are a major factor in the competitive business of supermarket retailing and can have a critical effect on

Yet alertness by other staff members, noticing perhaps that a particular shopper always waits to go through one particular checkout point, does help weed out the dishonest cashiers.

While supermarket staff may be the biggest single source of loss, they are also the first line of defence against loss. All the big groups recognise they must have the staff on their side.

"In any large supermarket we have eight or nine people with management status trained in loss prevention and part of their job is to constantly keep their eyes open," says De Wet.

Cashiers, too, are specially trained and some of their seemingly casual actions are not accidental. All cashiers, for example, lift each item when looking at the price. One of the reasons for this is to check its weight.



A grey-haired matron unloads the goods from her trolley, watches the cashier ring up the total, pays and then pushes her seemingly empty trolley through the checkout point. Underneath the trolley is a bag of mealie-meal, deliberately placed there by the undercover or "test shopper" and not declared — to check on the cashier's alertness.

The Black shopper sidles up to a Black packer at the toiletry shelves. "I'd like this razor but I can't afford R1,50. If I give you 50c, won't you slip it out for me?" The Black shopper in fact works for a security firm and is testing out employees at a supermarket.

In at least one big supermarket all waste leaving the premises is first put through a special shredding machine, while empty cardboard boxes are flattened by an automatic compactor before leaving the building. If a cleaner deposits a bucket of dirty water outside the back door, the security men on duty will idly poke a stick into it — just in case.

★

★

couple join the husband's matrilineal (Nicolaisen's term) kin - his mother's

Conceal

brother "One can make more profit out of loss prevention than by increasing turnover," says Richard Shannon, OK's security consultant.

Such 'r "This is why security officials are no longer merely floorwalkers but are part of the management team."

to diff If Pick 'n Pay, for example, could cut its shrinkage losses by half, it could increase wages by 37 per cent or profits by 66 per cent.

the wif
are met

Theft

his wif In the past four years, by tackling the problem vigorously, the group has reduced its shrinkage from 2,8 per cent in 1972, to 2,6 per cent in 1973, to 2,5 per cent in 1974, to 2 per cent last year.

moving father. Rene de Wet, general manager in the Transvaal, believes it can be reduced to one per cent.

Thirdly Contrary to popular belief, theft by customers — shoplifters — is not the biggest source of loss to the big retail groups. The companies' employees are their biggest enemies.

husband regardec Recent American studies attribute about 55 per cent of supermarket losses to employee theft, 16 per cent to shoplifting by customers and 15 per cent to theft by vendors (deliverymen, etc) with 12 per cent going to bad cheques and two per cent to robbery or burglary.

Nicolai The pattern in South Africa does not seem very much different. Errol Ashman, managing director of Lodge Service, the local arm of an international company specialising in retail security, believes staff in this country are responsible for about 60 per cent of losses and shoplifters for about 20 per cent.

vassal. He pinpoints the point-of-sale and backdoor as the most vulnerable areas for loss. Most of the big groups agree and in addition to taking their own measures, they hire Ashman's organisation to monitor their employees and the effectiveness of their security arrangements.

Honesty

indiv. Lodge sends undercover "shoppers" and "deliverymen" out to the supermarkets, the former checking prices marked on goods, testing staff for honesty by a variety of ploys and testing their alertness against customer theft, and the latter checking backdoor employees and procedures there.

kinsr Rene de Wet says: "We might have an undercover person in a store for a couple of weeks at a time. Generally our stores are subjected to about three months of undercover surveillance a year."

daught uni; a ce The most difficult dishonesty to spot is by cashiers working in collusion with a shopper — ringing up only a fraction of the purchases made by a friend, relative or domestic servant in their employ, or under-ringing the value of a sale and pocketing the difference.

A suspiciously heavy packet of cereal might prove on examination to have a kilogram of steak concealed inside.

Or the cashier's casually probing fingers picking up a roll of toilet paper might discover a deodorant refill or pantyhose tucked inside.

Cameras monitoring stores are regarded mainly as a deterrent. Pick 'n Pay Boksburg hypermarket has a couple of rooms each with a bank of five or six cameras but improved ones with zoom lenses are being ordered.

There is said to be no obvious pattern when it comes to the kind of person who shoplifts but stores in some areas seem more vulnerable than others.

Shannon says the OK in Hillbrow is plagued by shoplifters. So are the group's stores in Plein Street, Cape Town, and on the corner of Andries and Van der Walt streets in Pretoria.

He also believes that organised shoplifting is more widespread than is generally suspected.

"We have picked up shoplifters who, when questioned, have disclosed that they have been stealing to order. We suspect there are probably several gangs operating who show a sample item to a potential customer in Soweto and if an order is placed they will go out and steal a garment to suit the customer's requirements — exact colour and size."

Caught

Two young girls, aged 12 and 13, were caught in a Cape Town store with 110 pairs of slacks between them.

"You've got to have an outlet for that quantity of goods," says Shannon. Assocom last year ran a nationwide campaign against shoplifting. Mendel Sender, Checkers vice-president (control) is one who does not believe it had any significant effect, and certainly no one else mentioned it to me.

This seems to support the view that the major problem is not casual shoplifting but professional shoplifting and employee theft. In the US it has been suggested that employees be given an "honesty bonus" related directly to success in combating stock losses.

Pick 'n Pay say they have something of this sort already, since certain categories of employees receive a bonus based on profit performance while ex-gratia payments are made to other staff members who detect dishonesty.

Another approach urged by some American industrial psychologists is to allow a certain amount of controlled theft which would serve as a safety valve for employee frustration and save money in the long run. It is claimed that this has worked in some US companies.

But while overseas social scientists may experiment and theorise in this largely unexplored field of theft motivation among employees, South African approach is that aggression pays in retailing — and in theft control.

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FTA's Irwin Rudick . . . giving credit where it's due.

F.M. 14/5/76

FURNITURE TRADE

Polishing the image

Last week, the Furniture Traders Association (FTA) spelt out to consumers its "code of conduct" — the recently revised terms under which it intends to do business.

With the boom in television sales over (at least for the moment) and continuing inflationary trends, the FTA feels retailing patterns in the industry need streamlining.

What this appears to boil down to is a concerted effort to rid retailers of bad debts. FTA president Irwin Rudick (MD of Rudicks, the furniture store) is adamant that this is the number one problem. "Bad debts," he tells the *FM*, "are a great deal more crippling than people realise. Last year the furniture business sold R750m worth of goods — 16% of the country's retail trade". Bad debts, he says, represent an average of 5%, or R37.5m.

Rudick lays much of the blame on the retailers themselves. "We've been too easy in the granting of credit facilities," he says. "Customers have all too often overextended themselves. Now we are establishing a computerised credit control bureau. This will enable us to check a customers' credit rating in just three minutes."

What benefits will the customer receive from the code of conduct? "Plenty," argues Rudick, "including the right to cancel orders within 48 hours of purchase, and the guarantee that goods sold will have no more than a 100% markup."

So far, only two retailers have refused to join the 2 000 strong FTA, but Rudick sees little future for them unless they conform to the code.

"The plain fact is," he explains, "that

if we hadn't done anything to curb credit risks, government would have stepped in and done it for us. It would have jacked up the minimum deposit requirements (for HP) and shortened the repayment time." He adds: "The industry employs 300 000 people. If business were to drop off due to credit curbs, there would suddenly be a lot of people out of work."

The FTA aims to check on its members through inspectors from the Department of Commerce. Proven offenders will be booted out of the association and have their names published.

Other rules are the prohibition of price increases once an order has been placed, and the compulsory tagging of prices on all items displayed.

The FTA takes its responsibilities seriously. A management committee meets every Friday morning, and the provincial divisions meet every month. Every three months, a national meeting is held with provincial presidents.

Quite apart from trying to cure people of over-buying, the association is attempting to add shine to a worn image. "Some of the bad traders have given us the image often attributed to used car dealers," Rudick complains. "That is going to go."

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Citizenship law angers Soweto traders

11/5/76

Soweto traders and doctors have attacked the Government's new move to force them to take out homeland citizenship before they can work in urban areas.

This follows the announcement in the latest Government Gazette that all traders and professional people in urban townships will have to be in possession of a homeland citizenship certificate before they can be allotted a site to trade or practise.

Today, Mr Manie Mulder, chairman of the West Rand Administration Board, confirmed that this was part of the "new deal" for Black traders which was first mentioned by the Deputy Minister of Bantu Administration, Mr Cruywagen, last September.

Besides the citizenship issue, Black traders would get many new benefits he said.

The benefits will include the formation of partnerships and traders being allowed to sell more items than before. They will also be able to build bigger premises.

"IMPROVEMENT"

Mr Mulder said, however, that businessmen wishing to enjoy these privileges should apply for homeland citizenship certificates.

There was nothing sinister in getting a homeland citizenship certificate. "It improves the man's qualifications in the urban

areas," he said.

But Soweto traders and doctors claim it is an attempt by the Government to "bluff" itself and the world into thinking that there are no Blacks in South Africa and that Blacks belong to some distant homeland.

Dr Harrison Motlana said the Government was determined to have its way in forcing people to accept the apartheid policy.

Mr Shimane Khumalo, a social worker, said: "This is bedevilling race relations in this country. It is interfering with business people and a blackmail of the Black people."

Mr David Pooe, vice-president of the Southern Transvaal African Chamber of Commerce, said people wishing to attach themselves to a homeland should do so voluntarily and not be compelled.

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(2) 379

Trading clamps: - 19/5/76 protest STAR to State

Leading White, Black and Coloured businessmen plan to make a direct protest to the Government following regulations gazetted on May 7 which impose fresh restrictions on Black businessmen.

At the same time they have demanded the speeding up of internal and external detente, which they now see as "the imperative political and economic key" to the successful solution of South Africa's problems.

An official statement from Assocom, issued at the end of a two day national executive seminar said: "There is a clear interdependence between external and internal detente, and the success of the one is contingent on the success of the other. The chances of social disruption and the loss of confidence which it would entail are greater if expectations — such as those in the spheres of jobs and earnings — are severely disappointed. Peaceful evolution in Southern Africa is inextricably linked to sustained economic performance and business confidence. Confidence is a fragile state of mind — balancing fears against hopes in the assessment of the future."

"DISMAYED"

Leading figures in Assocom told me they are "dismayed" and "appalled" by the May 7 regulations.

Among other things they stipulate that:

- Black traders, business and professional men will not be able to operate in the urban areas unless they first take out homeland citizenship.

- Traders will have to be medically examined and the citizenship and medical regulations will apply to any partners or

assistants in the firm.

- The same will apply to all directors and even shareholders if a company is formed.

SUPERINTENDENT

Another regulation — and the whole set is seen by Assocom leaders as counterproductive at a time when South Africa is opting for internal dialogue with its Black millions — empowers the superintendent of a township in which a Black trader is operating to stop him working if in the superintendent's opinion his financial resources are "insufficient."

"We don't believe anyone, Black or White, no section sector should trade at either an advantage or disadvantage with the other," Assocom's deputy president, Mr S O Goodwin said last night.

Indian traders must move

ARGUS 19/5/76
The Argus Representative

GRAHAMSTOWN.—In spite of many representations on their behalf the Indian traders of Grahamstown will have to move to a resettlement area on the eastern outskirts of the town about 2 km from the main stream of daily White traffic into and out of the central business area.

This is the Government's final decision contained in a letter from the Minister of Community Development, Mr Marais Steyn, to Mr W. H. D. Deacon, the Albany MP who had taken up their case with the Minister.

In his letter the Minister says the circumstances of the traders do not differ to any substantial degree from those of Indian communities in other parts of the country where they have either already been resettled or are in the process of resettlement.

Ironically some of the trading premises have been repainted or added to in recent months giving rise to the expectation that the Government would heed pleas that they provide a public service especially in the sale of vegetables, fruit, milk and bread in the most easily accessible situation for White customers.

CIRCUMSTANCES

In his letter the Minister says there are no special circumstances to warrant a deviation from policy. He adds that five of the businesses will have to close in any case as a result of the urban renewal scheme.

To delay the project because of inflation would bring only a temporary reprieve and would seriously hamper his department's efforts to finalise the resettlement programme at a time when it is almost ready with the construction of the proposed shopping centre.

The Indian population of Grahamstown has remained virtually static at about 240 people for some time as many of the younger generation move elsewhere.

(128)
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28

March 1 1974) have been the root cause of the problem.

On the supermarket front, some change is on the way. Pick n Pay is presently involved in negotiations with the BIC and homeland governments to open up in homeland areas, particularly BophuthaTswana near Pretoria. It is hoped by Pick n Pay that the scheme will be a pilot project resulting in similar ventures in urban areas such as Soweto and Cape Town's Athlone.



Ackerman . . . next stop BophuthaTswana

Black traders, while pleading for more freedom to float companies, operate chain stores and diversify, have bitterly opposed the entry of White traders into Black areas. But, says Pick n Pay's Raymond Ackerman, 50% of the shares in the new venture will be owned by African traders in the areas concerned.

In addition, African managers will be trained by White Pick n Pay managers in Pretoria, and the entire venture will be handed over to African control after Pick n Pay has recovered its investment.

"We see this as a major breakthrough," Ackerman told the *FM*. "We will not only be able to offer goods at reduced prices, but will be providing assistance to African traders in the area. We know that this move will not be popular with everybody — some will ask why Africans cannot open up stores in White areas — but we see it as a step in the right direction. We could make just as much money in White areas, but this venture will help to build a Black middle class in the area as well as serving consumers. We see it as a contribution to SA."

As far as Black traders in the common area are concerned, however, the picture remains unchanged. While a spokesman for the Department of Bantu Administration told the *FM* that an investigation into regulations governing African trading has "progressed considerably", no concrete changes seem on the cards in

BLACK RETAILING Enter Pick n Pay

F.M.
9/4/76

Are there signs of a change in government's attitude to trading in Black urban areas? Till now, Black consumers, already victims of low wages, have had to bear the additional burden of higher prices due to the small size of township shops. Government restrictions on African traders and refusal to allow supermarket chains into Black areas (*FM*)

28

Inequality in liquor stores

8/6/76

STAR

Pretoria Bureau

Some Pretoria bottle-stores are charging Black customers higher prices than White buyers for the same liquor — and nothing can be done about it.

there is nothing we can do about it, a spokesman for the Liquor Squad said. A member of the Liquor Squad said that it was all a matter of ethics. "It rests with the bottle-store owners themselves."

Bottlestore owners are enjoying a price bonanza — in some cases charging Blacks nearly seven percent more than Whites for the same bottle of liquor — because authorities have no control over their prices.

A spokesman for the Price Controller said officials were powerless to stop this "exploitation" because there were no fixed controlled prices for any liquor except whisky.

"It doesn't affect us at all. The difference is so slight that it doesn't warrant any comment," Mr. Dave Freedman, chairman of the Pretoria Bottle-stores' Association (Off-Sales), said when told of the Black-White price differences.

"It's not controlled, so

DD 16/6/76 .

Chamber of Commerce in bid to cut bureaucracy

EAST LONDON — Creeping socialism in South Africa came under discussion at the quarterly meeting of the East London Chamber of Commerce here yesterday, together with its detrimental affect on inflation.

As a result, the East London Chamber is to put a motion before the forthcoming Border regional congress of Chambers of Commerce, requesting Assocom to take up at the highest level the Government measures which are proving expensive and time-wasting to the small business firm.

This matter was raised by Mr N. Venter, who gave instances of attempts to cut down on paper work and the need to send cheques for amounts as little as 30 cents each month, by sending six months at a time, with one cheque, only to have it returned. Separate forms had to be completed for each month, and separate cheques for each different department.

"This is bureaucracy at its worst," said Mr Venter. "and there must be thousands of businesses in South Africa affected this way. Just think of all the time and money being wasted unnecessarily."

Mr G. N. Orsmond said he had given the anti-

inflation campaign considerable thought, and he felt those responsible for it had not given sufficient thought to advantages which could be offered to anyone willing to take part.

"The only way to get it to work is to offer tax concessions" he said. "Why should someone work harder if he merely has to pay most of his financial rewards back in tax?"

He said this attitude had become most noticeable in Britain when pay as you earn income tax system had been introduced. "Then the worker was able to see in his next pay packet that if he had earned, say, £20 for working over a week-end, he had paid back three-quarters of it in income tax. And he was not prepaed to continue doing that."

Mr Orsmond said that South Africa, instead of being a capitalistic

country was becoming more socialistic, and that, unfortunately, most of those who advised the Government were socialists.

"By that I mean they do not have to go out into the world to work for a living, but are in a Government-protected position, where they start at eight in the morning and finish at a set hour later in the day. And no-one seems to bother if they spend the first part of their day in reading a few newspapers.

"In a capitalistic state, if you are not prepared to work, someone else comes along and takes over your position."

He asked members to give the anti-inflation campaign some thought and to let the executive committee know their views, as this item was on the agenda for the regional congress.

— BUSINESS EDITOR

'BLACK POWER' MEN SMIRK

A R50 000 roadhouse-restaurant was ransacked last night after the owner had received telephone threats from what he called "Black Power militants."

The roadhouse-restaurant is the Pickin' Chickin', opposite Alexandra Township in Louis Botha Avenue, Sandton.

The owner, Mr Tom Dennen, said today the callers had demanded equal facilities for Black and White customers.

"It's just not possible," he added.

STAR

"I tried to explain the laws of the country, but they wouldn't understand."

Mr Dennen, an American, said he had concreted an area alongside the restaurant so that Africans could drive in.

He had also provided tables.

"It is impossible to serve Africans from the same hatch as the Whites," he went on.

"It is also impossible to provide a small restaurant for them as the Whites have.

"There is just not room."

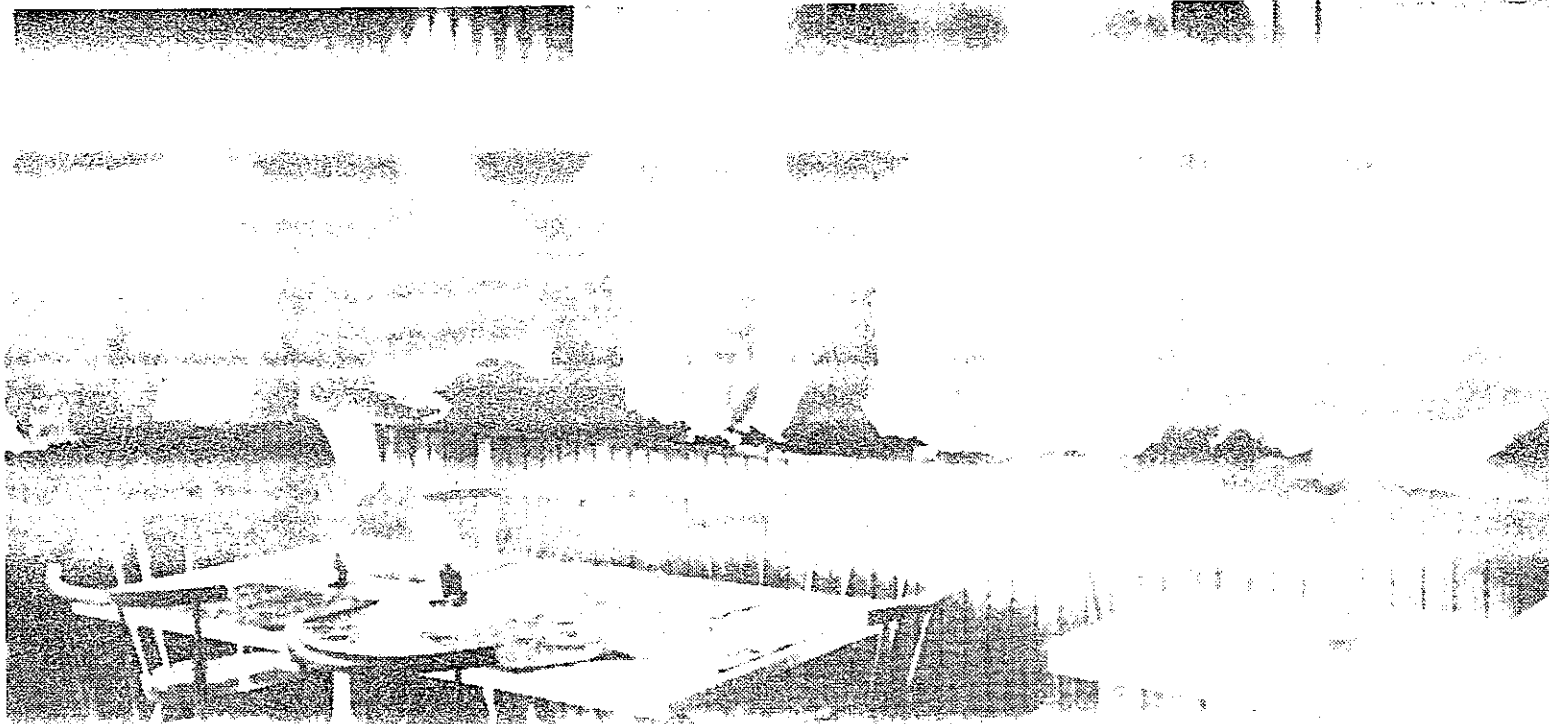
In last night's attack windows were smashed and curtains set on fire.

The raiders broke into the kitchen and started fires.

17/7/76 Food and cooking pots and pans were scattered over the floor and the restaurant forecourt.

Mr Dennen said: "The callers have said they represent a Black Power movement.

"They warned this would happen if I didn't bow to their demands."



Windows smashed out. Frames smoke-blackened by fire. This was the scene at the roadhouse restaurant today after it had been attacked by men described by the owner as Black Power militants. He said they had made threatening telephone calls to him demanding equal facilities for Black and White customers. They refused to understand why this was not possible, he added.

Shopping plan for Soweto border

27/7/76
STAR.

A revolutionary regional shopping centre on the border of Soweto, featuring supermarkets, furniture shops, offices and a hawkers' market, will be discussed at today's Johannesburg City Council meeting.

Soweto lacks such shopping areas because of strict controls on businessmen.

The proposed centre, to be established by White capital, is on 30 ha of ground on the old Potchefstroom Road next to Moroka.

The developers plan two department stores, two furniture stores and a complete range of specialist shops.

OFFICES

"Stores of this type are non-existent in Soweto and they would do much to reduce the weekend rush to the city centre," added the developers.

Building societies, banks, Government offices and offices for Black professional people, would also be opened.

"As part of the project it is intended that in time all buildings would be owned by Blacks," it is claimed.

The scheme needs the approval of the Administrator of the Transvaal.

~~SECRET~~
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KWAZULU ARGUS 28/7/76 STORES PLANNED

GREATERMANS has begun building a R1,4-million supermarket at Madadeni, Newcastle, and three more are planned in KwaZulu.

A public company, KwaZulu Chain Stores, is to be formed, trading as Checkers KwaZulu.

This will be one of the first White companies to team up with the Bantu Investment Corporation and homeland interests in establishing businesses which eventually will be transferred to exclusively homeland ownership.

Greatermans is one of three companies to sign agreements through the new tripartite system established between the BIC and the KwaZulu Government.

Shares will be available on a 50-50 basis to Whites and Blacks, with 5 percent of the White holding being transferred to Blacks on the ninth year, giving them a majority holding, and an additional 5 percent each successive year.

Sasko is also to build a bakery at Umlazi and the African Insurance Development Company will form an insurance broking company.

This is the warning Assocom didn't want to hear

A WARNING to White businessmen to influence political change or face economic disaster was one of the points the Rev Alan Hendrickse intended to stress this week in the speech Assocom did not want its members to hear.

An invitation to Mr Hendrickse, the Labour Party's executive chairman, to address Assocom's regional conference at Mossel Bay was withdrawn because of his controversial politics. He had been invited to speak on the Theron Commission's report.

Now Mr Hendrickse has told the Press what Assocom did not want its members to hear.

"I was going to express surprise at the political recommendations of the Theron Commission because, although it was appointed by the Government, it made recommendations contrary to the Government's policy."

The commission however, only dealt with the Coloured people and it was imperative that any political deal should include the Africans and the Indians. The economy rotated around the Black people because of their working and buying power.

White businessmen should listen to the

Tribune Reporter

15/8/76 5 TRIS

Black voices clamouring for full participation in the law-making machinery.

Because of the political situation, the economy was insecure. Since the Soweto uprising there had been a decline in new investments and imports were exceeding exports.

The economy depended on a sound political system and unless recognition was given to the political aspirations of the Blacks it would suffer and the White businessmen would suffer.

Commerce had the power to influence

change and it should divert that power in the right direction to see the political aspirations of the Blacks were met.

"I was going to tell them bodies like the Cabinet Council would never satisfy the political aspirations of the Coloured people or the Indians."

Mr Vorster had shown contempt for the so-called recognised Coloured opinion by consulting a group of unrecognised leaders and discussing a political direction already rejected by the people.

Mrs Ada Jansen was a political nonentity

and she would remain one in spite of the Government's attempts to build her up.

White businessmen should think deeply when the Blacks spoke about their true leaders. In the end it would be the true leaders who would matter and attempts to force leaders on them would not work.

White businessmen should show their goodwill to their workers by paying the rate for the job. There were no laws preventing the private sector paying equal salaries. They should create jobs to get their workers in technical training programmes and offer bursaries.

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Apartheid restrictions on Coloureds eased

11/9/76
DD

CAPE TOWN — A series of measures aimed at eliminating points of friction and "outmoded practices and usages" was announced by the President of the Senate, Sen Marais Viljoen, when he opened the 1976 session of the Coloured Representative Council here yesterday.

The measures included: Permission for Coloured and Indian business undertakings to be set up outside their group areas;

The ending of separate facilities at public buildings and at scientific and cultural conferences;

The relaxation of restrictions barring Coloureds from serving on the executive of mixed trade unions; and

Greater involvement of Coloureds in matters concerning housing and squatter problems.

Sen Viljoen praised the CRC liaison committee for its willingness for dialogue and peaceful negotiations.

"One matter which is still receiving pertinent attention at the liaison discussions is the removal of what can be described as outmoded practices and usages in the national administration which cause dissatisfaction among the Coloured population group," he said.

Among the Government decisions was a new regulation concerning general industrial areas.

"Here it has been decided that such areas should

have no group character, but should be freely available to Coloured and Indian entrepreneurs as well to establish their industrial undertakings there.

"It has further been approved that in cities and large towns, more liberal use will be made of the provisions of Article 19 of the Group Areas Act for Indian and Coloured traders outside Indian and Coloured group areas."

Sen Viljoen said the Coloured people had complained that compensation for Coloured property expropriated as a result of the Group Areas Act for slum clearance schemes was inadequate, and sympathetic Government consideration could now be given to the matter.

"Concerning the restriction on Coloureds to serve on the executive of mixed trade unions, it was decided that the Minister of Labour would grant exemptions to provide for Coloureds to serve on such executives, with due consideration to the membership of the relevant trade unions, and also to ensure that minority groups were not completely eliminated.

"Satisfactory guidelines have also in the meantime been laid down by the Government for the solution of problems which exist with regard to separate entrances, separation notices, separate service points, separate telephone booths, at public offices where these no longer serve any purpose.

"It is also accepted that Coloureds can participate equally in conferences for scientific and cultural purposes and that at such events separation measures concerning meals, refreshment and such matters will not operate."

Sen Viljoen said there should be separate

hospital wards for the various population groups, but there was no legal prohibition on patients at any hospital being treated by a doctor of their choice.

Renewed attention was being given to separate ambulance facilities and hospital boards would be constituted with regard to the hospitals and population groups they served.

"The administrators will also be requested to review all other bodies and institutions under provincial control where points of friction exist or may arise in future, for consideration by the Cabinet."

Sen Viljoen said he hoped there would soon be a great improvement in community facilities in Coloured areas following suggestions which had been made by a Community Development committee.

Sen Viljoen also announced that working committees, on which prominent Coloured people would serve, would be established to co-operate with the Department of Community Development and the relevant municipalities on the planning of Coloured residential areas, Coloured housing and the handling of the squatters problem.

The present system of local government management committees had never been seen as the final answer to the aspirations and claims of local communities to have a say in their domestic affairs, and the creation of autonomous municipal authorities for Coloured urban areas would be investigated.

"There is, in principle, no objection to communal reading rooms at archives, State libraries and museums," Sen Viljoen said. — SAPA

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- 3 134
- 4 123
- 5 279

R 25 000 loss faces two Reef traders

West Rand Bureau

Two Indian shops have been refused the right to trade in a new complex in Krugersdorp by the Department of Community Development after the town council approved their right to operate there. They stand to lose a total of R25 000 already spent on fittings.

The Bazaar and Cycle Works shops in Market Street, with stocks of R50 000 and R16 000 respectively, were given notice after 20 and 30 years by the owner.

After their applications were approved by the Krugersdorp Town Council the concerns rented two shops in the new centre.

'CONTENTIOUS'

"We had no doubt the Department of Community Development would grant our applications in view of recent assurances by the president of the Senate, Mr Marais Viljoen, and Cabinet Ministers that trading rights for Indians and Coloureds would be relaxed," a director of the Bazaar said.

He said his firm spent R15 000 on shop fittings and Cycle Works had spent R10 000.

The bazaar was given no reason for the refusal by the Department of Community Development. Cycle Works was told accommodation must be

sought in a "less contentious area."

Asked what this meant a senior administrative permit officer for the department said the Indians should apply to trade in areas in which Indians were already trading in the town.

He said it would be contentious for them to move into a White shopping area.

KOOP S.A. WARE: STUKKE MEER KAN GEDOEN WORD

DIT IS goed en wel om die gedagte van Koop Suid-Afrikaanse Ware aan te moedig, maar wat help dit as sommige van ons produkte nie die mas opkom nie?

Baie mense stel die vraag, en so ook die Verbruikersraad in Pretoria, wat pas opname in dié verband gedoen het.

OTTO KRAUSE het mnr. JOHANN VERHEEM, direkteur van die Verbruikersraad, gevra om sy mense se saak te stel teenoor dr. HENNIE REYNDERS, uivoerende direkteur van die Gefedereerde kamer van Nywerheid, wat namens die fabrikante in Suid-Afrika praat:

Mnr. Verheem, u Verbruikersraad het bedenkinge oor sekere aspekte van die gedagte Koop Suid-Afrikaanse Ware. Wat is u klag?

VERHEEM: Daar bestaan nie realistiese mededinging tussen sekere plaaslike en ingevoerde produkte wat gehalte en prys betref nie. Sommige SA produkte vergelyk baie goed met die ingevoerde. Ander steek sleg af wat prys en gehalte betref.

kers, handelaars en vervaardigers kennis moet neem van gebreke aan sommige SA produkte en van mededingende pryse.

Dr. Reynders, wat is u kommentaar op hierdie verskynsel?

REYNDERS: Ek wil mnr. Verheem net eers vra hoe die steekproef geneem is. Hoe groot was die monster

wat in die vervaardigingsproses gebruik is.

Ten tweede kan dit 'n geval van „dump“-pryse wees, dat die buitelandse fabrikant verkoop teen pryse wat ver benede sy produksiekoste is, en dat hy uitvoer na 'n land soos SA om sy produksie-omvang te handhaaf.

'n Derde faktor is dat die buitelandse fabrikant spesiale aanbiedings doen bloot om van voorraad ontslae te raak.

Ten vierde is dit in 'n internasionale resessie glad nie vreemd dat fabrikante goedere teen buitensporig lae pryse verkoop om hul fabriek aan die gang te hou nie. Dit is

alle ware in die winkel is goedkoop.

Voorts kan daar verskille in die afslag op die artikels wees omdat die handelaar daarvan ontslae wil raak.

Ten laaste: ons moet onthou dat die loonstrukture en die pryse waarteen grondstowe verkry kan word, internasionaal groot verskille toon. So bv. is loonstrukture in sommige lande heelwat laer as dié van ons swart werkers, om nie eens te praat van die ander bevolkingsgroepe nie.

Mnr. Verheem, het die Verbruikersraad 'n ant-

van die ondernemers uitgaan — om hierdie probleme deur middel van ondernemingsgees te bowe te kom.

REYNDERS: Ons fabrikante het nog altyd die uitdaging aanvaar. Maar daar is sekere faktore waaraan ons niks kan doen nie, bv. die grootte van die SA mark, en probleme in verband met voldoende beskerming deur middel van invoerregte op goedere wat teen buitensporig lae pryse ingevoer word om redes wat ek pas genoem het.

Maar kan u fabrikante nie meer omtrent die gehalte van hul produkte doen nie?

VERHEEM: Dit lyk juis

OOP GESPREK

OTTO
KRAUSE
gesels
met



Mnr. Johann Verheem Dr. Hennie Reynders

om die waarde van hierdie produkte onder die verbruiker se aandag te bring.

Die snob-waarde van baie produkte is aan die kwyn. Dit laat ruimte om trots in die plaaslike produk by die verbruiker te kweek.

Die SA Buro van Standaard kan mos 'n groter rol ten opsigte van gehalte speel?

REYNDERS: Ongetwyfeld.

VERHEEM: Ek stem saam. Die Buro se gehaltemerk is vir die verbruiker van onskatbare waarde. Dit is noodsaaklik dat die ondernemerskorps meer gebruik maak van dié merk, ook in hul bevordering van verkope.

PORT ELIZABETH. — The Association of Chambers of Commerce congress here this week showed, perhaps the first time, that all businessmen in South Africa — Black, White, English and Afrikaans — realise a drastic improvement in race relations is necessary to cure South Africa's economic ills.

It also became obvious, following the Prime Minister's controversial 'hands off politics' opening speech that the country's political and economic policies were welded so closely together it had become impossible to find the join.

Speakers at the congress which included some of South Africa's top financial and economic brains showed many of South Africa's racial policies were causing economic ills and most of the important motions dealt with by the congress had a race relations theme.

The realities of the situation were summed up in a paper by the chairman of the Bantu Investment Corporation Mr S. P. du Toit Viljoen.

INCREASE

He said: 'Black, Coloured and Asian South Africans are going to constitute an increasingly larger proportion of the population of this country.'

'They will become increasingly urbanised, industrialised, better educated and more conscious of their rights and role in our society.'

'This will entail the provision of work opportuni-

POLITICS IS OUR DUTY SAY BUSINESSMEN

From Peter Goosen

ties in keeping with their training and education... and an increasing participation in the administration and government of the country.'

INTERVENE

After the dust had cleared following Mr Vorster's hotly debated speech the newly elected Assocom president, Mr S. O. Goodwon, of Pretoria, made it clear Assocom would continue to be heard on economic matters and on political matters when they affected the economy.

Before the congress closed, he said: 'We don't shout things from the rooftops. However, there are economic ills and some of them flow from political policies.'

'We will get nowhere by confrontation, but when necessary we will intervene, put our case and ask for modification or change — it is our duty to see that this country remains economically viable.'

The motions of the congress dealing with race relations — all accepted unanimously — called for the elimination of discrimination on grounds of

race, including job reservations, a better and more humane deal for migrant workers and the implementation of those of the Theron Commission recommendations that would encourage Coloured business development.

It was during the "debate" on the elimination of discrimination that Mossel Bay delegate Mr A. N. Vincent urged that Assocom get the backing of the Afrikaans business organisations to form a united front on the race relations issue.

Following a similar plea by other speakers, the executive director of the

The move was also welcomed by the president of the National African Federation of Chambers of Commerce, Mr Sam Mutsuenyane, who said he was 'very heartened' by Assocom's attitude.

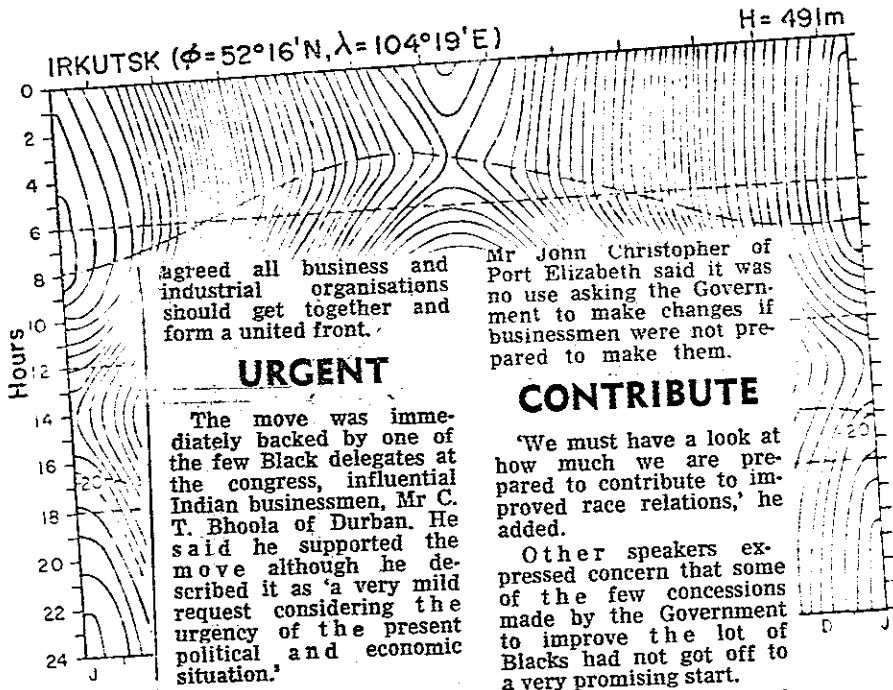
Both men stressed the present economic and political situation affected them as much as White businessmen.

PRACTISE

Mr Mutsuenyane pointed out that during the recent disturbances the worst affected were Black businessmen who were seen as the 'haves' in a society of 'have nots.'

It was also pointed out at the congress that while organised commerce was urging reforms in race relations businessmen had better learn to practise

Assocom firm on change in race relations



agreed all business and industrial organisations should get together and form a united front.

URGENT

The move was immediately backed by one of the few Black delegates at the congress, influential Indian businessmen, Mr C. T. Bhoola of Durban. He said he supported the move although he described it as 'a very mild request considering the urgency of the present political and economic situation.'

Mr John Christopher of Port Elizabeth said it was no use asking the Government to make changes if businessmen were not prepared to make them.

CONTRIBUTE

'We must have a look at how much we are prepared to contribute to improved race relations,' he added.

Other speakers expressed concern that some of the few concessions made by the Government to improve the lot of Blacks had not got off to a very promising start.

Mr M. Gardner of Springs said the statement by the Government on home ownership had been welcomed 'but a sourness seems to have developed and there are far fewer applicants than expected.'

SPONGE

'Investigations show that an Alice in Wonderland situation has developed and the applications are absorbed by a vast bureaucratic sponge with only a little of the original intention filtering through.'

Few of the long row of Government secretaries and deputy secretaries had much to say on the question of improved race relations.

PROTECTED

The only one to speak out — on job reservation — Mr S. P. de Villiers, Deputy Secretary for Labour, said job reservation laws would never be repealed as the White worker had to be protected.

It was obvious that Asocom had got a long struggle ahead of it to make progress with any of the resolutions it passed dealing with race relations.

This was summed up by Mr Mutsuenyane who said near the end of the congress: 'How many of your good resolutions will be implemented? How many of the resolutions you passed last year have been implemented?'

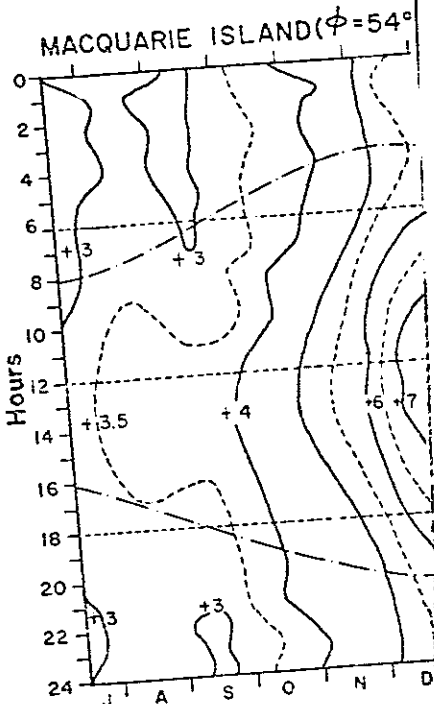


Fig. 10 a-h. Climatic diagrams showing isopleths of temperature and a dashed line indicating sunrise and sunset. a-h examples for different altitudes, given at top of figures.)

We want capitalism in South Africa, says Black banker

By Neil Behrman: LONDON

A TOP Black business man said this week that it would be a disaster to think of replacing the capitalist system in South Africa.

Mr Sam Motsuenyane, chairman of the African Bank and president of the National African Federal Chamber of Commerce, told me: "The African is basically a capitalist. From tribal days a man's wealth was assessed in terms of cattle. I don't believe Blacks want to become communists."

"About 220 000 Blacks come on to the labour market each year. I don't think a communist system will create jobs and opportunities as successfully as capitalism."

Mr Motsuenyane was asked to comment on the fact that Mozambique, Angola and other African states had gone communist.

He replied: "If the Portuguese had not fought with the Blacks there would have been time for an alternative system."

Opportunities

"If communism succeeds in South Africa, it will be because we have failed to make free enterprise succeed. Through apartheid the South African Government restricts free enterprise."

"Blacks are looked upon as labour and peasants. If you want communism, keep them down. If not, then give them opportunities. If Blacks own homes and have a share in the country's wealth, then they will defend capitalism. At the moment, Blacks are capitalists without capital."

"Mr Vorster must move faster than his people want him to. But the situation is so threatening that if he does not move now there would be even greater danger."

"He must call a national convention of all parties and racial groups. Everyone must concede the existence of separate development and from this point work towards changing the system."

Mr Motsuenyane was in London after a visit to Sweden to attend a conference of the International Chamber



MR SAM MOTSUENYANE
Capitalists without capital

of Commerce, of which he is a council member.

He has also spoken to British industrialists and economists and has visited the United States.

Other points he made in our interview were:

- Whites tend to exaggerate the consequences of change. But the country has balanced Black leaders who have become refined by Western society and the industrial complex. Generally, South Africa's Black leaders are superior to those in the rest of Africa.

Wrong time

- Concessions to Blacks are a problem of good solutions at the wrong time. "We have allowed events to overtake us. The winds of change have turned into thunderstorms."

- If the Blacks had had weapons they would have resisted the police more strongly during the riots. Without these weapons, they are beginning to realise that the economy is the Achilles heel. They know they can wreck the economy by withdrawing their labour.

- It is not in the interest of Blacks to reduce foreign investment in South Africa. It would create more unemployment. It is foolhardy to believe that it would provoke them to revolution.

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301
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We want capitalism in South Africa, says Black banker

By Neil Behrman: LONDON

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Mr Sam Molsengane, chairman of the African Bank and president of the National African Federal Chamber of Commerce, told me: "The African is basically a capitalist. From tribal days a man's wealth was assessed in tons of cattle. I don't believe Blacks will become communists."

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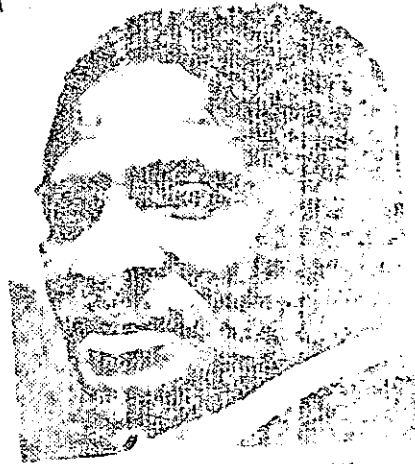
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"Blacks are looked upon as labour and peasants. If you want communism, keep them down. If not, then give them opportunities. If Blacks own homes and own a share in the country, we will then they will defend capitalism. At the moment, Blacks are a mass of slaves."

"I have seen more violence in the South than in any other part of the world. The Blacks are not happy. They are not satisfied with the present system. They are not satisfied with the present system. They are not satisfied with the present system."

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ARGUS 27/10/76

Call for single voice in business

The Argus Financial Staff BUSINESS leaders would be failing in their duty if they denied themselves their right to approach the Government on matters which they believed would eliminate friction points, purely on the grounds that the advice was inimical to Government policy objectives, said Mr Hymie Wolffe, past president of the Association of Chambers of Commerce.

Fortunately this right had been confirmed last

week by the Prime Minister, Mr B. J. Vorster, who reiterated publicly that commerce and industry had the right to disagree with the Government and to make their representations.

'But his Government quite naturally was not

amenable to attacks from public platforms,' Mr Wolffe said in Cape Town today.

Speaking at the annual lunch of the Cape Chamber of Industries, he called for a unified national chamber of commerce and industry to provide 'a uni-

fied platform for expressing our common but changing economic sentiments.'

There was no longer any justification for the historic separation and wasteful duplication of effort by organised commerce and industry.

All three organisations — chambers of commerce, industry and the Afrikaanse Handelsinstituut — spent much of their separate budgets in evaluating the consequences of official policies and their implementation.

All monitored the economic and business situation' and of late have been making the same recommendations as to adjustments in economic policy.'

All were trying to offset the 'rising tide of anti-business sentiment which seeks to place the blame for what has gone wrong on the shoulders of business.

'Perhaps if we had combined our forces earlier we might have been more successful in those areas

The British Foreign Secretary, Mr Anthony Crosland, said in London that reports from the conference chairman, Mr Ivor Richard, make him optimistic that agreement will be reached between the White Rhino and the Black Rhino.

GENEVA — A new meeting opening tomorrow of the

The Argus Spe of ta

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(3)

S.A.'s fading farming heritage

21/10/76

nm

PORT ELIZABETH—The Minister of Agriculture, Mr. Hendrik Schoeman, yesterday promised to investigate complaints by businessmen about the country's agricultural set-up, but warned that his main task was to look after the dwindling farming population.

The number of farmers had been shrinking by about 2 000 a year and now stood at 78 000, he told the annual Assocom congress here, adding: "These are the people I am fighting for."

The days of inefficiency in farming had gone, he said, and escalating costs meant it now took about R200 000 to establish a new economic

farming unit — "and it is not easy today to make a success of farming."

He defended the present set-up of control boards and said the interests of consumers were always considered.

Attempts were being made to streamline the boards, he said, but basically they were doing a sound job and added

only a minimal amount of the cost of products.

Answering questions from delegates, the Minister said the registration of bakeries and butcheries was necessary to ensure that the "small man" stayed in business.

He dismissed suggestions that the control boards should do more research work, and said the Department of Agriculture had the biggest research department in Africa.

Its staff, he said, would be enticed away if other bodies began duplicating the department's research work. This had already happened in certain cases.

On co-operatives, he said that if they were subjected to the same taxes as ordinary companies, they would then not be subject to present restrictions and would be able to sell all ranges of goods.

Every effort was being made to extend electricity to more farming areas, he said, but as the cost of electricity mounted farmers were finding that it paid to go back to diesel engines for their pumps. — (Sapa.)

Unisa man calls for Blacks in top positions

Own Correspondent
DUESSELDORF. — At an investment conference here Mr Ben Mokoale, lecturer at the University of South Africa business school, urged businessmen to place Blacks in senior executive and management positions.

He said Blacks were under-employed. Surveys indicated that they wanted to improve their working conditions and their chances of promotion. For the South African economy to mature, Blacks should be placed in top posts.

Mr Mokoale said that German businessmen should continue to invest in South Africa but he stressed that they should do their utmost to promote a Black middle and upper class. Chief Executive

Mangope of Bophuthatswana also stressed that foreign industrialists should continue to invest in the country, but he stressed that they should do their best to eliminate discrimination in their own concerns.

He said that discrimination was common to all countries but that the South African problem was that discrimination was institutionalized.

He said he was not worried about those who called him and other homeland leaders stooges of the Government and of White liberals, because he knew he was walking in the best interests of South Africa. The only solution for South Africa was to move away from racial discrimination.

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154

THE NEED: Ferment in South Africa's political scene

A BLUEPRINT

14/11/76 Sun T.

OF DESTINY

By FLEUR DE VILLIERS

DR JAN S. MARAIS, leading Afrikaans financier, has called on the Government to produce a "drastic, dramatic blueprint of destiny" to save South Africa from chaos.



DR JAN MARAIS
"Ghastly inevitable".

The world, he says, believes South Africans are "playing the party political game while the country is burning."

Dr Marais, head of the Trust Bank and of the South Africa Foundation, has just returned from a trip to the Far East, the United States and Europe. He says in a hard-hitting statement that South Africa is suffering from a credibility gap in important circles abroad.

While its resources and strategic position are acknowledged, it is regarded as "out of step, an embarrassment to be involved with, and a maze of discord".

Major reasons for the credibility gap are:

● No worthwhile action has been taken to dis-

South Africans play while country burns, says Jan Marais

mantle discrimination, despite promises made two years ago;

● The Angolan episode, which was seen as a disaster for South Africa and tarnished its image;

● Unimpressive statements about the Soweto riots.

Pretoria's policy on Transkeian citizenship was seen in the West simply as a "numbers game gimmick" designed to main-

tain White dominance — "regardless of reason, justice and morality".

Dr Marais believes South Africa must design a policy which moderate members of all racial groups would work and fight for "rather than plunging headlong into the ghastly inevitable".

It must be a policy which South Africa could sell and justify abroad, which would not exclude a "re-designed and refined homelands or federal concept" and would ensure a secure and happy future for all.

It would be a turning point and South Africa could expect active support from many quarters to counter communism in Southern Africa.

On the Roosevelt - Selous exchanges, see J.H. Ferguson: American

SUGGESTED VACATION READING Dittrell (1969), p. 234.

Portuguese, Spanish, Dutch and Russian Colonisation.

The books specifically recommended for this part of the course, which will be offered during the year, are:

J.H. Parry: The Age of Discovery
History of the

D.K. Fieldhouse: The Influence of F.O.

J.H. Parry: The Spanish

Two other useful Pelican titles in libraries are:

C.R. Boxer: The Portuguese

C.R. Boxer: The Dutch

The story of exploration

For the momentous story

is vividly portrayed in

A reading of P. Longworth

You might like to know

and G. Ordish: The East

Casas will give you a

seen through the eyes of

Petermann: Builders of

For an impression of

The Story of the Dutch East

Whilst Western Europe

of that time. You will

gives an absorbing account

of diverse local elements traditionally hostile to Great Britain. Unless this country adopted a more positive and logical approach on vital issues, it would become less and less acceptable and concepts such as the homelands would become ultimately unsaleable. Dr Marais said:

Many top figures in the world would "love to see us become acceptable again."

But, at the moment South Africans had the image of losers, "of having to yield to pressure and of being dragged along by a maelstrom towards the inevitable."

"To switch from this negative situation we will have to come forward with something drastic, almost dramatic, with a clearly spelled out blueprint of destiny for all our various racial groups."

Dr Marais predicts that Mr Carter, the US President-elect, will be "out on South Africa" and exert pressure for the "fair and morally justifiable treatment of the various Black groups."

French attitudes to South Africa could harden, Dr Marais says, and he asks: "If meaningful change does not occur — and soon — to appease some of the expectations of our Western friends, whose goodwill we still retain, how long will it be before France might also have to adopt anti-South Africa ideas, both in theory and practice?"

Japan, vitally interested in our resources and in South Africa as a market for her exports, had become cautious. A further cooling-off could be expected as Japan strove to improve its image at the United Nations and to gain a Security Council seat.

Dr Marais suggests that communist China also is interested in South Africa's resources and that, through Hong Kong, Pretoria should explore this trade channel.

the Americas, I recommend the Diary of Christopher Columbus by the editor, Samuel P. H. Hildreth. The Cossacks

quintadors. The Cossacks

may be joined

an hour or two with E. Hyams

study of Bartolome de las

Spanish enterprise, as

is W. Stewart and H.F.

Madariaga, etc).

I suggest, B.H.M. Vlekke:

: Those in Bondage.

The pro-Boer issue

in the 15th and 16th

of the great Ottoman Impact on Europe

Keep workers happy and reap the rewards

By MADGE SWINDELLS

A NUMBER OF LEADING industrialists and Government personnel are appealing to South African management to give workers all possible incentives and fringe benefits to help develop a stable workforce.

Recently the Minister of Mines and Labour, Mr S. P. Botha, appealed to industrialists to give workers every opportunity for self-development, warning that the country's economic growth depends on a peaceful, motivated work force.

The labour problem in South Africa should be approached qualitatively, not quantitatively, the Minister said. He pointed out the rewards to the employer in providing good working conditions in terms of increased productivity, adding that each year more than 2 000 workers are fatally injured in occupational accidents and 32 000 suffer permanent disablement. The cost to the country is estimated at R35 million a year.

Concerned industrial leaders point out that there are four main areas where South African management can assist in building a contented, productive black workforce:

- Better training facilities in the work place.
- Better in-plant feeding schemes.
- Better leisure-time facilities.
- Assistance with home ownership.

Ed Verburg, of the Johannesburg Chamber of Commerce, this week urged members to investigate black holiday resorts for their workers. He says it is surprising how little is known of the holiday resort for blacks at

Umgababa, on Natal's South Coast, developed by the Xhosa Development Corporation. It is not well-known that four camps in the Kruger Park provide facilities for blacks.

There are a number of holiday resorts and rest camps throughout the country and industrialists should examine the possibility of offering one-week holidays for two as productivity rewards or in recognition of long service.

Basil Myburg, general manager of Ebony Homes, a company recently set up to provide black homes, says this week that large sums of money are currently being allocated for the provision of black homes and it is only a matter of days now before the legislation is finalised.

He urged industrialists to consider loans to deserving employees so that they can pay the deposit on their own homes. He points out that the Government's plan to give blacks a 30-year tenure on homes is an important step towards stability and peaceful co-existence.

"The Africans' desire for better conditions is evident in figures from the West Rand Board, which show that during 1975 the Board approved R600 000 worth of development in black homes. When a black wants finance for a new home he is asked for a ten percent deposit and his employer is asked to agree to deduct the monthly repayments from his salary.

"This need not place too great a burden on the employer, but would produce considerable returns for industry in the long run, in terms of increased productivity and a more stable work force."

Strub
14/11/78

Blacks may soon have more rights in business

Argus
19/4/76

Own Correspondent
The Government is thinking of extending black business rights in urban black townships.

This includes allowing white know-how and perhaps even white capital into the black townships.

However, the Deputy Minister of Bantu Administration, Mr Willem Cruywagen, says no firm decisions had yet been taken.

He said he discussed certain matters with the National African Federated Chamber of Commerce (Nafcoc) and asked the organisation to come forward with proposals to improve the position of black businessmen.

He also proposed that Nafcoc meet him on an annual basis for discussion in this regard.

CAPITAL

Certain matters have also been referred for consideration to the Bantu Affairs Commission, including the question of investment capital for the black townships.

Mr Cruywagen said he believed black businessmen had to be given better facilities, but the question was where the capital for this should come from.

"Actually, Nafcoc does not really want white capital in the black areas, but ways could be devised of getting white know-how into the areas," he said.

He said he had sugges-

ted to Nafcoc that the immediate problems of black businessmen be dealt with, like floor space for shops and the better use of existing business premises.

Curbs on black businessmen, like limiting them to one undertaking, could also be reconsidered.

Mr Cruywagen pointed out, however, that the present limitation was not an absolute rule, and the businessmen could apply to have more than one business.

On the question of white capital and the establishment of supermarkets in the black townships, Mr Cruywagen said there was also the small businessman to think of who might be pushed out of business.

30/49.

Company liquidations rise by 20 percent

Industrial Reporter

18/11/76

THE deepening recession, in South Africa has led to a 20 percent jump in company liquidations in the first nine months of this year compared with the similar period of 1975.

The latest short-term economic indicators published by the Department of Statistics in Pretoria show that 808 companies went under in the year up to the end of September, up from 676 in the previous corresponding period.

The implications for unemployment have already become apparent, with the number of jobless rising by 50 percent in the year up to the end of October.

There has also been a drop-off in the number of new company registrations.

Insolvencies of private individuals and partnerships have increased. The figures show 692 bankruptcies in the year to August compared with 623 in the similar period last year.

Judgment for civil debts in the same period increased by about R1m to more than R56m.

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19/11/76 C.T

New plan for urban Blacks

By GORDON KLING

PROMINENT South African business leaders have launched a massive initiative transcending party politics and organized commerce and industry to improve the quality of life of urban African and Coloured communities.

The founding members of the new movement, which includes top African, Coloured, Asian and Afrikaans- and English-speaking White business men, have invited other business leaders from all sections of the population to a conference in Johannesburg on November 29 and 30 to decide on a practical course of action.

A spokesman for the group, Mr D P de Villiers, head of Nasionale Pers, said in an interview in Cape Town yesterday that contemplated action would be offered in a spirit of assistance to the Government and not confrontation.

The business men appreciated actions of

the authorities on Black and Coloured housing, but at the same time were acutely aware of their own basic responsibilities, particularly to their employees, and were convinced that the private sector could make a much greater contribution.

The exact methods for achieving improved well-being of the urban communities were a matter for discussion at the conference, Mr De Villiers said, and there would be subsequent liaison with the appropriate authorities.

Co-hosts of the conference include Dr F Cronje, chairman of the SA Permanent Building Society, Mr H F Oppenheimer, chairman of Anglo American, Mr D P de Villiers, Mr S M Motsuenyane, director of the African Chamber of Commerce, Mr F M Harris, managing director of a Coloured building group, Mr P Poovalingam, a prominent Asian business man, and Dr A E Rupert, chairman of the Rembrandt group.

TCI president's plea for a black middle class

Star
12/1/26

30.

The importance of creating a climate in which industry can develop to the fullest extent was emphasised by Mr E Hausmann in his year-end presidential address to the Transvaal Chamber of Industries in Johannesburg yesterday.

He said Government could contribute by recognising conditions that led to the greatest benefits from industrial activity, and by avoiding acceptance of ideologies foreign to democratic concepts.

Referring to a memorandum presented to Government earlier in the year, Mr Hausmann said the foremost recommendation was for the recognition of a stable, permanent urban black community in the industrial and metropolitan areas.

Secondly, there was the need for the development

of a black middle class, that, by its nature, would not fall prey to subversive propaganda and agitators.

Thirdly, there should be a humane and understanding attitude towards the black man's problems at all levels of contact.

On the need for education and training, coupled with definite job opportunities, Mr Hausmann said discussions had begun which he hoped would lead to full home ownership.

CAPITAL

He said that all-important confidence would be restored in South Africa and abroad if progress were seen to have been made in removing a number of restrictive measures from the statute book.

"It is precisely due to the lack of confidence that the greatest difficulties

are experienced, both by the private and public sectors, in raising much-needed investment capital from overseas, a factor which is contributing to a large extent to the parlous state of our economy," said Mr Hausmann.

No effort by Government alone could create the right impression and it should be complemented by appropriate action by business leaders in their contacts with business interests overseas.

INTENSIFY

Mr Hausmann emphasised the constant need to intensify the country's export drive, especially in the context of under-utilised productive capacity and the creation of increased work opportunities. There should also be more emphasis on the export of beneficiated products rather than raw materials.

Despite the present unfavourable conditions, the country should guard against the effects of a psychology of depression and should instead generate an atmosphere of confidence and sober optimism.—Sapa.

30/332/279

Business plans to aid blacks

5 Oct 19/11/76

South Africa's top businessmen meet in Johannesburg later this month to work out ways of improving life in black townships.

More than 150 leading businessmen, academics and administrators have been invited to the conference to be held at the Carlton Hotel.

They are likely to discuss funding for housing, education and other amenities in black areas.

Prime movers behind the meeting are Mr Harry Oppenheimer, chairman of Anglo-American Corporation, Mr Dawid de Villiers, managing director of Nasionale Pers, and 13 other business leader of all races.

Mr de Villiers said that while it was possible that a fund would be set up to improve black amenities, it would "certainly be no paternalistic hand-out."

"We are hoping to make provision for things like education, housing and other amenities on an economic basis," he said.

Mr de Villiers said details of how this would be done had to be discussed at the conference, but "we feel that private enterprise has an enormous responsibility and should do a great deal more to help both qualitatively and quantitatively in the provision of urban black amenities."

Among business leaders who will attend the conference are Mr Punch Barlow, Dr Anton Rupert, Dr Frans Cronje, Mr Sam Motsuenyane, president of the National African Federated Chamber of Commerce, Mr Pat Poovalingam of Durban and Dr A J J Wessels.

The conference will be addressed by leading academics and chaired by Mr Oppenheimer.

Nat. Merc. 19/11/76

Industry warns a unrest and jobl

JOHANNESBURG—Non-White unemployment is bound to increase, while the attitude of White employers to non-White stay-aways is hardening.

These forecasts are contained in the annual report of the Transvaal Chamber of Industries, which also warns that all South Africans must be prepared to accept a lower standard of living if inflation is to be beaten.

The Chamber's economic affairs committee says much greater productivity would follow if over-employment could be overcome — and greater productivity is the key to an improved economy.

"With the rise in Black wages and the effects of the recent Black unrest, manufacturers are inclined to mechanise where possible, and in any event have come to recognise that they can do with less labour without affecting their rates of production.

"This tendency will continue on a national basis, and unemployment, among Blacks especially, will increase regardless of its socio-political consequences."

Political

The Chamber's legal and labour division says non-White unrest and stay-aways since the middle of the year were largely of an anti-establishment and political nature.

There was no doubt, it said, that non-Whites had many genuine grievances, which could have precipitated the present unrest.

"In the meantime, the attitude of employers in general has hardened considerably and workers have, in almost all cases, been warned that if they do not work they cannot expect to be paid." — (Sapa.)

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Businessmen join to aid non-Whites

Mercury Correspondent

CAPE TOWN — Prominent business leaders have launched a massive initiative to improve the quality of life of urban African and Coloured communities.

The founding members of the movement, which includes top African, Coloured, Asian, Afrikaans and English-speaking businessmen, have invited other business leaders from all sections of the population to a conference in Johannesburg on November 29 and 30 to decide on a practical course of action.

A spokesman for the group, Mr. D. P. de Villiers, head of Nasionale Pers, said in an interview yesterday that action would be offered in a spirit of assistance to the Government and not confrontation.

The businessmen appreciated actions of the authorities on African and Coloured housing, but at the same time were acutely aware of their own basic responsibilities, particularly to their employees, and were convinced that the private sector could make a much greater contribution.

Participants

The exact methods for achieving their aims were a matter for discussion at the conference, Mr. de Villiers said, and there would be no agreement before any action was taken.

Participants at the conference included Mr. J. G. van der Merwe, chairman of the N.A. Forethought Housing Society, Peter Hurry, chairperson of Anglo-Africa, Mr. S. M. Motswagole, chairman of the African Chamber of Commerce, Mr. P. B. Hart, director of the Coloured Builders' Association, Mr. J. P. P. van der Merwe, chairman of the National Industrial Council, Mr. A. B. Koenig, chairman of the Industrial Group, and Mr. G. J. van der Merwe.

21
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By Lester Venter

SOME of the country's largest tour operators have measured a drop of up to 60 percent in the number of foreign tourists coming to South Africa since the riots began here in June.

Mr Clyde Davidson, director of the Cape Peninsula Publicity Association, said the foreign tourist turnover for the rest of the season could remain 40 to 50 percent down.

This is seen as a severe knock to the tourist industry, which generated an estimated R275-million in foreign exchange last year and brought R30-million to the Peninsula alone.

Mr Davidson's forecast is borne out by figures drawn up by the chairman of the South African Tour and Safari Association (SATSA), Mr Brian Paterson, and by the experiences of people — such as taxi-drivers — who live almost exclusively from tourism.

Mr Paterson said this week that in the two months after the riots began in June, foreign



MR CLYDE DAVIDSON
... only half as many foreign tourists as before in the Peninsula this season.

tourism to South Africa dropped by 48 to 60 percent. He said this was a direct result of the turbulence in the country.

Mr Paterson, who is managing director of a large

tourism firm, said he had made his estimate 'after talking to members of SATSA and looking at my own figures while doing budgets for the season.'

He challenged the accu-

racy of figures given by the Department of Statistics which, he said, showed a drop of only 2 000 tourists during the same period he had used for his calculations.

He said some companies in SATSA had had up to 10 group tours — some of them involving as many as 400 people — cancelled in one month.

'This is proof from people who are handling overseas tourists,' he said.

A senior official in the

National Tourist Bureau in Cape Town said there were no statistics on the state of tourism in recent months. There were too many variables to be taken into account, he said.

'We will be able to tell only in March next year exactly what happened,' he said.

Mr Paterson said his firm had cancelled a promotional tour overseas because, he said, a similar tour recently had shown that the climate in many

other countries was 'hostile' to South African tourism.

In one cancellation letter a Dutch tourist who had arranged a tour for a party of four — an outlay of R5 000 to R6 000, according to Mr Paterson — said intimidators had threatened to burn his house down if he left.

Tourism suffered a further serious setback this month with the announcement that the last of the passenger carrying mailships are to be withdrawn.

Only three years ago five mailships used to call at Cape Town. By the time the Cape's next tourist season comes round there will be none.

Meanwhile, many Cape Town's taxi-drivers are already feeling the pinch.

A number of Foreign drivers estimated independently that their income this year had dropped by half. They are now struggling to get by, they said.

RIOTS KNOCK CITY TOURISM



Mr P. Borman (left) president of the Border Chamber of Industries, presents the outgoing president, Mr R. A. Recsei, with an engraved tankard in appreciation of his services over the past two years.

Industries president

Government

be so high."

He paid tribute to the way the railways cooperated at a local level, but it "when it comes to dealing with the Railways as a whole, from Johannesburg, I am afraid that is a different story."

On labour unrest, Mr Recsei said the situation in the Border had been comparatively good during the past year.

"While the Prime Minister warned commerce to stay out of politics, I think commerce and industry consider the Government should listen to their problems and take some note of their advice.

"We would also like some

direct or indirect assurance that the Government is coming to grips with long term issues, and does not merely act on a day to day basis, trying to appease voters or local party officials, who are unlikely to be sufficiently knowledgeable about the grave long term issues facing our country."

Mr P. Barman (Dunlop) is the new president, with Mr Recsei as vice-president. The treasurer remains Mr R. Cullingworth, while the new executive committee comprises: Messrs N. Baxter, D. Breetzke, R. Cook, C. Dewar, J. Rich, O. von G. Scholtz, H. T. Snell and, from King William's Town, Mr I. R. Fleming.

— BUSINESS EDITOR

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Sunday EXPRESS **Busi.**

Sanlam: R1 143m

SANLAM, South Africa's second largest insurance company, joins the billion league this year. Its assets for the year total R1 143-m which means that the company has doubled its size in six years.

Managing director Pepler Scholtz announced this weekend that Sanlam's total income has for the first time exceeded the R300-m market and its assets the billion rand mark, writes Penelope Gracie.

Between them Sanlam and the Old Mutual share 50% of

giant

all insurance in South Africa and the competition for business and the top spot is extremely keen.

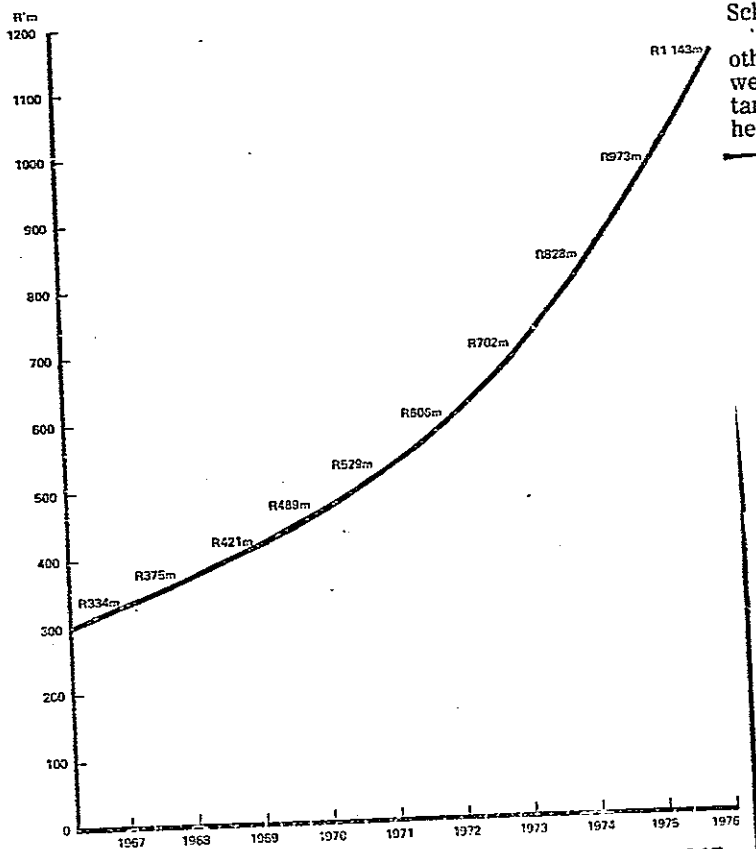
In the past financial year, ended September 30, Sanlam's total income increased to R310-m, twice the size it was four years ago. The company's assets in-

creased by R170-m and now stand at R1 143-m. (The accompanying graph highlights the growth in assets since 1967.)

Scholtz pointed out: "Our payments to policyholders in the past year alone increased by 23% to R94-m. Of this R43-m was accounted for by death claims and R19-m by policies which reached their maturity dates."

Ailments of the heart together with other ailments of the circulatory system are still the main cause of death claims, according to Scholtz.

"Motor accidents and other causes of violent death were the second most important cause of death claim," he said.



• Sanlam's total assets for each year since 1967.

Marais talks on vital components of blueprint of destiny for SA

(30)
CT 29/11/76

Interview with Dr Jan Marais

By DAVID WILLERS

DR JAN S MARAIS, in a wide-ranging and exclusive interview with the Cape Times this week said Afrikaner nationalism was not a spent force but, more importantly, indicators indicated that a new broadly-based South Africanism was in progress.

He also said it seemed that the public would like to see a strong and effective opposition, more representative of all the language groups.

He warned that room would have to be made for the political aspirations of an "irreducible number" of urban Blacks in a future South Africa.

Dr Marais is the chairman of the Trust Bank of South Africa, and president of the South Africa Foundation.



Dr Jan Marais

Question: Granted that the South Africa Foundation cannot prescribe to politicians what they must and must not do — could you in your personal capacity sketch in greater detail your "blueprint" for a happier South Africa?

Answer: I do not believe that it is practical and logical in my present position to try to assume two separate identities.

It is further obvious that hardly any important national issue can be considered in complete isolation from politics. However, the policy of the South African Foundation is to do research, to collect facts, analyse trends and events, and then tell South Africans and the world at large what these are and what the "indicators indicate". In this context, it is therefore further obvious that many of the basics or vital components of a blueprint of destiny for South Africa come to the fore. These we repeatedly highlight in the South Africa Foundation. And we find that facts, understanding, appreciation of alternatives and true perspective prick minds, lead to meaningful debate and, we believe, must inevitably lead to the wisest policies and actions.

Question: Do you think that business in the Republic should exercise greater "political awareness" in its treatment of Blacks?

Answer: Yes: Not only business, but private households, the professions, sport bodies, practically everybody else. It needs to be remembered that we are involved in psychological warfare. Each and every incident of insult, discrimination, holier-than-thou attitude, all these have a bearing on the destiny we are shaping for ourselves. These principles apply to all races.

Question: Do you consider, as is said in some quarters in the USA, that National Party policy is handing South Africa on a plate to Black socialist and communist forces?

Answer: According to its belief and ideals, it is exactly the opposite the National Party aims at. It portrays itself as dedicatedly anti-communistic and anti-socialistic. What is being

said in important circles is that if the Nationalist Party as a living organism is not prepared and not able to read the signs of the times correctly and to adapt and adjust its strategy in accordance with logic, morality, justice and fairplay, it will more and more be accused of creating fertile soil for Black socialist and communist forces among our increasing number of frustrated Blacks and others here at home.

Again, as regards these matters, we endeavour to ascertain the facts and to make them known. It should then be so much easier for the public to make up their own minds — to judge political issues and parties for themselves in true perspective.

Question: Do you believe that the abolition of "petty apartheid" may lead in time to urban Black enfranchisement and ultimately Black majority rule?

Answer: There is no convincing evidence that the abolition of petty apartheid in itself will be the reason for a form of Black enfranchisement which will lead to Black majority rule. However, the realities of the situation seem to indicate that there will remain, even if the independent homelands are a roaring success, an "irreducible number" of urban Blacks for whose political aspirations room will have to be

made in the future South Africa, i.e. in a similar manner as for the Coloured people and the Asians.

It may be interesting for you to know that however outspoken some of our critics may be in favour of so-called majority rule, there are at least some of them. I would say an increasing number, who admit in private that such a thing hardly exists and that efforts in this direction in developing countries, lead to chaos and misery. They would not want majority rule to be pushed down our throats.

Question: Do you think the "new opposition" will play any meaningful role in a future South Africa? Have you been approached to join the "new opposition"? If so, what are your intentions in this respect?

Answer: I really do not think that it is fair to judge a new opposition even before it is born. I also don't think that there is any merit in, for any individual, including myself, to start "advertising" whether he or she has been "invited" or not.

What I can tell you is that we encounter more and more comment to the effect that the public would like to see a strong and effective opposition, more representative of all language groups. It is felt that there should be more effective participation in

politics by all language groups.

Question: Do you see any sign at all abroad that Western interests may support the Bantustans if discrimination on the grounds of colour is abolished in South Africa?

Answer: Yes. But not easily. It was and still is possible that a package of a scientifically redesigned and refined homelands concept can be made up which will be "saleable" in important circles on a logical, moral and fairplay basis. Also justified on a historical basis and with reference to many other examples in the world. However, we are also told by well-meaning friends that the longer we carry on in a manner whereby they don't see their way clear to stand by us, the more this possibility might recede into the past.

If the major political parties would reach an agreement and together promote a "package" which can be justified on the grounds I have mentioned, it might become increasingly "saleable".

Question: Do you think that Afrikaner nationalism is a spent force?

Answer: No. On the contrary. However, it is of lesser importance to start sorting out the various kinds of nationalisms that exist in this country and their particular destinies.

One of our major problems seems to be word-play and over-accentuation of concepts that some of its proponents don't even understand.

Various sub-nationalisms or group loyalties tend to exist also in other countries, like America. What is more important is that the indicators indicate that a new broadly-based South Africanism is in progress in our country. This is indeed a basic need and a most desirable trend we should promote in order to build a great and prosperous nation.

We are told that one of our "follies" is that we tax ourselves, educate non-White people and create aspirations and ambitions in their hearts and minds; and then we frustrate them by putting a "ceiling" on their heads with no clear vision of what is at the end of the tunnel for them. Our critics maintain that this is the way to breed revolutionaries.

Question: How do you view charges that creeping socialism is becoming an economic factor in the Republic? Do you think this is so?

Answer: Yes, there are trends in this direction and we should all be concerned about them. These trends must be stopped, and

reversed. Let me add here that this unfortunate phenomenon is also noticeable in other capitalistically orientated countries. All of us who believe in the values and virtues of a free society, should be concerned about it and should work towards a revaluation of the situation and practical steps to change direction.

Question: Do you think the South African Government should enter into a dialogue with Eastern European countries?

Answer: Obviously every single case should be treated on its own merit. Having said this, it is possible that such a dialogue effort could bear good fruits provided it is based on the premises of non-interference in each other's internal and other socio-political affairs. It is hardly logical for us to have certain relationships with Mozambique, presumably on a sound business basis, and not have similar relationships with some other communist-orientated countries. Here I might add that Russian communism seems to be the greatest danger for South Africa at the moment. Chinese communism seems to be less imperialistic and some believe the Chinese are interested in what we can offer on an exclusively business basis.

33 2 / 30 .

CT- 30/11/76 .

Rupert wants move to lift life in townships

★ The Cape Times, Tuesday, November 30, 1976 11

JOHANNESBURG. — Dr Anton Rupert last night proposed the creation of an urban development foundation to co-ordinate efforts by business and industry to improve the quality of life in Black townships.

Dr Rupert, who was addressing delegates to the businessmen's conference here on urban communities, said the foundation could act as a catalyst in the transformation of the townships into stable middle-class societies.

Dr Rupert listed the foundation's objectives as being:

- To find means of enabling Blacks to own houses by arranging finance, sponsoring self-help projects and offering an advice service on town planning, house construction, design and cost.
- To co-ordinate private-sector efforts to provide amenities for sports, recreation, adult education and religion.

- To mobilize the unemployed into working on projects arising from the other aims.

Dr Rupert said a "task force" should be appointed immediately to investigate how best to establish the foundation.

Sketching the situation in Southern Africa, he said that a fear of forced socialism and Uganda-style governments had resulted in an ideology of survival among South African Whites.

"In our cities we have signs of instability, reputedly due to insecurity of tenure." It also seemed as if the young were afraid of having to live in homelands where they, probably wrongly, feared lack of opportunity.

"We cannot survive unless we have a free market economy, a stable Black middle class and the necessary security of tenure, personal security and a feeling of hope for betterment in the hearts of all our people," Dr Rupert said.

Restrictions hamper Coloured businessmen

Agus 4/12/78

By Niel Ackermann
THE Theron Commission made many recommendations aimed at creating more openings in the commercial world for the Coloured entrepreneur. What restrictions are presently imposed on the Coloured businessman?

To answer this, one must realise that any businessman has three basic needs: Finance, skills and premises from which to operate.

The Coloured entrepreneur starting out has a more difficult task acquiring these than his White counterpart, with most of his disabilities stemming, in one way or another, from legislation.

The Government has, however, lightened the load by establishing the Coloured Development Corporation, which helps provide finance, expertise and premises.

PREMISES

In terms of Group Areas legislation the Coloured businessman may only acquire trading premises in a designated Coloured area.

This, it is claimed, will assure him of a ready market 'among his own people' without the need to compete against the large well-established and predominantly White corporations. He is not forced into a position where he has to wage ruinously expensive price wars.

In theory, therefore, the Coloured shopkeeper should reap the benefits of selling to a captive market at prices which enable him to run a profitable business.

In practice, however, things do not work out like this.

According to Mr André van Heerden of the Coloured Development

Corporation, the majority of Coloured breadwinners in Cape Town work in White or industrial areas.

Long hours of travelling mean that they often do not get home until after the shops have closed and it is not surprising, therefore, that only 25 percent of Coloured shoppers buy in their own area.

There are also other reasons why shoppers tend to buy in the large shopping centres and supermarkets which also go beyond pure price considerations.

Shopping at Cavendish Square on a Saturday morning, for example, is a 'fun outing' for the whole family, an escape from the dreary aspects of living on the Cape Flats.

INDUSTRIAL

Coloured people wishing to start businesses may acquire sites in industrial areas — these are designated controlled areas — though whenever a site is acquired which previously belonged to a White businessman a permit, issued by the Department of Planning, is required.

In the Western Cape area this does not seem to be a problem. An official of the department said he could not remember a permit ever having been refused.

A Coloured shopkeeper who wants to set up shop in an industrial area does experience difficulties in getting financing, and the CDC cannot help him because of a technicality in the law. However, a CDC official said that representations were being made to sort this out.

Businessmen who become successful — whether with assistance of the CDC or not — often experience a new kind of frustration.

Mr Vic Maharaj, a personnel consultant deal-

ing in Black labour relations, explained: 'They realise they have no inherent disability and if opportunities were open for them to trade freely they could aspire to be chain store operators competing on an equal footing with the White supermarket chains.'

Other than the CDC which offers loans at interest rates ranging from 6 percent to 9½ percent 'to good credit risks,' loans are scarce for Coloured businessmen.

Property in Coloured areas is generally more expensive than in White areas, and many people who had to sell their property when they had to move, because they were living in White designated areas, were unable to replace these houses and now have to rent council houses.

Consequently these people have no collateral for loans.

The day the really-rich invested in all our futures

ST
5/12/76

TYCOONS and townships got together this week.

It was a unique assembly in the high, chandeliered ballroom of Johannesburg's Carlton Hotel, itself a soaring symbol of the good things that flow from the capitalistic ethic.

They sat side by side, the very rich — Government supporters and Government critics — and the spokesmen of South Africa's disadvantaged urban masses, black and brown.

Anton Rupert, Wim de Villiers, Jan Marais . . . the trimly tailored personifications of Afrikaner achievement in business. Harry Oppenheimer and the men from the mighty mining houses. Bankers. Mighty merchants. And the men who control the giant industrial conglomerates.

At the Businessmen's Conference on the Quality of Urban Life they listened attentively as sociologists, architects and planners told them that out there — in the townships on the other side of town — a time bomb was being primed.

Men, many of them more familiar with balance sheets than the balance of political power, listened.

By TERTIUS MYBURGH

By the year 2000 the African population would have more than doubled from the 1970 figure . . . Eight more Sowetos would be needed within 25 years . . . In the next quarter of a century South Africa would have to provide more housing and services in the cities than have been produced in the past 300 years merely to maintain existing standards.

Black and Brown spoke forthrightly about the cycle of poverty and discrimination that is loading the pressure cooker. Forcefully, they said that Blacks would no longer accept hand-outs from White men seeking

to buy peace or to salve their consciences (or both).

One of the country's leading pollsters indicated how an institutionalised system of boredom and bureaucracy had intensified the sense of hopelessness among Blacks, how young people of colour no longer saw the future in terms of education or jobs — there was a stark commitment to political action.

Right at the outset of the conference there had been a plea to avoid politics. Yet it kept intruding. Manas Buthelezi, chairman of the Black Parents' Association, was one of them: "For us . . . politics is the total-

QUOTE

I've never seen a rand note that is marked "Whites only".

— Black delegate

ity of the Black man's experience of life."

Predictably, there were the strains that occur when Whites are eyeball to eyeball with Blacks.

For the Blacks, change never comes fast enough. For most Whites, it comes too fast.

Yet, due to some masterful leadership from the chair and a tolerant common awareness on all sides (time, they sensed, was not plentiful), it all held together.

And from it was born the Urban Foundation, a practical commitment by the leaders of the private sector to work and spend on improving the quality of life in the cities. There was also a pledge to remove colour discrimination from business and industry.

Aha! said some radicals outside. The rich and the powerful are acting too late. And they are acting at all only because they are running scared.

But this is a sorry, simplistic view of an event of genuinely great significance.

Deliver

In an imperfect world, the mere fact of the assembly itself was remarkable. These men realised, I believe, that the free enterprise system in which they believe had run up against its stiffest test. Now it had to deliver.

Through their initiative, resourcefulness and willingness to take risks, they had built up much for themselves and for their country. Now they were being asked to demonstrate that the market system could pro-

with no illusion about the awesome scale of the task they'd set themselves. The project faces scores of dizzying problems.

First, it must capture and retain the confidence of Blacks, especially the young. To achieve this, the commitment to eliminate race discrimination in business must be seen to apply in practice.

Additionally, the promise of money and men to alleviate the needs of urban Black communities must have no taint of paternalism, of hand-out philanthropy. Nor dare there be any suggestion that schemes are merely cosmetics on the face of separate development.

Second, the Urban Foundation's success is desperately dependent on a sensible government response. Central to this is the question of freehold title, or at least leaseholds solid enough to serve as collateral. No programme that sees the home and its setting as the cornerstone of a secure and satisfying life can get off the ground unless the element of impermanence is removed.

This is going to involve the deployment of corporate muscle to influence men in Pretoria.

The prospects are exciting. If the Urban Foundation can harness the efforts of Blacks, the resources of big business, and the co-operation of the authorities, it could mean a major step towards dignity and peace in South Africa.

Knockers have compared the conference with a doctor who attends a ruptured appendix case with only aspirin in his little black bag.

It's a lot more than that.

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Growing crime and lack of facilities are threatening this shopping centre

Fear and business don't go well together

THE growth of the Athlone business complex, the biggest Coloured shopping area in the country, is being seriously affected by an alarming increase in crime in the area and a lack of facilities for shoppers, say Athlone businessmen.

Several Athlone businessmen interviewed recently said business was on the wane because of the increasing lawlessness.

Shoppers, they said, were 'terrified' to shop in Athlone and were rather going to the White areas.

Even the businessmen whose figures have not shown a downward trend, said the lawlessness was limiting turnover and hampering the area's growth.

Now the businessmen are fearing a big escalation in crime before Christmas, and feel unless the police take tough action against the skollies and loiterers, many people will be robbed of their Christmas savings or even mugged, and business will suffer a major drop.

According to the businessmen, there are robberies almost every day in the area, the shoplifting rate is very high, many old age pensioners are waylaid after collecting their pensions at the post office and delivery trucks have become the target of organised gangs of robbers.

Some gangs ran 'Fagin-type' operations using young children between the ages of seven and eleven to pick pockets, snatch bags and purses and do shoplifting during the day, and at night to burgle shops and offices through small windows or holes in the burglar bars.

The businessmen say many shoppers do not even bother to report robberies because they believe there was little chance of the skollies being caught.

The businessmen blame the crime on:

- The lack of police patrols.
- Illegal hawking.
- Rising unemployment.
- Loitering.

More than 40 businessmen gathered at the Assembly Centre in Athlone last week to form an organisation called the Athlone Commercial and Professional Association.

The convener of the association, Mr S. Seria, said the businessmen were concerned at the appalling lack of facilities.

ONE TOILET

Besides there being only one public toilet in the area and no rest places or green spots, there were no parking facilities in

the complex although it had one of the biggest turnovers per square metre in Cape Town.

However, the shopping area in Sybrand Park near Athlone had a temporary parking area, he said.

The City Council had expropriated land for parking areas nearly 12 years ago but nothing had been done since.

Referring to the crime, Mr Seria said the police had confirmed that the lawlessness had got out of hand but there was little they could do because of staff problems.

There had been a definite decrease in crime when mobile squads patrolled the area and the businessmen wanted the patrols restarted.

The skollies, Mr Seria said, were much more brazen than they were a few years ago and thought nothing of stealing from delivery trucks in broad daylight when the public

THE centre of Athlone's business complex - now shoppers are terrified to shop here and prefer to go to White areas.

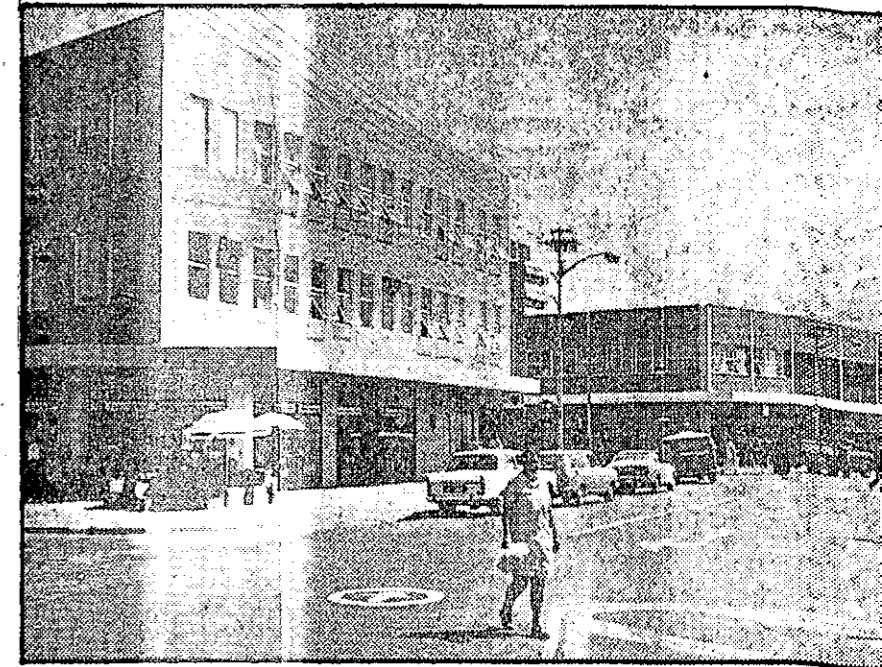
was watching and the delivery men were in the truck.

The manager of a country-wide clothing chain-store, Mr A. Strydom, said because of fear of reprisals, the people were too scared to tackle the skollies and turned a blind eye to robberies, shoplifting and assaults.

That, together with the absence of police patrols, virtually gave the skollies a free hand in the area.

Mr Strydom said the Athlone branch had the biggest rate of shoplifting among all the branches in the company.

Recently, the situation had become more difficult to contain because the



gangs were making increasing use of children.

Mr Neville Kinnes, a cinema manager who has been in business in the area for the past 30 years, said the present crime rate was the highest he had ever witnessed.

Attendances at the cinema on Fridays had dropped significantly because the skollies were most active on Fridays when most people received their pay, and the people rather stayed at home.

He expected the coming Christmas to be the worst for robberies and assaults.

'It will be a good Christmas for the skollies because they'll have more

bags, parcels and purses to snatch. But for the shoppers and the businessmen it looks bleak.

'Unless they are forced to come here, many people will go shop elsewhere.

Mrs Z. Goudia, the principal of a commercial school, said she had complained on many occasions to the police about the skollies molesting her students.

The skollies fondled the girls, chased them into the school and tried to grab their bags.

Her roll for evening classes had dropped by almost 100 percent, mainly because of the lawlessness in the area.

Referring to crime about the lack of p

Mr S. Evans, the Town Clerk, said that development plan Athlone had to be because the Provincial Administration laid down some cases a 10 building line which the structures had further away from streets than on the

After consultation the Chamber of Commerce and the Union of Cape Town, new had been drawn up would be submitted to the council and the Provincial Administration as soon as they were completed.

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Commercial apartheid still exists

AT the recent Congress of the Associated Chambers of Commerce of South Africa, a number of delegates expressed the view that racial discrimination in the economic sphere was detrimental to the country as a whole and should therefore be eliminated.

While many would agree whole-heartedly with this sentiment, it is nevertheless disquieting to note that racial discrimination is being practised not only through Government policy but also unofficially by the larger commercial organisations in the Republic.

Perhaps the most glaring example can be found in the relationship between these firms and the trade unions operating within the commercial sector.

There are currently three trade unions for employees within the commercial distributive trade: two registered unions, the National Union of Distributive Workers (NUDW)

for Whites and the National Union of Commercial and Allied Workers (NUCAW) for Coloured and Asians, and the recently formed unregistered Commercial Catering and Allied Workers' Union of South Africa (CCAWUSA) for African workers.

The existing racial divisions between these unions can be attributed primarily to the provisions of the Industrial Conciliation Act of 1956, which effectively prevents multi-racial executive committees from being elected in racially-mixed trade unions, and which does not recognise Africans as 'employees.'

While the registered White and Coloured unions have been accor-

ded recognition, with various facilities for organising employees, by most of the large firms in commerce, the new African union has been consistently denied these privileges.

Since its inception in 1975, CCAWUSA has approached various firms with the aid of the NUDW and NUCAW, in the hope of securing recognition and organising facilities. Significantly, all attempts to talk managements around have so far failed.

Some of the firms approached made it clear that they could not recognise an African union for fear of Government reprisal. It must be noted, however, that there is no law in South Africa which prohibits employers from recognising Black trade unions. Moreover, a number of organisations belonging to other sectors have chosen to grant African unions the necessary facilities, without experiencing an official backlash.

Meanwhile, a number of firms have introduced the Government-inspired committee system for their African employees. Some firms have argued that if they were to recognise a Black trade union, they would automatically be compelled to scrap their works or liaison committees which they claim are functioning well.

However, the simultaneous operation of a trade union and a company Liaison or Works Committee need not be mutually exclusive, since this type of dual system operates most successfully in West Germany. Moreover, if companies decide to grant Afri-

can unions recognition while at the same time retaining their committee systems, the Government would have less cause for dissatisfaction.

The recent widespread civil unrest throughout the country has shown that the Black youth of our country are impatient for change. It appears, however, that the Government is bound hand and foot both by its ideological commitments and by its reactionary supporters.

Under these circumstances the public sector can hardly be expected to give a lead in the dismantling of discrimination.

It therefore remains for those men and women who occupy positions of authority in the private sector to take the initiative by recognising and granting the necessary facilities to all trade unions, without discriminating against Black unions.

J. R. ALTMAN
(General Secretary,
National Union of Distributive Workers and National Union of Commercial and Allied Workers)
Cape Town

Late trading will hit shop workers

ARGUS 8/12/76

A RECENT recommendation from the Utilities and Works Committee of the Cape Town City Council suggested the introduction of later shop trading within the Cape Town municipal area.

The committee is apparently proposing that shopkeepers in Cape Town be given the freedom to determine their own business hours within the limits set down by the Cape Provincial Ordinance on trading hours. Such a dispensation would enable shops in the Cape Town Municipal area to remain open as late as 9 pm.

It would appear, however, that earlier attempts to this end were well blocked by opposition from a broad spectrum of public opinion. I wonder why certain councillors appear so intent on reintroducing an issue which has prompted such wide-spread opposition in the past.

There are standard arguments favouring the introduction of later trading.

We are told that traffic congestion during the rush-hour periods would be reduced; that working wives would have more time to make necessary purchases; that stores would become less congested during peak periods; that company turnovers would increase and, finally, that 'new life' would be injected into the slumbering central business area after dark, thereby providing an additional tourist attraction.

While many of these arguments (which, in my view, still do not make later trading an absolute necessity) will certainly appear less attractive to shop employees, I wonder whether the later-trading enthusiasts have any conception of the potential disruption, let alone inconvenience, that their recommendations could have on the daily lives of thousands of Cape Town shop employees.

It is important to remember that most of our shop workers are forced through legislation to live in townships situated far from their work places, and that most of them are dependent on public transport.

The introduction of extended trading up to 9 pm will mean that many shop workers will not get home before 10 pm after working a late shift. The inherent dangers to normal family life under these circumstances are obvious.

It seems to me that the Cape Town public have, thus far, been resilient enough to put up with the minor irritation of not being able to shop at night.

C. BATES

Mowbray

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259

Drop of the hard stuff at the bar

9112176
RDM

PORT ELIZABETH. — The first of four reinforced bars in New Brighton, Port Elizabeth, designed to withstand attacks from fires and stonings, opened this week.

The walls are 30 cm thick with reinforced concrete in the middle. High tensile steel louvres protect the windows. There are steel-lined doors, able to withstand fire for two hours. The roof is concrete.

The bar has a two-way radio and the bolts of the gates are concealed to stop them being forced open.

A spokesman for the Cape Midlands Bantu Affairs Administration Board, which own the bars,

said yesterday they will replace the four destroyed during the unrest.

Each bar costs R160 000. Furniture and equipment costing R13 000 is on order.

The spokesman said the lounges will be equipped with high quality furniture and it was hoped to install loudspeakers for background music.

The off-sales department will be open from 9 am to 7.30 pm on weekdays and from 9 am to 2 pm on Saturdays. The lounges will be open from 10 am to 10 pm except Sundays when the sorghum beer lounge would be open from 2 to 5 pm.

264
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Mutual chief hits at State pension plan

ARGUS 9/12/76

THE national contributory pension scheme recently put forward by the Government was sharply attacked by the chairman of the Old Mutual, Mr J. G. van der Horst, at the annual meeting of the society in Cape Town today.

He warned that the pension scheme, as proposed, was fundamentally unsound.

The proposed contribution rate of 7 percent of earnings would, in the long run, have to be increased many times over to support the benefits promised under the scheme.

Should the pension scheme be introduced as at present envisaged, a likely sequel could be the large-scale winding-up of private pension funds or, at least, the rapid running down of such funds, and the contraction of the life assurance industry, as well as the building society movement and other savings media,' he said.

'The attendant financial and economic implications are so vast and dangerous that it is well nigh impossible to predict where the introduction of the proposed scheme will eventually lead.'

The scheme was completely socialistic in concept

In the first 10 to 20 years of the scheme it would be exceedingly difficult, if not impossible, for any soundly run private fund to exist with the State scheme.

Old Mutual Business report tells why it rejects State pension scheme

THE CHAIRMAN of Old Mutual yesterday gave policyholders reasons why he had no alternative but to ask that the Government reject the proposed State pension scheme based on the recently published report of the Department of Social Welfare and Pensions.

Addressing the annual meeting in Cape Town, Mr J G van der Horst, warned that the proposed scheme would undermine the incentive to save in South Africa and would destroy the country's basis for capital creation.

"Let there be no mistake, the introduction of a State pension plan on the proposed pay-as-you-go basis will set in motion additional inflationary pressures which it may be difficult, if not impossible, to control and which will, furthermore, destroy the incentive to save and the discipline of saving."

The pension fund movement and the savings institutions in Southern Africa had done well in fulfilling their functions, particularly if the circumstances prevailing in Southern Africa were borne in mind.

Adequate benefits could

also be provided in future provided an "orderly society based on free enterprise and freedom from unwarranted Government interference" were maintained.

The proposed State pension scheme, if introduced on the basis proposed in the report, may well sound the death-knell of the private pension fund movement and of a large portion of the life assurance industry.

"It will do untold damage to the other savings institutions through which persons make provision for some of their financial requirements in old age.

"The reason this major disruption is likely to happen is because the proposed contribution rate of seven percent of earnings is fundamentally unsound, in that it will, in the long run, have to be increased many



Mr M de W Marsh (above), of Safmarine, has been appointed to Old Mutual's board.

times over to support the benefits promised under the scheme."

In the short term no private pension fund, whether underwritten by a life assurance organization or not, would be able to co-exist with the proposed State scheme.

Pension funds

"A likely sequel to this could be the large-scale winding-up of private pension funds, or, at least, the rapid running down of such funds and the contraction of the life assurance industry, as well as the building society movement and other savings media. The attendant financial and economic implications are so vast and dangerous that it is well-nigh impossible to predict where the introduction of the proposed scheme will eventually lead."

Mr Van der Horst said the proposed State scheme was "completely socialistic in concept in that, because it will be Government controlled and will affect the whole population, it will remove from the people the personal incentive to provide for their own future.

"Secondly, it will at least

subsidize rather than raise contribution rates fully to the required levels. This has happened in other countries.

"It has not been unknown, in certain countries, for a State pension scheme, run on the lines proposed, to become a political football, with the various political parties vying with each other to promise the most generous benefits at the lowest contribution rate and highest subsidy from taxation. When the day of reckoning comes, those who made the promises and raised the expectations are usually no longer there.

"The report of the Department of Social Welfare and Pensions criticizes the private pension fund movement on a number of matters. These include inadequate provision for the preservation and/or transferability of pension rights, the payment of benefits on death or retirement in lump sums rather than in the form of monthly pensions, the lack of uniformity in pension benefits and the fact that there are still large numbers of employers who do not provide pension plans for their employees.

"These are all measures that can, and must, be rectified through remedial legislation within the present structure. None of these defects warrants the introduction, on the proposed scale, of a State scheme with its consequent unpredictable and, at this stage, immeasurable effects on the economic and social structure of South Africa.

"A State pension plan on the proposed basis will lead to the belief, among the great majority of people, that it is no longer necessary to make provision for their own future through their own savings and their employers' savings on their behalf.

"Instead they will come to rely on the next generation to support them. The next generation will do this only as long as, and to the extent that, it is able and willing to do so.

"To the extent that the members of the next generation are able to enjoy an acceptable standard of living, they will be willing to do so. Their ability so to do may be considerably influenced by what they inherited from their predecessors in the nature of productive capital resources.

"The proposed scheme will be funded on the pay-as-you-go basis. It will, therefore, not set out to accumulate capital and may even destroy or critically reduce the capital-generating ability of private pension funds, life assurance organizations and other savings media. If inadequate capital formation is thus sponsored by Government, it will make it very difficult for the next generation to support the pension scheme."

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Mr Van der Horst said the proposed State scheme was "completely socialistic in concept in that, because it will be Government controlled and will affect the whole population, it will remove from the people the personal incentive to provide for their own future.

"Secondly, it will at least during the first ten to twenty years, until contribution rates rise significantly, be exceedingly difficult, if not impossible, for any soundly run private fund to exist together with the State scheme. By then the damage to, or the destruction of, the existing schemes would have been accomplished.

"Thirdly, when the cost of the scheme starts rising, as it inevitably will, it is extremely likely that the State will, for political reasons, prefer to

comes, those who had the promises and raised the expectations, are usually no longer there.

"The report of the Department of Social Welfare and Pensions criticizes the private pension fund movement on a number of matters. These include inadequate provision for the preservation and/or transferability of pension rights, the payment of benefits on death or retirement in lump sums rather than in the form of monthly pensions, the lack of uniformity in pension benefits and the fact that there are still large numbers of employers who do not provide pension plans for their employees.

"These are all measures that can, and must, be rectified through remedial legislation within the present structure. None of these defects warrants the introduction, on the proposed scale, of a State scheme with its consequent unpredictable and, at this stage, immeasurable effects on the economic and social structure of South Africa.

"A State pension plan on the proposed basis will lead to the belief, among the great majority of people, that it is no longer necessary to make provision for their own future through their own savings and their employers' savings on their behalf.

"Instead they will come to rely on the next generation to support them. The next generation will do this only as long as, and to the extent that, it is able and willing to do so.

"To the extent that the members of the next generation are able to enjoy an acceptable standard of living, they will be willing to do so. Their ability so to do may be considerably influenced by what they inherit from their predecessors, in the nature of productive capital resources.

"The proposed scheme will be funded on the pay-as-you-go basis. It will, therefore, not set out to accumulate capital and may even destroy or critically reduce the capital generating ability of private pension funds, life assurance organizations and other savings media. If inadequate capital formation is thus sponsored by Government, it will make it very difficult for the next generation to support the pension scheme.

"This will result in an unnecessary reduction in the standard of living, not only of the pensioners, but probably also of the working population at that time.

"It has been the tendency, for a long while, to emphasize the redistribution or sharing of wealth, rather than the creation of wealth. We must not forget that, in order to create wealth, we must continually strive, continually save and continually invest for the future. If instead, we concentrate mainly on the sharing of wealth, be it between different classes or between different generations of people, which the proposed State pension scheme will, unfortunately, tend to do, then the only thing that we may be able to share in the long run is poverty.

"I therefore have no alternative, but to ask the Government reject the proposed State pension scheme. I furthermore ask that the provision of pensions be left, as far as possible, with private enterprise and that remedial legislation be considered to eliminate deficiencies in the present pension fund structure."

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Jobs manifesto hailed

10/4/76 DD

EAST LONDON — The President of the East London Chamber of Commerce, Mr T. Peters, has hailed a manifesto by the Cape Town Chamber of Commerce committing subscribing firms to an employment policy of "total and genuine non-discrimination" as "a tremendous step in the right direction."

But he did not believe a manifesto of this type could be accepted outright by chambers throughout South Africa because each area had its own socio-economic problems.

"What might suit Cape Town might not be so easily possible to perform in the Border area where the majority population group differs from that in the Western Cape," he said.

Political pressures had to eventually influence matters to the benefit of all concerned, but the approach of a chamber of commerce was intended to be a non-political one.

"But today it is impossible to divorce a political inference if any chamber of commerce is to uphold the rights of free enterprise," he said.

The manifesto has also received the approval of the President of the Associated Chambers of Commerce of South Africa, Mr S. O. Goodwin, who said it deserved wide support

in announcing the introduction of the manifesto. The President of the Cape Town Chamber of Commerce, Mr S. L. Reilly, said the call for change in South Africa was growing louder and more urgent, but it was not right that the government should stand solely responsible for the "failure of performance" for which the people of the country now stood accused.

"There is no doubt that deficiencies in our socio-economic, social and political structure are hampering economic development in South Africa and the attainment of higher living standards for all sections of the community."

The manifesto invites members to undertake, within the provisions of the law, to "select, employ, train and promote staff without regard to race or colour; to determine salaries and wages in accordance with the principle of equal pay for equal work; to grant employment benefits for all members of staff, without regard to their race or colour and to do all other things possible to promote understanding and harmonious relations between employer and employee and between individual employees, irrespective of their race, colour or employment

status."

The manifesto is to be posted in a prominent place by firms which adopt it. — DDR: DDC:

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103

RBM 10/12/76
Shopkeepers warned

UMTATA. — The Transkei Price Controller yesterday warned shopkeepers and merchants to keep prices within reasonable limits.

A statement issued by the Department of Plan-

ning and Commerce said the controller had lately received complaints from consumers alleging that they were being overcharged for foodstuffs and other commodities in Transkei shops. — Sapa.

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332

B 12 16 1 DM
**A tough time
for Blacks
who buy White**

Staff Reporter
SOWETO residents who ignored the buy at home campaign would regret it if found carrying goods bought in Johannesburg, a spokesman of the Soweto Students Representative Council warned yesterday. The campaign has two aims. One is to make White businesses aware of Black grievances and the call for equality. This will be done by boycotting White stores in Johannesburg.

The other aim is to introduce a period of mourning for those detained by Security Police and for those killed in township violence since June 16.

Students have asked that during the mourning period no parties be held, no one should send festive cards and other messages, or buy clothes, records, furniture or any of the usual Christmas items.

The students' spokesman gave his warning when he addressed businessmen at a meeting called by the Soweto Traders' Association. He wore a hat pulled low over his head to avoid

identification. He said some Soweto residents had already been stopped and questioned about the goods they were carrying home from the city shops. He said those who continued to ignore the campaign would regret it, but would have themselves to blame because they have been warned.

The spokesman asked that traders stock enough goods to cope with any emergency that may arise and to charge reasonable prices.

He said the SSRC wanted traders to align themselves with the students for a common good.

Mr Don Nsomi, a Dobsonville supermarket owner, appealed to traders to exchange ideas.

An executive committee member of the traders' association, Mr Peter Lengone, said legal aid was needed to remedy the way in which Black traders were taxed. The situation "was tantamount to taxation without representation," said the chairman, Mr Kraai.

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Star 13/12/76.
**Shops claim
boycott
by blacks**

Black trade has fallen this Christmas by almost half because it is understood, of threats of reprisals in the townships against anyone buying in white stores.

"They are all too scared to buy," said the managing director of a city meanswear shop which usually does 80 percent black trade at Christmas.

"This is affecting us badly. There's a 30 to 40 percent fall off in trade.

"They buy small items such as a shirt or T-shirt — things they can stuff into their shirts or handbags so they won't be seen walking out of the shop with anything."

He said black customers

explained that they were scared to buy anything because they would get into trouble.

"They're meant to be in mourning for the Soweto deaths and have been told to hold back against white stores," he said.

The owner of another city clothing shop which has about a 50 percent black trade, said: "I have heard these rumours about the blacks being too scared to buy.

"But I think shop owners are just making that an excuse because business is not that great.

"Christmas is certainly not as booming as it has been in the past — but that applies to white customers as well."

332
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Soweto's secret shoppers cover up presents

By MELANIE YAP

BLACK shoppers are asking Johannesburg city stores to wrap their parcels in brown paper for fear of reprisals in the townships if they buy Christmas goods at White shops.

Soweto students have demanded that Christmas be recognised as a time of mourning for the people shot and detained during the riots.

Several managers of stores which cater mainly for the Black trade said yesterday that reports of a Black boycott was having an effect.

"Threats of intimidation have been effective and people simply don't want to buy the way they did last year," said one manager.

Another effect of the "boycott" was noticeable in the city, but Black trade was normal to good in outlying areas.

"This boycott is effective. We're down 25 per cent on our target for the month.

"Most Black shoppers have asked us to give them plain shopping bags without any advertising so people won't know where the items were bought," he said.

"We've even had some students standing outside the shop telling people not to come in, but we sent them on their way."

A manager of a men's clothing store said: "We are down on last year and though several people are still buying, they don't want it known. We've stopped using our usual wrapping paper and are now wrapping things in brown paper."

The manageress of a family clothing store said one customer had told her Black children would not be having a Christmas this year. "She said they had been warned that pretty clothes would be torn off children because they should be mourning."

Mr Solomon Moema, vice-president of the Johannesburg African Chamber of Commerce (Jacoc) said yesterday his chamber wholeheartedly supported the students' "buy at home" campaign, reports Mike Ndlovu.

"The 2,000 Soweto shops can supply all the needs of Black customers," said Mr Moema.

The Kroonstad Urban Bantu Council has rejected a R400 party offered to it by the Free State Bantu Affairs Administration.

Chairman Mr N. B. Plank said his councillors were bitter because the board ignored their request that a R500 000 beer project should not have priority over housing.

"There is no money for housing and yet within a month a huge beer project is erected."

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326

Traders will defy arson threats

PIETERSBURG — Police in African townships have been put on alert after shopkeepers in the Lebowa capital of Seshego near here received pamphlets threatening violence if they do not observe a period of mourning during the festive season.

A police spokesman said here yesterday it was rumoured students would march on police stations at Seshego, Mankweñz and Lebowakgo no tomorrow, but the police were prepared.

The pamphlets, circulated by the Seshego Students' Representative

Council, called on all bottle stores and shebeens to close from December 11 to 27. There should be no Christmas shopping during this period and all shops were asked to curtail hours and not sell luxury items such as cigarettes, sweets and cold drinks.

Shopkeepers, whose normal trading hours are from about 6.30 a.m. to 8.00 p.m., were asked to open at 10.00 a.m. and close at 5.00 p.m. If they

ignored this directive, their homes and businesses would be set alight, the pamphlets said.

The shopkeepers decided at a meeting in Seshego yesterday to ignore the directive. But they were very jittery, a spokesman said, and had been promised police protection during the period.

On the other hand the township's shebeens keepers have already closed down and have warned suppliers not to replenish their stocks. Bottle stores have decided with shopkeepers to remain open during normal township trading hours.

The police spokesman said investigations had established no such organisation as the Seshego

Students' Representative Council and he was of the opinion that it was an extension of the Soweto Students' Representative Council.

The organisation had adopted the initials of the Soweto council to give it more authority.

He confirmed that security measures had been extended to cover shopkeepers' homes and premises, and that precautions were also being taken in other northern Transvaal townships in case the pamphlets had been distributed wider afield. — (Sapa.)

The Cape Times, Tuesday, December 21, 1976 3

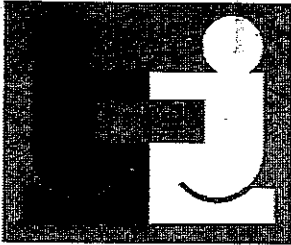
200 firms back manifesto

MORE THAN 200 firms have already subscribed to the Cape Town Chamber of Commerce total non-discrimination-in-business manifesto in what the director, Mr Brian MacLeod, has termed an "absolutely tremendous" response.

An emblem symbolic of Black and White working together has been adopted and finishing touches are being put to the final form of the manifesto which will hang in a prominent place on premises of firms which adopt it.

Mr MacLeod said the chamber had received numerous letters of congratulation on the initiative behind the manifesto and several new members had joined to be associated with it. Inquiries had also been received from other organized commerce bodies elsewhere in the Republic.

A list of firms which had adopted the manifesto would be published next month.



OPPORTUNITY ON MERIT

Boycott hits small firms

By MELANIE YAP

BUSINESS has virtually come to a standstill for several small Johannesburg retailers who yesterday reported "the blackest Christmas season" in more than 20 years.

All who are feeling the pinch blame the Soweto campaign to boycott White stores over Christmas, which students said should be recognised as a time of mourning for those shot and detained during the riots.

The rising cost of living has also cut down on Blacks' spending on non-essentials.

Turnover has dropped by as much as 50 per cent in some stores near Johannesburg's Park Station

which cater mainly for the Black trade.

"Soweto people are really showing what they can do. One can't ignore the buying power of about a million people and it's really hitting us hard now," said the owner of two retail outfitting shops.

"Things have never been so bad. My turnover is down by 33 per cent, hawkers are stuck with their merchandise — all at a time when we should have double our normal trade. Small businesses rely on the Christmas season to see them into the new year and 1977 is going to be very black indeed," he said.

Mr Benny Immitoff, owner of a central city clothing store, said yes-

23/12/76
terday the boycott gained momentum since the Day of the Covenant last Thursday.

"People are not buying and the few who do want us to wrap items up in newspaper for them. They've said all parcels are taken from their hands and burnt at the station. The Soweto students are really calling the tune now," he said.

"If the boycott continues there will soon be more unemployment and it will have a ripple effect through the industry. Shopkeepers won't be able to meet their commitments next year," he said.

Other store managers said shop staff had time on their hands during what

used to be their busiest period.

Some shops have been forced to hold Christmas sales in an attempt to clear their stocks.

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The shoplifters' bill - R100 million

ns

Pretoria Bureau
Shoplifting is costing South Africa's shopkeepers at least R100-

million a year, it was estimated today.

staff are responsible for a high percentage of losses.

"But the cumulative effect is tremendous."

3. Precautionary Motive risks. Varies with

- (a) Availability of
- (b) Stock of asset

Note that the easy demand for money is a substitute for soap

The estimate comes from a firm making anti-shoplifting devices.

It has been confirmed by security experts employed by firms operating throughout the country.

Mr John Hills, security chief at a Bokeloeng hypermarket, says: "If I received what we lost through shoplifting every year, I would never have to work again."

To detect thieves the experts use security devices and floor detectors, one-way mirrors, closed-circuit TV and displays wired with electronic alarms.

BY STAFF

All are unwilling to give figures of exact losses.

Shoplifting is traditionally at its worst over Christmas.

Mr Martin Stanger, loss control manager for a big firm, says no matter who or what shoplifters are, if they are caught stealing they will be prosecuted.

The latest anti-shoplifting device sets off an alarm at a shop's exits.

The makers of this device say it is widely used throughout the world.

A store using the device in Hillbrow Johannesburg trapped more than 50 shoplifters in six months.

But experts say thefts by

"An isolated theft of goods worth R4 does not sound much."

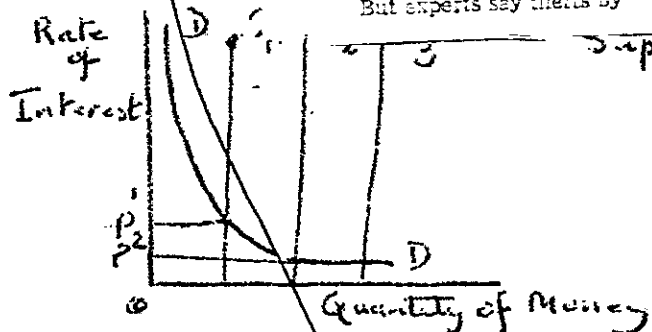


Fig. 1. Note how demand for money (with given institutions, national income, etc.) varies inversely with the rate of interest and how changes in demand and supply of money influence the interest rates.

MONETARISTS VERSUS THE KEYNESIANS

Prior to Keynesian aggregate supply and demand functions, the relationship between money stock and price level was regarded as direct. The monetarists used to be called quantity theorists. The quantity theory of money (the lineage goes back to Jean Bodin in the 16th century, David Hume, John Locke, Ricardo, J.S. Mill, refined by Irving Fisher (1867 - 1947) in the 20's and 30's and brought up to date by Milton Friedman in the 60's and 70's) in its simplest and crudest form states that the value of money is determined by its quantity. Double the stock of money and the general price level is doubled, i.e. the value of money varies inversely and the price level directly and in proportion to changes in the stock of money. The modern monetarists see the rôle of money being the crucial determinant of GND as well as of the general price level.

The quantity theory of money is based on the equation of exchange, which itself is a truism that states an Algebraic Identity: the equation of exchange is not a theory.

$$MV = PT$$

This merely tells us that the total amount of money spent is always identical to the total amount of money received in any period.

Durban fleecing holidaymakers

19/2/78 S 23/12/74 STAR
Onw Correspondent

DURBAN — A profit of more than 400 percent is being made on the Durban beachfront on cold mineral waters, while hamburgers, which sell for between 45c and 60c, have contents worth less than 15c.

This was revealed today in a newspaper and Natal Consumer Association survey following a warning by the Durban Chamber of Commerce to caterers not to fleece holidaymakers.

The president of the Natal Consumer Association, Mrs Dorothy Perkins, analysed a typical beachfront hamburger and found that it comprised a "hamburger roll," which sold at about 3c, 50g of meat worth 8c, 1/2c worth of tomato, 1/2c worth of onion, no butter and a little tomato sauce.

Cold drinks, in disposable cups, are sold at 25c a cup. A litre bottle which sells wholesale at 20,4c, pours five cups.

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~~336~~

24/12/76 ROM
Boycott a boost for some

By MELANIE YAP

THE African boycott of White-owned stores has boosted trade in Soweto — while small Johannesburg retailers continue to complain of their worst Christmas in years.

Business has doubled for Soweto traders this month.

Most Africans now shop in the townships in response to the Soweto students' call to recognise

Christmas as a time of mourning.

Mr V. L. Kraai, chairman of the Soweto Traders' Association, said yesterday:

"We are very busy. Although we were not prepared for the stay-at-home campaign, we are beginning to gear ourselves to provide most things for people in the townships.

"In a way, this campaign has been very good for us,

so we are now trying to make our prices as competitive as those in the big city stores," he said.

Mr M. E. de Jager, director of the Johannesburg Chamber of Commerce, said sales in Johannesburg shops this Christmas were not as buoyant as last year, but the boycott was not the sole reason. General economic trends indicate that all people had less to spend, he said.

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Later shopping hours next month

Cape Times
24/12/76

LATE-NIGHT SHOPPING has come to Cape Town. From next month local shops will be able to remain open till 9pm on weekdays.

In a statement issued yesterday Mr B Macleod, director of the Cape Town Chamber of Commerce, said shopkeepers would be able to vary hours of closing and keep open till 7pm, 8pm or 9pm on one day a week, two days a week or throughout the week.

Shopkeepers will also be allowed to open their stores later in the morning but indications of trade hours must be displayed prominently in the shop.

"The notice of withdrawal of its existing opening and closing order, as advertised in the press, is designed to give effect to the City Council's decision to extend the hours of opening of shops to 9pm. It is not competent, in terms of the Shop Hours' Ordinance, for anyone to raise objections at this stage to the decision of the council."

He said that only in the event of the City Council itself deciding to alter the decision, and only after following the procedure laid down in the ordinance, could there be a reversion to the existing hours of opening and closing, or any variation thereof. However, it would take several months before any new opening and closing order could be made final.

Late shopping hours may 'liven up city'

ALTHOUGH shops in the centre of Cape Town will have the right to stay open until 9 pm on weekdays after January 1, as a result of a City Council decision, it is unlikely that many in the centre of the city will take advantage of this immediately.

But Mr B. MacLeod, director of Cape Town Chamber of Commerce, believes the city centre will come to life in the evenings after the opening of the new underground shopping complexes at the Golden Acre and Old Mutual developments, particularly if staggered working hours are introduced to ease traffic congestion.

Mr MacLeod points out that the withdrawal of the old opening and closing hours, which has drawn protests from some shopkeepers, does not mean that shops are compelled to stay open later.

'Since there seems to be some confusion on this point, I have been asked to explain that there will be no compulsion on any shopkeeper to remain open later and depart from the hours of opening and closing which he observes at present,' he said.

VARY HOURS

'On the other hand, he will have the right to vary his hours of opening and closing.

'He may, for example, keep open until 7, 8 or even 9 pm on one day a week, two days a week or throughout the week if he so desires.

'Furthermore, he has the right to open later than he does at present and could well do so on the days on which extends his hour of closing.

'What he cannot do, however, is to move outside the limits of opening and closing of 6 am and 9 pm respectively. He must also indicate his normal trading hours on the front door, or a window at the front of his shop, or in any other conspicuous place in his shop.'

MANY OPPOSED

Although the change in shopping hours has been welcomed by supermarket chains, most of which are planning one or two late shopping nights a week, it was opposed by many small shopkeepers.

Department stores were unenthusiastic, fearing longer trading hours would increase their costs while not bringing in any extra business.

The Chamber of Commerce has sent out a questionnaire on its shopkeeper members, asking if they plan to change their opening hours.

Mr MacLeod said only 100 had so far been returned and he could not make any statement about them until a report had been made to the chamber.

But, in answer to questions, he said he did not think many shops in the city centre were likely to stay open late every evening at present.

MIGHT CHANGE

He thought the situation might change, however, if staggered working hours were introduced, as had been suggested. This would mean more people would be in the city centre in the evenings.

And he thought the opening of the new underground shopping courses, with people passing through them continually and the development of District Six for high-density housing might transform the situation.

With more people about, shops might find it to their advantage to stay open late. The presence of crowds milling about would mean that the city centre became a safer place in the evenings.

Restaurants would stay open later and theatres might find it an economic proposition to open in the city centre.

'In this way the city centre could be brought back to life in the evenings,' he pointed out.

Mr MacLeod said that at this stage it is too late for anyone to object to the withdrawal of the old opening and closing hours.

THE FLEECERS ON THE REEF

BLACK miners are being overcharged on an alarming scale at some concession stores on Reef gold mines.

Profiteers at some stores are exploiting Black customers to such an extent that they are creating labour unrest and damaging race relations, according to a spokesman for a major mining group.

A Sunday Times investigation undertaken this week in conjunction with Johannesburg price-control inspectors exposed shocking exploitation of a section of South Africa's 350 000 Black mine-workers.

Black miners' wages have increased substantially in recent years and as soon as wages go up, prices at some concession stores go up too, a mining group spokesman told me.

The colossal mine labour force is a captive market for some concession-store owners, whose businesses are often within a stone's throw of compounds.

The Sunday Times investigation was carried out after reports were received of exorbitant pricing and other business malpractices.

The probe uncovered widespread overcharging on price-controlled foods and exceedingly high profits on non-price-controlled commodities.

Nineteen price-controlled items were bought. Prices paid for 10 of these were up to 30 per cent

Concession stores fleecing 'captive' Black mine workers

Special investigation by **MARTIN CREAMER**

sugar — 50c instead of the maximum of 43c.

Two other Venterspost stores also overcharged on sugar. Mrs Johanna Pezzoli, of Malawi Stores, said it was her husband who had put the extra 7c on sugar.

Mr M. A. F. de Jesus, of Ranco Trading Company, admitted selling sugar at 44½c — 1½c too much. "I have always charged 44½c," he said. He has been trading for three

years. At Theron's Cafe, Durban Deep, Roodepoort, Sunday Times representatives were short-changed 7c. Mr J. S. Roque apologised and returned the 7c, saying a mistake had been made.

Alarmed

At a store at No 5 shaft, Durban Deep, a small tin of jam was sold for 25c. In Johannesburg shops the same brand costs 12c.

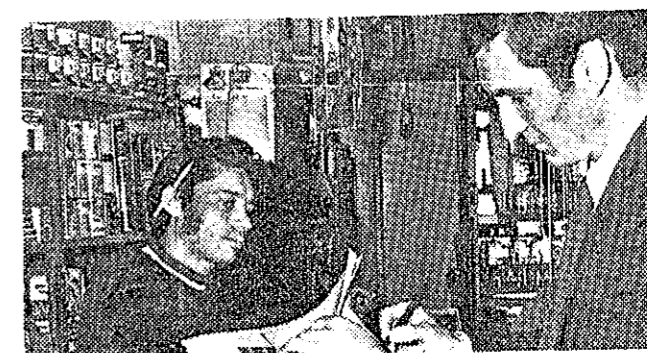
An inspector from the Price Controller's office in Johannesburg was present when the purchases were made.

Mining men are alarmed at the Sunday Times findings. They said, however, they had no control over concession stores. Store owners received their right to trade from the Government.

The three mines investigated have a total work force of about 24 000, an



MR ANTONIO JARDIM
7c more for sugar



Sunday Times man Martin Creamer confronts an assistant on being short-changed.



MR M. DE ASCENSAO
Admission and dental

ample market for concession-store owners, say mine men, without overcharging.

Mr Carel Nagel, resident secretary of Venterspost Gold Mine, said the mine had recently arranged special bus trips to town shopping areas for its Black workers in an attempt to prevent them being exploited at concession stores.

Mr E. J. Dunstan, assistant general manager of Durban Deep, said the only action the mine could take was to complain to the Mining Commissioner.

He had been told of malpractices at concession

stores at other mines, but those at Durban Deep had never caused major problems.

Mr R. J. van Emmenis, general manager of West Rand Consolidated Mines, Krugersdorp, said he was not surprised to learn of overcharging.

The Chamber of Mines would not comment. But the industry is known to be concerned and is understood to be negotiating with the Government for permission to provide better shopping facilities at mines.

Mr Jasper Myburgh, chairman of the SA Association of Non-White

Trade, to which most the concession stores affiliated, said his association would not comment on overcharging.

He said most of the people running eating houses were sub-tenants and members of his association.

"Many of the original concession-store owners are too old to run the business and the Minister allowed them to sub-let to a more compassionate group," he said.

The sub-letting was subject to certain conditions, however, and overcharging would not be tolerated.



... The minutes of the previous Committee meeting were circulated, read and found as correct.

... arising from the minutes of the previous Committee Meeting:

... Mrs. Hugo: Dr. Fredman reported that Staff Association had decided to request Council to set up a Committee to investigate whether full justice had been done

... this case. Mr. Jochelson proposed that the matter be referred to a sub-

... Committee. Seconded: Dr. Krause. Dr. Fredman and Dr. Whisson were elected.

... Jochelson Report: Dr. Whisson reported that a letter has been sent by Mr. Prid-

... dicting the involvement of members of the Lecturers' Association. In this view, preliminary discussions were held covering the following points:

... a. the position of the lecturers' Association as a trade union affiliated to the University, and what the relevant regulations are.

... b. The need to put across to Mr. Pridgen the sort of University we want.

... Committee members were asked to put forward proposals under these headings to the

... Committee so that a meeting could be arranged with Mr. Pridgen before June 15. It was decided that details should be thrashed out at a sub-Committee meeting.

... Committee of Review: Dr. Fredman reported that the Principal had sent the proposals back to the Conditions of Service Committee with two queries:

... a. Whether it was necessary that the person concerned be present throughout the deliberations.

... b. Whether it was advisable for the person concerned to have legal counsel. Committee decided that neither stipulation was essential.

... Business:

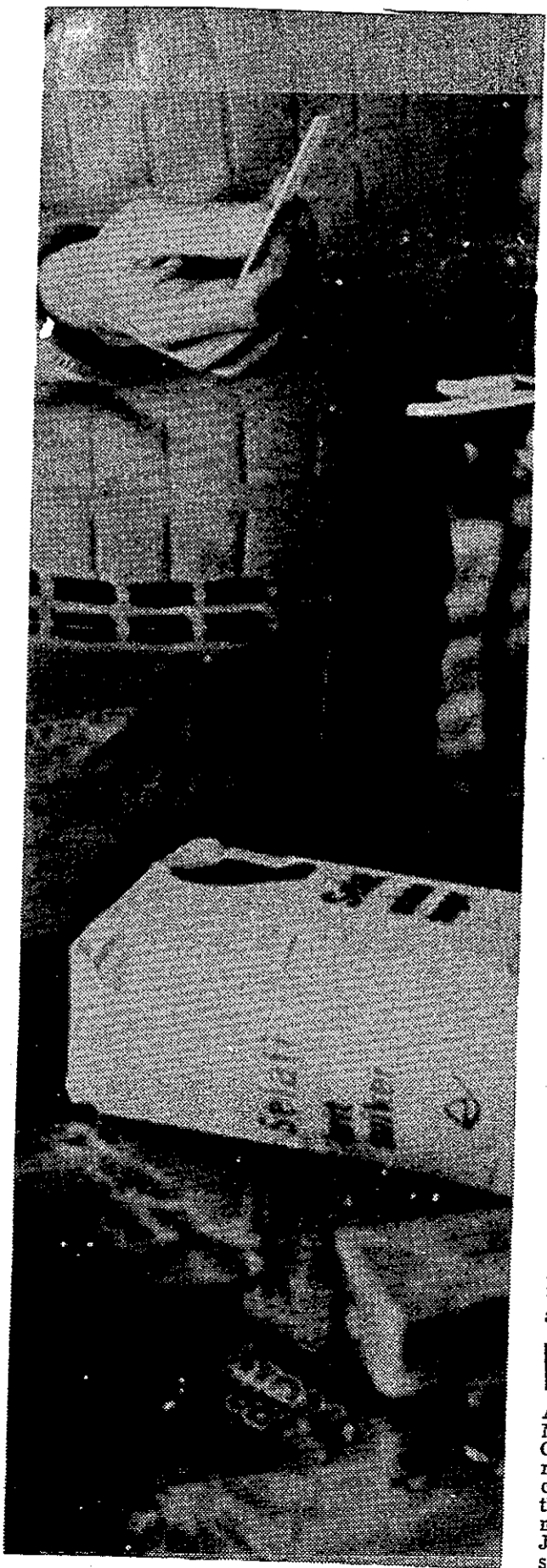
... Late Motions: Dr. Atkinson reported that a proposal was being put forward

... the Conditions of Service Committee that the retirement age of Professors raised to 69. He agreed to present the views of the lecturers' Association

... this matter, and keep the Committee informed of developments.

... e of next meeting: The next meeting will be held on Tuesday, June 15,

... 10 p.m.



higher than the maximum laid down by the law.

At one store four test purchases were made. The price of each item bought exceeded the laid-down legal limit.

For non-price-controlled items, prices were up to 100 per cent more than those charged at shops outside the mining area.

CASE 1

FOUR price-controlled items were bought at Durban Deep Eating House, a concession store directly opposite a compound at Durban Deep mine, Roodepoort. Fifty cents was charged for 2,5 kg of sugar — 16 per cent above the legal maximum of 43c; a brick of yellow margarine was sold for 35c — nearly 13 per cent above the legal maximum of 31c; BB tobacco was sold at 45c instead of the maximum 43c, and 25c was charged for a litre of paraffin fixed at 23c.

Mr Lambros Asprogerakas, owner of the store, said he was not aware of the official prices.

CASE 2

AT a store at West Rand Consolidated mine, Krugersdorp, J and A Eating House, the Sunday Times again paid 50c for a 2,5 kg of sugar — 16 per cent above the legal maximum; 40c for a brick of yellow margarine, and 19c instead of 18½c for a packet of ten cigarettes.

Condensed milk — a non-controlled item — was bought at 45c, 50 per cent more than in city stores.

Mr M. de Ascensao initially admitted selling sugar and cigarettes at prices above the maximum. But later when his son, Manuel, denied selling the yellow margarine at a higher price, Mr De Ascensao then denied selling the sugar at the incorrect price, but admitted selling the cigarettes at a price above the legal maximum.

CASE 3

AT a store at Venterspost Mine — Banda Fish and Chips — Sunday Times representatives were again charged 16 per cent more than the stipulated maximum for 2,5 kg of sugar. Jam, a non-controlled item, sold for 30 per cent more than in city shops.

Mr Antonio Jardim, the store owner, admitted that he had charged more for

Mr Lambros Asprogerakas . . . not aware of the official prices.